

The social inequality matrix in Latin America



UNITED NATIONS



First meeting of the Presiding Officers
of the Regional Conference
on Social Development
in Latin America and the Caribbean
Santo Domingo, 1 November 2016

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This document is intended to pursue the analysis of social inequality in Latin America and the Caribbean in the context of the mandates of the Regional Conference on Social Development in Latin America and the Caribbean and the implementation and follow-up of the 2030 Agenda for Sustainable Development, which has helped to put the goal of equality at the centre of the global debate. This centrality can be seen as a cultural victory of our times, and it has gone along with progressive acceptance of the rights-based approach as a cornerstone of development and progress in the discussion about the needs and challenges of an inclusive social development strategy, processes that the Economic Commission for Latin America and the Caribbean (ECLAC) has promoted and supported throughout its history.

At the thirty-fifth session of ECLAC, held in Lima in May 2014, the governments adopted resolution 682(XXXV), which contained an important mandate: the establishment of the Regional Conference on Social Development in Latin America and the Caribbean as a subsidiary body of ECLAC. Its core mission is to “contribute to the progress of social development policies and activities” and it includes the following objectives: develop national policies on social development; make progress on poverty measurement, inequality and structural gaps; facilitate cooperation and the sharing of experiences in relation to social matters; support and provide technical inputs to different regional forums; and contribute to global debates and proposals from a Latin American and Caribbean perspective.

The first Regional Conference on Social Development in Latin America and the Caribbean was held in Lima from 2 to 4 November 2015. On that occasion, ECLAC presented the countries with the document *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, which offers a diagnosis of different aspects of social development, identifies new public policy approaches for dealing with poverty and inequality and promotes an inclusive social development strategy. After a valuable discussion by the governments’ representatives, the Conference culminated in the adoption of resolution 1(I), which urged the secretariat to pursue its analysis of the multiple dimensions of social inequality, poverty and vulnerability identified in the document, among other matters.

In response to this mandate, and consistently with the idea formulated by ECLAC of equality as a strategic development goal, this document presents an analysis that deals with some of the axes that serve to structure the region’s deep and persistent social inequality. This reflection falls within the framework of the analysis conducted by ECLAC in the document *Compacts for Equality: Towards a Sustainable Future*, presented at its thirty-fifth session, which examines the various facets of inequality and addresses the different equality gaps in resources and incomes, capabilities (education, nutrition, access to information technologies and durable goods) and gender. The present document seeks to bring new elements into this analysis and represents a further step in the process of analysis and reflection needed to understand a highly complex phenomenon: social inequality, its causes, its characteristics and its mechanisms of reproduction and persistence over time. ECLAC will carry on working, in constant dialogue with the region’s development stakeholders, to include the different dimensions of inequality in this formulation.¹

¹ These include inequalities affecting people with disabilities and those connected with migration status, sexual orientation and gender identity, given their importance in the fulfilment of rights.

Latin America's social inequality matrix is heavily conditioned by its production matrix, which is characterized in turn by great structural heterogeneity. Thus, the first and most basic determinant of inequality is social class (or socioeconomic stratum). Nonetheless, gender, racial, ethnic and territorial inequalities and those connected to the different stages of the life cycle are also axes of this matrix and crucial determinants of the size and reproduction of the gaps identified in some of the main areas of social development and the exercise of rights, such as income levels and access to production resources, education, health care, decent work, social protection and opportunities for participation, among others.

The axes structuring the social inequality matrix intersect, reinforcing and linking up with one another throughout the life cycle and giving rise to a multiplicity of inequality or discrimination factors that operate simultaneously or cumulatively over time. The confluence of multiple types of inequality and discrimination characterizes the "hard cores" of poverty, vulnerability and social exclusion, entrenching and reproducing them.

Better recognition and analysis of the characteristics of social inequality will help us to understand the structural gaps that mark out Latin American societies, and are vital for progress along the path of sustainable development and towards the goals set forth in the 2030 Agenda.

We hope the present document will contribute to this aim, and will stimulate regional discussion about inclusive social development as a pillar of sustainable development.

Alicia Bárcena

Executive Secretary
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The document *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean* (ECLAC, 2016a) was presented by the Economic Commission for Latin America and the Caribbean (ECLAC) at the Regional Conference on Social Development in Latin America and the Caribbean, held in Lima in November 2015. The document takes stock of various aspects of social development in the region over the past decade, in particular poverty and income distribution trends, the labour market and some issues related to health, education and social protection. It sets out some core public policy guidelines for overcoming poverty and inequality, such as promoting decent work and rights-based social protection systems. It also presents recommendations on consolidating social policies and transforming them from policies of the current government into State policies, and on strengthening the institutional framework for social development, including financing.

Both the document and the discussions at the Conference—in which ministers and high-level social development authorities shared their national experiences—highlighted the important (albeit heterogeneous) progress made in the region with regard to social development, including the significant reduction in poverty, extreme poverty and vulnerability; the decrease in income inequality; improvements in the labour market, particularly the fall in unemployment and informal employment rates, the higher minimum wage, and the increase in women's labour market participation and wages; advances in health (to wit declining infant mortality rates) and education (such as the progress towards universal primary education coverage and higher rates of enrolment in and completion of secondary education).

These developments took place against a political backdrop in which governments of the countries of the region prioritized social development goals and actively promoted redistributive and inclusive social and labour market policies. Furthermore, a better understanding had been gained of the importance of the rights-based approach and the role of the State and public policies in guaranteeing the full enjoyment of these rights by all. In a favourable economic climate, countries increased tax revenues and fiscal capacity, albeit at different speeds and to varying degrees, and boosted investment in education, health and social protection. However, the Regional Conference on Social Development in Latin America and the Caribbean also drew attention to the major challenges that persisted in the region with regard to overcoming poverty once and for all, significantly reducing inequalities, upholding the rights-based approach and ensuring universal access to education, health, social protection and decent work. Today these challenges are more relevant, first, because of the economic headwinds that the region is facing: there are already signs that the labour market is deteriorating, with predictable consequences for poverty levels and tighter fiscal constraints to maintain recent levels of investment and social spending.¹ Second, because of the commitments undertaken by the governments of the region with regard to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, adopted by the United Nations in September 2015 (see box 1).

¹ The unemployment rate in Latin America rose from 7.0% in 2014 to 7.4% in 2015 (ECLAC, 2016d, p. 53). The poverty and extreme poverty rates are also expected to increase in 2015 to 29.2% and 12.4%, respectively, (from 28.2% and 11.8% in 2014) (ECLAC, 2016c).

Box 1**The 2030 Agenda for Sustainable Development and equality**

The 2030 Agenda for Sustainable Development reflects a consensus on the need to move towards more egalitarian, cohesive and solidarity-based societies, and is people-centred, promoting a model of sustainable development and calling for “no one to be left behind” on the road to development. In resolution 70/1, adopted by the General Assembly in September 2015, “Transforming our world: the 2030 Agenda for Sustainable Development”, the States Members of the United Nations expressed their “wish to see the Goals and targets met for all nations and peoples and for all segments of society”, and pledged to “endeavour to reach the furthest behind first”. This universal, comprehensive agenda has rights-based equality at its core. The challenge is to take a holistic approach to achieving its 17 Sustainable Development Goals, seeking out the critical links between them and avoiding giving preference or priority to some over others.

Thus, the Sustainable Development Goals, in addition to being more ambitious than the Millennium Development Goals with regard to overcoming poverty (Sustainable Development Goal 1 is to end poverty in all its forms everywhere and target 1.1 is to eradicate, by 2030, extreme poverty for all people everywhere), include a specific Goal on inequality, Goal 10, “Reduce inequality within and among countries”. Similarly, Goal 17 is to “strengthen the means of implementation and revitalize the global partnership

for sustainable development”, while target 17.18 proposes increasing “significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts” by 2020.

There are many points of connection between the 2030 Agenda and the proposals that ECLAC has made over the years, particularly the recommendations for combating inequality that are at the heart of the development strategy (ECLAC, 2016b). ECLAC believes that the current development model is no longer sustainable and that the consensus on the 2030 Agenda highlighted the need to change this model in order to pursue more ambitious goals that strive for greater equality and environmental protection (ECLAC, 2016b).

At the regional level, fulfilment of the commitments under the 2030 Agenda will be monitored by the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, a new mechanism established by the government representatives gathered at the thirty-sixth session of ECLAC, held in Mexico City in May 2016. The work of this new Forum will draw on the discussions, recommendations and resolutions of the Regional Conference on Social Development in Latin America and the Caribbean and other subsidiary bodies of ECLAC.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of General Assembly resolution 70/1, September 2015; and ECLAC, *Horizons 2030: Equality at the Centre of Sustainable Development* (LC/G.2660/Rev.1), Santiago, 2016.

The document, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean* (2016a), presented by ECLAC at the Regional Conference on Social Development, states that some of the problems that have historically hindered progress in the region’s societies, and which will impede the achievement of the Sustainable Development Goals if they persist, are linked to stark structural social inequalities. If the region is to meet its challenges, continue striving towards social development and, in particular, overcome poverty, extreme poverty and vulnerability, it must address the high levels of inequality prevailing in Latin American societies, which are caused in large part by the structural heterogeneity of their economies. The document also indicates that promoting greater social equality not only helps to safeguard the economic, social and cultural rights of all people, but also fosters growth and development built on more solid foundations, as everyone’s capacities can be utilized fully, which leads to greater and better labour, production and citizen participation. In this light, the analysis and assessment of the social inequality matrix in Latin America, must be taken on board and developed further, and included as structural elements in the design, implementation, monitoring and evaluation of public policies.

The document presented at the Conference also draws particular attention to some areas that are critical to identifying social inequality patterns in Latin America, beyond income and socioeconomic status, namely: (a) gender inequalities; (b) ethnic and racial inequalities; (c) life cycle inequalities (particularly in childhood, youth and old age); and (d) territorial inequalities (between rural and urban areas and among different regions of each country). It also notes that these different inequalities often concatenate, intersect and exacerbate one other, affecting certain population groups in particular, such as indigenous women and Afro-descendent women (ECLAC, 2016a).

The government authorities that attended the Regional Conference on Social Development in Latin America and the Caribbean welcomed this approach with interest, as reflected in resolution 1(I) of November 2015, in which the Conference urges the secretariat to focus its research and technical assistance agenda on the multiple dimensions of social inequality, poverty and vulnerability (para. 10), and to deepen the analysis of the multiple dimensions of social

inequality identified in the document *Inclusive Social Development: The next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, and report in this regard at the next meeting of the Presiding Officers of the Conference, to be held in the Dominican Republic in the third quarter of 2016 (para. 11). In turn, in resolution 703(XXXVI) adopted at the thirty-sixth session of ECLAC, held in May 2016, member States request the secretariat “to focus its research and technical assistance agenda on the multiple dimensions of social inequality, poverty and vulnerability, social protection, food and nutritional security, social policies and their relationship with the labour market, fiscal policy, and social policy institutions” (para. 4).

Pursuant to those requests, this document, *The social inequality matrix in Latin America*, which is the continuation of the analysis and recommendations that appear in the position documents of the past four sessions of ECLAC,² will be presented by the Commission at the first meeting of the Presiding Officers of the Regional Conference on Social Development in Latin America and the Caribbean, to be held in the Dominican Republic on 31 October and 1 November 2016. Chapter I explores conceptual issues related to the social inequality matrix as a model that is under construction and which is structured around the axes and dimensions of social equality, some, but not all, of which are analysed in the subsequent chapters; chapter II looks at gender, racial and ethnic factors and how they interact; chapters III and IV examine inequalities throughout the life cycle and territorial inequalities, respectively. Lastly, chapter V contains some policy recommendations.

² See ECLAC, *Time for Equality: Closing Gaps, Opening Trails* (ECLAC, 2010a); *Structural Change for Equality: An Integrated Approach to Development* (ECLAC, 2012b); *Compacts for Equality: Towards a Sustainable Future* (ECLAC, 2014b); and *Horizons 2030: Equality at the Centre of Sustainable Development* (ECLAC, 2016b).



The social inequality matrix in Latin America: a key issue for sustainable development

- A. Equality at the centre of ECLAC thinking
- B. The social inequality matrix: axes and areas of social development

Inequality is a historical and structural characteristic of Latin American and Caribbean societies that has been maintained and has reproduced itself even at times of growth and economic prosperity. In recent years, inequality has fallen (ECLAC, 2016a; 2016c) in a political context in which the region's governments have placed a high priority on social development goals and actively promoted redistributive and inclusive policies. In spite of that progress, high levels of inequality still exist, conspiring against development and posing a considerable barrier to the eradication of poverty, the expansion of citizenship, the exercise of rights and democratic governance. Significantly reducing inequality is a commitment set out in the 2030 Agenda for Sustainable Development, which has been assumed by all the countries of Latin America and the Caribbean.

There are several reasons why reducing inequality is essential for furthering sustainable development. As shown by experience in Latin America and the Caribbean —historical and recent alike— whereas economic growth is a primary factor in reducing poverty, inequalities can constrain that process significantly. Without a change in income distribution, even high levels of growth are insufficient to reduce poverty in a sustainable manner; evidence shows that growth is less effective in reducing poverty in high-inequality countries, and the speed of that reduction tends to be greater in more equal countries (United Nations, 2013, p. 66).

In addition, inequality sets major hurdles that prevent people from rising up the social ladder, attaining greater levels of well-being than their parents or aspiring to the attainment of such levels by their children. A number of studies have established a correlation between rising levels of inequality and falling levels of social mobility. In Latin America and the Caribbean there is a clear relationship between the socioeconomic level of parents and the levels reached by their children, which perpetuates gaps through the intergenerational transmission of opportunities (ECLAC, 1998, 2004a, 2008 and 2011b; Franco, 2001). This occurs because the social structure tends to reproduce itself through a (differential) structure of opportunities and an enormous disparity in results (Atkinson, 2015), which constrains mobility, particularly towards the highest social strata.

At the same time, since they create divergent life experiences and societal expectations, high levels of inequality have an impact on social integration processes. The outcome of this is greater social stratification, residential segregation (United Nations, 2013, p. 70) and conflict, which can lead to outbreaks of political and social violence (Trucco and Ullmann, 2015; Escotto, 2015). Inequality is considered particularly unfair when the opportunities available to people for improving their socioeconomic situation are markedly unequal and when the individuals in the upper echelons of income distribution have arrived at that position through inherited advantages supported by a “culture of privilege” (Bárcena and Prado, 2016).¹ In such conditions, inequality can contribute to social instability and a loss of confidence by weakening the legitimacy of the mechanisms whereby resources are appropriated, the systems that regulate them and the social groups that control them. If that situation is assumed as a natural phenomenon, it contributes to the reproduction and permanence of inequality and the culture of privilege.

Social inequality affects more than just the social component of development. It also acts as a brake on the economic and environmental dimensions. As stated at the Regional Conference on Social Development in Latin America and the Caribbean (Lima, November 2015), “the persistence of poverty and inequality does not only have personal costs for the people who experience them first hand; in social and economic terms, society as a whole is affected. By the same token, improvements in social conditions are essential if structural change and sustainable

¹ The notion of “culture of privilege” refers to a series of rules, values and institutional mechanisms through which social inequalities are legitimized and perpetuated.

forms of economic development are to be achieved” (ECLAC, 2016a). Sustainable development rests on the social, economic and environmental dimensions, which are also closely interconnected: a shortfall in one affects the others, and vice versa. It is not by chance that the countries with the highest levels of human development are those that enjoy high standards in all three dimensions.

Against that backdrop, acknowledging and analysing the characteristics of social inequality in the region is a fundamental factor in the design of policies that facilitate progress towards sustainable development. An exhaustive analysis of the causes and characteristics of social inequality, which is a highly complex phenomenon, and of the ways in which it reproduces and perpetuates itself over time, is beyond the scope of this document. Rather, the aim is to make some progress towards identifying and characterizing the main components of the region’s social inequality matrix and the areas of social development where they manifest themselves, based on the ECLAC vision of equality as the strategic horizon of development and of its central role in attaining the objectives of the 2030 Agenda for Sustainable Development.

A. Equality at the centre of ECLAC thinking

The emphasis of the 2030 Agenda for Sustainable Development on the central challenge of reducing inequality both within and between countries represents the culmination of a global and regional process of analysis and reflection following on immediately from the partial progress made towards attaining the Millennium Development Goals. It reflects an international commitment of the greatest importance, one that is highly relevant for Latin America and the Caribbean, which, in spite of the progress made over the past decade, is still the world’s most unequal region.

While concerns about equality have been a historically constant element in ECLAC thinking, they assumed a central position in 2010, as established and explained in the documents known as the “equality trilogy”, and have since expanded with the analysis, from a Latin American and Caribbean perspective, of the main challenges in accomplishing the Sustainable Development Goals under the 2030 Agenda for Sustainable Development.² Equality is seen as a guiding principle and strategic target for development (Bárcena and Prado, 2016, p. 54) and as a central condition not only for overcoming poverty, but also for ensuring the effective enjoyment of rights for the whole population.

Economic and social development analyses conducted by ECLAC have determined that the economies of Latin America and the Caribbean have historically been defined by pronounced structural heterogeneity,³ which is largely responsible for the high levels of social inequality found in the region’s countries. Their scantily diversified and highly heterogeneous production structures, within which low-productivity sectors account for approximately 50% of all jobs, are an important determinant of social inequality. The labour market is the essential link between that production structure and high levels of income inequality between households, which are associated with a highly differentiated distribution of the fruits of productivity and with highly stratified access to good-quality employment and social protection (ECLAC, 2010a, 2012a, 2014b and 2016b).

For decades, discussions and analyses of inequality in Latin America and the Caribbean have focused on income disparities. This is largely because income makes a direct contribution to the well-being of people and their families and therefore shapes both their opportunities and the future of their children, particularly in societies where market mechanisms for accessing goods and services predominate. ECLAC has made substantial contributions to those analyses by quantifying income inequality and studying its causes (ECLAC, 2014b, p. 69). It has also highlighted

² The “equality trilogy” comprises the following ECLAC documents: *Time for Equality: Closing Gaps, Opening Trails* (ECLAC, 2010a); *Structural Change for Equality: An Integrated Approach to Development* (ECLAC, 2012b), and *Compacts for Equality: Towards a Sustainable Future* (ECLAC, 2014b). The ideas they contain were further explored in the document presented at the thirty-sixth session of ECLAC, *Horizons 2030: Equality at the Centre of Sustainable Development* (ECLAC, 2016b).

³ Structural heterogeneity can be understood in a broad sense “as a crystallization of productive methods, social relations and mechanisms of domination [...] that coexist in time and are interdependent in their dynamics within politically unified national societies” (Di Filippo and Jadue, 1976). It can be defined in terms of the production structure or the employment structure. The production structure is heterogeneous when within it there are sectors, industries or activities where labour productivity is high (in other words, reaching the levels achievable when harnessing the available technologies) alongside others where productivity is much lower. [...] This production structure is accompanied by a certain type of employment structure (Pinto, 1976).

the structural nature and persistence of high levels of income concentration, which have remained in place even at times of economic prosperity and high rates of growth. In addition, it has emphasized the importance of analysing the concentration of assets (wealth) and not only that of income because, in spite of the dearth of information in that regard, there are several partial pieces of evidence that seem to indicate the existence of even deeper inequalities.⁴

However, there is a growing recognition that inequality is a multidimensional phenomenon. As already noted, from the ECLAC perspective, the heterogeneity of the production structure is reproduced in the labour market and, from there, it permeates social and political realities in many different ways. Thus, income inequality determined by participation in the labour market is compounded by other inequalities related to political, social and cultural phenomena and to mechanisms of discrimination that are reproduced in various socioeconomic environments in addition to the world of work, such as health, education, culture and political and citizen participation. Those inequalities are determining factors of poverty and pose major barriers to overcoming it (ECLAC, 2016a, p. 134).

At the same time, individual autonomy and political power—understood, respectively, as a person’s ability to decide about and influence his or her own existence and as the ability to influence collective decision-making at the societal level—are also unequally distributed. These “inequalities of agency” are powerfully intertwined with socioeconomic inequality (De Ferranti and others, 2014, p. 18), in that they underlie the processes of “exploitation and monopolization of opportunities that play a key role in the creation of inequalities” and in their reproduction (Tilly, 1999, p. 10; Reygadas, 2004, p. 7; Morris, 2000).

In other words, “productive gaps operate not only in the socioeconomic sphere, where they generate income inequality; they also affect culture and capacities and undermine individuals’ autonomy, affecting the exercise of their rights and the development of their capacities [...]. These other dimensions of inequality, at the same time as they bolster socioeconomic inequalities, are influenced by them” (Bárcena and Prado, 2016, p. 51).

The notion of equality used by ECLAC is not therefore constrained to economic or income equality alone. This is clearly an essential dimension of equality and it involves the distribution of the monetary incomes people and their families have for ensuring their well-being and developing their capacities, as well as inequalities in the functional distribution of income between capital and labour and inequalities in the ownership of financial and non-financial assets. It should also be noted that in the region, wealth is more concentrated than income in terms of the ownership of both productive assets and financial assets (Bárcena and Prado, 2016; ECLAC, 2016b).

The ECLAC definition of equality also covers equality of rights, equality of capacities (understood as the set of abilities, knowledge and skills that individuals acquire and that allow them to pursue life plans they deem valuable), the reciprocal recognition of actors and, gender, ethnic and racial equality (Bárcena and Prado, 2016).

Equality of rights is, as ECLAC sees it, the basic axis of equality, covering the full realization of economic, social and cultural rights as the regulatory and practical horizon for all persons (without distinctions on the grounds of sex, race, ethnicity, age, religion, origin, socioeconomic situation or any other condition) and the inclusion of all citizens in the dynamics of development, which implies a genuine belonging to society (“social citizenship”). In contrast, inequality means that not all individuals can fully exercise their economic, social and cultural rights and, consequently, that the principle of universality is violated.

The rights-based approach seeks to ensure, at the very least, that all citizens enjoy an adequate level of well-being (access to education, health, work, social protection and other rights). This approach allows the identification of infringements of rights—which exclude given social groups from certain minimal levels of well-being—and enables the formulation of demands for public action to be taken towards their progressive attainment. It therefore provides a legal basis for demands for equality made by groups who feel that their rights have been infringed, that they have been made invisible by exclusion and that they have been segregated by a system perceived as one where the privileges of a few come at the expense of others (ECLAC, 2014b, p. 65).

However, analysing social inequalities requires not only identifying those individuals whose access to that basic level of well-being has been infringed, but also paying attention to how assets, means and opportunities, income and other outcomes, power and influence are distributed. Thus, inequality refers to asymmetries in the capacity to

⁴ Various studies have indicated that analyses based on income distribution using the figures reported in household surveys underestimate levels of concentration, owing to those instruments’ problems in capturing information on high incomes (ECLAC, 2016c; Amarante and Jiménez, 2015).

appropriate resources and productive assets (income, goods, services, etc.) that represent or create well-being among different social groups. Ultimately, it underscores the concentration of a large proportion of wealth within a limited sector of the population. It also refers to exclusion and to the unequal distribution of political power, which empowers a reduced segment of society to take decisions that affect the majority and that enable or constrain the exercise of rights and the development of capacities. Inequality is, therefore, essentially relational in nature and, in addition, it is a phenomenon inherent to relations of power at the individual and collective levels.

Social inequality can be seen in many different spheres: in particular, in areas such as education and health, reproductive patterns, employment and social protection, and access to connectivity, durable goods, housing, basic services and environmental quality (ECLAC, 2014b). Its persistence and reproduction involve different mechanisms of discrimination: structural and institutional, and based on gender, ethnic and racial origin, socioeconomic status, and other factors.

To summarize, inequality is produced and reproduced in the production structure; it then moves from that field into employment and the social domains and intertwines with gender relations, ethnic and racial relations and relations over the entire life cycle and can even largely define patterns of territorial development (Bárcena and Prado, 2016). A multidimensional approach to inequality therefore implies analysing its economic, social, political and cultural aspects and taking into consideration the different components behind the inequalities that shape social, political and economic relations in Latin American societies.

B. The social inequality matrix: axes and areas of social development

The social inequality matrix in Latin America and the Caribbean is largely shaped by the production matrix (or structure). As already noted, the labour market is the link between the heterogeneous production structure (and its inherent inequality in terms of productivity, access and job quality) and extreme income inequality among households. One of the manifestations of structural heterogeneity is the concentration of a large proportion of jobs (49.3% of the total in 2013) in low-productivity sectors (ECLAC, 2016c).⁵ This production structure requires few technical skills from the workers whose jobs tend to be low quality and informal, with limited earnings and scant or no access to social protection mechanisms. In addition to the low wages paid, those employed in these jobs are predominantly women, young people, and people of indigenous and Afro-descendent origin. The result of this is stratified access to social security, heightened social vulnerability and levels of well-being for workers and their dependants that are often insufficient, with inequalities and shortcomings sharply marked by gender emerging during old age (ECLAC, 2012a).

Thus, the first and most basic axis of inequality is social class (or socioeconomic stratum), which refers to the social structure—in turn, strongly shaped by the economic and production matrix—and the positions of the agents in that structure over time. The key elements of this axis are how ownership is structured and how power, resources and productive assets are distributed; and one of its clearest and most apparent manifestations is income inequality, which is, in turn, the cause and effect of other inequalities in such areas as education, health care and the job market.

Nevertheless, the inequalities found in the different areas of social development in Latin America are also shaped by the axes of gender, race and ethnic origin, and by given stages in the life cycle, such as childhood, youth, adulthood and old age. Territorial heterogeneities and inequalities in the countries and in rural and urban areas and between them are also very pronounced.

Consequently, and while this document does not intend to exhaust this discussion, in addition to social class (or socioeconomic stratum), gender, ethnic and racial inequalities, territorial inequalities and inequalities arising from age are the axes structuring the social inequality matrix in Latin America. What gives these axes the power to structure social inequalities is their constitutive and determining weight in the process of producing and reproducing social relations and people's experiences; or, in other words, their impact on the depth of inequalities and their reproduction in different areas of development and the exercise of rights.

⁵ Employment in low-productivity sectors includes employers and employees engaged in microenterprises, unskilled self-employed workers (own-account workers and unpaid family members working without professional or technical qualifications) and domestic employees.

The social inequality matrix presented here will surely require further analysis in order to incorporate other axes and critical dimensions of inequality, as well as the areas of development in which they manifest themselves, and their interrelationships. For now, the focus is on the axes mentioned in the previous paragraph.

It should also be noted that these axes concatenate over the life cycle and intersect and reinforce each other, and this gives rise to a wide range of factors of inequality and discrimination that can manifest themselves among individuals or in given segments of the population. This approach serves to highlight situations of multiple inequalities and discrimination that frequently characterize the “hard core” of poverty, vulnerability and inequality that persists and reproduces itself in the region. Without it, the understanding of the structural gaps that shape Latin American societies would be incomplete and, consequently, so would the ability to design and implement policies for overcoming them.

Another issue that warrants discussion is the relative weight of each of these axes in structuring the social inequality matrix. They all have different historical roots and arise in different ways and through different mechanisms. It is not possible to take that discussion further within the constraints of this document, but it can be said that the way in which the axes of the social inequality matrix identified herein manifest themselves, together with their relative weights, must be analysed in respect of each specific moment in time and each specific reality. The dimension that is most widely acknowledged by the region’s countries, most studied by ECLAC to date and with the greatest presence on the regional agenda is that of gender inequalities. According to Bárcena and Prado (2016), “there is practically no important aspect of the development process in which the gender problem does not arise [...]. The different forms of inequality that affect women are more than a mere chapter on the development agenda; they represent one of the nerve centres where the problem of underdevelopment arises and one of its key dimensions, which must be addressed in order to ensure a genuine process of development with equality.”

However, ethnic and racial inequalities, together with territorial inequalities, also have a determining influence in the structuring of social relations and in the possibility of exercising rights in Latin America, as this document will seek to illustrate by means of selected indicators.

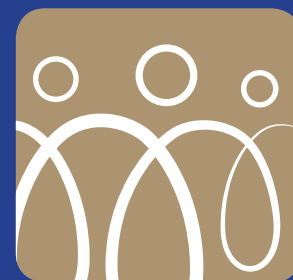
As regards age, there is one characteristic that should be underscored: all individuals go through each of the different stages or moments of the life cycle. Age is one of the axes that serve to structure the distribution of well-being and power within society, given that it is one of the foundations of social organization around which people’s responsibilities and roles are assigned. In addition, some inequalities trigger new and sometimes deeper differences in well-being that accumulate over the course of an individual’s life cycle. Moreover, an understanding of intergenerational inequalities and gaps, their evolution over time and their interconnections with the other axes are essential for analysing and designing policies.

This document examines the following areas where social inequality manifests and reproduces itself: income and employment, social protection and care, education, health, housing and basic services (drinking water, sanitation and electricity). In addition to these, which involve basic components of social development, social participation is another important area, one that is related to different capacities of agency (or influence) at the individual and collective levels in the public and private spheres, and to the enjoyment of rights and autonomy in decision-making.

The accumulation or simultaneous reinforcement of disparities relating to social class (or socioeconomic level), gender, racial or ethnic origin, territory or stages in the life cycle creates a complex structure of social relations, with numerous forms of discrimination that manifest themselves as inequalities in autonomy, well-being and empowerment and as pronounced differences in the exercise of rights and in opportunities, capacities and treatment. These forms and mechanisms of discrimination are also found in stereotypes, which establish hierarchies among people and disqualify particular social groups by reason of their sex, ethnic origin, race or skin colour, sexual orientation, socioeconomic status or other conditions, are also present in different areas of social life and, along with discrimination, pervade throughout the institutional structure and are reproduced by it.⁶ To reduce those gaps it is not enough to amend formal structures and rules; instead, the role played by culture—as it affects people, social groups and institutions—must be taken into account.

This document will examine three of the axes that serve to structure social inequality in Latin America and the Caribbean: (i) ethnic and racial inequalities, and their connections with gender inequalities; (ii) the concatenation of inequalities over the life cycle; and (iii) territorial inequalities.

⁶ Sexual chauvinism, racism and homophobia, for example, are features of Latin American societies that illustrate how inequalities associated with sex, ethnic or racial origin and sexual orientation permeate their culture and social and institutional practices.



Ethnic and racial inequalities are intertwined with gender inequalities

- A. Race, ethnicity and gender: social constructs of stratification, domination and hierarchization
 - 1. Ethnic and racial inequalities and discrimination on the international and regional agenda
 - 2. The interrelationship between ethnic or racial inequalities and gender inequalities
- B. Ethnic and racial inequalities and their interrelationship with gender inequalities in particular areas of social development
 - 1. The statistical visibility of indigenous and Afro-descendent populations
 - 2. Poverty and income distribution
 - 3. Gender, racial and ethnic divides in education and the labour market: selected indicators

C. Final comments

Annex II.A1

As was discussed in chapter I, gender, ethnic and racial inequalities are axes of Latin America's social inequality matrix and create structural gaps in well-being, recognition, autonomy and the exercise of rights between women and men and between indigenous and Afro-descendent peoples and non-indigenous, non Afro-descendent populations. Often, furthermore, these inequalities do not just exist alongside one another but are intertwined and exacerbate one another, something that is mainly apparent in the large divides characterizing the situation of indigenous and Afro-descendent women. They are also manifested in the different stages of the life cycle and interact with territorial inequalities. These are not the only axes of inequality, but they are the most important ones where social inclusion and inequality are concerned.

This chapter analyses some of the manifestations of these inequalities, particularly as regards situations of poverty and indigence, income distribution, education and work, using information from the household surveys of countries where the Afro-descendent or indigenous population can be identified.¹

A. Race, ethnicity and gender: social constructs of stratification, domination and hierarchization

1. Ethnic and racial inequalities and discrimination on the international and regional agenda

Concern about ethnic and racial inequalities and discrimination is a central issue on the international human rights agenda and has been enshrined in its legal framework since the adoption of the Universal Declaration of Human Rights, a founding document of the United Nations (1948). Article 1 of the Declaration establishes that “all human beings are born free and equal in dignity and rights” and article 2 that “everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status”.

These ideas have been the starting point for many other instruments adopted since, where the principles of equality and non-discrimination set out in the Universal Declaration of Human Rights are reaffirmed, developed and given concrete application in different situations. In turn, these instruments have also influenced the rights agendas of the different countries even as they draw on their evolution, whether by being enshrined in countries' own legislation or in response to the demands and claims of social movements and organizations. While they strenuously reject any doctrine based on racial superiority and any theory purporting to show the existence of different human races, all of these instruments acknowledge the persistence of different forms of ethnic and racial inequality and discrimination and the urgent need to confront them. The following instruments are key to the discussion in the present document: the United Nations Declaration on the Elimination of All Forms of Racial Discrimination (1963); the Durban Declaration and Programme of Action (2001); the United Nations Declaration on the Rights of Indigenous Peoples (2007); International Labour Organization (ILO) Convention No. 169 on Indigenous and Tribal Peoples of 1989; and the ILO Discrimination (Employment and Occupation) Convention of 1958 (No. 111).

¹ See the methodological annex for the potential and limitations of this information.

The United Nations Declaration on the Elimination of All Forms of Racial Discrimination states, among other principles and guidelines, that “discrimination between human beings on the ground of race, colour or ethnic origin is an offence to human dignity and shall be condemned as a denial of the principles of the Charter of the United Nations, as a violation of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, as an obstacle to friendly and peaceful relations among nations and as a fact capable of disturbing peace and security among peoples” (article 1). It also establishes the need to eliminate racial discrimination in all its forms and manifestations throughout the world and includes the first operational definition of racial discrimination.² The Declaration also anticipates what is now called affirmative action (Torres-Parodi and Bolis, 2007).³

In 1978, the United Nations Educational, Scientific and Cultural Organization (UNESCO) issued its Declaration on Race and Racial Prejudice as part of its first Decade for Action to Combat Racism and Racial Discrimination, with article 1 providing that “all human beings belong to a single species and are descended from a common stock. They are born equal in dignity and rights and all form an integral part of humanity”. The Declaration adds another important element to the legislative corpus: the right of “all individuals and groups” to “be different, to consider themselves as different and to be regarded as such” (article 1.2), although these differences “may not, in any circumstances, serve as a pretext for racial prejudice” (article 1.2) (Torres-Parodi and Bolis, 2007). This opened up space for the idea of the “right to difference”, which would later be very important for the recognition and affirmation of the identity, for example, of indigenous peoples. The Durban Declaration and Programme of Action reaffirmed these principles and concerns and set out a number of measures to combat racism and racial discrimination in all areas of society. A similar effort is represented by the recent resolution of the United Nations instituting the International Decade for People of African Descent (2015-2024), during which countries are expected to strengthen and implement institutional and legal frameworks that contribute to the development of Afro-descendants and promote knowledge of and respect for their cultures. This process should involve not just public institutions but also civil society and other agents in the adoption of measures to promote full inclusion of Afro-descendants and combat racism, racial discrimination, xenophobia and related forms of intolerance.

The importance of ILO Convention No. 169 of 1989 on Indigenous and Tribal Peoples derives, among other factors, from the fact that it is the first international instrument to recognize the collective and territorial rights of indigenous peoples and the importance of their cultures in preserving their collective identity.⁴ The Convention recognizes the need to review international legislation on indigenous peoples existing at the time of its adoption, and it has become a key instrument in structuring the indigenous social movement. Recognition as a people is one of the strongest historical demands of indigenous groups, as it is closely linked to their territorial claims and the right to self-determination and autonomy that they seek to establish.

Convention 169 also establishes a marked difference between indigenous peoples and other ethnic groups, residing in their status as descendants “of populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions” (ECLAC, 2014a; Torres-Parodi and Bolis, 2007).

² The International Convention on the Elimination of All Forms of Racial Discrimination defines discrimination as “any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life” (article 1).

³ Article 1.4 of the Convention provides that “special measures taken for the sole purpose of securing adequate advancement of certain racial or ethnic groups or individuals requiring such protection as may be necessary in order to ensure such groups or individuals equal enjoyment or exercise of human rights and fundamental freedoms shall not be deemed racial discrimination (...)”

⁴ The definition of “indigenous and tribal peoples” enshrined in article 1.1 of Convention 169 is as follows: “This Convention applies to: (a) tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions”. Article 1.2 provides: “Self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply”. Convention 169 can also be applied to some specific groups of Afro-descendants sharing some of these characteristics, such as the “quilombolas” (people living in or originating from communities descended from the quilombos, a term used in Brazil for communities formed of slaves who escaped to live in freedom in outlying areas of cities or in the countryside, equivalent to maroons in English). For statistical purposes, the criterion recommended for identifying both indigenous peoples and Afro-descendants is self-identification (ECLAC, 2013c, 2014a and 2015c).

The United Nations Declaration on the Rights of Indigenous Peoples (2007) recognizes their right to self-determination and establishes that the minimum standard for their rights comprises five dimensions: the right to non-discrimination; the right to social development and well-being; the right to cultural integrity; the right to own, use, control and access land, territories and natural resources; and the right to political participation and to free, prior and informed consent (ECLAC, 2014a, p. 13).

International law not only articulates the claims and demands of civil society, but provides instruments to strengthen it, to improve countries' domestic legislation and to develop public policies to combat discrimination and promote equality.

The subject of ethnic and racial inequalities and discrimination has become increasingly prominent on the rights, equality and social inclusion agenda in Latin America, largely because of the mobilization of civil society (particularly indigenous peoples' and Afro-descendants' organizations) and governments during the Decade for Action to Combat Racism and Racial Discrimination, which culminated in the Durban Conference of 2001. As ECLAC (2009) has pointed out, in this context not only have the notions of "race" and "ethnicity" served as a conceptual platform for mobilizing the political identity processes of Afro-descendants and indigenous people, but the semantics around these notions has made it possible to create the basis for these populations to self-identify in censuses and surveys.

ECLAC has supported this process by placing increasing emphasis on the profound inequalities affecting indigenous peoples and Afro-descendants in the region in its formulation on the key importance of equality as a strategic development goal (ECLAC, 2010a; ECLAC/UNFPA, 2011; ECLAC, 2013a and 2014a; Bárcena and Prado, 2016). As part of this concern, it has made a great effort to help the countries develop capabilities for identifying and characterizing these populations in their statistical and information systems. The Regional Conference on Population and Development in Latin America and the Caribbean, a subsidiary body of ECLAC, has been making a vital contribution by integrating indigenous peoples' and Afro-descendent populations' rights into the regional population and development agenda as a priority issue. The 2030 Agenda for Sustainable Development has renewed this commitment with its core pledge of ensuring that "no one will be left behind" on the path to development and of "reaching those furthest behind first", among whom indigenous and Afro-descendent peoples unquestionably figure in Latin America, and particularly indigenous and Afro-descendent women.

Box II.1

The concepts of race and ethnicity as social constructs

In the nineteenth century, there was a very widespread idea that the human species was subdivided into races associated with the different continents and identified by particular physical traits (skin colour, hair texture, nose and skull shapes and others). Moral, psychological and even intellectual characteristics were associated with these physical traits. In this way, purportedly scientific doctrines were established that served to justify domination of certain peoples and unequal treatment for different social groups. In the twentieth century, the concept of race began to lose scientific support, as biology recognized that there were no genetically identifiable subdivisions in the human species corresponding to different physical, psychological, moral or intellectual characteristics (Guimarães, 1999).

By virtue of this, the differences between human beings, like those mentioned, could only be explained by historical and sociocultural processes. Although it has been scientifically demonstrated that the concept of race does not apply to the human species, in practice this is a fundamental concept in societies where skin colour and other physical characteristics are determinants in the distribution of well-being and thus influence relations between individuals and social groups. Thus, a conflict has arisen between the idea that there are no biological races and ideologies that deny the existence of racism and discrimination. What follows from this is the need to recognize and theorize "races" as social constructs that are effective in maintaining and reproducing differences, hierarchies, exclusions and privileges.

In other words, while races may not exist in the physical world, they do exist in the social world and guide many human actions (Guimarães, 1999).

According to some authors, the concept of ethnicity, in turn, refers not so much to individuals' phenotypic characteristics as to cultural differences, understood as a set of attributes that an ethnic community collectively shares and transmits from generation to generation.^a Smith (1991) indicates some of them: a demonym, a common origin myth, one or a number of differentiating elements of collective culture, an association with a specific "homeland" and a feeling of solidarity towards large sections of the population (Bello and Rangel, 2002).

In Latin America, the concept of ethnicity is now most commonly used with reference to indigenous peoples and the concept of race primarily for Afro-descendants. However, it is also possible to treat Afro-descendants as an ethnic group since, over and above an identity associated with a phenotype (especially skin colour), they often also present some or most of the characteristics commonly used to identify indigenous peoples, such as language, history and religion. Conversely, the phenotypic characteristics of indigenous peoples can also be a major reason for discrimination in Latin America and other regions of the world.^b While recognizing the complexity of the discussion and categorization, this document will use the term "race" to refer to Afro-descendants and "ethnicity" to refer to indigenous peoples.

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

^a The concept of ethnicity comes from the Greek *ethnos*, which means people or nation.

^b For example, in Mexico, a country with a much larger presence of indigenous people than Afro-descendants, the opinion questionnaire of the 2010 National Survey on Discrimination found that 54.8% of respondents believed that people received abuse in the street for their skin colour in the country (CONAPRED/UNAM, 2010).

2. The interrelationship between ethnic or racial inequalities and gender inequalities

Gender equality and the physical, economic and political autonomy of women are a central axis of the approach taken by ECLAC to development with equality and form part of its diagnoses of social inequality and of its policy recommendations and technical assistance activities.⁵ ECLAC has incorporated this dimension systematically into its work for decades, as is shown not only by the great number and variety of studies and diagnoses it has published, but also by its wide-ranging programme of cooperation and technical assistance and its commitment to the development and implementation of a regional agenda for the advancement of gender equality. The Regional Conference on Women in Latin America and the Caribbean, a subsidiary body of ECLAC, has been consolidated as “the main forum for the negotiation of a broad, profound and comprehensive regional agenda on gender equality, in which women’s autonomy and rights are front and centre. Policies for development and overcoming poverty have always been a key focus at these meetings” (ECLAC, 2016e).⁶

As has been widely discussed in the specialist literature and affirmed by ECLAC on different occasions, gender inequalities are rooted in a sexual division of labour that gives women primary responsibility for the upkeep of the home and the care of children and other dependents (tasks whose importance to the operation of the economy is overlooked), which limits their time and opportunities for participating in paid work, accessing social protection benefits associated with employment and achieving economic autonomy (ECLAC, 2004, 2013b and 2014b; Bárcena and Prado, 2016). From this derive a number of disadvantages that affect women relative to men, including a highly unequal burden of unpaid domestic work, a large labour force participation gap, higher unemployment and informality rates, pay discrimination, inequalities in access to and use and control of productive resources and a high level of vulnerability in old age.

Unpaid domestic work is an important factor in the multiple manifestations of female poverty. It prevents many women from obtaining a paid job that would provide them with the income and security they need for economic autonomy. Those who combine paid work in the market with unpaid work in the home have to shoulder the heavy burden this entails and, as a result, have less time than men for rest, recreation and other significant dimensions of life. Women whose time is spent mainly on household duties are also very vulnerable to poverty, as they have less demonstrable working experience and generally lack social security and protection or are not the primary beneficiary of the household. Their situation can worsen if they separate or are widowed, since it is usually the spouse who brings in most of the household income (ECLAC, 2004b). Women without economic autonomy are also more likely to suffer gender-based violence and to have fewer opportunities to escape the cycle of violence and poverty (ECLAC, 2014b and 2014c).

Likewise, gender inequality is bound up “with other manifold, interconnected forms of discrimination against women in all their diversity”. Recognizing this makes it possible to avoid adopting “a single or universalist view of women” and to “take account of inequalities and discrimination on the grounds of sex, race/ethnicity, sexual orientation, gender identity, poverty and other conditions stemming from racism, heterosexism and homophobia, among others” (ECLAC, 2016d). One way to develop this perspective is through intersectional analysis (Brah, 2012; Galindo and others, 2012; González, 2012; Munévar, 2012), which has highlighted the interrelationships between race/ethnicity, gender, sexuality, social class and other axes of differentiation that interact simultaneously or in combination in the processes or structures of social domination and exclusion (Valdés, 2016) and has sought to reveal the kinds of discrimination resulting from the combination and confluence of different factors. This type of analysis makes it easier to visualize how the different types of discrimination converge and to establish the impact of such convergence on the diagnosis of gaps, opportunities and access to rights.⁷ Only by thus appreciating how the gender and racial/ethnic dimensions fuse will it be possible to take the full measure of the situation of indigenous and Afro-descendent women (Lugones, cited in Duarte, 2013).

⁵ By autonomy is meant “people’s capacity to take free and informed decisions about their lives, enabling them to be and act in accordance with their own aspirations and desires, given a historical context that makes those possible” (ECLAC, 2011a).

⁶ The first Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean was held in Havana in 1977. On that occasion, the region’s governments gave ECLAC a mandate to convene periodically, at intervals of no more than three years, a Regional Conference on Women. At the Conference, governments interact with the active participation of the women’s and feminist movement and the support of the entire United Nations system. Over the course of almost 40 years, 12 conferences have been held and have debated and generated the consensus of Santiago (1997), Lima (2000), Mexico City (2004), Quito (2007), Brasilia (2010) and Santo Domingo (2013). The thirteenth Regional Conference on Women in Latin America and the Caribbean will be held in Montevideo in October 2016 (ECLAC, 2016e).

⁷ See [online] http://www.inmujeres.gub.uy/innovaportal/file/21639/1/2_awid_interseccionalidad.pdf.

B. Ethnic and racial inequalities and their interrelationship with gender inequalities in particular areas of social development

This section analyses some of the manifestations of ethnic and racial inequalities and their interrelationship with gender inequalities in certain selected indicators relating to poverty and indigence, income distribution, education and the labour market.⁸ The analysis uses information available in household surveys from countries where the Afro-descendent or indigenous population can be identified.

It is also our intention to highlight the importance of systematic statistics disaggregated by sex and ethnic or racial status that can reveal these different dimensions of inequality as something crucial both to the analysis of the region's social situation and to the development of public policies and the possibility of attaining the 2030 Agenda for Sustainable Development goal of "leaving no one behind".

1. The statistical visibility of indigenous and Afro-descendent populations

Latin America currently has 826 indigenous peoples recognized by its States, either directly in legislation or in public policy instruments, making up a population estimated to total at least 48 million. There is also a large Afro-descendent population, estimated at over 125 million, most of whom reside in Brazil (ECLAC, 2016a). This means that, taken together, indigenous peoples and Afro-descendants currently account for about 25% of the population of Latin America. In other words, one in every four people living in the region is indigenous or Afro-descendent.⁹

It is important to note that these numbers tend to be underestimated, as the availability of regular, reliable data and statistics on these large sections of the population is still limited and of very recent date in most of the region's countries, especially where Afro-descendants are concerned. Only since 2000 have more countries' population censuses and household surveys begun to identify these populations. This increase has come about because of the mobilization of their organizations and their impact at the national and international levels, and because of the need to identify them and understand their socioeconomic situation to deal with the large gaps that affect them when it comes to implementing their rights (ECLAC, 2014c; Del Popolo and Schkolnik, 2013).¹⁰

One of the most obvious forms of exclusion affecting the indigenous and Afro-descendent population has been the statistical invisibility to which it has traditionally been subject, and which breaches a basic and fundamental tenet of public policy design, that of knowing which population the planned actions are aimed at, where that population is located, what specific needs are being addressed and what rights are supposed to be guaranteed. Consequently, disaggregating data by sex, race or ethnicity is an indispensable tool for bringing problems of inequality to light (OAS, 2011).

The need to generate timely, reliable knowledge and information about the indigenous and Afro-descendent populations of Latin America and the Caribbean, disaggregated by sex, age and socioeconomic status, among other variables, and with a gender perspective, is one of the agreements between the governments of the region's countries set out in the Montevideo Consensus on Population and Development of 2014. Similarly, target 18 of goal 17 of the 2030 Agenda for Sustainable Development (Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development) establishes the need to enhance capacity-building support to the countries by 2020

⁸ See ECLAC (2016h) for an up-to-date analysis of gender inequalities that deals both with women's economic autonomy and with their physical and decision-making autonomy.

⁹ This is according to 2015 estimates based on the Latin American population total calculated by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC and the indigenous and Afro-descendent population percentages obtained from the latest population and housing censuses available for 18 countries of Latin America, exceptions being Peru (where the Afro-descendent population percentage from the 2014 National Household Survey - Living Conditions and Poverty was used) and Mexico (where the Afro-descendent population percentage from the 2015 Inter-census Survey was used).

¹⁰ A notable example of this development is Mexico's 2015 Inter-census Survey, which included a question about Afro-descendants for the first time. The number of people identifying as Afro-descendants in the survey (1,381,853, or 1.2% of the population) was considerably higher than expected. See [online] http://internet.contenidos.inegi.org.mx/contenidos/productos/prod_serv/contenidos/espanol/bvinegi/productos/nueva_estruc/702825078966.pdf.

“...to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts”.

ECLAC shares this concern, and the document presented at its thirty-sixth session articulates the need to promote national and regional strategies of statistical development for high-quality data collection and distribution, to which end efforts will be made to support the integration of these goals into the countries’ national development plans and to enhance statistical capabilities for measuring them (ECLAC, 2016b).

(a) Household surveys as a source of information for measuring ethnic and racial inequality

The inclusion of ethnic and racial self-identification variables in population censuses (Del Popolo and Schkolnik, 2013) has been essential for bringing to light and making known some fundamental aspects of the living conditions of indigenous peoples and the Afro-descendent population in Latin America and the Caribbean, and this progress must continue to be consolidated and extended.¹¹ Censuses are the most fundamental statistical instruments for this purpose, since their universal character means that they include all of a country’s population and geographical areas. Nonetheless, they also present some limitations. First, their large geographical and population coverage means that the number of questions they can include is fairly small. Second, they are conducted about once every 10 years, and this complicates the analysis of phenomena that can vary widely over time, such as unemployment and poverty. Third, censuses do not include questions about income or spending, which are vital for analysing a number of dimensions of individuals’ and households’ financial situation, such as monetary poverty rates and income concentration indices. It is the countries’ household surveys, usually applied at more frequent intervals (often annually), that collect this type of information.

In the recent period, more Latin American countries have integrated questions on ethnic and racial self-identification into household survey questionnaires. Nine countries’ questionnaires now let indigenous peoples be identified, while four incorporate self-identification for the Afro-descendent population.¹² Information quality varies by country, however, mainly because of differences in the surveys’ representativeness in this respect. Given this, the information presented below may best be regarded as a proxy for the situation of these populations as, methodologically and numerically, too few countries as yet have the information needed for a representative regional overview.¹³ However, the indicators calculated do reveal ethnic and racial inequalities that behave fairly similarly and consistently across countries, which is evidence for the importance of that instrument in the analysis of social inequalities, despite the limitations that were noted.

2. Poverty and income distribution

ECLAC has analysed the striking reduction in poverty and indigence in Latin America since the early 2000s (from 43.9% in 2002 to 28.2% in 2014 in the case of poverty, and from 19.3% to 11.8% in the case of indigence) (ECLAC 2016c).¹⁴ This positive development has been the result of active policies implemented by the region’s countries in the production, social and labour market spheres within a favourable economic context and at an advanced stage of the demographic transition (which has facilitated higher labour force participation and reduced the dependency rate), at a time when the goals of eradicating poverty, fostering social inclusion and reducing inequality were given unprecedented prominence on the public agenda and in development strategies. Poverty reduction in this period was

¹¹ The questions allowing Afro-descendent populations to self-identify in population censuses were incorporated very recently in most cases (the 2010 census round) and are used in just 11 countries of Latin America.

¹² The countries whose questionnaires allow indigenous peoples to be identified are Brazil, Chile, Ecuador, Guatemala, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. The countries that have incorporated self-identification for the Afro-descendent population are Brazil, Ecuador, Peru and Uruguay. In 2013, the Plurinational State of Bolivia included the response option “Afro-Bolivian” in the question on ethnic self-identification, but the number of people self-identifying in this category was very small, so that it was not possible to work with this information. In Colombia in 2014, the Comprehensive Survey of Households included the question “Because of your culture, your people or your physical features, ...you are or you consider yourself as...”, but these data were not available at the time of writing.

¹³ See the methodological annex for household surveys that include questions about Afro-descendants and indigenous people and the potential and limitations of this information.

¹⁴ The data presented in this document are for monetary or income poverty, calculated by the ECLAC methodology, where the approach is to classify individuals as poor when their household’s per capita income is below the poverty line value or the minimum needed for them to meet their essential needs.

mainly explained by rising household incomes because of improvements in the labour market (lower unemployment rates, higher earnings and increased formalization and female employment) and by increased public social spending and anti-poverty policies, including cash transfers (ECLAC, 2016c).

However, poverty still affects 168 million people in Latin America, 70 million of whom are indigent. Furthermore, the regional figure has remained unchanged since 2012 (holding steady at around 28%), which is unquestionably a cause for concern, even if it does not indicate (up to 2014) a general stalling in the decline in poverty and indigence, since the values recorded are the outcome of a continuation of this trend in most of the countries analysed, counteracted by a rise in both poverty and indigence in a small number of countries. The risk of the trend reversing and poverty increasing represents a constant challenge, however: ECLAC projects a rise in rates of both poverty and indigence in 2015 (ECLAC, 2016c). Consequently, both of these remain serious structural problems, associated in turn with the high levels of income concentration that are still a structural feature of Latin America, despite a relative improvement over the same period.

ECLAC has also analysed the gender determinants of poverty and indigence (ECLAC, 2004b and 2014d). When the ethnic and racial dimension is brought into this analysis, the figures available from household surveys reveal, first, that poverty and indigence levels are much higher for indigenous peoples and Afro-descendent populations; in other words, that poverty and indigence are marked by substantial ethnic and racial divides. Second, the figures show that there are also large gender gaps within each of these population groups, manifested by much higher levels of poverty and indigence among indigenous and Afro-descendent women, as demonstrated below.

(a) Poverty and indigence are much more acute among indigenous and Afro-descendent people

As can be seen in figure II.1.A, poverty levels in 2014 in the four countries for which information is available were significantly higher for the Afro-descendent population than for the non-Afro-descendent, non-indigenous population (more than twice as high in Brazil and Uruguay and about 1.5 times in Ecuador and Peru), ranging from 11% in Uruguay to 42% in Ecuador.

Figure II.1
Latin America (selected countries): poverty rates, 2014
(Percentages)

A. Poverty rates in the Afro-descendent population and the non-Afro-descendent, non-indigenous population, four countries

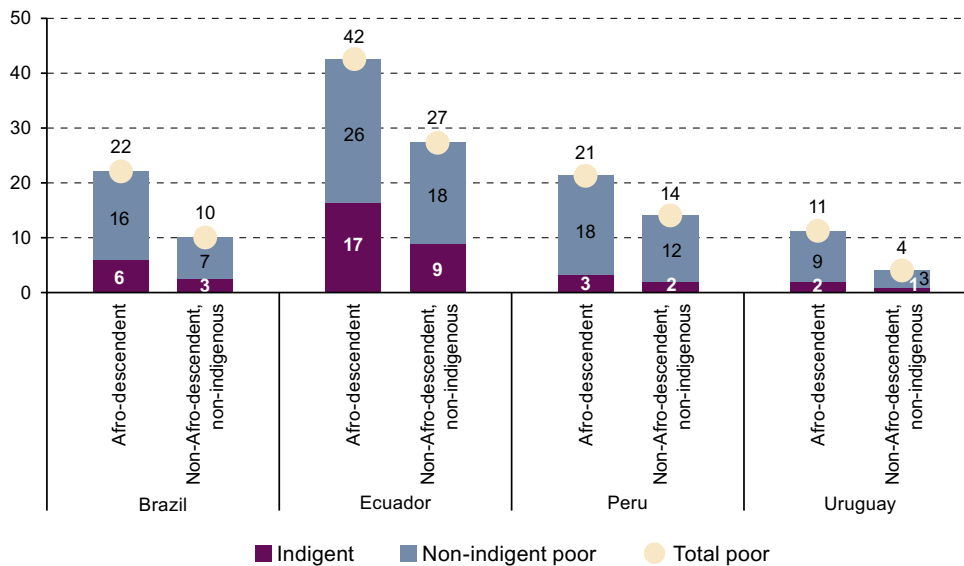
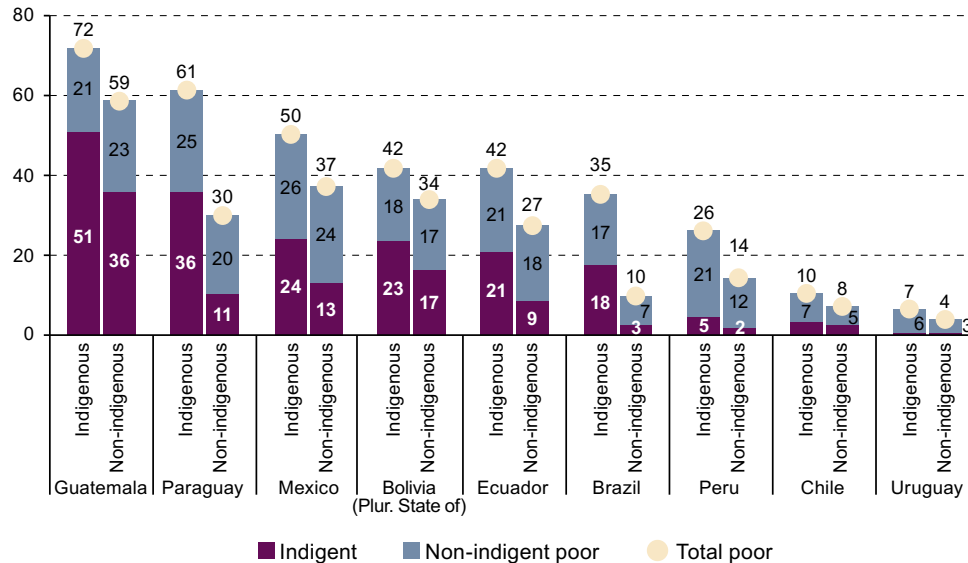


Figure II.2 (concluded)

B. Poverty rates in the indigenous population and in the non-indigenous population, nine countries



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

The same is found when the situation of indigenous peoples is compared with that of the non-indigenous, non-Afro-descendent population in the nine countries for which the information can be obtained: in all of them, the poor and indigent share of the population is significantly greater among indigenous people, although the size of the gaps varies greatly, from about 30 percentage points in Brazil and Paraguay to 2 and 3 percentage points in Chile and Uruguay, respectively (see figure II.1.B).¹⁵ Meanwhile, the poverty rate among indigenous people was upward of 50% in Guatemala, Mexico and Paraguay, close to 40% in Brazil, Ecuador and the Plurinational State of Bolivia and 26% in Peru. Only in Chile and Uruguay did poverty affect 10% or less of the indigenous population.

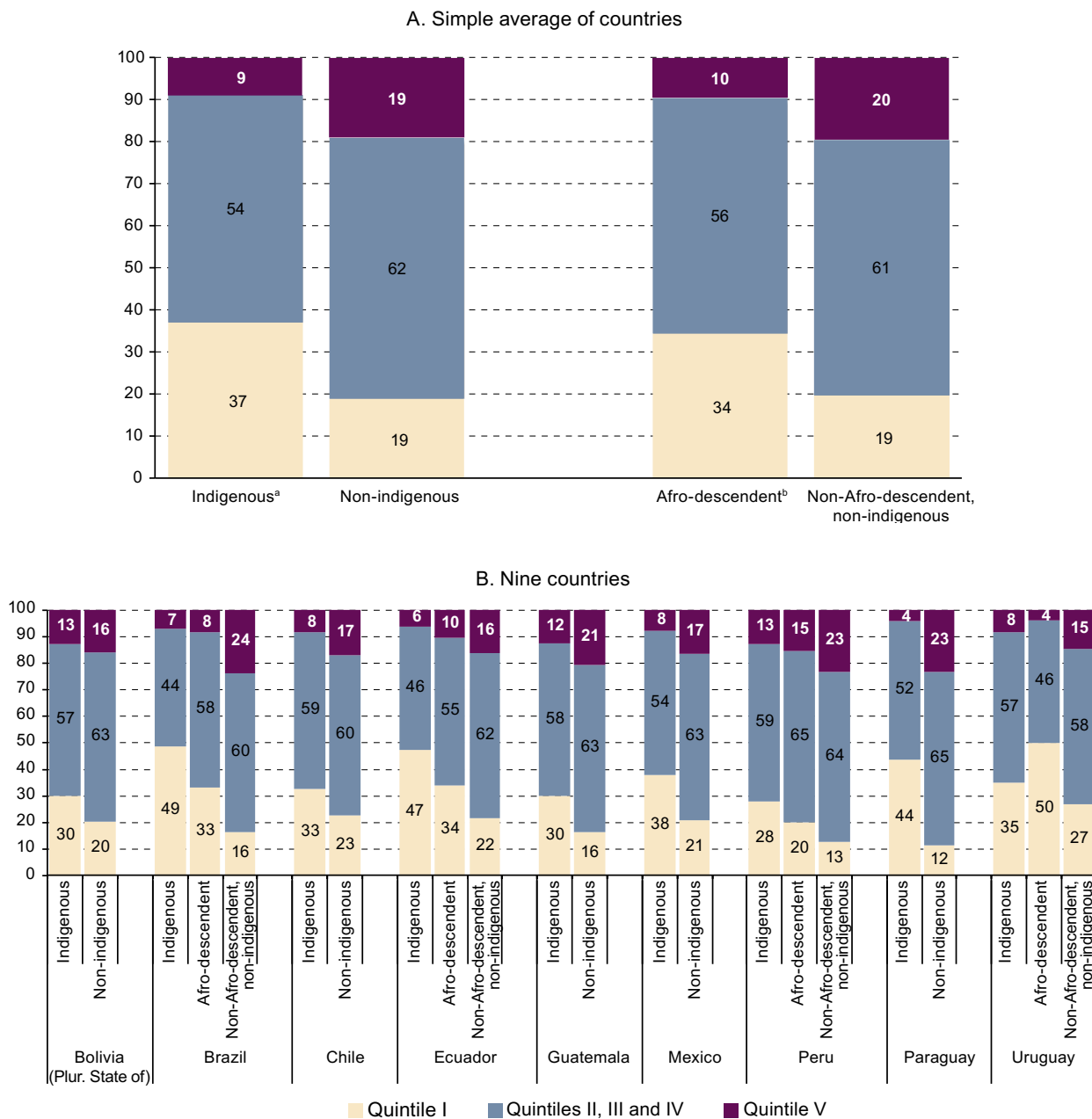
As can also be seen in figure II.1.B, poverty levels among indigenous people unquestionably have a very close relationship with general poverty levels in each country: the five countries where poverty rates among the indigenous population are highest, topping 40% (Ecuador, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia), are also the ones with the highest levels of general poverty. The gaps are also substantial in the other four countries considered, although in two of them (Chile and Uruguay) the percentage point difference is small because national poverty rates are low. This means that there are significant ethnic divides even when poverty rates are lower, and that anti-poverty policies need to take this into account accordingly and include measures, actions and strategies to eliminate these gaps.

(b) Income concentration is also connected with ethnicity and race

The large proportion of Afro-descendent and indigenous people in the poor and extremely poor population (see figure II.1) is also manifested in their large presence in the first income quintile (see figure II.2). In turn, the non-indigenous, non-Afro-descendent population accounts for a considerably larger share of the fifth (highest-income) quintile than does the indigenous population or, similarly, the Afro-descendent population. This contrast reveals that not only poverty but also the distribution of the population by income quintile is connected to people's ethnicity and race. Taking the simple average of the four countries for which information on Afro-descendants is available, a substantially larger proportion of these are in the first quintile (34%) than is the case for the non-Afro-descendent, non-indigenous population (19%). The situation in the fifth quintile is the opposite, as it contains 10% of the Afro-descendent population and 20% of the non-Afro-descendent, non-indigenous population.

¹⁵ It should be noted that the concept of poverty is controversial in indigenous cultures, as their world view does not include this conception based on the possession of money or goods.

Figure II.2
Latin America: distribution of the population by per capita household income quintiles and ethnicity, 2014
(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.

Note: The methodological annex contains technical and methodological background on the surveys used.

^a Includes surveys from countries where the indigenous population can be identified: Brazil, Ecuador, Peru and Uruguay. Also included are Chile, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia, whose surveys aggregate the non-indigenous population, so that the other populations it includes cannot be identified.

^b Includes surveys from countries where the Afro-descendent population can be identified: Brazil, Ecuador, Peru and Uruguay.

When the average for the nine countries with information on indigenous peoples is taken, the inequality is found to be even more marked: 37% of this population is in the first income quintile and just 9% in the fifth quintile. Where the non-indigenous population is concerned, the proportions in the first and fifth quintiles are the same, 19%. In five of the countries analysed (Brazil, Ecuador, Mexico, Paraguay and Uruguay), the share of indigenous people in the first quintile is upward of about 40%.

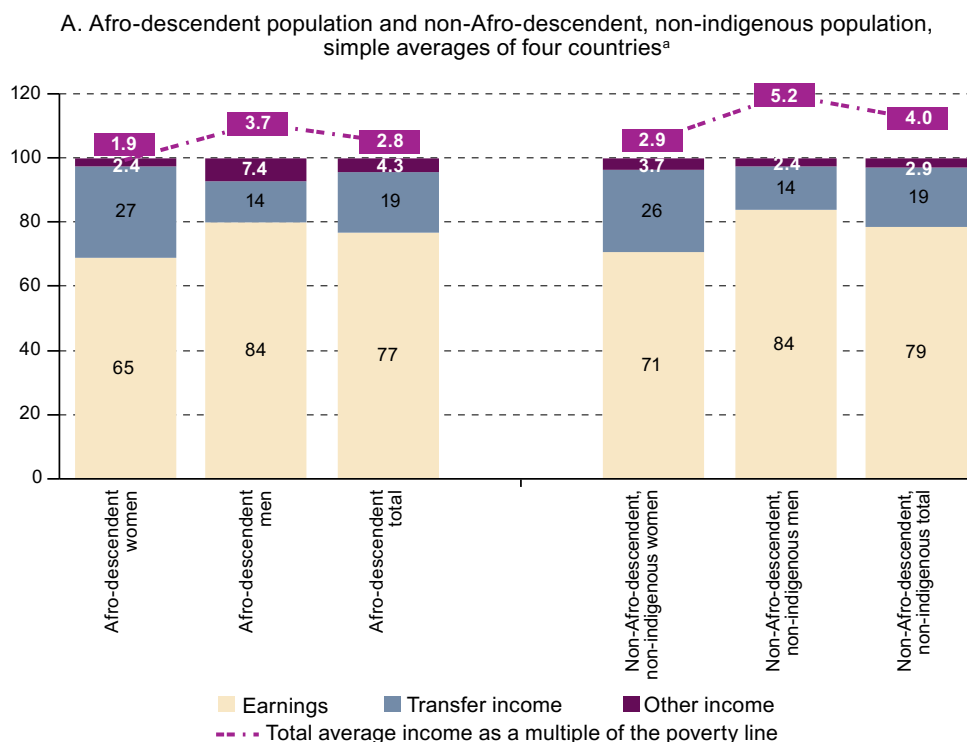
(c) The level and composition of incomes: the size of gender gaps

Gender, ethnic and racial inequalities are also evident when the level and overall composition of people’s incomes are analysed by their three main components: earnings (the sum of wages and salaries and self-employment income), transfer income and other income not included in these categories.¹⁶

(i) Average incomes measured in poverty line multiples

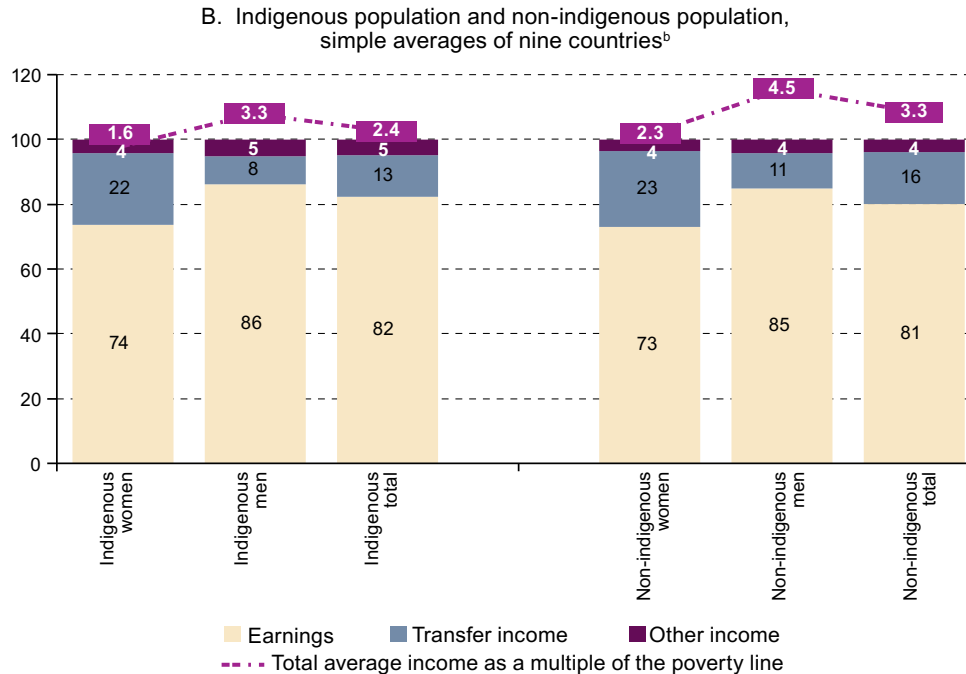
Analysis of average incomes as measured in multiples of the poverty line reveals the profound ethnic, racial and gender inequalities in the countries for which information is available. As can be seen in figure II.3, indigenous peoples receive the lowest average incomes, followed by Afro-descendants and those who are neither indigenous nor Afro-descendent.

Figure II.3
Latin America: percentage composition of total income by source and average income of the population as a multiple of the poverty line, 2014



¹⁶ The transfer income item groups a variety of income sources, usually including, in most countries, contributory and non-contributory pensions, child support and maintenance payments and allowances, domestic remittances (transfers from other households), remittances from abroad, food programmes, public or private study grants, conditional and unconditional cash transfer programmes, indemnities and other transfers.

Figure II.3 (concluded)



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

Note: The methodological annex includes technical and methodological background on the surveys used.

^a Includes surveys from countries where the Afro-descendent population can be identified: Brazil, Ecuador, Peru and Uruguay.

^b Includes surveys from countries where the indigenous population can be identified: Brazil, Ecuador, Peru and Uruguay. Also included are Chile, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia, whose surveys aggregate the non-indigenous population, so that the other populations it includes cannot be identified.

By introducing the gender perspective into the analysis, however, indigenous or Afro-descendent women emerge at one end of the distribution scale and non-indigenous, non-Afro-descendent men at the other. It is also clear that gender gaps are quite substantial within each of the populations considered, and in fact are larger than the ethnic or racial gaps, that is, than the income inequalities between indigenous and Afro-descendent women and men and their non-indigenous, non-Afro-descendent counterparts.¹⁷

Another salient fact is that the average total incomes of indigenous women (1.6 poverty lines) are below the poverty vulnerability line defined by ECLAC (1.8 poverty lines), while those of Afro-descendent women (1.9 poverty lines) are just barely above it.¹⁸

This is cause for great concern, considering that people who are vulnerable to poverty present a long list of needs, since they usually lack unemployment insurance, monetary savings, adequate pensions and private insurance for eventualities of all kinds. Nor do they have public health insurance or the resources to arrange for private insurance, or if they do, they tend to lose it in crises. They generally present high dependency rates and do not have the occupational skills to participate in medium- and high-productivity sectors of the labour market. In a recession, a large proportion of these people are at risk of falling into poverty or close to it. These are the characteristics of vulnerability to impoverishment that make economic crises so devastating to social conditions in the region (ECLAC, 2011b and 2015b).

¹⁷ Analysis of figure II.3 reveals that average total incomes for indigenous women are equivalent to 50% of indigenous men's average incomes and that the average total incomes of Afro-descendent women are equivalent to 51% of Afro-descendent men's. Indigenous and Afro-descendent women's average total incomes are 69% and 66%, respectively, of non-indigenous, non-Afro-descendent women's incomes in the countries included in this analysis, while the average total incomes of indigenous and Afro-descendent men are 73% and 72%, respectively, of non-indigenous, non-Afro-descendent men's.

¹⁸ ECLAC has defined vulnerability by dividing the population into four large groups by incomes expressed as multiples of the poverty line (ECLAC, 2010b): (a) the indigent and those highly vulnerable to indigence, comprising people who are actually indigent or who are on the threshold of indigence and therefore tend to move in and out of it (incomes of up to 0.6 times the poverty line); (b) the poor and those highly vulnerable to poverty, i.e., those whose incomes are beneath or close to the poverty line and who move in and out of poverty in normal economic cycles (incomes between 0.6 and 1.2 times the poverty line); (c) those who are vulnerable to poverty, with incomes ranging from 1.2 to 1.8 times the poverty line; (d) those who are not vulnerable to poverty, earning more than 1.8 times the poverty line.

(ii) Large gender gaps in earnings as a share of total income show that women have greater trouble participating in the labour market

ECLAC has emphasized the importance of earnings in people's total incomes, and thus their impact in determining situations of poverty, indigence and vulnerability. The weighted average for 18 countries of Latin America indicates that earnings make up 80% of total household income, 74% of poor households' income and 64% of indigent households' income (ECLAC, 2016c). When the gender and racial/ethnic perspectives are brought into the analysis (for a more limited number of countries), the importance of earnings for all the groups considered can be seen once again: in no case do earnings make up less than 65% of people's total income, as can be seen in figure II.3.

Here too, though, there are clear gender gaps. First, while women's earnings make up between 65% and 74% of their total income, the figures for men are within the much narrower range of 84% to 86% (see figure II.3). This undoubtedly reflects the greater barriers to women's labour market access and the persistence of profound gender inequalities in that market, including occupational segmentation and earnings gaps.

Second, cash transfers make up a greater share of total income for women than for men, ranging from 22% for indigenous women (simple average of 9 countries) to 27% for Afro-descendent women (simple average of 4 countries). This is indicative of the greater importance of this income source for women, since in many cases it provides them with financial resources they cannot obtain through paid work. Although the different types of transfer income are not identified here, cash transfer programmes, of which women are usually the primary beneficiaries, can be important in alleviating poverty for many women, especially in countries where payment amounts and coverage are greater (ECLAC, 2016a).

Transfers range from 8% to 14% of men's total income. This difference is due to the smaller share of earnings in women's income, analysed in the previous paragraph, but also probably to the fact that women as a rule are the beneficiaries of cash transfer programmes designed to alleviate poverty in the countries considered.

3. Gender, racial and ethnic divides in education and the labour market: selected indicators

Despite the positive evolution of labour market indicators in the region between the early 2000s and 2014 (including falling unemployment, higher incomes, the formalization of work and increased labour market participation by women), Latin American labour markets still present large ethnic, racial and gender divides in terms of employment access and quality, rights and social protection, among other factors, representing a critical obstacle to efforts to overcome poverty and inequality in the region (see chapter III of ECLAC, 2016c). Some indicators that illustrate these divides, chiefly differences in unemployment rates and earnings by education level, will now be presented.

(a) Educational inequalities

Despite major progress in the region over the past two decades in terms of enrolment in and completion of the different levels of education, there is still a great deal of heterogeneity across countries in this respect, as well as profound inequalities associated with households' socioeconomic level. The proportion of 20- to 24-year-olds who had completed secondary education (considered the minimum needed to break the intergenerational cycle of poverty and expand opportunities of access to decent work) increased from 37% in 1997 to 58% in 2013, but there are still substantial differences by income quintile: while 80% of young people in this age group in the fifth (wealthiest) quintile had attained this level of education, the figure in the first (poorest) quintile was just 34% (ECLAC, 2016c).

Furthermore, there are still stark gender divides, although women have higher attainments than men for both primary education and secondary and tertiary education, which is certainly a major factor in reducing gender gaps in the region. However, as ECLAC has analysed at length, there are still major problems and challenges, such as education quality, the persistence of gender segmentation in the choice of courses and specializations (with subsequent effects on the employment conditions of men and women) and the simple fact that women's educational attainments are not reflected in the labour market.¹⁹ There are several reasons for this situation, such as the persistence of occupational segmentation by gender and of significant income inequalities between men and women doing work of equal value, as well as different mechanisms and processes of direct and indirect discrimination and reproduction of the sexual division of labour, which assigns women the main if not exclusive burden of unpaid domestic work, and the absence of care policies and systems.

¹⁹ See ECLAC (2014b) and ECLAC (2016f), among others.

When the ethnic and racial dimension is brought into the analysis, the disadvantages of indigenous and Afro-descendent people also become apparent, both as regards access, retention rates and completion of the different educational levels and in the relationship between these outcomes and the quality of their employment.

The literature has noted that education is one of the main factors behind the inequality and poverty experienced by these sections of the population (World Bank, 2015; ECLAC/UNICEF, 2012; Valenzuela, 2003). There are difficulties, for example, in the relationship between formal education and consideration for indigenous peoples' identity and cultural characteristics in the region. Only since the 1970s have some countries begun to adopt bilingual intercultural education policies in consideration of the importance of these characteristics in the education of indigenous people and in order for them to fully exercise their right to education and their cultural rights. For all the progress of recent years, it can be said that those belonging to indigenous groups and the Afro-descendent population still face greater difficulties of access, progression, repetition and retention in the education system than the rest of the population, as well as attending poorer-quality schools.²⁰ In Brazil, Colombia, Nicaragua and Panama, for example, less than 5% of indigenous people aged 20 to 29 in rural areas have 13 years of education or more (ECLAC, 2014a).²¹

The following section analyses some education indicators for the working population and their relationship to unemployment and earnings in the countries for which there is information available from household surveys.

(b) Education and unemployment²²

Unemployment is one of the main indicators of labour market exclusion. Women and young people are usually the worst affected in all regions of the world, and Latin America is no exception. The region experienced a gradual decline in the unemployment rate between 2002 and 2013 (a cumulative drop of 2.8 percentage points), and this was most marked among women. However, unemployment rates for young persons, women and people in conditions of indigence, poverty and vulnerability in the region are consistently higher than the average. What is more, the current economic situation, with recessions in some countries and slow growth in most, has already affected the performance of the labour market, with the downward trend going into reverse in 2015 for the first time since 2009 (and only the second time since 2002) (ECLAC, 2016g).²³

A number of labour market analyses in Latin American countries that incorporate the ethnic and racial dimension also indicate that unemployment affects indigenous and Afro-descendent people most, and particularly women from these sections of the population (ECLAC/UNFPA, 2011; ECLAC, 2014b and 2013a; Guimarães, 2012; Borges, 2004; IPEA, 2011).

To illustrate this from the available information allowing figures to be disaggregated by age, sex and race, it is evident that unemployment rates for Afro-descendants in Brazil and Uruguay are higher in all the cases considered than for the non-Afro-descendent, non-indigenous population. Furthermore, unemployment rates are more than twice as high for Afro-descendent women as for non-Afro-descendent men in both countries, while they are also higher among non-Afro-descendent women than among Afro-descendent men, this being true both for young people and for people in the 30 to 59 age range (see figure II.4).

Figure II.4 also illustrates, particularly in certain situations, the "dissonance" between education and unemployment rates; in other words, higher levels of education do not lead to the same outcomes for the different groups analysed. This is a manifestation of the exclusion and discrimination that still affect women in the labour market (ECLAC, 2016f) and that are particularly acute in the case of Afro-descendants.

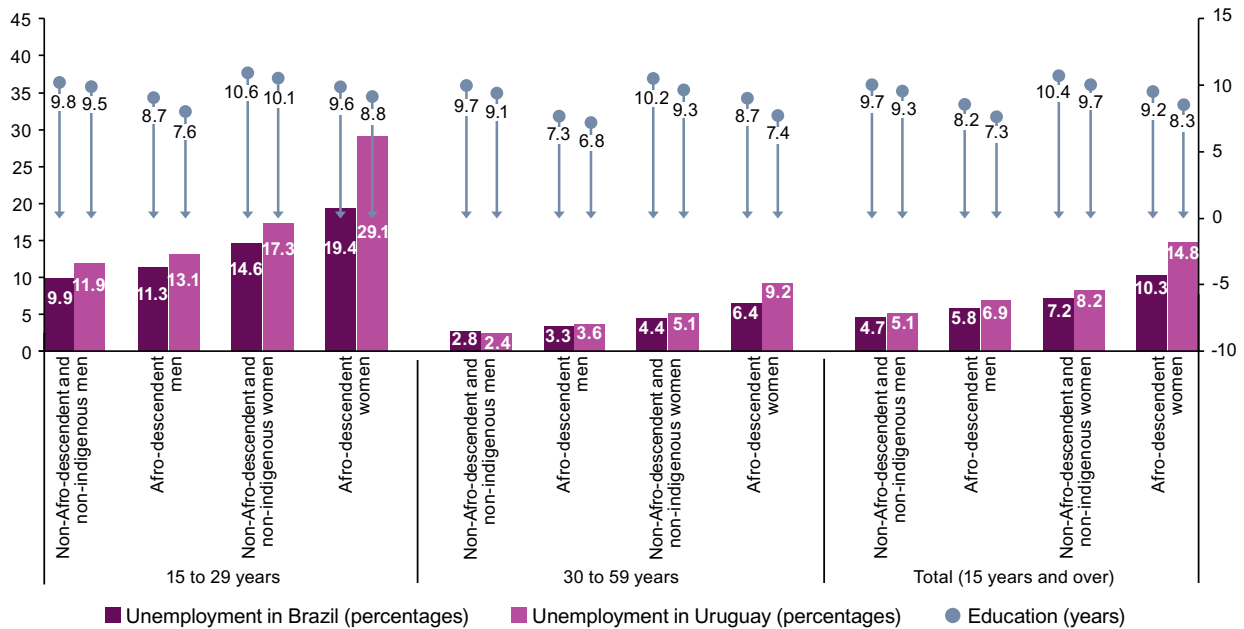
²⁰ There was progress with the educational situation of indigenous peoples between 2000 and 2010. For example, there was a substantial increase in school attendance in all age groups. In particular, children aged 6 to 11 years are entering the education system earlier, spending more time in it and completing educational cycles more often. There have also been improvements in school retention rates for indigenous girls and a large rise in the proportion of young women aged 15 to 19 years who have completed primary education. Nonetheless, the group of young people aged 18 to 22 years, for example, presents low percentages of attendance at educational institutions (not exceeding 40% in any country of the region) (ECLAC, 2014a).

²¹ In the case of Brazil, among Afro-descendants aged 15 and older only 9.4% had completed 12 years of education or more, while this was the situation of 22.2% of those who were non-Afro-descendent and non-indigenous (IPEA, 2014).

²² This section presents data on the situation of Afro-descendent populations only.

²³ The unemployment rate rose from 7.0% in 2014 to 7.4% in 2015 (these rates are not comparable with data published earlier because of a change in the regional series) (ECLAC, 2016g, p. 57).

Figure II.4
Brazil and Uruguay: unemployment rates and average years' education, by age group and sex,
Afro-descendant population and non-Afro-descendant, non-indigenous population, 2014
(Percentages and years)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the 2014 household surveys in Brazil and Uruguay.

The dissonance is particularly marked among young people aged 15 to 29. In this age group, Afro-descendant women have similar levels of education to non-Afro-descendant men (particularly in Brazil, where they spend an average of 9.6 and 9.8 years, respectively, in education). However, the gaps between their unemployment rates are very large. Whereas young non-Afro-descendant men in Brazil have an unemployment rate of 9.9%, the figure for young Afro-descendant men is 19.4%. In Uruguay, while non-Afro-descendant young men spend just 0.7 years longer in education than young Afro-descendant women, there is a very substantial difference between their unemployment rates, which are 11.9% and 29.1%, respectively.

The same pattern is repeated among adults (ages 30 to 59), although unemployment is significantly lower in all the groups considered: the unemployment rate is again much higher for Afro-descendant women than for non-Afro-descendant men (2.3 times as high in Brazil and 3.8 times in Uruguay). In this age group too, women have higher levels of education than their male counterparts, but this does nothing to lower their unemployment rates.

When the trends in education indicators over the life cycle is compared, what is striking is the size of the education gap between the two stages analysed and the improvement seen in all cases, but most especially for women. The data indicate what ECLAC has pointed out on a number of occasions: the present generation of young people is the most educated in history, and it is very important for this to translate into more and better labour market participation, into innovation and higher productivity, and into an expansion of the rights and conditions of exercise of citizenship.

(c) Education and earnings

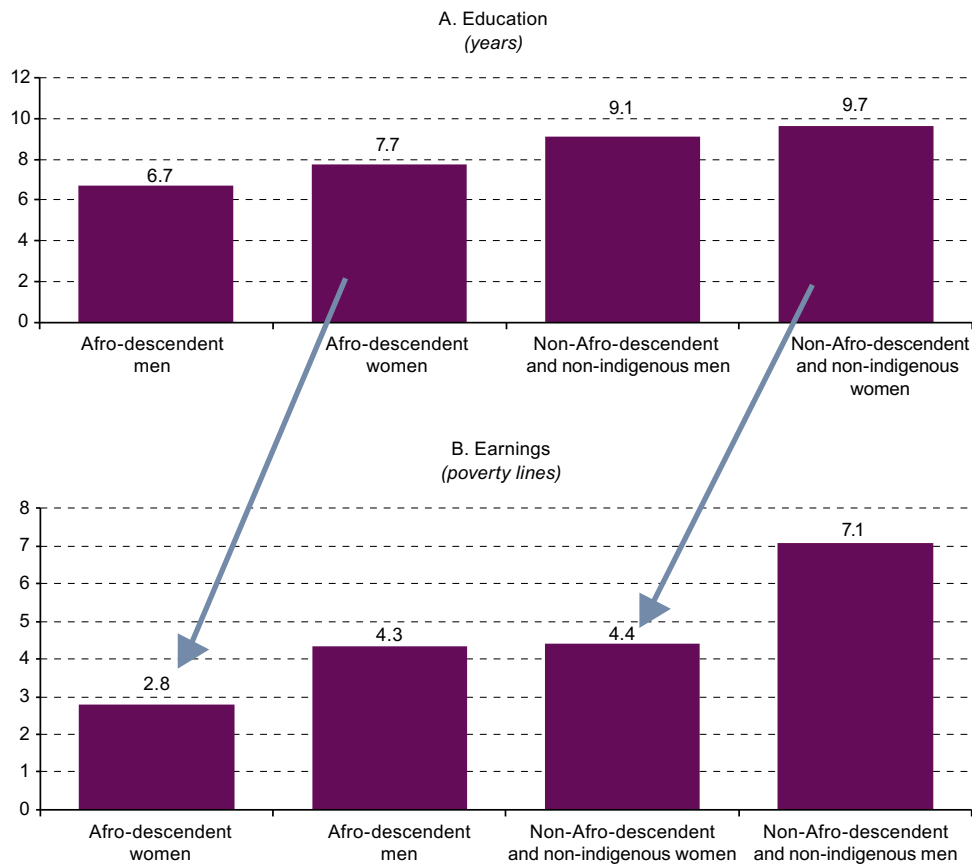
Despite the rise in earnings recorded in Latin America between 2002 and 2013 (from 4.1 to 4.9 times the poverty line on average), there are still large gender gaps in this indicator: as of around 2013, women's earnings, at 4.1 times the poverty line, were still substantially lower than men's (5.6 times) (ECLAC, 2016c).²⁴

Just as education levels do not automatically translate into employment opportunities for men and women, whether Afro-descendant or otherwise, as was shown when unemployment rates were analysed, nor is there an automatic link with one of the most important indicators of employment quality, namely earnings.

²⁴ It is important to note that this is a monthly average reflecting both women's lower average earnings per hour worked and a smaller number of paid hours worked per month.

Considering the working population of Brazil, Ecuador, Peru and Uruguay, the non-Afro-descendent population has an average of 2.3 more years' schooling (9.4 years) than Afro-descendants (7.1 years). When the sex-disaggregated data are combined into the analysis, the same "dissonance" as was seen in the previous section can be observed: (a) although non-Afro-descendent women have 0.6 years more education than non-Afro-descendent men and 3 years more than Afro-descendent men, their earnings, measured in poverty line multiples, are practically the same as the latter's (4.4 and 4.3 poverty lines, respectively) and much lower than non-Afro-descendent men's (7.1 poverty lines); (b) Afro-descendent women, despite having a year's more education than their male counterparts, earn just over half as much as them in poverty lines (2.8 and 4.3, respectively) (see figure II.5).

Figure II.5
Latin America (simple average of four countries): average monthly earnings and average years' education of the employed Afro-descendent and non-Afro-descendent and non-indigenous populations, 2014^a



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

^a Includes surveys from countries where the Afro-descendent population can be identified: Brazil, Ecuador, Peru and Uruguay.

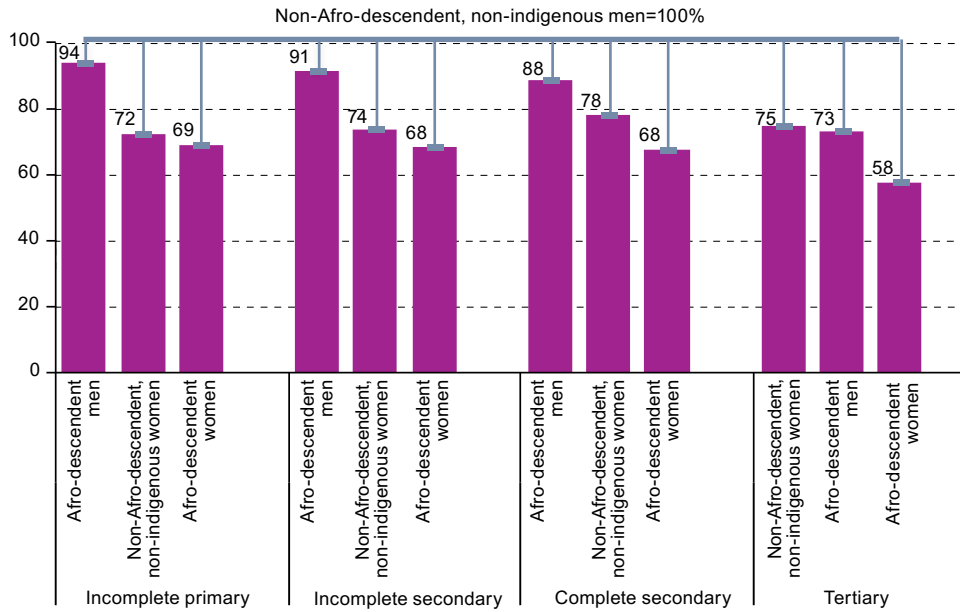
When earnings per hour worked are analysed, the same pattern of inequality is found: indigenous and Afro-descendent women are at the bottom of the earnings scale, even after controlling for education, as was noted in ECLAC (2016a) and is shown in figure II.6. The data also reconfirm what has been pointed out in many studies on income gaps by sex: that these rise with the level of education.

Among those in the highest education category, namely those with tertiary education, indigenous and Afro-descendent women earn the equivalent of 54% and 58%, respectively, of what non-indigenous, non-Afro-descendent men do. Indigenous men, in turn, earn 68% as much as non-indigenous men; and Afro-descendent men earn 73% as much as non-Afro-descendent men. Non-indigenous women earn 70% as non-indigenous men; and non-Afro-descendent women earn 75% as much as non-Afro-descendent, non-indigenous men.

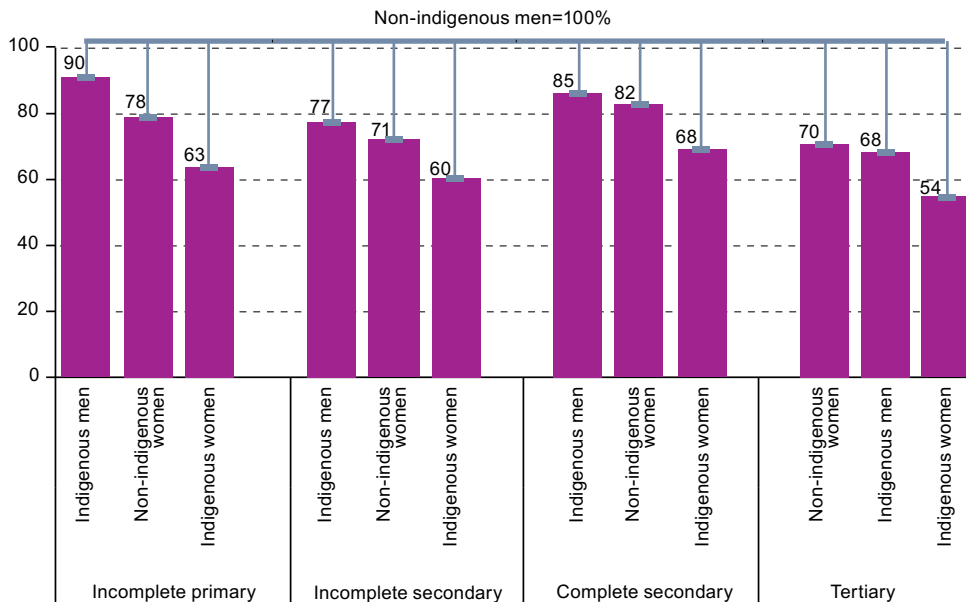
Figure II.6

Latin America: hourly earnings by education level of the employed population aged 15 and over as percentages of the earnings of non-Afro-descendent, non-indigenous men, 2014

A. Simple average of four countries, Afro-descendent and non-Afro-descendent population^a



B. Simple average of nine countries, indigenous and non-indigenous population^b



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

^a Includes surveys from countries where the Afro-descendent population can be identified: Brazil, Ecuador, Peru and Uruguay.

^b Includes surveys from countries where the indigenous population can be identified: Brazil, Ecuador, Peru and Uruguay. Also included are Chile, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia, whose surveys aggregate the non-indigenous population, so that the other populations it includes cannot be identified.

C. Final comments

To sum up, the analysis conducted in this chapter reveals the extent of gender, racial and ethnic inequalities in crucial areas of social development in Latin America, and the way the interaction of these inequalities particularly affects indigenous and Afro-descendent women.

The purpose of this chapter is to bring to light some of the manifestations of this major axis of social inequality in Latin America by way of certain indicators relating to poverty, inequality in income distribution, education and work. These reveal the importance of gender, racial and ethnic determinants in all these areas and show how the fact of being a woman and indigenous or Afro-descendent further exacerbates gender and ethnic or racial inequalities and disadvantages.

The data presented allow us to conclude that not only gender equality but also racial and ethnic equality are crucial to the prospects of achieving full development with equality. It is therefore vital to consider these dimensions and reach a deeper understanding of how they relate to each other.

Despite the limitations imposed by a dearth of statistics on indigenous peoples and, in particular, Afro-descendants in many countries' household surveys, the present chapter has also sought to draw attention to the potential of analyses like this one and the need for systematic, reliable statistics so that they may be examined in greater depth, in pursuit not only of a better knowledge of the Latin American social situation but also, and especially, of better policymaking and policy implementation so that progress can be made towards development with equality from a rights perspective.

Annex II.A1

Methodological annex

The limitations and potential of household surveys for analysing the population by ethnic and racial condition or origin

Population and housing censuses are the best statistical instrument for capturing and quantifying specific populations, such as indigenous peoples and Afro-descendants. These censuses are generally held every 10 years, and although their universal character means they cover the whole population and all geographical areas of a country, the number of questions in their questionnaires is small, which constrains the scope for addressing more topics. Censuses do not include questions about income variables, for example, so that they cannot be used to measure poverty through this variable. The scope for cross-matching variables with other subject areas that would enable a better characterization of the living conditions of the different populations is also restricted. In the last census round (in 2010 or thereabouts), Argentina, the Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, Honduras, Panama, Paraguay, the Plurinational State of Bolivia and Uruguay included questions about indigenous people and Afro-descendants, Chile and Mexico included the classification for indigenous peoples only, and Cuba included a classification for the Afro-descendent population only (Del Popolo and Schkolnik, 2013).²⁵

The analyses and results presented for the Afro-descendent and indigenous populations in this document come not from censuses but from the countries' household surveys of 2014 or thereabouts. The analyses and results were arrived at by selecting surveys that allow people to be identified by ethnicity or race and income-based indicators to be calculated.

It is important to stress that household surveys are limited in their ability to fully represent populations by race and ethnicity, especially since they are based on probabilistic samples and therefore have sampling and non-sampling errors associated with these. Accordingly, although the surveys used contain questions on ethnic or racial self-identification, the sample design is not necessarily oriented or calculated in a way that makes it representative at this level of disaggregation in certain countries.

While acknowledging the technical and methodological limitations of household surveys in this regard, it must be noted that they are, at present, the only source there is for measuring income-based poverty, inequality and vulnerability indicators. Also, the indicators calculated here have brought to light ethnic, racial and gender inequalities that behave very similarly and consistently across countries, indicating the importance of this instrument for analysing social inequalities despite the limitations noted. Giving statistical visibility to these populations is one of the main purposes of this study; dissemination of the figures presented here is also meant to be an incentive for the region's countries to improve these data-gathering instruments in order to obtain representative, reliable and systematic statistics over time for different population groups.

The 2014 household surveys of Brazil, Ecuador, Peru and Uruguay were used to obtain information on the Afro-descendent population. The surveys of these four countries also allow the indigenous population to be separated out, but in this case Chile, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia were added in. These five countries' surveys aggregate the non-indigenous population, so that it is not possible to identify which other populations are covered by this category, including Afro-descendants. The institutions, names and years of the surveys employed as information sources for this document will now be identified:

²⁵ Mexico's Inter-census Survey of 2015 included a question about African descent for the first time. See [online] http://internet.contenidos.inegi.org.mx/contenidos/productos/prod_serv/contenidos/espanol/bvinegi/productos/nueva_estruc/702825078966.pdf.

| | | |
|----------------------------------|---|--|
| Bolivia (Plurinational State of) | National Institute of Statistics (INE) | Continuous Household Survey, 2013 |
| Brazil | Brazilian Geographical and Statistical Institute (IBGE) | National Household Sample Survey (PNAD), September 2014 |
| Chile | Ministry of Social Development | National Socioeconomic Survey (CASEN), November 2013 |
| Ecuador | National Statistics and Census Institute (INEC) | Survey of Urban Employment, Unemployment and Underemployment (ENEMDU), December 2014 |
| Guatemala | National Institute of Statistics (INE) National Survey of Living Conditions (ENCOVI), 2014 | |
| Mexico | National Institute of Statistics and Geography (INEGI) Household Income and Spending Survey, 2014 | |
| Paraguay | Department of Statistics, Surveys and Censuses (DGEEC) Permanent Household Survey, October to December 2014 | |
| Peru | National Institute of Statistics and Informatics (INEI) National Household Survey – Living Conditions and Poverty, January to December 2014 | |
| Uruguay | National Institute of Statistics (INE) Continuous Household Survey, 2014 | |



Age and stages in the life cycle: profiles of vulnerability and the concatenation of social inequalities

- A. Challenges at each stage in the life cycle: an analysis of inter- and intragenerational gaps
 1. Childhood
 2. Youth
 3. Adulthood
 4. Old age
- B. Life cycle: the weight of accumulated disadvantages and privations
 1. Gender gaps in access to retirement plans and contributory pensions at the end of the life cycle
 2. Adolescent motherhood
- C. Final comments

Age is a determining factor in the distribution of well-being and power within the social structure and one of the foundations of social organization and its allocation of responsibilities and roles. The life cycle traditionally comprises four basic stages: childhood, youth, adulthood and old age (Cecchini and others, 2015).¹ Each of those stages presents specific opportunities, challenges and risks. An analysis of the different stages in the life cycle is therefore necessary for a closer examination of the various dimensions of social inequality. Three issues are of particular relevance in analysing age as a structural factor behind social inequalities.

The first issue is the inequalities found between persons at different stages of the life cycle, in particular as regards the rights under examination herein (income and work; social protection and care; education; health and nutrition; participation). Poverty and the infringement of rights may be more pronounced and have more severe consequences at certain moments in life. Those intergenerational differentials can, in turn, be accentuated by other inequalities, particularly by those related to gender or ethnic and racial origin, as examined in the previous chapter.

The second issue has to do with the changes that have occurred over time in age-based differentials in well-being and the enjoyment of rights. Factors such as the shifting demographic structure, sociocultural and technological change, the functioning of labour markets, gender inequalities and the characteristics and shortcomings of social protection systems have contributed to changes in intergenerational differentials in well-being. Those factors also reshape the needs, opportunities and general experiences of different cohorts in the life cycle, which also impacts social inequalities: the experiences of old age, youth and childhood are different today from what they were five decades ago.

Third, persisting or increasing social inequalities are closely related to the accumulation of disadvantages and privations (or, conversely, of advantages and privileges) over time, and the intragenerational reproduction of inequalities is the result of incremental processes throughout the life cycle. Consequently, the life cycle perspective needs to be examined in order to understand how infringements of rights concatenate into vicious circles and accentuate inequalities that could be the result of earlier infringements or could represent a precursor of future infringements or risks. Consideration is therefore given to the importance of a person's passage through the life cycle and the accumulation and consolidation over time of clusters of social disadvantages.

It should be noted that unlike the other factors that appear on the social inequality matrix, the life cycle is not a fixed variable. Age is, by definition, a characteristic that evolves over time and, as a person's age changes, so does their status.

This reflection is offered at a time of rapid change in the age structure of the region's population. In recent decades, the countries of Latin America and the Caribbean have begun to undergo a sustained process of ageing (ECLAC, 2016c). The population's age structure has changed significantly as the result of a pronounced fall in fertility rates and improved life expectancy, albeit at varying rhythms in different countries. Those new changes will lead to new social, economic, political and cultural needs and aspirations among different age groups, and those must be addressed and resolved through public policies that guarantee everyone social inclusion and the full enjoyment of rights.

¹ There are no standardized age groups for these categories, and in some cases those that exist overlap. For example, although the Convention on the Rights of the Child (United Nations, 1989) defines childhood as up to and including the age of 17, "youth" is frequently said to start at 15. In addition to the conceptual difficulty of defining these stages in terms of age, their meaning varies according to the context in question because they are a social construct. What is more, each category can be further subdivided, which must be taken seriously into account in view of the complexity of designing policies with a life cycle approach.

This chapter does not aim to offer an exhaustive analysis of all these topics, but rather to provide some examples to illustrate the need for public policies to adopt the life-cycle perspective in order to address the current and future challenges of the region's social development from an approach centred on equality. To offer a comprehensive and coherent analysis, it will seek to explain how the gender, race, and ethnic gaps addressed in the previous chapter (together with the territorial gaps, which will be examined in the next chapter) interact to intensify the inequalities observed at different stages in the life cycle.

A. Challenges at each stage in the life cycle: an analysis of inter- and intragenerational gaps

1. Childhood

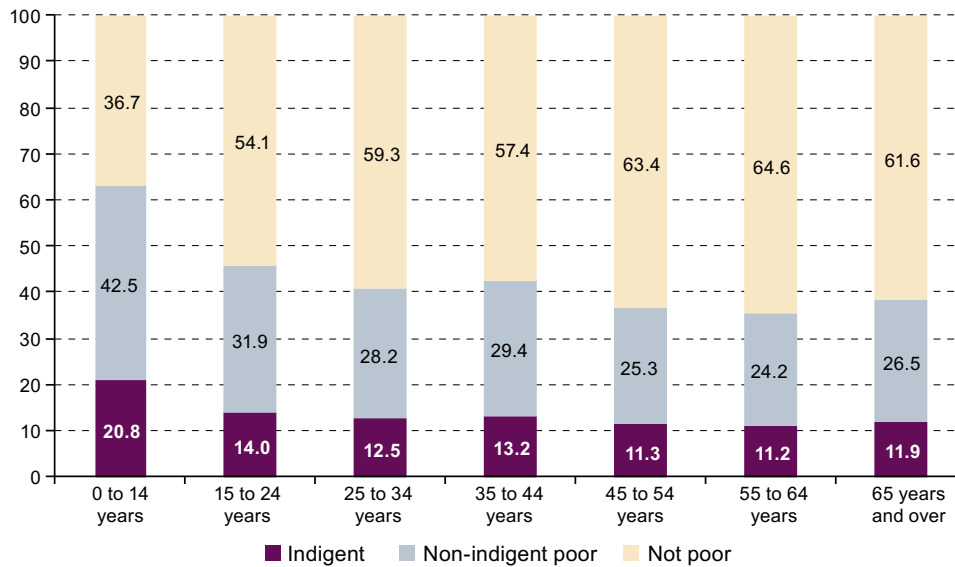
Childhood—and especially early childhood—is a stage of particular importance for human development: it is the period when the foundations for a person's future development are set. First, this stage of the life cycle involves dimensions of risk in such sensitive areas for development as health and nutrition, early stimulation and education, and the possibility of growing and developing in safe and supportive family and community settings. At the same time, the infringement of rights at this stage can have deep and lasting effects on a person's well-being and future development possibilities. The particular vulnerability of children and adolescents is due to a number of factors, including their high levels of dependence on others (in particular, on their families) for their well-being and their physical, intellectual and emotional development. That vulnerability is also related to their invisibility as rights-holders and political actors.

The particular vulnerability of children compared with other age groups can be clearly seen in regard to poverty (see figure III.1).² This age-based imbalance, which places children and adolescents at a marked disadvantage, is attributable to several factors. The first of these has to do with the stratified reduction in fertility: although fertility rates among the general population have fallen sharply, that reduction has been much slower among those with fewer economic resources; as result, poor households have a proportionally higher number of births. The second factor, which is related to the first, is the transformation of family structures, in particular the increase in the number of households headed by women (including a large percentage of single women) (Ullmann, Maldonado Valera and Rico, 2014a and 2014b). Those households are more likely to be poor, because of the problems those women face in entering the labour market and, in addition, because such households tend to have children. At the same time, as societies age, there is a tendency to channel a greater share of the available public resources towards the needs of the older population (see, for example, Preston, 1984, and, more recently, Rossel, 2013). In turn, the age-based gaps in the incidence of poverty and extreme poverty are related to other cross-cutting axes of inequality, such as gender, ethnic and racial origin and territorial imbalances, which serve to magnify the disparities.

In addition to gaps in well-being that exist between children and people at other stages of the life cycle, there are also notable inequalities within the child population itself, if other dimensions of social inequality—such as gender, ethnic and racial origin or territorial considerations—are taken into account. One indicator that highlights those differentials is school attendance, particularly at the secondary level (see figure III.2). Early entry into the labour market, adolescent pregnancy, domestic and care responsibilities and a loss of motivation at school are among the factors that explain high non-attendance rates at secondary school among adolescents and particularly among indigenous adolescents and those living in rural areas.

² This refers to income-based poverty, which may reflect deficiencies and privations in other areas necessary for the healthy development of children and adolescents.

Figure III.1
Latin America (18 countries): income poverty by age group, 2014
(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.

Figure III.2
Latin America (9 countries): adolescents aged 12 to 17 years not attending secondary school, by sex, ethnic origin and place of residence, 2014
(Percentages, weighted average)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in Brazil, Chile, Ecuador, Guatemala, Mexico, Peru, Paraguay, the Plurinational State of Bolivia and Uruguay.

Not only is a completed secondary education the necessary minimum threshold in most Latin America countries to be more likely to avoid poverty in later life (ECLAC, 2010b), it is also an essential tool for closing social equality gaps related to other rights (such as health, civic participation and access to decent work), and this has implications for current and future generations.

Policies focused on the well-being of children should act on the attendant inequalities at this stage of the life cycle. In addition, consideration must be given to comprehensive approaches that help limit the concatenation of different forms of privation at early ages, in particular as regards nutrition, health and cognitive stimulation, as well as child labour, in order to prevent them undermining the rights of children and adolescents and creating greater gaps in well-being at later stages of life.

The best interests of the child should be the guiding principle underpinning public policies and programmes targeting this segment of the population. Comprehensive policies that seek to incorporate a life-cycle approach must include strong links for childhood, and especially early childhood.

2. Youth

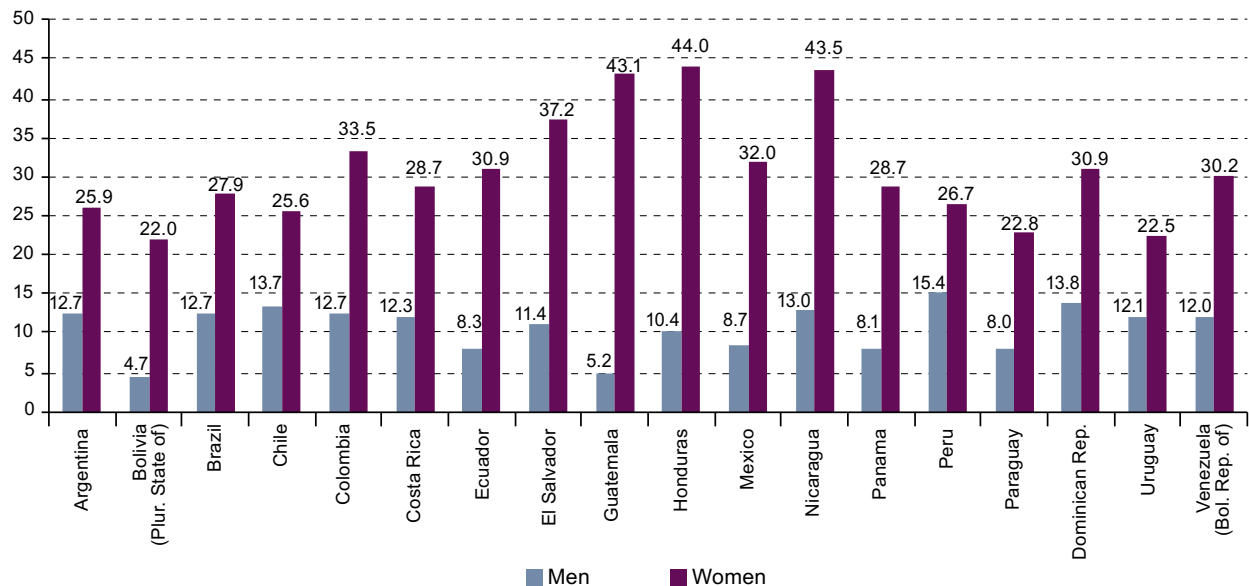
Childhood is the period when the foundations for a person's future development are set, but youth is a critical stage during which social inequalities may be widened or reduced. Without public policy interventions, uneven paths and infringements of rights can be consolidated. During this stage, issues that will mark adulthood are defined: young people are expected to conclude their studies, begin their working lives and start a family (although, often in the Latin American reality, those steps do not follow a linear sequence). Despite its importance, the youth stage of life is largely invisible in public policy and, when references are made to young people, they appear as the object of policies and not as rights-holders or agents of development and productive change. Given the demographic weight of the young in the vast majority of the region's countries and the current demographic dividend period under way (ECLAC, 2016c), this is a particularly propitious moment for investing in this stage of the life cycle, at a time when young people are aspiring to leave the family unit and embark on increasingly independent life projects, and for bringing about the full inclusion of young people, in order to construct a fairer and more equal society.

One major challenge hindering the independence of the region's young people is the transition from education to work. That process takes an average of between five and seven years, and tends to be longer for women than men (Gontero and Weller, 2015). Passage from education to work is hampered both by the difficulties young people face in concluding their formal schooling and in acquiring the skills the job market demands and by the barriers that exist to their securing decent work. As regards the conclusion of formal schooling, in particular the completion of secondary education, graduation rates remain relatively low and dropout rates are still high. As stated in the previous section, these processes are shaped by inequalities relating to the socioeconomic level of their households and by other factors. Thus, young people who have been unable to acquire the skills necessary for entrance into the job market are at a disadvantage. This is compounded by certain characteristics of the labour market that hinder the construction of a path of decent work for young people. For many young people, therefore, this is not a linear transition, but rather a path defined by entries to and exits from the world of work associated with periods dedicated to the acquisition of additional education and training, the formation of a family, or the need to assume a heavy burden of unpaid domestic work within the family, together with moments of employment, unemployment and inactivity.

One group of particular concern —not only in Latin America and the Caribbean but across the world— are young people who are neither employed in the labour market nor studying. This is a highly stigmatized group and, although its members are generally imagined to be male, with ties to vagrancy and crime, the regional data indicate that young women experience this situation more often than men (see figure III.3). Moreover, the differences between young women and young men are striking: in almost all the countries, the percentages of young women in this situation are double the rates found among their male counterparts. In some cases, the difference is even more pronounced: in Ecuador, for example, the differential is four-fold and, in Guatemala, six-fold. This is another manifestation of the inequalities associated with the gender-based division of work, since, of those who are in this situation, the majority of young women are engaged in unpaid domestic and care work and the majority of young men are unemployed or seeking their first jobs (Trucco and Ullmann, 2016; CAF/ECLAC/OECD, 2016). In some cases, the situation is more structural in nature and, in others, it is more circumstantial. Among young women, the absence of care services is a determining factor that keeps them from concluding their studies or participating in the job market; in turn, this limits their chances of earning their own incomes at this stage —and subsequent stages— in the life cycle.

Young people entering the labour market generally do so in precarious and unstable jobs and in informal activities without any access to social protection mechanisms. The proportion of wage earners with formal employment contracts is lower among young people than among adults and, with similar levels of education, their earnings are lower (ECLAC, 2016c; Trucco and Ullmann, 2016). This problem is accentuated among young women, indigenous people and Afro-descendants, which showcases how the different axes of the social inequality matrix intersect.

Figure III.3
Latin America (18 countries): 15- to 29-year-olds neither studying nor employed,
by sex and country, 2014
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Development Bank of Latin America/Economic Commission for Latin America and the Caribbean/Organization for Economic Cooperation and Development (CAF/ECLAC/OECD), *Latin American Economic Outlook 2017. Youth, Skills and Entrepreneurship*, 2016.

The challenges related to the inclusion of young people in the job market have direct and indirect repercussions for them and their families in the short and long terms and, as their potential is squandered and their development is constrained, another consequence is reduced productivity for society as a whole. Paradoxically, that pattern can be observed today in a context where young people have acquired higher levels of schooling than earlier generations (although significant differentials in educational achievement still exist, as shown in figure III.2) but the low quality and limited relevance of that education can lead to a mismatch between the skills and knowledge acquired by young people and what the job market requires and values. Furthermore, owing to their structural features, the region's labour markets do not generate enough good-quality jobs for young people, resulting in a contradiction between the education levels attained and the existing job opportunities.

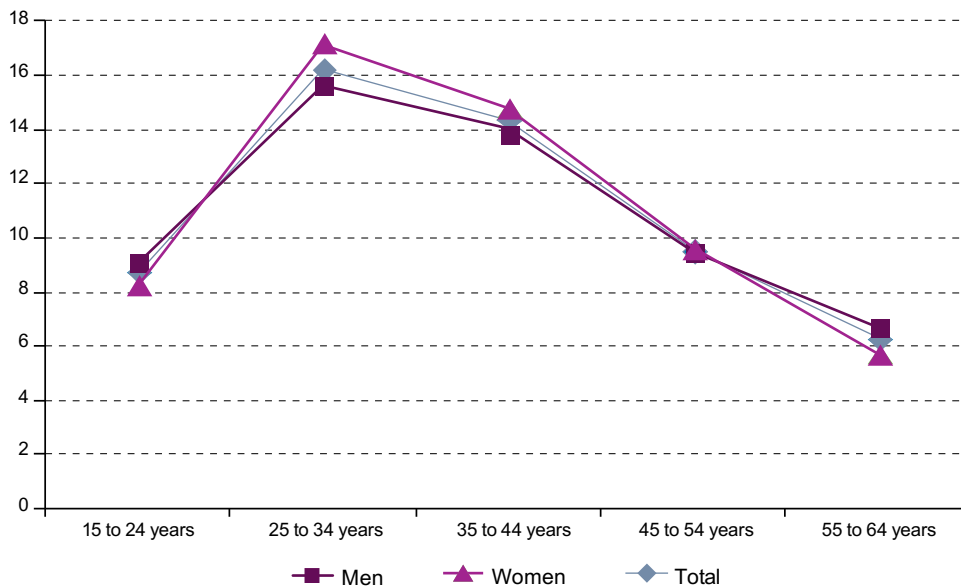
Labour market policies and institutions play a critical role in addressing those challenges, in supporting the transition from education to work and, at the same time, in satisfying and channelling the demand for workers. On the demand side, the mechanisms available include the direct creation of jobs, subsidies for companies to create jobs for young people or other hiring incentives. On the supply side, they include programmes for remedial education, skill-building and training; labour intermediation mechanisms are also crucial for connecting supply with demand. Other instruments encourage the formalization of youth employment and promote entrepreneurship among young people (Rossel and Filgueira, 2015a). Finally, during this stage of difficulties in reconciling school and work and of family responsibilities and unpaid domestic work, social protection mechanisms and care services are of particular importance.³

³ In this context and with a view to promoting youth emancipation, another area of public policy targeting young people that has not received the attention it deserves is access to owning or renting their own homes. The possibilities available to young people to establish their independence and embark on a process of emancipation are contingent on access to housing and there is a large scope for improving the relevant policies.

3. Adulthood

During adulthood, access to income and well-being depends more on people's ability to participate in the job market (Rossel and Filgueira, 2015b). This is also the stage when the pressures of care are felt most keenly, because of the presence of young dependants (children) and, on occasions, of older dependants (parents or other family members). The combination of these demands —reconciling labour market participation and care responsibilities— creates a particular challenge for adult-aged women. At the same time, the engagement of individuals in the job market during adulthood has consequences for their future well-being: if they are informally employed, they will not be entitled to a contributory pension in old age. For these reasons, the main risks at this stage are related to labour participation, employment quality in terms of income and working conditions and access to social protection mechanisms, including care services. Subjective indicators of job insecurity underscore the importance of engaging in the labour market at this stage in the life cycle (see figure III.4).

Figure III.4
Latin America (18 countries): workers worried about losing their jobs over the next 12 months, by age, 2015
 (Percentages)

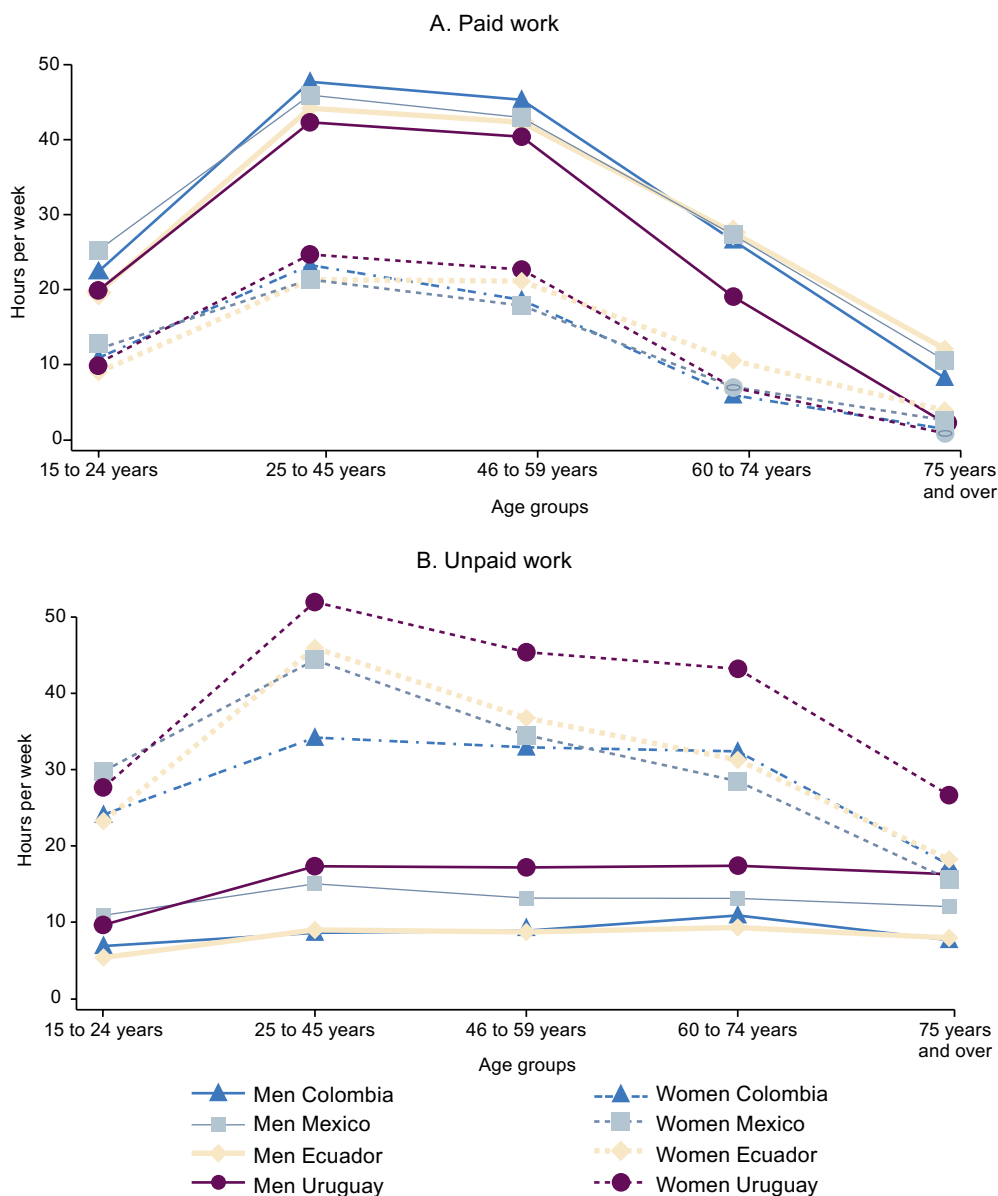


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of Latinobarómetro survey, 2015.

The time spent on paid and unpaid work also illustrates how age and gender intersect to create social gaps in opportunities for earning incomes during adult life (see figure III.5). The burden of paid and unpaid work, along with gender gaps in this area, follows a dynamic that is marked by human reproductive cycles. On the one hand, the time spent on paid work by women and men reaches its peak during the adult stage, that is, between the ages of 25 and 59 years (especially between the ages of 25 and 45 years); on the other, the figure indicates that women spend less time on paid work than men at all life stages, but that the differentials are significantly more pronounced during this phase of adulthood.

In the case of women, the time they spend on unpaid work increases markedly between the ages of 25 and 45 years, while the time men spend on those activities is comparatively much lower and varies less over the life cycle. This corroborates the observation that the burden of unpaid work has a pronounced gender bias and that the differential is greater during the stages of life when the presence of young dependants is more probable. Thus, the counterpart to limited male participation in those activities and the absence of affordable care systems is a lower possibility of women being able to pursue paid work, in particular during adulthood.

Figure III.5
Colombia, Ecuador, Mexico and Uruguay: time spent by persons over the age of 15 years on paid and unpaid work, by sex and age group, around 2010^a
(Hours per week)



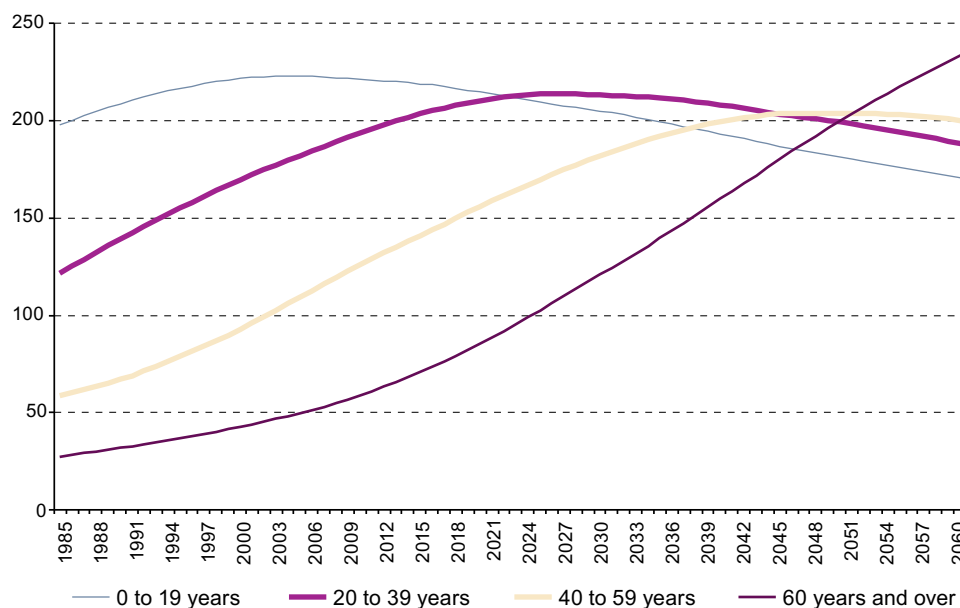
Source: E. Benven, E. Rivera and V. Tromben, "A multidimensional time use and well-being index: a proposal for Colombia, Ecuador, Mexico and Uruguay," *CEPAL Review*, No. 118 (LC/G.2676-P), April, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016.
^a Data from time-use surveys from 2012 for Colombia and Ecuador, 2009 for Mexico and 2007 for Uruguay.

Lastly, the pronounced segmentation of the labour market in the region's countries combined with the equally segmented access to social protection contribute to wide gaps both between and within different population groups (for example, between men and women, within indigenous groups and among those who live in rural areas). The inequalities in well-being and the effective enjoyment of rights that exist between parents as a result of the way they engage in the labour market are also clear, and they are transmitted to their children and dependent young people.

4. Old age

The twentieth century saw a pronounced increase in life expectancy in Latin America and the Caribbean. This demographic milestone—the result of improvements in nutrition, health and sanitation, technological changes and other factors—means that the number of people aged 60 years and over will increase steadily over the coming decades. The number of older persons is expected to grow faster in Latin America and the Caribbean than anywhere else in the world, with a projected 71% increase over the coming 15 years (United Nations, 2015). As shown in figure III.6, the predominant population group in the region has historically been children and adolescents aged 0 to 19 years; however, projections indicate that by 2031, persons aged 20 to 39 years will represent the largest group, and by 2045 those aged from 40 to 59 years will outnumber the 20- to 39-year-old cohort. In 2052, people aged 60 years and older will become the largest age group.

Figure III.6
Latin America: population by age group, 1985-2060
(Millions)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2015. Briefing Paper*, Santiago, 2016.

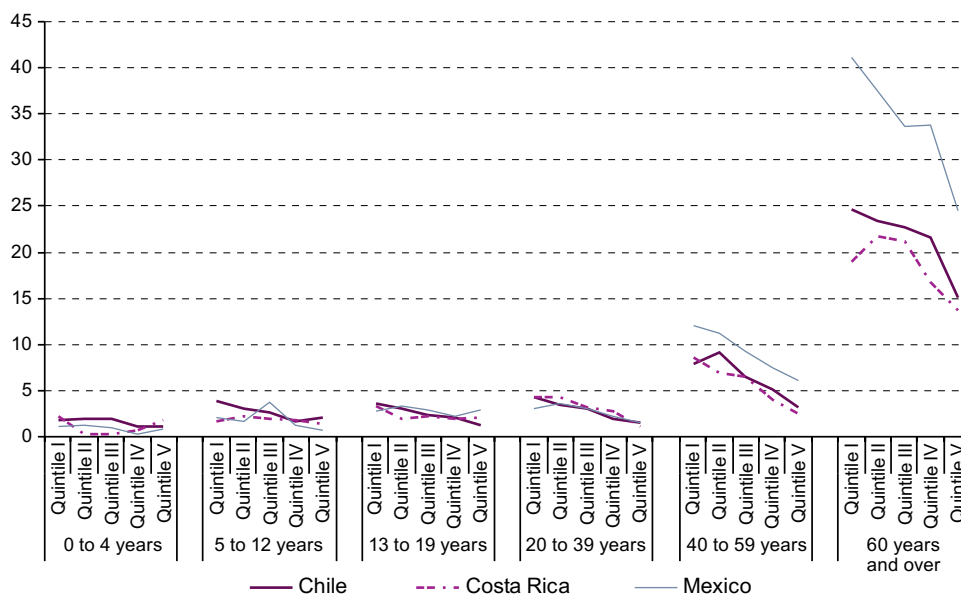
Given the dominant role that older persons will play in our societies over the coming decades, ensuring their inclusion in all areas and providing opportunities for their personal development will be of critical importance. It is therefore necessary to understand not only their interests and needs, but also how they can continue contributing to society from adequate levels of well-being (Huenchuan, 2013).

The region is undergoing a profound demographic transformation, as life expectancy rises, not only does the proportion of older persons in the population increase, but these people also live longer. From a life-cycle perspective, therefore, higher life expectancy implies a longer and more complex old age.

Ensuring that this accomplishment (the fact that more people reach old age and live longer at this stage) goes hand in hand with effective and universal access to adequate levels of well-being, fulfilment, enjoyment of rights and sociability for everyone is a considerable challenge. This major demographic transformation will very likely give rise to new family arrangements and will have a profound impact as changes are made to existing institutions that address old age and ageing or innovative new designs are introduced.

The most notable inequalities at this stage in the life cycle are related to modifications in family living arrangements, access to stable incomes through pensions and retirement funds and changes in health and in physical and intellectual autonomy. One illustrative example of those challenges and possibilities is disability in old age. As shown in figure III.7, while the presence of disabilities varies very little among the income quintiles at the start of life, as the population ages, not only does the prevalence of disabilities increase, but the disability gap widens between income quintiles.

Figure III.7
Chile, Costa Rica and Mexico: prevalence of disabilities by age and income quintile, around 2012
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of 2011 Survey of Socioeconomic Characteristics (CASEN) of Chile; 2013 National Household Survey (ENAH) of Costa Rica; 2013 Household Income and Spending Survey (ENIGH) of Mexico.

This finding indicates that as the life cycle progresses, certain contextual factors have an increasingly pronounced effect (ECLAC, 2012d). Clearly, economic and social resources have a significant impact on the enjoyment of greater levels of autonomy during old age. People who go through these stages of life in a context of economic vulnerability and reduced access to social protection mechanisms are at a greater risk of any health problem becoming a disability because they lack the resources to pay for the support services and technical assistance they need to mitigate the impact of limitations acquired with age.

Health systems —particularly the incipient care services found in the region—⁴ must address the long-term effects of the dynamics of radical demographic change, in particular the ageing of the population, and redirect their focus to the prevention and care of non-communicable and chronic diseases.

B. Life cycle: the weight of accumulated disadvantages and privations

The persistence, reproduction and intergenerational expansion of social inequalities are closely related to processes whereby disadvantages and privations are accumulated throughout the life cycle. The way those inequalities concatenate and intertwine is illustrated below by means of two situations: gender gaps in access to retirement plans and contributory pensions at the end of the life cycle, and adolescent motherhood.

⁴ As stated by ECLAC (2016c), the discussion on the social organization of care and the role of public policies in this area has gained traction on the public agenda. Care is a shared responsibility of families, the community, the market and the State; however, the burden of care work falls mostly on families, and especially on women, with social policies providing only scant and fragmented support. Care policies are intersectoral and multidimensional by nature, since they respond to the diverse needs of caregivers and those in need of care, whether in the case of comprehensive early childhood development or of older persons and persons with disabilities requiring assistance to preserve their autonomy. This broad range of needs requires the participation of different public institutions responsible for multiple policies and social services and the existence of a comprehensive, coordinated and solid institutional framework.

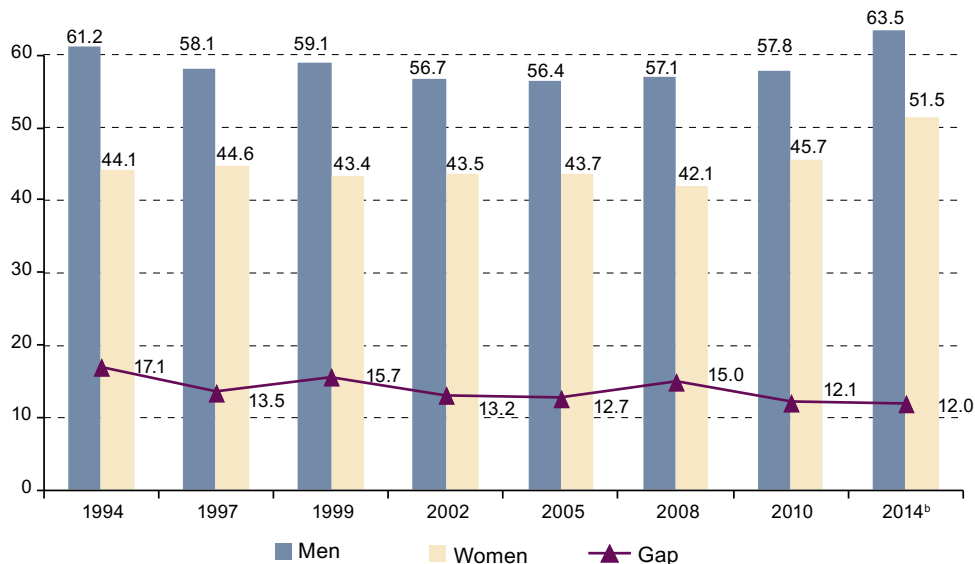
1. Gender gaps in access to retirement plans and contributory pensions at the end of the life cycle

In Latin America, people of both sexes participate in productive endeavours in a context of labour markets with high levels of informality and limited social security system coverage (low rates of contributions and low replacement rates), and this translates into limited access to pensions and retirement plans during old age. Regardless of the progress with employment formalization and access to social security seen in most of the countries over the past decade, a high proportion of older people still lack social security coverage (ECLAC, 2016a and 2016c). This is even more worrying given the increase in life expectancy, particularly among women. Moreover, the older persons who reach this stage of life with the least protection are those who suffered deprivations in the earlier stages.

In addition, in spite of increasing progress with women's education levels, their participation in formal paid activities remains highly precarious and, in many cases, is often curtailed by long and intermittent periods dedicated to domestic and care work, on account of the inadequate supply of care services and low rates of male participation in those undertakings. Over time, this leads to lower rates of female participation in formal paid work. Consequently, the likelihood of women having contributory pensions upon reaching old age is also lower than among men, which creates a systematically unfavourable differential in access to pensions for women. For these same reasons, even women whose career path has resulted in their receiving a pension tend to receive a lower amount than men. Accordingly, women suffer the dual impact of longer life expectancy and, simultaneously, lower pension and retirement coverage.

Figure III.8 shows that in the past decade's context of greater labour participation, higher levels of formal employment and expanding non-contributory pension schemes in several countries, the gap in pension and retirement access between men and women has fallen with respect to the 1990s (a reduction from 17.1 percentage points to 12.0 percentage points between 1994 and 2014), but nevertheless remains considerable. Between 2002 and 2013, the number of wage earners affiliated to pension systems rose by 9.4 percentage points (ECLAC, 2016a, p. 41).⁵ Income at this stage in life, in addition to being a basic factor for the autonomy, well-being and dignity of older people, represents a contribution to the well-being of the families to which they belong, particularly in the case of extended families living in conditions of poverty.

Figure III.8
Latin America (10 countries):^a persons aged 65 years or over receiving retirement funds or pensions in urban areas, by sex, 1994-2014
(Percentages, simple averages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT database.

^a Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Plurinational State of Bolivia and Uruguay.

^b Social Development Division of ECLAC estimate for 2014.

⁵ This indicator helps to illustrate the inequalities in access to pensions, but does not reflect whether the amounts received are sufficient, which varies across the region.

Bearing in mind the ageing process and the social equality gaps generated by concatenating deprivations throughout life, social protection systems and labour policies should promote access to formal employment during youth and adulthood and establish basic social protection floors in old age for those who were unable to access employment of that kind.

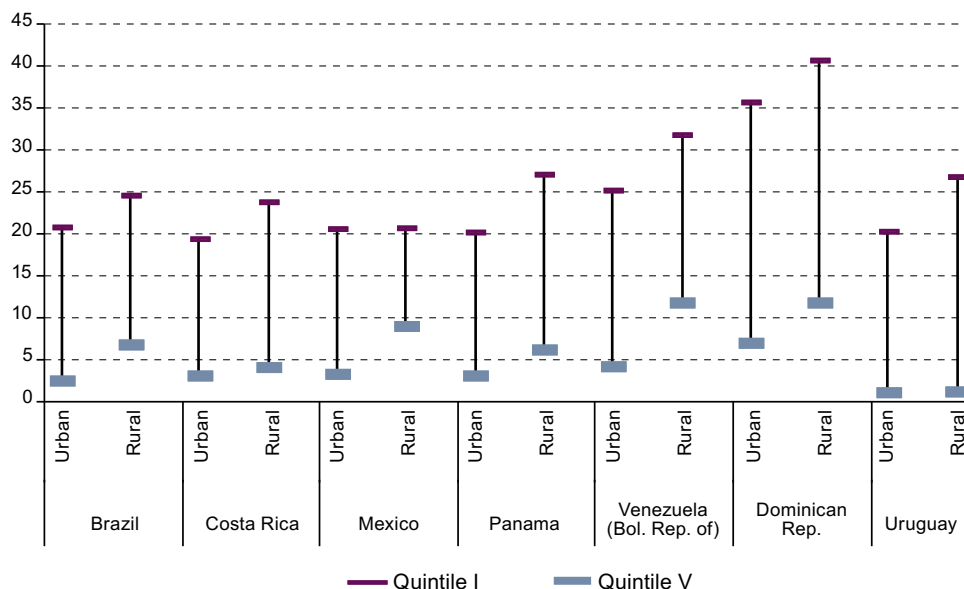
2. Adolescent motherhood

Adolescent motherhood provides another specific example of how inequalities concatenate throughout the life cycle and from one generation to the next and how they intertwine with other social inequalities. In spite of the dramatic reduction in fertility rates in Latin America and the Caribbean, they remain high among adolescent women. This is a worrying situation, because the consequences of adolescent motherhood are profound and generally negative, particularly when it occurs in early adolescence. The adverse impact of early motherhood also extends to the children born to adolescent mothers and to their families. In societal terms, early motherhood has been identified as a key factor in the intergenerational transmission of poverty in the region.

While there is some diversity in the paths that can lead to an adolescent pregnancy (Rodríguez, 2012) and while this kind of motherhood involves both planned and unplanned pregnancies, it is a phenomenon with marked social stratification: it is most prevalent among indigenous youth (Rodríguez, 2014), young Afro-descendants (UNFPA/ECLAC, 2011), young people in rural areas and, above all, poor youth.

Using data from the most recent census rounds, figure III.9 shows adolescent maternity rates in seven of the region's countries. Young women living in rural areas are systematically more likely to be adolescent mothers than their urban counterparts and, in rural and urban areas alike, young women in the lowest income quintiles report the highest rates of adolescent motherhood.

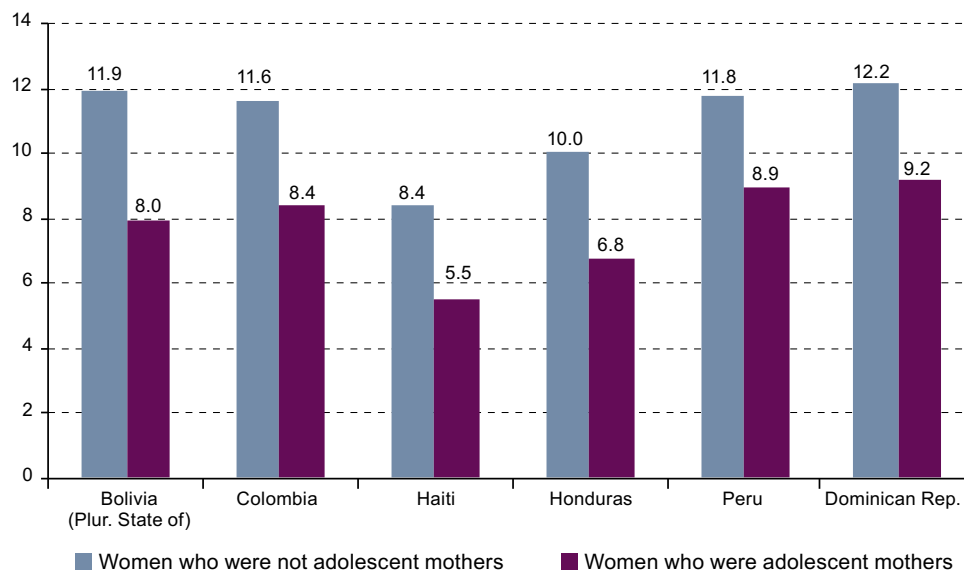
Figure III.9
Latin America (7 countries): mothers between the ages of 15 and 19 years,
by income quintile and area of residence, 2010
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J. Rodríguez, “La reproducción en la adolescencia y sus desigualdades en América Latina. Introducción al análisis demográfico, con énfasis en el uso de microdatos censales de la ronda de 2010”, *Project Document* (LC/W.605), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014, and D. Trucco and H. Ullmann (eds.), *Youth: realities and challenges for development with equality*, ECLAC Books, No. 137 (LC/G.2647-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016.

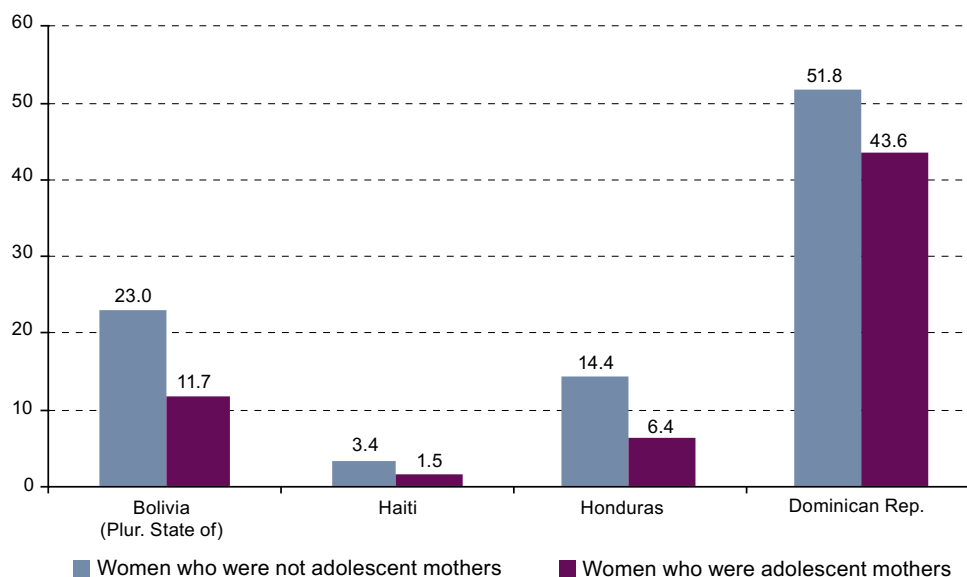
In addition to its unequal distribution among the population, with a concentration in rural areas and among the poor, adolescent motherhood also perpetuates social inequalities by curtailing young women's education levels and their current and future prospects for access to employment and social protection. For example, on average, women in the region aged between 20 and 24 years who were adolescent mothers report 3.2 fewer years of schooling than their peers who were not (see figure III.10) and, additionally, they have less access to health insurance (see figure III.11).

Figure III.10
Latin America (6 countries): average duration of schooling for women aged 20 to 24 years, around 2011
(Years)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys from Bolivia (Plurinational State of), 2008; Colombia, 2010; Dominican Republic, 2013; Haiti, 2011; Honduras, 2011; and Peru, 2013.

Figure III.11
Latin America (4 countries): women aged 20 to 24 years with health insurance, around 2011
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys from Bolivia (Plurinational State of), 2008; Colombia, 2010; Dominican Republic, 2013; Haiti, 2011; Honduras, 2011; and Peru, 2013.

All this indicates that addressing and preventing adolescent motherhood in the region's countries must be a public action priority for numerous sectors of social policy, including education (to facilitate continued schooling and promote educational contents that work towards prevention), health systems (to deal with the health risks associated with adolescent motherhood), care systems (to offer affordable alternatives to free up time for adolescent mothers) and training and workplace education policies (to foster access to decent work). At the same time, prevention policies must comprehensively address the structural factors that underlie adolescent pregnancy, such as poverty and restricted opportunities for social mobility, together with the phenomenon's cultural and emotional determinants.

It is important to recognize that, in many cases, adolescent pregnancy is not necessarily linked to lack of information on methods of preventing conception or on sexual and reproductive rights, but to the existence of strong gender roles that still place motherhood at the core of women's life plans; it is therefore essential that public policies in this connection are formulated from a gender perspective and apply a life-cycle approach.

C. Final comments

This chapter has showcased several examples of how social inequalities arise in the different dimensions of risk and vulnerability that characterize the stages of the life cycle, the way in which those trends vary over time and how inequalities can concatenate in the course of people's lives and intersect with the other axes of social inequalities that were studied in the previous chapter (gender and ethnic origin) and that will be examined in the next chapter (territory).

Public policies must assist people at the different stages of their lives, addressing the specific needs of each stage while ensuring continuity and a unifying structure over time. However, most public programmes and services lack this life-cycle perspective. Instead, their target populations are defined in isolation using rigid age-based criteria and are disconnected from other initiatives geared towards later stages that could provide protection or care once the recipients become too old to be beneficiaries. Accordingly, inequalities of opportunities and results, together with policies and programmes for mitigating them, require measures that, in a complementary fashion: (a) address the specific needs of each stage in the life cycle, responding to the particular risks and vulnerabilities of each stage and monitoring their evolution over time, and (b) adopt an intertemporal perspective, covering the entire life cycle, given that infringements of rights concatenate into vicious circles and accentuate inequalities that could be the result of earlier infringements or could represent a precursor of future infringements or threats. If policies based on the first perspective alone are adopted, the opportunity of creating positive synergistic effects that could reduce social inequalities is lost. Similarly, if the intertemporal perspective exclusively is strengthened, the particular needs of each stage could be omitted, to the detriment of universal enjoyment of rights as a guiding principle of public policies.

In addition to considering the risks and challenges associated with the different stages in the life cycle, it is also important to address how they evolve over time. An intertemporal perspective of social inequalities over the life cycle could reveal, at particular moments in that cycle, imbalances in people's well-being and in their enjoyment of rights that policymakers should consider when identifying long-term priorities (Rossel, 2013). Those imbalances could be the result of policy vacuums, and they require attention both to satisfy the specific needs of each age group (in accordance with the principle that all individuals should enjoy equal rights) and to keep the growing gaps between those groups from becoming yet another facet of social inequality.



The territorial dimension of social inequalities

- A. Territory: an axis of social inequality
 - B. Inequalities among territories
 1. Poverty and territories
 2. Territory and access to basic services
 3. Territorial inequalities and education
 - C. Inequalities in cities
 1. Slums: an urban expression of inequality
 - D. Final comments
- Annex IV.A1

The aim of this chapter is to analyse, from two different angles, how territory serves as a structuring axis of social inequalities. First of all, it examines territorial inequalities in the countries in terms of key social development issues: poverty, access to basic services and education. For this, the countries' largest administrative divisions are used (what are known as first-level territorial divisions). Second, it analyses social inequalities by comparing the countries' capitals with their other urban centres and with their rural areas. It also examines social inequalities within cities. It is important to note that the topics of natural resources and the environment, which are also important elements for analysis, are not addressed in this document.

A. Territory: an axis of social inequality

One of the most eloquent manifestations of the high levels of inequality in Latin America and the Caribbean is the different levels of development found between different locations in each country. ECLAC, which has a long history of working to understand the phenomenon of territorial development, has shown that the region is characterized by wide gaps between rich territories and poor territories.¹ It has stated that in this part of the world, “place does matter”: being born in a given locality or residing there does have a major impact on the distribution of opportunities for well-being.²

From a structural point of view, ECLAC has described this phenomenon as territorial heterogeneity, caused by uneven settlement patterns and major disparities in the distribution of wealth and of opportunities for material well-being (ECLAC, 2010a; ECLAC, 2015d). This pattern has emerged both in areas with successful territorial development dynamics and in a considerable number that have not managed to escape the trap of stagnation and remain characterized by high and persistent levels of poverty.

¹ Concern within ECLAC for the territorial dimension of development dates back to the 1960s, when it suggested that the production structures seen in countries' patterns of internal spatial organization reproduced, albeit not identically, the centre-periphery paradigm observed between countries (Pinto, 1965; Sunkel, 1970; Di Filippo and Bravo, 1976; De Mattos, 1982). Notable among the most recent contributions that specifically address the relationship between social inequalities and territory are publications by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and the Human Settlements Unit of the ECLAC Sustainable Development and Human Settlements Division. These works deal with topics related to territorial development, urban residential segregation, migration and indigenous territorial rights. Analyses of the territorial dimension of development acquired a major boost with the publication of the document of the thirty-third session of ECLAC, held in Brasilia from 30 May to 1 June 2010, *Time for Equality: Closing Gaps, Opening Trails* (ECLAC, 2010a), which highlights the importance of this dimension. That document indicates that social gaps can be mapped, showing the territorial distribution and intensity of social deprivation in Latin America. The factors taken into account include dwelling construction materials, overcrowding, access to drinking water, sanitation, education and the presence of information or communications media.

² “Place does matter: territorial disparities and convergence” is the title of one of the chapters of ECLAC (2010a).

Box IV.1

Territorial heterogeneity in Latin America and the Caribbean

In order to illustrate Latin America's territorial imbalances, ECLAC has conducted a comparative analysis with countries of the Organization for Economic Cooperation and Development (OECD) using two indicators: the territorial concentration coefficient (which measures the territorial distribution of economic activity) and the territorial Gini coefficient (which measures the distribution of wealth by correlating the total gross domestic product (GDP) of each territory with its share of the geographical area). This analysis showcases “the peculiarity of Latin America

where, unlike in European countries, territorial concentration of GDP goes hand in hand with inequity” (ECLAC, 2010a, p. 126). At the same time, if a country's territories (strictly, its major administrative divisions) with the highest and lowest per capita GDP are compared, it can be seen that while in the OECD countries the difference is seldom greater than a factor of two (the average figure is a difference of around 1.76 times), in some Latin American countries—such as Argentina and Brazil— there is an eight-fold difference.

Latin America and Organization for Economic Cooperation and Development (OECD) (selected countries): differentials in per capita GDP between the richest and poorest regions, by country

| Country | Reference year | Richest region | Poorest region | Ratio between the two regions |
|----------------------------------|----------------|----------------------|----------------------|-------------------------------|
| Latin America | | | | |
| Argentina | 2005 | City of Buenos Aires | Formosa | 8.09 |
| Bolivia (Plurinational State of) | 2006 | Tarija | Potosí | 3.55 |
| Brazil | 2006 | Federal District | Puaúí | 9.22 |
| Chile | 2007 | Antofagasta | Araucanía | 4.48 |
| Colombia | 2007 | Bogota | Chocó | 4.87 |
| Mexico | 2006 | Federal District | Chiapas | 6.07 |
| Peru | 2007 | Moquehuá | Apurímac | 7.57 |
| OECD countries | | | | |
| France | 2005 | Île-de-France | Languedoc-Roussillon | 1.95 |
| Italy | 2005 | South Tyrol | Campania | 2.04 |
| Japan | 2005 | Tokai | Okinawa | 1.57 |
| Republic of Korea | 2005 | Yeongnam | Jeju | 1.88 |
| Netherlands | 2005 | West | East | 1.31 |
| Spain | 2005 | Madrid | Extremadura | 1.92 |
| Sweden | 2005 | Stockholm | East Middle Sweden | 1.63 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures, and *Time for Equality: Closing Gaps, Opening Trails* (LC/G.2432(SES.33/3)), Santiago, 2010.

This panorama of inequalities is particularly harmful to people who are born and live in the less developed territories, which are typified by offering fewer opportunities and lower levels of well-being in different dimensions of development, and by systems of social relations that perpetuate and deepen economic and social backwardness and that require new systemic relations if the situation is to be improved (ECLAC, 2010a). Those inequalities also harm the large segments of the population that congregate in the peripheries of metropolitan and other urban areas.

Territory can be considered one of the axes of social inequalities because it plays a determining role in their depth and reproduction in different areas of social development.³ It has been highlighted that the place of birth or residence determines opportunities and socioeconomic conditions, impacts the enjoyment of political, economic and social rights, and can be in and of itself a source of discrimination, as can gender, race or religion (ILPES, 2012, p. 12). The territory is precisely where the social inequalities examined in the previous chapters crystallize, connect and intersect and where the intergenerational reproduction of poverty takes place. In addition, some of the population groups that suffer the severest inequalities and rights deprivations (indigenous peoples in particular, but also, in some cases, Afro-descendants) tend to concentrate in underdeveloped areas, which further accentuates their conditions of exclusion. In urban areas, residential segregation—which occurs when different socioeconomic groups

³ Seeing territory as an axis that structures social inequalities is not the same as geographical determinism; in other words, it does not seek to attribute a direct and causal effect to geographical location, since the social structure found in a locality and the relations established with other territories are of greater relevance than the location itself.

live separately, with little or no coexistence (ECLAC, 2010a, p. 135)— is a clear manifestation of inequality. “Urban segregation in Latin America is distinguished by the precarious nature of areas on the outskirts, where most of the poor and most deprivation are concentrated” (ECLAC, 2010a, p. 135). In that context, in spite of the progress made with social development over recent decades, slums remain one of the most apparent and violent manifestations of social inequality in Latin American cities (Martínez and Jordán, 2009).

Although territorial inequalities are particularly harmful to the people who inhabit underdeveloped areas, they also have an impact, consequences and costs for the country as a whole. For example, forced migration caused by territorial inequalities generates diseconomies of agglomeration, which lead to constant reductions in national productivity.⁴ In terms of aggregate growth, this hampers a nation’s progress towards comprehensive development.⁵

Territorial inequalities are, in addition, the main trigger of both international and domestic migration (ECLAC, 2007b). The search for better opportunities that underlies migration would appear to be compatible with the capacity of territories to successfully receive migrants; that does not mean, however, that they are received positively. In turn, socioeconomically underdeveloped subnational regions tend to be points of origin for migration. Such migratory flows, in addition to affecting individuals and their personal development directly, erode the stock of human resources needed for the development of those poor areas. Emigration is highly selective, with a disproportionate participation by young people being likely to migrate (ECLAC/OIJ, 2008, pp. 215-235); this creates an exodus of that age group from their areas of origin and, accordingly, leads to replacement, innovation and dynamism in the destination zones. Thus, migration has its positive side, in that it facilitates individual opportunities and contributes to the development of the cities that receive migrants; however, it worsens conditions in their places of origin, which negatively affects those that remain and contributes to the formation of what ECLAC has called “territorial poverty traps” (ECLAC, 2007b).

The advance of urbanization in the region has modified the profile of internal migrants, who now move mainly between or within cities. In addition, current movements no longer follow the same patterns of urban concentration as in previous decades. Although the capital city remains attractive in most countries, other large cities have reported an inversion of the trend and have begun to register net emigration since the 1990s, as people leave for other dynamic urban centres (ECLAC, 2007b).

That shift towards inter-metropolitan migration has been accompanied by a sustained increase in international migration among the countries of Latin America. Thus, international migration is a feature of the current stage in the development of the Latin American and Caribbean countries in the same way that internal migration was in past decades (CELADE, 2006).

It must be noted that “territory” refers not only to the place of residence: it can also be considered an ascriptive variable (referring to both the place of origin and the place of residence) that people bear as a seal of identity and that conditions their development opportunities. Thus, the place where a person lives or comes from becomes a structuring axis of social relations; it can strengthen the ascription to positive facets of territorial identity or, alternatively, bolster discriminatory processes that operate on the basis of stigma and deepen social inequalities. This situation has a particular effect on those migrating from given countries or localities, as well as on the inhabitants of certain city neighbourhoods, such as the more marginalized and run-down urban sectors.

In addition, territorial inequalities correlate with the quality of services provided and with the physical, technical and financial resources available to subnational public administrations (at the regional or local levels). The gaps that different social indicators show in the coverage and quality of services available according to place of residence are structural and self-reproducing. This situation can also be seen in imbalances in the quality and density of infrastructure—road networks, communications in general, communications infrastructure, basic economic

⁴ The cost-benefit ratio of a city’s growth changes constantly and determines cycles of urban expansion or depression. Cities tend to grow when the benefits outweigh the costs, but when the opposite occurs they stagnate and economic incentives for the relocation of their activities to other urban centres emerge. Economic theory, geography and sociology have conceptualized and formalized this process in different ways. Alonso (1971) and Richardson (1973) introduced the concept of economies and diseconomies of agglomeration to identify the determining factors behind the size of cities and their cycles of expansion and depression and to demonstrate the role played by the different forms of collective capital that produce advantages and disadvantages for private economic activities. That first approach to the topic has since been enriched through the incorporation of cultural, institutional, microeconomic and productive determinants (Scott, 2006) (Ramírez, Silva and Cuervo, 2009, p. 32).

⁵ See Latin America Center for Rural Development (RIMISP), “Proyecto Cohesión Territorial y Desarrollo Nacional” [online] <http://rimisp.org/noticia/desigualdad-territorial-los-territorios-rezagados-afectan-el-desarrollo-de-todo-un-pais/>.

facilities (ports, airports) and, obviously, local basic amenities (drinking water, sanitation, transport)— and these pose a major obstacle to territorial development.

A range of factors constrain territorial development. From a political economy perspective, ECLAC has identified the following: differences in production structures in the internal spatial organization of countries; the geographical transfer of income from underdeveloped territories to the main domestic metropolitan centres (as well as to other countries), which means that a significant share of the wealth produced does not remain in those territories; the process of selective migration—in particular, young people—from underdeveloped territories to metropolitan areas; and institutional determinants of the performance of subnational territories, such as the endogenous capacity of communities in those territories to create regional projects (ECLAC, 2015d, pp. 22-24).

From the perspective of institutional policy, an important role is also played by problems of coordination between government agencies at both the horizontal level (national policies for education, health, employment and housing, among others)—and their reach throughout the territory—and between different levels of government (national, regional, local), between local governments within a given territory and between public, private and civil society agents, together with their different objectives and priorities for resource allocation (Proctor, Berdegué and Cliche, 2016).

B. Inequalities among territories

This section analyses territorial inequalities by contrasting a series of disaggregated indicators from the major administrative divisions of each of the countries examined.⁶ With this, the analysis can go beyond national averages and also beyond more traditional comparisons between urban and rural areas. This analysis complements the work carried out over several decades by ECLAC (ECLAC, 2015d and 2012c) and follows the most recent guidelines of the Montevideo Consensus on Population and Development, in particular as regards priority measures related to territorial inequality, spatial mobility and vulnerability (ECLAC, 2012c and 2015c).⁷ An analysis based on household surveys from the countries was chosen in order to work with more recent figures than those from census rounds and, in addition, to make visible territorial inequalities related to income indicators, which are not covered by population censuses.

The names given to the first-level administrative divisions vary from one country to the next: in some they are called “states” or “federal entities” (for example, in Brazil and in Mexico), while in others they are “provinces” (Argentina, Panama), “regions” (Chile, Guatemala) or “departments” (Colombia, El Salvador, Peru, Plurinational State of Bolivia). The differences in population between these territories are considerable: the Brazilian state of São Paulo, for example, has 44 million inhabitants, which in regional terms is the equivalent of a medium-sized country, while the department of Flores, in Uruguay, has 25,000 inhabitants, the same number as a small city. In addition, the territories’ nature varies between countries and is closely related to the national political and administrative structure and to the level of administrative, legislative and fiscal centralization or autonomy.

In line with the previous remarks, one first element to consider is the uneven production structure of these administrative units, which can be seen, for example, in high levels of gross domestic product (GDP) concentration. In 2010, three territories accounted for the majority of Latin America’s GDP: first, the state of São Paulo in Brazil, which—with a GDP higher than that of countries such as Argentina, Colombia and the Bolivarian Republic of Venezuela— contributed 13.9% of the region’s GDP; second, Mexico’s Federal District, which accounted for 5.6%; and, third, the province of Buenos Aires, along with the City of Buenos Aires, which represented 4.2% (ECLAC, 2015d).⁸

⁶ Annex table IV.A.1 presents information on the territorial organization of the countries of Latin America up to the subnational level, where data from household surveys can be used without compromising information quality. These are top-level territorial divisions, that is, the major administrative divisions in each country.

⁷ See Montevideo Consensus on Population and Development [online], http://repositorio.cepal.org/bitstream/handle/11362/21860/4/S20131039_en.pdf.

⁸ Production and population concentration should not equate with inequality, but that is a feature specific to Latin America: high levels of concentration of production and population can be found in the OECD countries, but territorial differentials in living conditions and well-being are not as pronounced. In Latin America, with the exception of Chile, higher concentration correlates with greater inequality.

Combining the distributions of output and population with geographical size indicates that in only a few cases do the territories with the highest GDPs and populations exceed 2% of the total surface area. Population and economic activity are thus highly concentrated in a few dynamic centres.

A comparative analysis of three sets of variables in the different territories follows.

1. Poverty and territories

As shown in figure IV.1, an analysis of territorial poverty levels measured by income indicates that the national averages conceal major differences in each country.⁹

In most cases, the regions with the lowest levels of poverty are also the territories or metropolitan areas where the countries' capitals are located (this is the case in the Bolivarian Republic of Venezuela, Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua and Paraguay), where economic and industrial powerhouses are found (Nuevo León in Mexico, for example, where Monterrey is located), which are centres for tourism (Cuzco in Peru and Colonia in Uruguay) or which are areas with vast mining and extractive industries (Tarija in the Plurinational State of Bolivia). It should be noted that even when levels of urban poverty are lower, those territories account for the largest numbers of the population (in absolute terms) living beneath the poverty line.

The territories with the highest levels of poverty (more than 70% of their populations) are the indigenous areas of Panama (known as *comarcas*), Lempira (Honduras), Amazonas (Bolivarian Republic of Venezuela), the northern region of Guatemala, Chocó (Colombia) and Chiapas (Mexico). These are, in addition, territories with a large indigenous presence.¹⁰ This exemplifies how the inequalities examined in this document intertwine. As will be shown at the end of this section, another example of how the ethnic and racial characteristics of the population and territories intersect can be seen among Afro-descendants in Brazil.

A first approach to measuring territorial inequality in terms of the poverty prevailing in a country can be gleaned from the range (or difference) between the maximum and minimum poverty rates found in its territories. In five countries (Panama, Peru, Mexico, Colombia and the Bolivarian Republic of Venezuela) that range exceeds 40 percentage points. In Panama's indigenous *comarcas*, for example, 85% of the population are living in conditions of poverty, while the province of Los Santos reports only 9% of its population as poor.

Another way to measure inequality is to observe the distribution of poverty levels, and not only their minimum and maximum rates. Figure IV.1 shows poverty levels in the territories of each country (each point represents a territory) and their distribution in comparison to the national average. In Honduras, for example, only three of the sixteen departments (Atlántida, Cortés and Francisco Morazán) report poverty levels below the national average. A similar phenomenon can be seen in Colombia: only five departments have levels of poverty that are lower than the national average (Bogotá, Cundinamarca, Meta, Valle del Cauca and Santander). In both cases, most of the territories are above the average, but while Colombia reports a relatively high dispersion (as do Panama, the Bolivarian Republic of Venezuela, Mexico and Brazil), the rate of dispersion in Honduras is significantly lower. At the opposite extreme are Uruguay and Chile: in addition to lower national poverty rates in general, they also report the lowest levels of absolute and relative divergence from the average, followed by Costa Rica, El Salvador and Ecuador.

A number of different factors contribute to the emergence of "spatial poverty traps": (i) agro-ecological characteristics, which can influence the ability of residents to meet their basic needs; (ii) institutional, political and governance factors, at both national and subnational levels, which can lead to differences in the enjoyment of rights according to the place of residence; (iii) stigma; and, lastly, (iv) inadequate infrastructure in areas where low population densities can drive up the cost of the investments needed.¹¹

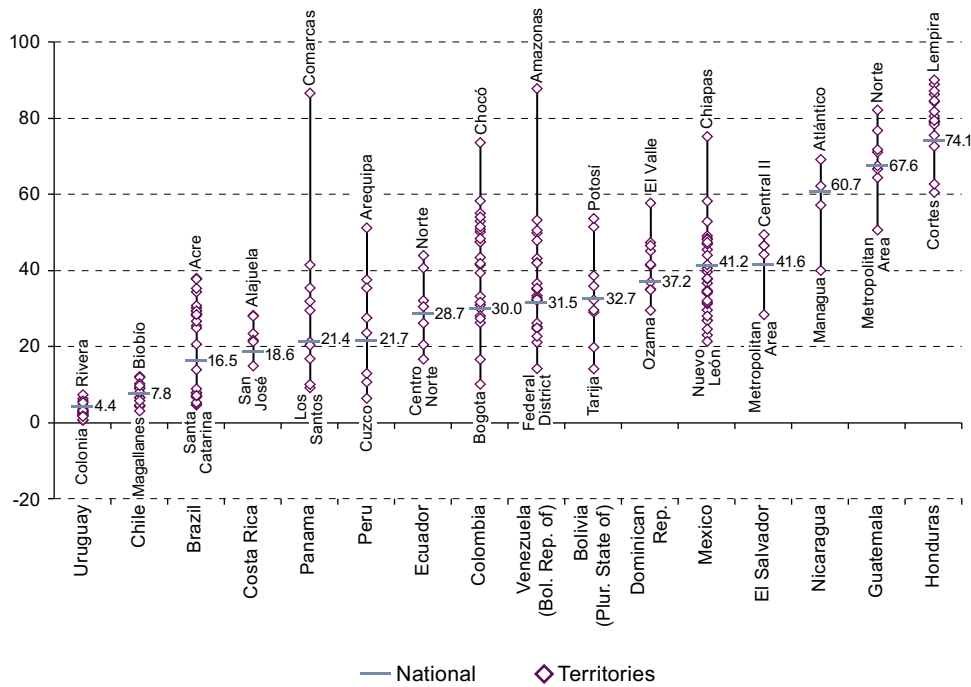
To summarize, the information presented in this section shows the importance of looking beyond national averages in measuring poverty in order to ensure that the territorial dimension can be taken into account in the formulation of public policies.

⁹ Monetary poverty is calculated using the ECLAC income-based method, wherein a person is identified as poor when his or her per capita household income is lower than the poverty line or the minimum amount needed to satisfy basic needs.

¹⁰ The case of Chile, where the Biobío region reports the highest level of poverty, can be explained partly by the socioeconomic consequences of the 2010 earthquake, the epicentre of which was located in that region.

¹¹ For an overview of the literature on spatial poverty and economics, see Bird, Higgins and Harris (2010).

Figure IV.1
Latin America (16 countries): poor population by territory and country
(Percentages)



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

2. Territory and access to basic services

Territorial inequalities also have a significant presence in other dimensions of living conditions, such as access to basic services (electricity, water and sanitation) and the physical space available within homes (overcrowding or the number of persons per room).

The availability of energy in the home is of the utmost importance, since it enables such activities as the preparation and refrigeration of food, lighting, entertainment and the ability to study and be informed. Its absence requires spending time on securing an alternative source of energy, which entails not only an additional burden of time — shouldered generally, as examined in chapter II of this document, by women and children— but also health problems caused by carrying heavy weights (for example, firewood) over considerable distances. Such is the importance of energy in the home that it was included as a separate goal on the 2030 Agenda for Sustainable Development (“Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all”).

Recent progress with electricity coverage in Latin America has been notable: in general, almost all households have this basic service (93%), and 10 countries report coverage rates in excess of 90% (see figure IV.2A). However, in five countries, more than 10% of all households are still without electricity: Plurinational State of Bolivia (10.5%), Guatemala (14.7%), El Salvador (16%), Honduras (16.4%) and Nicaragua (27.6%). Territorial inequalities are still found in this regard: the territories with the lowest electricity coverage rates are the Atlantic zone of Nicaragua, Olancho in Honduras and Guatemala’s northern region, where more than 50% of homes are without electricity. El Salvador, which has the same level of coverage as Honduras and Guatemala, reports lower territorial inequalities. In contrast, in Colombia and Peru, where the national coverage averages exceed 90%, the territorial inequalities are significant: only 75% of households have electricity in Chocó and La Guajira

(Colombia) and only 79% in Arequipa (Peru). Critical challenges remain, and initiatives must be designed to promote access to energy in areas where the population is still without it. Attention should be paid to analysing the extent to which local geography and the capacities of public policies or technology are the factors causing the absence of basic services in certain territories.

Access to drinking water and sanitation is key, given that they prevent gastrointestinal disorders that can cause death—particularly among children—or reduce years of healthy life.¹² They also affect school attendance and performance and can lead to lost working days. Households without access to drinking water face additional costs, such as obtaining water from tanker trucks, which has potential negative health effects and significant opportunity costs, including the time spent fetching water and, again, this is a phenomenon that affects children and women in particular.

The countries of Latin America have made significant progress recently regarding access to drinking water. According to ECLAC estimates (Jouravlev, 2015), over the past 25 years the region has expanded its level of access to drinking water from 85% in 1990 to almost 95% in 2015.¹³ However, major territorial inequalities can also be found in this regard (see figure IV.2B); with the exception of Chile, Costa Rica and Uruguay, the region's countries report high levels of territorial inequality in access to drinking water. In the area of sanitation, great challenges persist and major efforts need to be made to equip households with this basic service and to overcome the enormous territorial inequalities that exist (see figure IV.2C).

Decent housing is defined by its ability to protect its inhabitants from adverse climatic conditions and to afford them suitable levels of privacy and hygiene, the absence of which represents a significant decrease in the quality of life (Feres and Mancero, 2001; CESRC, 1991). In addition to causing differentials in households' access to energy, water and sanitation, inequality also affects the quality of home construction, the fixtures and fittings with which they are equipped and the physical space enjoyed by dwellers. For this last factor, the overcrowding rate is used, which is defined as the number of persons per room.¹⁴ Among children and adolescents, overcrowding and housing conditions in general have a particularly strong impact on school performance (Katzman, 2011). Figure IV.2D shows that in five countries (Dominican Republic, El Salvador, Nicaragua, Guatemala and Plurinational State of Bolivia), more than 20% of households suffer from either moderate or severe overcrowding.

Territorial inequalities related to overcrowding can be seen in most of the countries, with the exception of Costa Rica, Uruguay, Chile and Ecuador. For example, in countries like Mexico and Colombia (with overcrowding in slightly over 7% of their households, on average), the states of Guerrero, Chiapas and Campeche (Mexico) and the departments of Cesar and La Guajira (Colombia) report overcrowding rates similar to those of the Plurinational State of Bolivia, the Dominican Republic and El Salvador.

¹² The World Health Organization (WHO) calculates that in 2015, 1% of neonatal deaths, 16% of post-neonatal deaths and 9% of deaths of children aged under five worldwide were caused by diarrhoea. In Latin America, the corresponding figures are 0.2%, 7.9% and 4.4% (UNICEF, 2016).

¹³ The criterion for determining access to drinking water is quite lax and therefore yields high percentages that often conceal inequalities. In addition, the human rights criteria of access to drinking water (availability, quality, acceptability, accessibility and affordability) are frequently not met.

¹⁴ A rate above 2.5 people per room indicates moderate overcrowding; severe overcrowding occurs with five or more people per room.

Figure IV.2
Latin America (16 countries): households with basic services by territory
(Percentages)

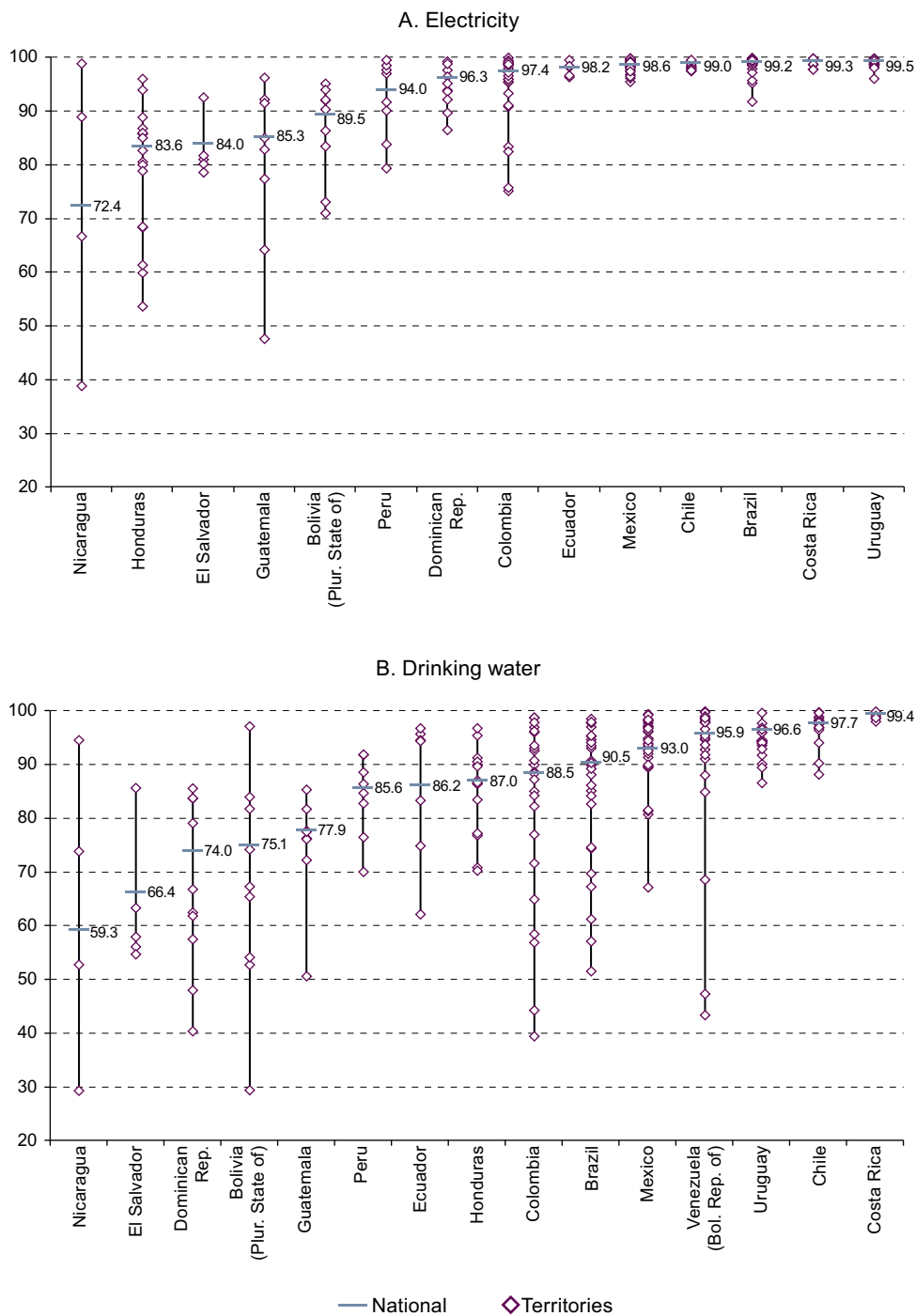
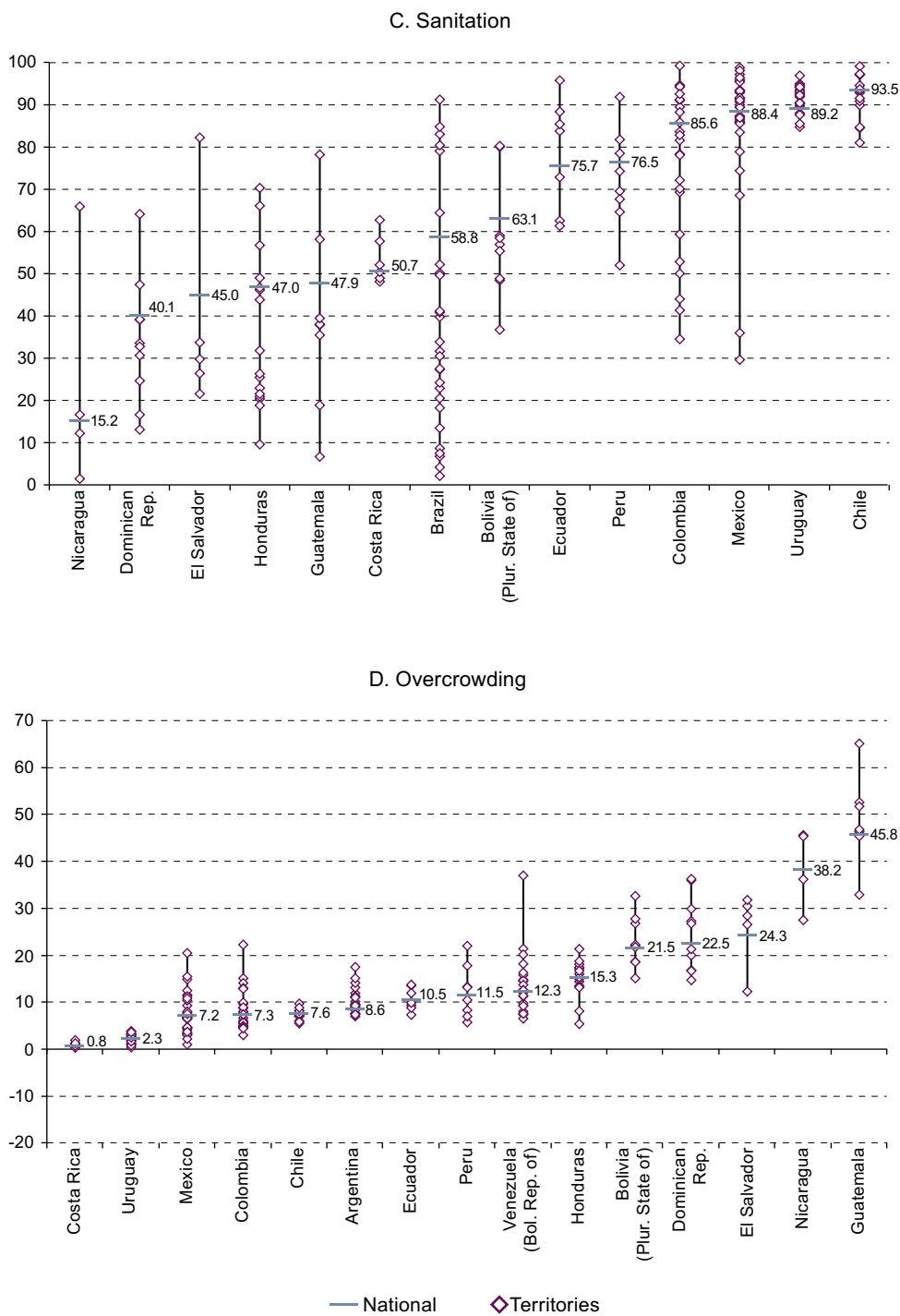


Figure IV.2 (concluded)

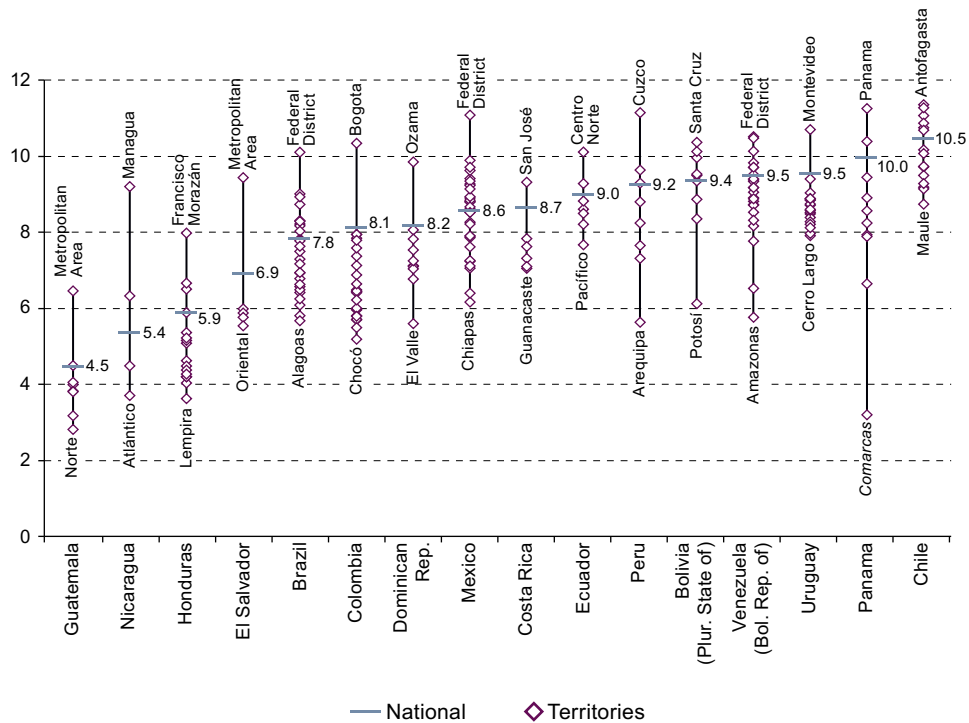


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys.

3. Territorial inequalities and education

Education is another area where territorial inequalities can be seen. ECLAC has analysed the countries' progress with the coverage of different educational cycles, as well as access to and progression within them, and it has studied the reproduction of inequalities that has led to the stratification of learning and achievements in their education systems (ECLAC, 2011b; ECLAC, 2015a). It has also examined the factors of inequality (the socioeconomic conditions of households and the level of schooling attained by their heads, together with gender, racial and ethnic determinants) that influence differences in learning results and in progression through the education system, together with access to good-quality teaching services.¹⁵

Figure IV.3
Latin America (16 countries): years of schooling of people aged 25 years or over, by territory
(Years)



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

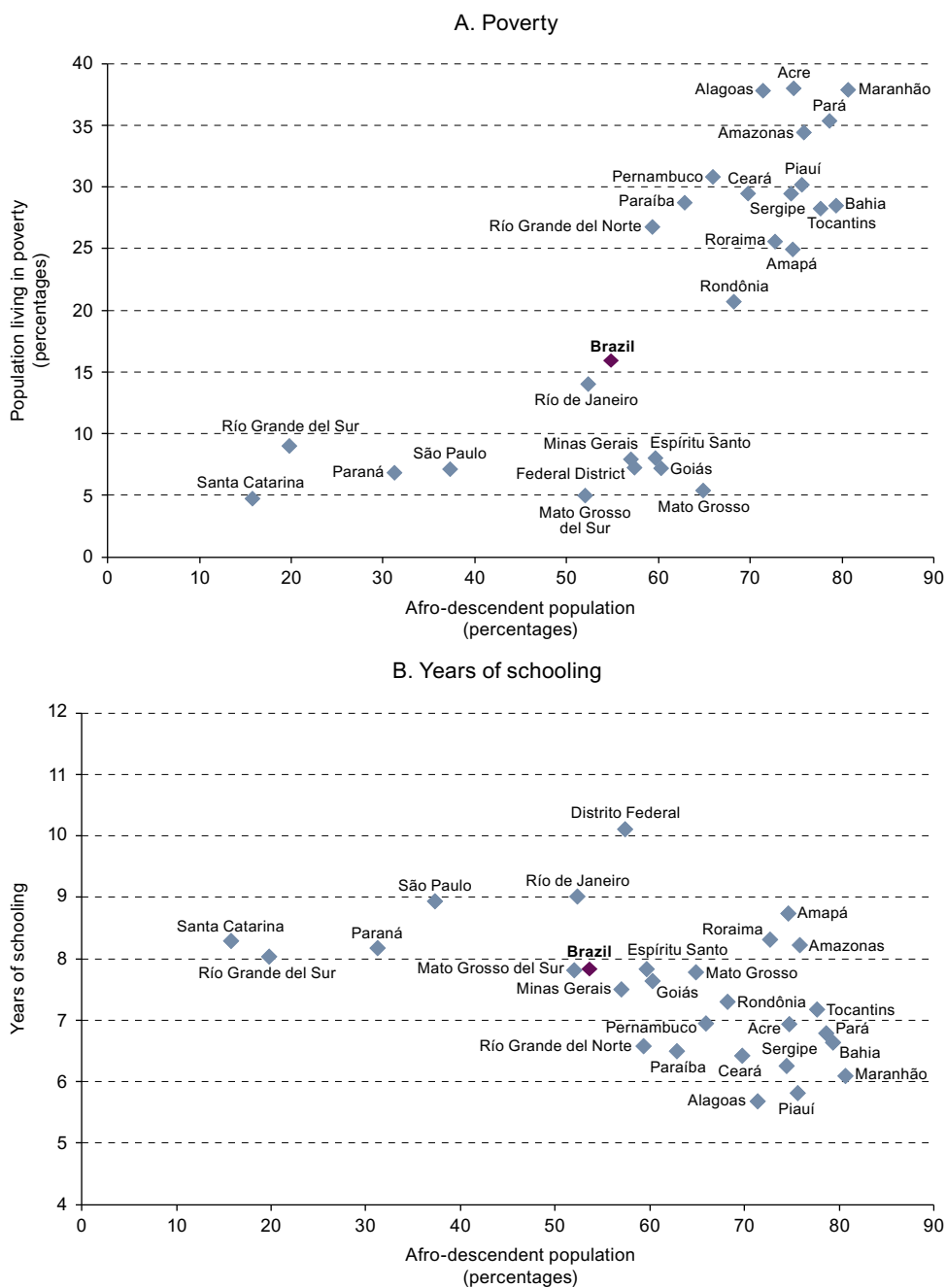
Formal education is a basic human right and an essential requirement for personal and national development. Even though there are still differences between the countries in the age at which education starts and the number of years spent at school, its compulsory nature enshrines a right for all children and adolescents, regardless of their place of residence within each country. Nevertheless, there are major territorial gaps in all the educational achievement indicators. In figure IV.3, which shows the years of schooling completed by the population aged 25 years and over, Chile reports the best result (10.5 years) and the lowest territorial inequality in terms of the range between the maximum and minimum number of years spent at school. In contrast, Panama, which has the second best national average (10.0 years), reports the greatest territorial inequality: its indigenous *comarcas* are the regions with the lowest levels of education in Latin America. Finally, countries such as Nicaragua, which has a national average of 5.4 years of schooling, also reports significant territorial inequalities: Managua reports a figure (9.2 years) that is similar to the national average in Peru, while the average in the Atlantic region is below 4 years.¹⁶

¹⁵ See chapter II.

¹⁶ Because of the nature of this text, no analysis will be given of differentials in education quality, where the territorial dimension also plays a major role.

Territorial analysis also reveals a new way in which the inequalities examined in this document intersect. In Brazil, for example, the territories characterized by poverty rates above 30% (Acre, Maranhão, Alagoas, Pará, Amazonas, Pernambuco and Piauí) (see figures IV.1 and IV.4), with the lowest rates of access to electricity (Acre, Amazonas, Amapá, Piauí, Pará), to drinking water (Acre, Amapá, Pará, Rondônia, Maranhão) and to sanitation (Amapá, Maranhão, Pará, Piauí) and with the lowest totals for years of schooling (Piauí, Alagoas, Maranhão) are the same territories with the largest proportions of Afro-descendants among the population.

Figure IV.4
Brazil: social indicators and Afro-descendant population by state, 2014
(Percentages and years)



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

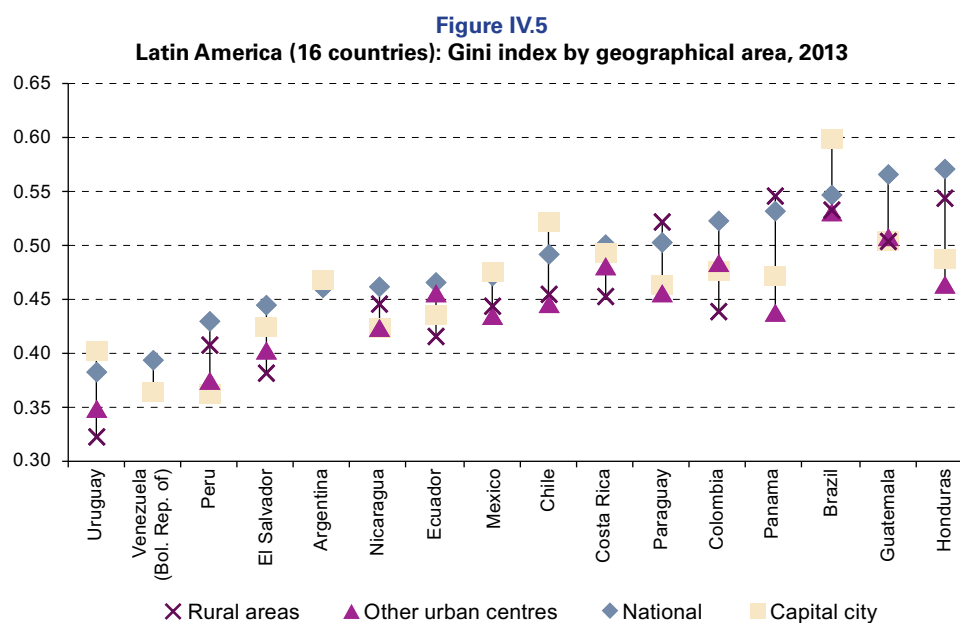
C. Inequalities in cities

The region's urbanization process has led to a high concentration of the population — currently 80% of the total— in urban areas. An analysis of territory as one of the axes of social inequalities therefore calls for an examination of what is happening within and between the region's cities.

As already noted, income distribution is one of the dimensions in which inequality becomes apparent. UN-Habitat/CAF (2014) presents the results of a comprehensive study into inequalities in income distribution and associated indicators in 284 urban centres in 17 of the region's countries. Those results indicate widely different levels, with differences in the Gini coefficient of up to 25% between different cities in the same country.¹⁷ The study concludes that differences within a country can be even greater than the differences between different countries.

Figure IV.4 offers a comparison of figures from each country's capital city and another two sets of territories (Martínez and others, 2016).¹⁸ According to data from around 2013, the Gini coefficient followed irregular patterns and in more than half the countries, inequality in the capital was lower than the national average. At the same time, five countries' capitals report greater inequality than the rest of the country and, in two countries, rural areas report the highest inequality.

In addition, the analysis of Martínez and others (2016) shows that capitals account for between 5% and 60% of total income inequality; this can be explained, in part, by differences in levels of concentration.¹⁹ Thus, of the countries where income inequality in the capital is higher than in other areas (urban and rural), two report highly concentrated levels of income in those cities that account for the largest shares of total income: Santiago (Chile) and Montevideo (Uruguay). As noted above, the relatively higher levels of inequality in those two cities contrasts with their belonging to countries with the lowest rates of inequality —in terms of their poverty levels and other indicators— among territories; however, the same does not apply to income concentration.



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

¹⁷ The Gini index is one of the indicators most commonly used to measure income inequality. It uses values of between 0 (equal distribution) and 1 (maximum inequality) to portray the depth of inequalities in household incomes.

¹⁸ From this point forward, “capital” will be used to refer to a country's capital city. The classification of geographical areas —capital, other urban centres, rural— was carried out in accordance with the possibilities of city-level analyses being offered by household surveys. For that reason, capitals or their metropolitan regions are used as an example of phenomena occurring within cities. For the purposes of comparison, other urban centres and rural areas are used.

¹⁹ The Theil index has been used to analyse this contribution to inequality, broken down into the three territories examined: capital city, other urban centres and rural areas. The Theil index is an indicator commonly used to examine inequality, and its usefulness lies in its ability to express total inequality as a sum of different components.

1. Slums: an urban expression of inequality

In Latin America and the Caribbean, population groups belonging to different socioeconomic levels tend to follow distinct patterns in choosing locations for residence within cities. If those patterns involve physical distances that hinder or impede interaction, recognition and cooperation among the different groups, the probable result is a weakening of the city's social cohesion and governability. Where the location pattern of socioeconomic groups helps perpetuate social inequalities in the city (either by blocking the upward social mobility of disadvantaged groups, by creating privileges and advantages for affluent groups, or by segmenting and excluding the poor from the main circuits through which the different kinds of capital flow), residential segregation ensues, which poses a fundamental challenge for the development of inclusive and sustainable cities (ECLAC, 2014d). It should be noted that this is one of the Sustainable Development Goals ("Goal 11. Make cities inclusive, safe, resilient and sustainable").

One of the hallmarks of urbanization in the region is the concentration of populations of low socioeconomic levels in peripheral areas, especially in large cities (those with a population of more than a million inhabitants). This is typically disadvantageous, since these groups are subject to more precarious conditions in terms of housing, basic services and community infrastructure, and they suffer greater exposure to security risks. The other side of the coin is the concentration of groups with high socioeconomic status in a few areas of the city (ECLAC, 2014d).

Residential segregation is a clear expression of social inequality in cities. Slums, which are a part of the segregation phenomenon, are those territories where the different axes and aspects of social inequality intersect the most. As noted by Martínez and Jordán (2009), the urbanization process, with a high concentration of the population in urban areas, has been accompanied by poverty and urban inequality, as a result of which the region is among those with the greatest number of people living in slums.

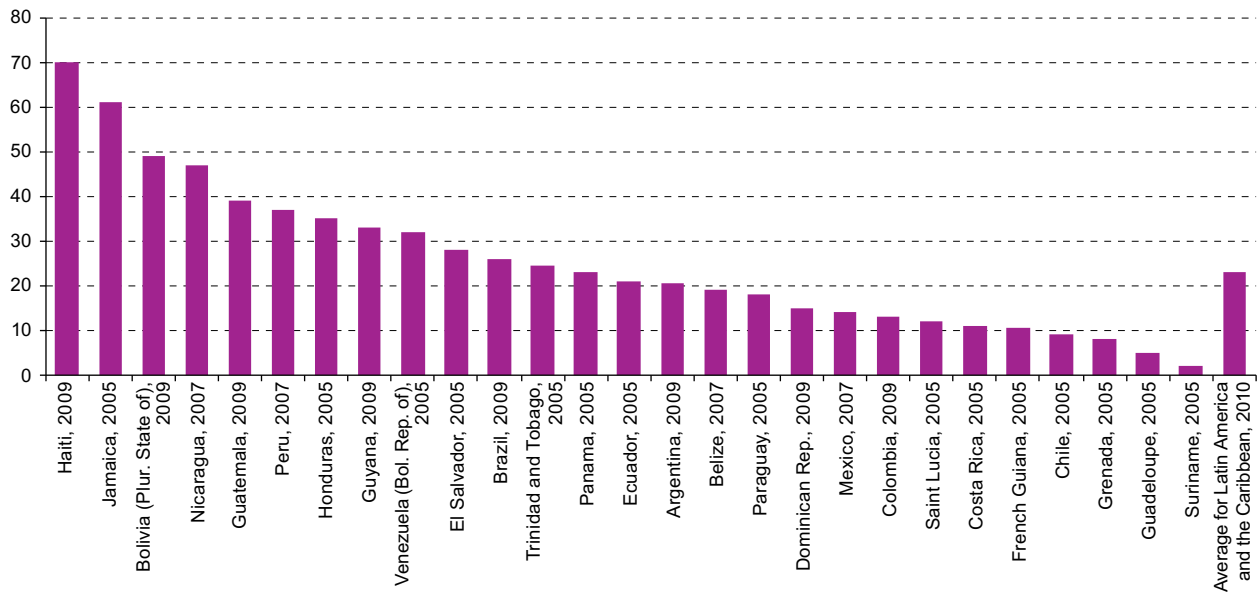
UN-Habitat defines a "slum household" as "a group of people living under one roof in an urban area that does not meet one or more of the following five conditions: (i) the house is hard-wearing, permanent, and protects against adverse weather conditions; (ii) it has a large enough living space, meaning no more than three people sharing a bedroom; (iii) there is easy access to enough drinking water at a reasonable price; (iv) there is access to adequate sanitation: private or shared public toilet for a reasonable number of people; and (v) there is security of tenure against forced evictions" (UN-Habitat, 2012, p. 64). In the region, "slum" also refers to precarious homes, which are known as *campamentos*, *villas miseria* and *favelas*, among other terms.²⁰

Slums are one of the keenest expressions of urban inequality, but they also serve to reproduce it; they reveal multiple shortcomings and provide a material representation of differences in opportunities and results among the population. In many cities, slums lack public services, adequate access-ways, transport systems, schools, parks, recreation areas and other public goods and facilities. Most do not offer their tenants secure or stable tenure and, in many cases, the land use is informal or illegal.²¹ Slums are located in run-down central areas characterized by environmental risks or in peripheral zones, poorly connected to and far from services and opportunities, which increases the risk of social problems (violence and health) for their inhabitants (UN-Habitat/CAF, 2014; UN-Habitat, 2012). Thus, slums are a physical expression of a city's social inequality matrix, in which the other axes of inequality also play a part.

²⁰ Candia (2005) defines slums as spontaneous settlements, often irregular, the result of land invasions or the eradication of a certain sector of the population.

²¹ As stated in UN-Habitat/CAF (2014, p. 105), "it is estimated that between 20 and 30 per cent of Latin Americans live without the appropriate forms of legal property documentation, a situation which renders them 'owners and occupiers without deeds'."

Figure IV.6
Latin America and the Caribbean (27 countries): urban population living in slums, 2005-2010
(Percentages)



Source: United Nations Human Settlements Programme/Development Bank of Latin America (UN-HABITAT/CAF), *Construction of more Equitable Cities. Public Policies for Inclusion in Latin America*, Nairobi, 2014.

Over the past 20 years, considerable progress has been made towards eliminating slums and income inequality in the region. However, in spite of the fall in the proportion of urban dwellers living in informal settlements (from 33.7% in 1990 to 23.5% in 2010), in absolute terms their numbers rose from 105 million in 1990 to 111 million in 2010. This was not only the result of demographic growth, but also the consequence of a process of urbanization occurring in a context of poverty (UN-Habitat/CAF, 2014).

Lastly, it should be noted that cities with higher levels of income concentration are not necessarily those in which slums are most prevalent; conversely, cities in which a higher proportion of inhabitants live in informal neighbourhoods do not necessarily display the highest levels of income concentration (UN-Habitat/CAF, 2014). Similarly, reducing slum housing does not automatically guarantee a reduction in inequality, at least not in the short term. What is common is for cities with wide social and spatial divisions to have high levels of income inequality (UN-Habitat/CAF, 2014).

D. Final comments

As this chapter has explained, taking territory into consideration is a key element in analysing inequality in the region's countries. That applies both to analysing its distribution and characteristics and to designing public policies for equality.

Territorial inequalities are an expression of the uneven distribution that characterizes the Latin American development model. In addition to affecting production processes, they also have an impact on the differentiated distribution of power and participation in decision-making processes and on social relations of exclusion or inclusion, as well as on people's ability to develop economically and to exercise their rights. The other axes of social inequality examined in the previous chapters (gender, race, ethnic origin and age, and the ways in which they concatenate and intersect) take material shape in the territories where people live. They also intersect with the territorial disparities that have historically characterized Latin American societies, bringing new factors of underdevelopment, discrimination and exclusion into that equation. Territorial social inequality can be seen in the gaps that exist between regions in each

country, between rural and urban areas and within cities and between them. In cities, inequality manifests itself in spatial segregation and in slums, reproducing and fuelling the impact of the different axes of social inequality.

Because of the factors identified above, and in order to make progress with public policies for reducing inequality, the specific characteristics and inequalities associated with territory must be taken on board as a key variable in the design, implementation and evaluation of social policies. That includes, of course, providing for participation in management processes by the different communities, individuals and actors who inhabit those territories and creating active policies to reduce structural imbalances in the supply of public services caused by mismatches in the institutional structure and resources, which has a particularly severe impact on underdeveloped locations.

While all the above is necessary for making progress in processes of social inclusion, it is nothing new and it appears to be insufficient for overcoming the existing gaps. In line with the 2030 Agenda for Sustainable Development and in order to bolster synergies, inclusion and equality must be made the goal of productive and territorial development policies. In addition, further study is needed to identify the dynamics associated with the territorial dimension of income inequality and the way in which the axes of social inequality come together in certain areas to accentuate inequalities in the countries.

Lastly, territory can also be a very important vector for combating social inequalities. Considering the territorial dimension in designing social policy offers an opportunity for the comprehensive, coordinated and synergistic management of social policies in a country's different localities. Thus, the strategies for inclusive development that can be generated in a territory are also an essential axis for overcoming the different dimensions of inequality examined in this chapter. All this demands strategies, planning, actors, institutional coordination, public participation and consultation and the creation of grassroots consensus and agreements.

Annex IV.A1

Table IV.A1.1
Latin America (18 countries): first-level territorial division, number and size of the population
at the national and territorial levels^a
(Numbers of individuals)

| Country | First-level territorial division | Population size (around 2010) | | |
|------------------------------------|---|-------------------------------|--------------------------------|---|
| | | National | Regional | |
| | | | Minimum | Maximum |
| Argentina | Provinces (23) | 36 957 046 | Tierra del Fuego 127 000 | Buenos Aires 15 625 084 |
| Bolivia (Estado Plurinacional de) | Departments (9) | 10 027 644 | Pando 75 335 | La Paz 2 756 989 |
| Brazil | States (federal units) (27) | 203 305 407 | Roraima 500 826 | São Paulo 44 169 350 |
| Chile | Regions (15) | 18 191 884 | Aysén 107 334 | Metropolitan Region 7 228 581 |
| Colombia | Departments (33) | 47 121 089 | Guainia 40 203 | Bogota 7 878 783 |
| Costa Rica | Provinces (7) | 4 937 755 | Limón 386 862 | San José 1 404 242 |
| Dominican Republic | Provinces (31) Macroregions (10) | 10 075 045 | Pedernales 31 587 | Santo Domingo 2 374 370 |
| Ecuador | Autonomous regions (7) | 16 552 000 | Galápagos 25 124 | Metropolitan District of Guayaquil 3 113 725 |
| El Salvador | Departments (14) Macroregions (5) | 6 520 675 | Cabañas 149 326 | San Salvador 1 567 156 |
| Guatemala | Regions (8) | 16 176 133 | Petén 638 296 | Guatemala 3 457 318 |
| Honduras | Departments (16) | 8 721 014 | Islas de la Bahía 65 932 | Cortés 1 621 762 |
| Mexico | Federal entities (32) | 122 273 473 | Baja California Sur 637 026 | State of Mexico 15 175 862 |
| Nicaragua | Departments (15 plus 2) Macroregions (4) | 6 262 703 | Río San Juan 95 596 | Managua 2 132 421 |
| Panama | Provinces (10) (plus 3 <i>comarcas</i>) | 3 764 166 | Darién 46 951 | Panama 1 551 766 |
| Paraguay | Departments (18) | 6 854 536 | Alto Paraguay 15 682 | Central 1 855 241 |
| Peru | Departments (26) Macroregions (9) | 31 488 625 | Madre de Dios 109 555 | Lima (department) 8 442 511 |
| Uruguay | Departments (19) | 3 480 222 | Flores 25 050 | Montevideo 1 319 108 |
| Venezuela (Bolivarian Republic of) | Federal entities (24) | 31 028 637 | Delta Amacuro 40 200 | Federal District 6 654 901 |

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

^a Household surveys in Argentina cover only urban centres, not the entire nation. Ecuador's 2008 Constitution created the autonomous regions; however, they still need to be established by statute and so to date they have not been named. El Salvador comprises 14 departments, but its household surveys report on five macroregions. Nicaragua comprises 15 departments, but its household surveys report on four macroregions. Peru comprises 26 departments, but its household surveys report on eight macroregions. The Dominican Republic comprises 31 provinces, but its household surveys report on 10 macroregions.



Conclusions and policy recommendations

1. Coordinating economic policy, environmental policy and social policy
2. Developing rights-based public policies with an integrated perspective to overcome social inequalities
3. Aiming for social development policies that are universal but sensitive to differences
4. Grounding high-quality (effective, efficient, sustainable and transparent) social policy in stronger institutions and social compacts
5. Strengthening the territorial dimension of social policy
6. Generating systematic statistical information on the different dimensions of inequality
7. Protecting social spending and boosting tax revenues
8. Moving from a culture of privilege to a culture of equality as a matter of urgency

This document has looked at the axes around which social inequality is structured in Latin America and the Caribbean and has shown how the different types of inequality, such as those relating to gender, race and ethnicity, age and territory, intersect, overlap and exacerbate one another. It has also discussed the analytical perspective adopted by the Economic Commission for Latin America and the Caribbean (ECLAC), according to which the social inequality matrix is directly associated with structural heterogeneity in the economic and production sectors and the labour market serves as the key link between the economic and social spheres.

Inclusive social development is essential for closing the gaps in the various dimensions of inequality (ECLAC, 2016a) inasmuch as it promotes greater equality of rights and the means and resources to exercise them, as well as building human capacity, which helps to break the intergenerational reproduction of inequality (Bárcena and Prado, 2016).

Promoting equality means guaranteeing not just opportunities but also outcomes. The myriad dimensions of inequality end up producing a very disparate array of resources and opportunities, which has the ultimate effect of robbing the next generation of the possibility of greater equality of opportunity (Atkinson, 2015). It is the social structure that determines the structure of opportunities, not the other way around. As a result, highly unequal societies offer no real equality of opportunity and are characterized by poor social mobility. Viewed through this lens, equality of opportunity is more of an outcome than a building block.

Promoting equality also means encouraging citizen participation and advancing processes and mechanisms for dialogue and social collaboration (ECLAC, 2016a), given that inequality leads to major disparities in access and influence in political decision-making —another mechanism that serves to perpetuate prevailing inequalities (OXFAM, 2016) and undermine the democratic viability of countries.

In order to dismantle the web of inequalities in the social and economic realms throughout the life cycle, policies that recognize diversity (Touraine, 1997) must be pursued in conjunction with redistributive policies that expand access to opportunities to develop capacity and well-being (Fraser, 1995), as well as with policies, plans and programmes to combat discrimination by actively promoting equality of opportunities and affirmative action. It also means substantially increasing representation and capacity for agency in public decision-making for all social groups that are subject to exclusion and discrimination (Fraser, 2009).

Some of the areas of public intervention in which the vision of inclusive social development should be firmly implanted are social protection and its relationship with the production sector, labour regulation and institutions and labour market policies, education, health and the redistribution of care (Bárcena and Prado, 2016; ECLAC, 2016a). This points to the central importance of policies for inclusion in social protection systems to provide a guarantee of a basic income, as provided in the initiative for a social protection floor (ILO, 2012);¹ policies for decent work

¹ The International Labour Organization (ILO), in its Recommendation No. 202, has proposed to its member States the establishment of a “social protection floor” that would ensure that all people in need have access to basic income security throughout the life cycle (especially children, adults who are unable to earn sufficient income and older persons), as well as essential health care.

(ECLAC, 2016a)² and productive and labour inclusion, especially those targeting poor and vulnerable groups, women, youth and indigenous and Afro-descendent people; and policies for educational inclusion and the development and strengthening of integrated care systems.

This chapter sets out eight recommendations to guide public policy in such a way that reduces social inequalities. All recommendations are rooted in the need to move forward with social inclusion policies based on a human rights and life cycle approach, with an intercultural and gender perspective (ECLAC, 2013e), that clearly and comprehensively address all areas of inequality and the types of gaps identified in this document. These social inclusion policies are designed to advance the 2030 Agenda for Sustainable Development, an integrated, interdependent, indivisible and collectively attainable global compact.

1. Coordinating economic policy, environmental policy and social policy

To achieve the objectives of an equality-based agenda, economic, social and environmental policies must be aligned with progressive structural change (ECLAC, 2016b). Although there is no single model for effecting this shift in development style (in which changes are determined by the specific conditions in each country), public institutions and policies must be coordinated, in this new paradigm, around “an environmental big push geared towards transforming the production structure and strengthening the absorption of technical progress with sustainability and equality. This is the basis for boosting high-quality employment and productivity in ways that will make it possible to craft more and better social policies, sustainably” (ECLAC, 2016b, p. 145).

It is therefore evident that “social issues are not played out in the social sphere alone, but also in the economy, politics and the environment” (ECLAC, 2016a). However, to move beyond the conventional wisdom that assigns a subsidiary role to social policy, it must be added that “production diversification and structural change are not achieved exclusively through the economy: economic prosperity also hinges on inclusive social development and better living standards” (ECLAC, 2016a, p. 9), and not only in the present but also if it is to be sustainable over time.³

All of this points to the need to coordinate the different areas of public intervention and promote the participation of all actors, including companies, unions and other civil society organizations, at both the central and local levels. At the same time, it means taking on the culture and political economy of the interests that have traditionally stood in the way of these types of changes in the region (see section 7) (ECLAC, 2016b). Furthermore, progress must be made towards establishing new institutional frameworks that curb the decision-making and policymaking power wielded by economic and financial institutions and authorities while ensuring that social and environmental institutions and authorities have equal influence.

2. Developing rights-based public policies with an integrated perspective to overcome social inequalities

As reflected in the document of the Regional Conference on Social Development, the notion of equality is rooted in a rights-based approach and social citizenship, which recognizes that all people, by merely being part of society, are fully entitled to social well-being (ECLAC, 2016a). Although it is recognized that several actors contribute to well-being—families, social and community organizations, and the private sector—deliberate State action is needed to restrain the socioeconomic inequalities that deprive many people of a true sense of belonging to society (ECLAC, 2007b). Public policies oriented towards inclusive social development and greater equality must take due account of the essential elements of the rights-based approach: comprehensiveness, an institutional framework,

² Promoting decent work means, among other measures, implementing macroeconomic, industrial and sector policies that will help to create quality jobs, promoting employment formalization and the regularization of the informal economy, fostering women’s economic autonomy, broadening opportunities for young people to build decent work trajectories, and developing regulations and means to reconcile work and family. Progress is also needed on policies to raise minimum wages, measures to protect employment, the prevention and eradication of child labour and forced labour, means to combat all forms of discrimination in employment and the guarantee of freedom of association and collective bargaining rights, as well as instituting and strengthening forums and processes of social dialogue (ECLAC, 2016a, p. 125).

³ Neither can environmental policies be regarded as subsidiary or residual; rather, they must be a core component of development strategy. Accordingly, ECLAC (2016b) has made a strong call for an “environmental big push” to achieve a new development paradigm.

enforceability, progressiveness and non-regressiveness, equality and non-discrimination, participation, transparency and access to information and accountability (Cecchini and Rico, 2015; Sepúlveda, 2014).

To adopt a rights-based approach, there should be dialogue between the different policy domains as part of an integrated development strategy that takes account of the multidimensional nature of the problems, and is underpinned by a solid institutional framework and social compacts. Public policies must be comprehensive in order to address the multiple inequalities that intersect, overlap and exacerbate one other, and prevent those inequalities from reproducing poverty and vulnerability and restricting the exercise of rights. To be truly comprehensive, the supply of programmes and policies coordinated between different sectors and government levels must be linked to the heterogeneous demands and needs of individuals, families and communities throughout the life cycle (Cecchini and Martínez, 2011).⁴

Promoting integrated social development strategies at the national, subnational and local levels means correcting the disparities that affect groups that are traditionally discriminated against, segregated or excluded (such as the low-income population, women, Afro-descendants, indigenous peoples, migrants, the lesbian, gay, bisexual and transgender (LGBT) populations, and persons with disabilities, as well as the inhabitants of the most deprived areas), considering the particular conditions and gaps that accumulate over the different stages of the life cycle. If the programmes, parties and levels of government involved in the application of social protection policies are fragmented and uncoordinated, those policies are much more likely to be ineffectual and allow the infringement of the rights of their intended recipients (Cecchini and Rico, 2015).

3. Aiming for social development policies that are universal but sensitive to differences

Social development policies with a rights-based approach are aimed at universality, which makes it possible to foster social inclusion; however, such policies do not preclude the complementary use of targeted, selective or affirmative action policies in order to break down access barriers to social services and well-being that are faced by individuals living in conditions of poverty or vulnerability, women, Afro-descendants, indigenous peoples, persons living in deprived areas, persons with disabilities, and migrants, as well as children, young people and older adults (ECLAC, 2016a), and thus progress effectively towards the universalization of rights.⁵ Differentiated treatment does not contravene the principle of universal rights; on the contrary, it can enhance the enjoyment of those rights and reduce inequality, as happens with affirmative action policies that are set in a “universalism that is sensitive to differences” (Habermas, 1998; Hopenhayn, 2001).

Greater access to inclusive and high-quality education and health services, as well as decent work, and strong universal social protection and care systems are crucial for ensuring well-being, overcoming poverty, reducing inequality and moving towards achievement of the 2030 Agenda for Sustainable Development—particularly in an adverse economic climate. Social protection is a public good that must be consolidated at the regional, national, subnational and local levels, since it protects the income of individuals and their dependents against various social, economic and climatic shocks and risks (both individual and collective); promotes access to public and social services such as education and health; and addresses the particular needs and vulnerabilities of individuals over the life cycle. In addition, social protection can improve basic and universal levels of well-being and access to social services and capacity-building, which will be essential for moving towards more sustainable production systems, under which activities that degrade the environment will have to be abandoned in favour of activities with high technological and knowledge content.

⁴ As noted in chapter III, the design of social development policies and their linkage with other policy sectors must take account of the life cycle, given the decisive way this influences the effective enjoyment of rights, levels of well-being and the disparities between people. In particular, account should be taken of key development stages such as early childhood, childhood, adolescence and youth, as well as stages in which people are more vulnerable to discrimination and abuse, such as old age (ECLAC, 2013e).

⁵ Considering age as an axis of inequality helps to identify policy beneficiaries that require specific and long-term support. An example of this is support for households with children, particularly single-parent households. Clearly, that support must include income transfers and be combined with initiatives aimed at guaranteeing access to health, education and care services, as well as active policies for training and labour market access for working-age family members.

4. Grounding high-quality (effective, efficient, sustainable and transparent) social policy in stronger institutions and social compacts

In order to design, implement, monitor and evaluate public policies that help create more inclusive societies, it is necessary to strengthen social institutions and underpin the various policy options with social compacts that allow for rights-based agreements on objectives and means, with a view to making progress in implementing the 2030 Agenda for Sustainable Development (ECLAC, 2016a).

Strengthening the institutional framework means consolidating a legal and regulatory basis that enables the enjoyment of social rights and makes social policies more sustainable as policies of the State rather than merely of the government of the day. It also means enhancing the role of social development on the public agenda and establishing a social authority with the capacity to coordinate and build linkages between the different social policies (education, health, employment, social protection and housing) and economic and environmental policies. The capacity of public management on social issues must be increased, strengthening both technical teams and infrastructure and management processes centred on effectiveness and efficiency (such as the development of information systems for diagnosis, monitoring and evaluation, participants' records and participation procedures, citizen oversight, transparency and conflict resolution). Lastly, sufficient and stable resources must be in place to meet the needs of a high-quality social policy.

With regard to management, addressing inequality, starting with the organizational culture of the public administration, is key to reducing gaps and improving the quality of policies, both objectively (in terms of their effectiveness) and subjectively (in terms of the population's perception). From conception at the central level to implementation on the ground, including how results are evaluated, public management recurrently replicates an authoritarian bias that marks relations between policy managers and the target population, through which the axes of social inequality outlined here become institutionalized. Active decisions are therefore needed aimed at making relations horizontal both within the organizational structure and with the target public, recognizing the latter as rights-holders, legitimate actors in the management process itself and, ultimately, policy instigators rather than mere beneficiaries.

To address disparity in the level of autonomy and influence on decision-making that results from inequality, and improve the quality of policy management, institutional mechanisms of accountability, transparency and citizen participation need to be promoted at all stages of management (ranging from the identification and prioritization of problems to the evaluation and monitoring of processes). This enables and encourages people to be more proactive in their own development; it also provides more opportunities for reporting abuses and resolving conflicts, and in general offers effective means of demanding the enforcement of rights.

Social and fiscal compacts lay an important foundation for the institutionalization and legitimization of inclusive social development policies and are key to securing resources (ECLAC, 2016a). In order to forge such compacts, it is crucial to see the rights-based approach as a means of implementation and an objective, as well as to know and recognize the differences between population groups, which include both positive diversity and the negative inequalities outlined here. In the international domain, the agreements reached under the 2030 Agenda for Sustainable Development represent progress in this regard. Nonetheless, for this global agreement to translate into the effective achievement of its goals, with no one being left behind in the process, the social, political and fiscal compacts in each country need to be replicated with clear objectives and targets, high-quality social policies and budgets in line with the challenges, which, as discussed throughout this document, are considerable.

One last urgent step is to strengthen information and statistical institutions, and development planning entities, moving forward in designing robust institutional evaluation mechanisms that meet the essential requirements of technical solidity, independence in carrying out their work, and both financial and management autonomy. Establishing permanent dialogue and feedback between planning and evaluation, based on reliable data, will enable a move towards public policies that have greater impacts and better outcomes.

5. Strengthening the territorial dimension of social policy

Apart from being an axis of the social inequality matrix, territory can also be a very important vector for combating social inequalities. As suggested by ECLAC, to achieve greater equality and move towards inclusive development, gaps between territories and the concentration of basic deficiencies in the most disadvantaged subnational territories

must be reduced. In this regard, the Commission has stressed the need to promote territorial cohesion, aimed at minimizing disparities, with explicit action by the State in various social domains (ECLAC, 2010a).

Inseparable from the notion of inclusive development is the idea that the rights of individuals do not depend on the territory in which they were born or in which they live. This means that any limitations—geographical and, above all, those related to the social structure—that territories can impose on the exercise of those rights must be addressed and overcome with policies to guarantee them. In order to start bridging social gaps, the specific features and inequalities associated with the territory must be considered key variables in the design, implementation and evaluation of social policies.

Given that the place of residence is where the other axes of social inequality analysed here (gender, race, ethnicity and age) manifest themselves and materialize, it is important to bear in mind that, in zones with a higher concentration of basic needs, these axes not only intersect and are interlinked, but are also compounded by new factors of deprivation, discrimination and exclusion. Inclusive development strategies must therefore take account of the characteristics and gaps pertaining to territories and their populations in order to move forward in overcoming those deep inequalities and improve the quality of social policies.

The main challenges to be faced in overcoming the factors that restrict development and mark territorial inequality include a lack of institutional coordination between government entities, both horizontally (national policies on education, health, employment, housing and others), and between the different government levels (national, regional, local), as well as between local governments, public actors, private actors and civil society.

6. Generating systematic statistical information on the different dimensions of inequality

Meeting the social inequality challenge requires valid and reliable information for making decisions on the basis of facts, knowledge and empirical data. Statistical invisibility is a serious problem that undermines both the analysis of the situation and the knowledge available on socioeconomic and cultural relations and patterns of inequality and discrimination, as well as the quality of the design and implementation of policies aimed at breaking the vicious circle that generates the social inequality matrix. Social exclusion starts with the statistics; in other words, what is not measured does not exist. In defining the what, how and when of measurement, there are also decisions that can involve various forms of discrimination and inequalities of participation and agency.⁶ This is the case for indigenous and Afro-descendent peoples in particular, as there are still major gaps in the information on them in the official data sources, especially household surveys. As for censuses, questions on ethnic or racial self-identification have gradually been incorporated, which has led to progress in quantifying and characterizing the population on the basis of such indicators in the countries that have that information.⁷ Nonetheless, as highlighted in chapter II of this document, although censuses have the virtue of providing important sociodemographic information, their characteristics and frequency (they are generally carried out once every 10 years) mean that the scope and timeliness of their data are limited.

In terms of sex-disaggregated data, substantial progress has been made over the last few decades, and today censuses, household surveys and other sources of social information (such as administrative records) capture this information, which can be used to construct indicators to describe women's realities and gender inequalities. This has been the product of unstinting efforts by feminist and women's organizations and mechanisms for the advancement of women, and of the input of gender studies. The United Nations World Conference on Women and

⁶ For example, the collection and dissemination of Brazilian population data, disaggregated by race or skin colour, revealed the extent of racial inequality in all aspects of social life and, hence, called into question the myth of "racial democracy", until then very effective in reproducing racism in the country. This progress in terms of statistical visibility of the Afro-descendent population was the result of various factors, such as the legal progress enshrined in the 1988 Constitution (which defined racism as a crime without the possibility of bail or statute of limitations), pressure from trade unions and Afro-descendent organizations, and studies undertaken by various academic institutions between the late 1990s and the early 2000s, greatly encouraged by the preparation and holding of the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, in Durban, South Africa, in 2001 (Bento, 1992; Jaccoud, 2009; Theodoro, 2008; Ribeiro, 2014; Gomes, undated).

⁷ As noted in chapter II, ECLAC has strived to provide technical assistance to the countries of the region in support of this effort, mainly through the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC.

the Regional Conference on Women in Latin America and the Caribbean of ECLAC have also played a fundamental role in that connection.⁸

From the territorial standpoint, information must be valid and reliable for different territorial scales. The total national population, the rural and urban populations, and at least one level of geographical disaggregation (by regions or departments) can be calculated for nearly all of the countries of the region. However, only a few countries produce precise data for the municipal or city level (Buitelaar and others, 2015). Censuses allow for greater geographical disaggregation, but are limited because they are not carried out frequently and do not examine certain variables, such as income.

Although there is still a long way to go, positive steps have been taken over the last decade with regard to improving the statistical visibility of social inequality in the region. In addition to the aforementioned progress, academic institutions, civil society organizations and public entities, such as national human rights institutes, have conducted surveys to measure equality gaps arising from discriminatory practices and to highlight the social attitudes and behaviour that underpin them. In Chile, for example, academic institutions, civil society organizations and public entities (such as the National Human Rights Institute) have carried out surveys to detect, highlight, and measure the different manifestations of discrimination in the country. In Mexico, the National Council for the Prevention of Discrimination (CONAPRED) has already undertaken two national surveys on discrimination (in 2005 and 2010) to obtain the specific information needed to design and evaluate public policies on this issue. These surveys have the potential to become valuable policy and programme design tools, and to eliminate the discriminatory practices, whether explicit or tacit, that create access barriers, reproduce hierarchies and social roles, and deepen inequalities.

It is therefore necessary to continue moving forward in the systematic collection of data on the various dimensions of inequality referred to in this document. A major obstacle to progress towards bridging the different gaps that make up the social inequality matrix is the inclusion of indicators that identify those gaps in the design of the various data sources currently used in the countries, such as population and housing censuses; household, demographic and health, employment and work, and time-use surveys; administrative records and participant records; and other instruments. This would ensure that the information obtained is sufficiently reliable to guide decision-making in accordance with the pledge of the 2030 Agenda for Sustainable Development: to ensure “no one is left behind”.⁹

7. Protecting social spending and boosting tax revenues

States in the region have made greater efforts this century to increase public social spending and to protect it from the vagaries of the economic cycle. However, increases have been more modest in recent years, creating greater uncertainty just as the commodities supercycle has come to an end and economic growth has slowed. This situation will make it increasingly difficult to continue to expand social spending regardless of fluctuations in the economic cycle.

In order to address this situation and mitigate its impact on social indicators, countries must have more resources for social investment, ensure that the tax burden is more progressive, enhance the countercyclical bias of fiscal policy, and protect the financing of the core social policies (in particular poverty eradication, a basic social protection floor to guarantee rights, and access to high-quality health and education services, decent housing and decent work). Moreover, health and education spending should not be contingent on the economic cycle, allocations for poverty eradication and employment protection programmes should be countercyclical in periods of low growth and investment in the development of comprehensive and universal social protection systems should be increased in times of prosperity (ECLAC, 2010a; Tromben, 2016).

As noted in the *Social Panorama of Latin America 2015* (ECLAC, 2016c), countries' tax revenues have risen since the 1990s as a result of economic growth, improved public administration, the introduction of new taxes, the reform of existing tax burdens and rates, and higher receipts from royalties and other retention mechanisms from the exploitation and sale of natural resources. Thus, the region's tax burden increased from 14.4% of GDP in 1990 to 21.3% of GDP in 2013. However, that figure still falls far short of the average tax-to-GDP ratio of 34.2% among OECD countries in the same year. Furthermore, this increase has been heterogeneous across countries, with a regressive income tax structure and high rates of tax evasion and avoidance, and is not enough to overcome the challenges. As a result, a new agenda of tax reforms is needed, aimed at increasing tax revenues to ensure macroeconomic stabilization;

⁸ For example, in response to a request made by member States at the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito in 2007, ECLAC established the Gender Equality Observatory for Latin America and the Caribbean, which provides strategic gender indicators and analytical tools for policymaking. See [online] <http://oig.cepal.org/en> and ECLAC (2016e).

⁹ See United Nations General Assembly resolution 70/1.

enable proper financing of public expenditure demanded by society, particularly social spending; improve income distribution; and reduce dependency on and stabilize income generated by the exploitation of natural resources with a view to mitigating the potential negative effects of price fluctuations (Gómez Sabaini and Morán, 2014).

Lastly, in order to secure sufficient and more stable resources and ensure policies' long-term sustainability, it is vital to enhance fiscal compacts that prioritize those policies, strengthen fiscal institutions with multi-year fiscal frameworks, develop policies using a rights-based approach and results-based budgeting, and introduce cyclically-adjusted public administration indicators. Despite the existence of an active, veto-holding elite that has led to the adoption of highly regressive tax systems in the region (Gómez Sabaini and Martner, 2008), steps can be taken towards establishing fiscal compacts that are based on reciprocity between citizens and the State. That is, citizens would be willing to pay more taxes if they lead to better public services in terms of health, education and safety, less corruption and a crackdown on tax evasion (ECLAC, 2013d, p. 39). This, together with universal coverage of social services, would help to forge a stronger, closer link between citizens and the State (ECLAC, 2013d).

8. Moving from a culture of privilege to a culture of equality as a matter of urgency

Inequality and structural heterogeneity are still key features of Latin American and Caribbean societies and economies (Bárcena and Prado, 2016). However, looking back at these first decades of the twenty-first century and analysing their events, the region has clearly understood that systematic exclusion undermines the social fabric and democracy and that, therefore, the culture of privilege and social injustice must be left behind, and a culture of equality built in its place (Prado, 2014).

Those people whose social rights have been violated for centuries and who have been rendered invisible by exclusion and segregated by a system that favours a privileged few are now demanding equality and dignity. Moving towards a culture of equality requires, on the one hand, the abolition of privilege and the firm establishment of equal rights for all individuals, irrespective of their national origin, social class, sex, race, ethnicity, age, territory, religion, sexual orientation or gender identity, in accordance with the Universal Declaration of Human Rights of the United Nations and the successive covenants signed by the international community. On the other hand, resources in society must be distributed in such a way as to allow all its members to exercise their rights effectively. Equality refers to rights and the role of the judiciary in enforcing them, and to social justice and a socioeconomic and political structure that promotes this.

Equality also means dealing with the cultural reproduction of multiple mechanisms that allow and encourage discriminatory treatment and that perpetuate inequality. The gender perspective, for example, highlights the discriminatory sociocultural patterns, the sexual division of labour and the accumulation of power by men throughout history, and underscores the need to reverse inequality by means of differential affirmative action (ECLAC, 2016e). Clearly, affirmative action should not be limited to gender, but must also address other dimensions of inequality and discrimination, such as race and ethnicity, age, sexual orientation, nationality and disability (ECLAC, 2010a).

Moving towards a culture of equality will not be viable or sustainable if efforts are not made in different areas to highlight equality and solidarity as the guiding principles behind well-being, development and quality of life. It will mean addressing issues that exist within communities, formal education, the media, legislation and policy design, implementation and evaluation tools. The principle of real or substantive equality must be posited in the different spheres of social life and the principles of universality and solidarity recognized as the lodestars of public policy and social relations.

This is the great unmet challenge in Latin America and the Caribbean, a region that has the widest socioeconomic gaps in the world (Bárcena and Prado, 2016). It represents a challenge for social policies in particular, as they can only promote greater equality if their provisions are linked to those of economic, production, labour and environmental policies within the sustainable development framework set out under the 2030 Agenda. Social development not only seeks to eradicate poverty, but also to promote inclusive development with greater equality that enhances the capacities of individuals and extends their enjoyment of freedoms, dignity and autonomy, and that promotes growth, environmental viability and sustainability over time, assuming obligations towards future generations. By entrenching and legitimizing the status quo, the culture of privilege helps to reproduce inequalities and structural heterogeneity, thereby making it impossible to achieve high, sustained rates of economic growth. A culture of equality will help to reverse this situation in the region.

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Social inequality is at the heart of the 2030 Agenda for Sustainable Development. For Latin America —the world’s most unequal region— social inequality also represents a structural feature and therefore a fundamental challenge. In response to the mandate conferred upon the Economic Commission for Latin America and the Caribbean (ECLAC) by the countries at the Regional Conference on Social Development in Latin America and the Caribbean, held in Lima in November 2015, this document pursues the analysis of the social inequality matrix in the region.

The analysis focuses on some of the main axes that serve to structure social inequality (gender, ethnicity, race, age or stage of the life cycle, and territory) in order to illustrate how they influence the depth of the equality gaps, their persistence over time and their reproduction. Often, the multiple dimensions of inequality concatenate, intersect and exacerbate one other, hitting certain population groups harder than others. The analysis of the multiple dimensions must be taken on board and developed further if the countries are to advance along the path towards sustainable development.

On the basis of this analysis, the document concludes with several policy recommendations, which include the need to: build linkages between economic, production, labour, social and environmental policies; apply a comprehensive rights-based approach to policies on combating inequality; strengthen institutions and forge social compacts as the foundation of good-quality social policies; protect social spending and tax revenues allocated to social development; and increase statistical capabilities to give visibility to the different dimensions of inequality and advance their understanding. Lastly, the culture of privilege must give way to a culture of equality, which calls for policies oriented towards a universality that is sensitive to differences.