

LATIN AMERICA AND THE CARIBBEAN 10 YEARS AFTER THE SOCIAL SUMMIT: A REGIONAL OVERVIEW

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UNITED NATIONS



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10 YEARS AFTER THE SOCIAL SUMMIT:

A REGIONAL OVERVIEW

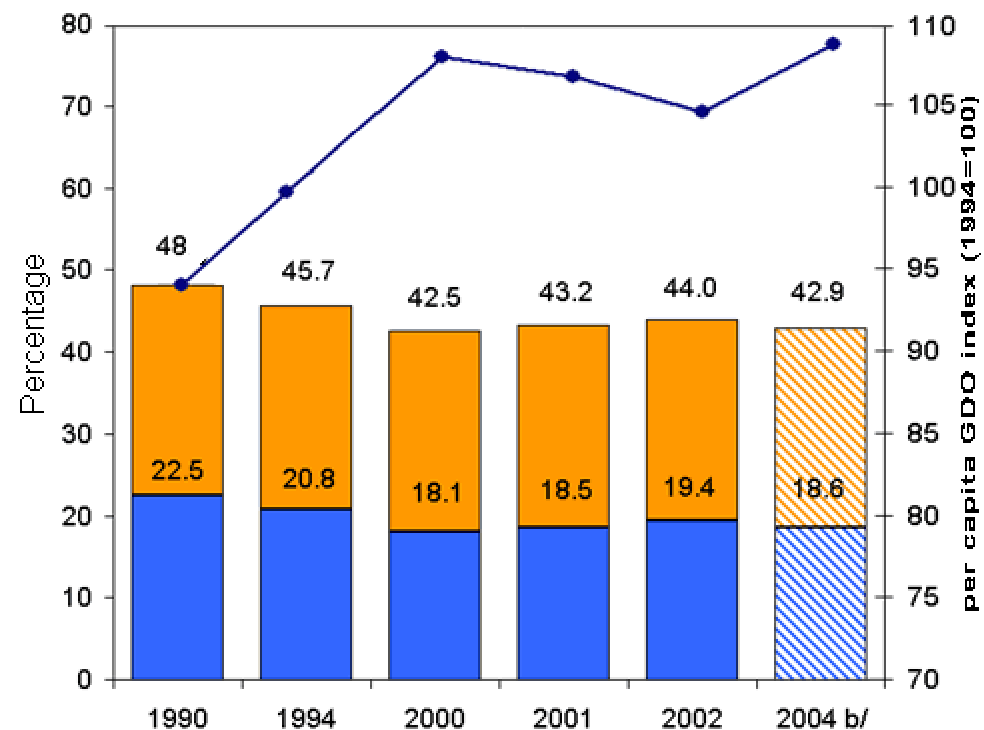
The region exhibits worrisome trends in the three broad areas defined by the Social Summit, but also a political will to reverse them:

- Poverty rates have decreased slightly but the total number of poor people has risen substantially.
- Urban unemployment and informal employment have increased.
- The persistence of income concentration, together with employment constraints, threaten the pillars of social integration.
- The level of public social expenditure in all the LAC countries, as well as the scale of social reforms, reveal the Governments' commitment to supporting poor and vulnerable groups. Better macroeconomic conditions will help them achieve this.

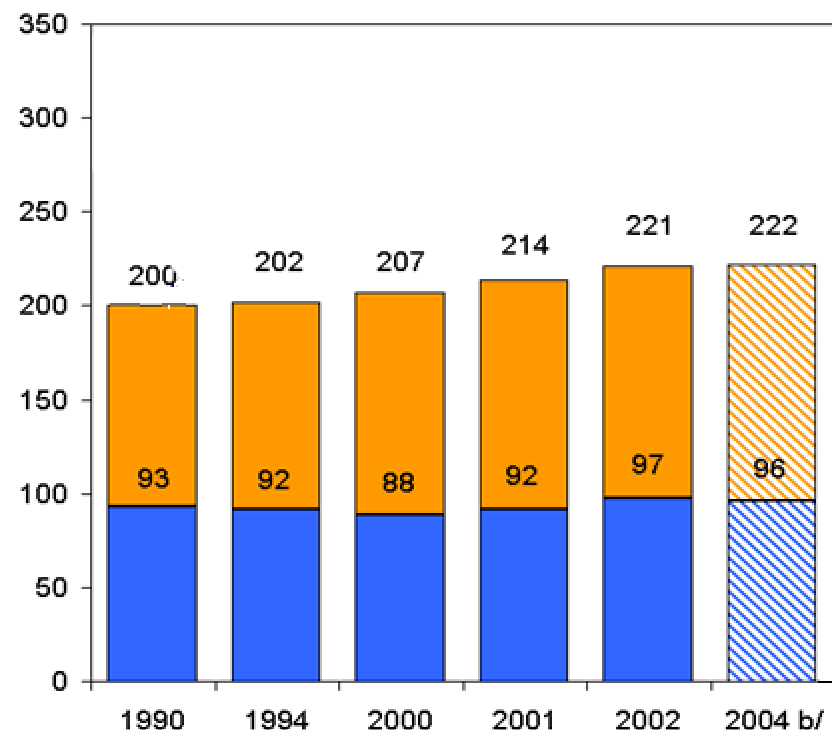
Poverty and economic growth

Latin America (19 countries): Poverty a/ and extreme poverty, 1990-2004

Percentage of people



(Millions) Number of people

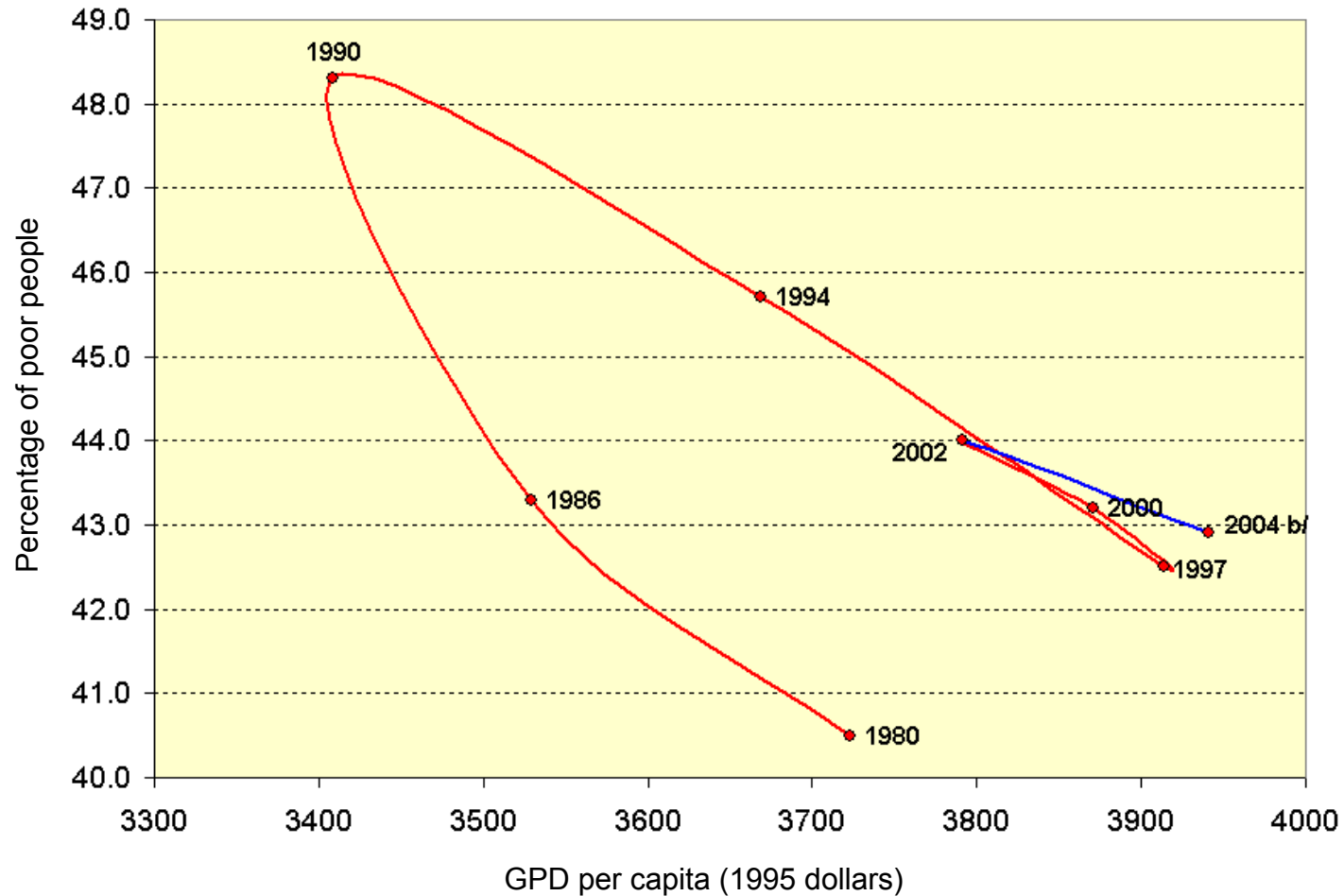


Source: ECLAC, Social Panorama of Latin America, 2004 edition.

a/ Includes the extremely poor.

b/ Projections.

Latin America (19 countries): Trends in poverty a/ and per capita GDP, 1980-2004

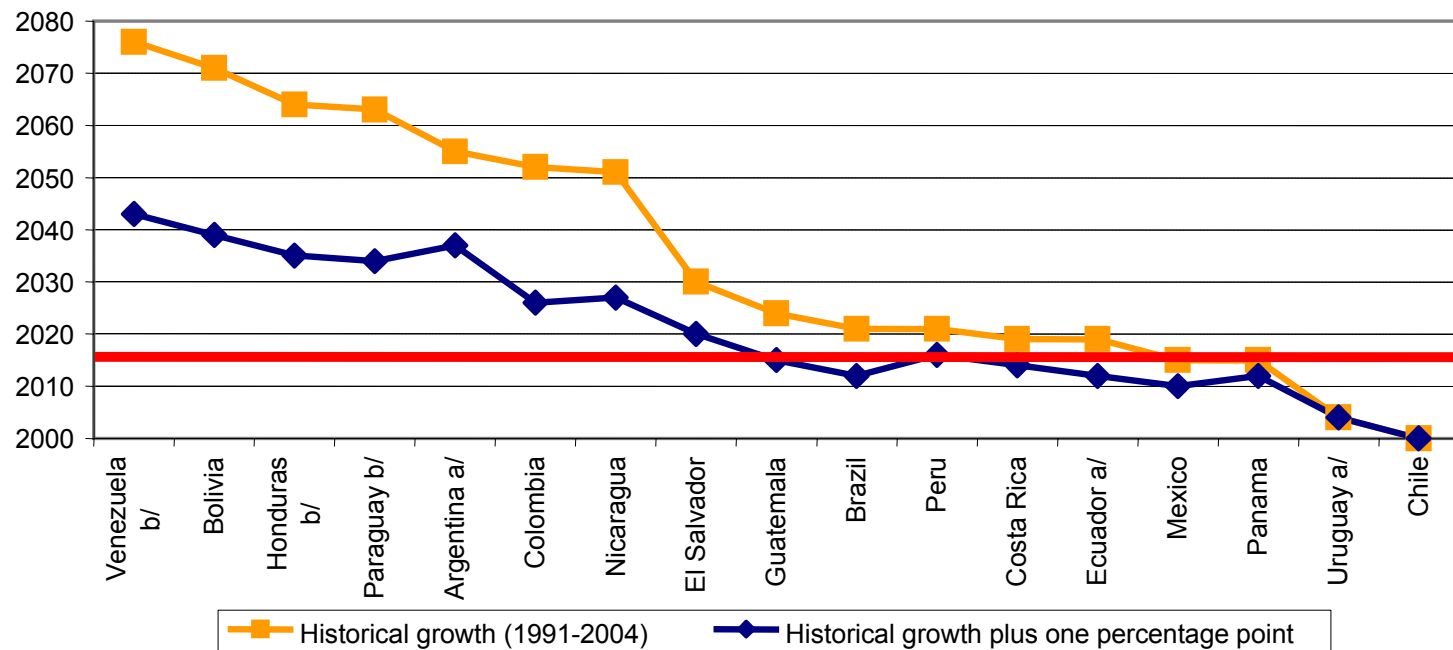


Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2004*, Santiago, Chile, 2005 [in press]; *Statistical Yearbook for Latin America and the Caribbean, 2004*, Santiago, Chile, 2005 [in press].

a/ Includes extreme poverty.

b/ Projections.

Latin America (17 countries): Year in which the extreme poverty target will be met, in two different economic growth scenarios



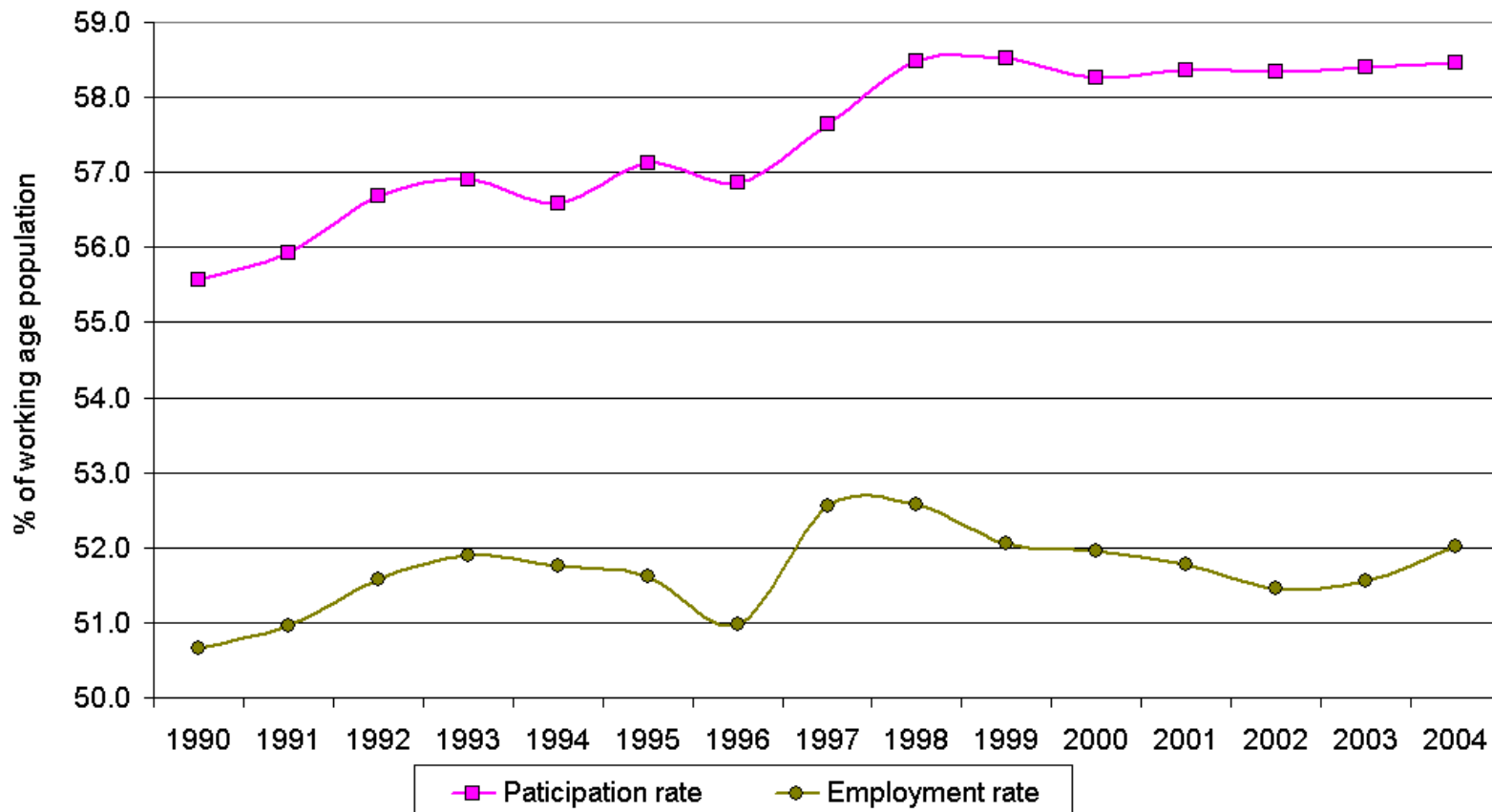
Source: Economic Commission for Latin America and the Caribbean (ECLAC), projections based on household surveys conducted in the relevant countries.

a / Urban areas.

b/ In these three countries the annual per capita economic growth rate between 1991 and 2004 was negative. In these cases, the simulation was done using the historical growth performance of countries with a similar level of extreme poverty.

Employment and the labour market

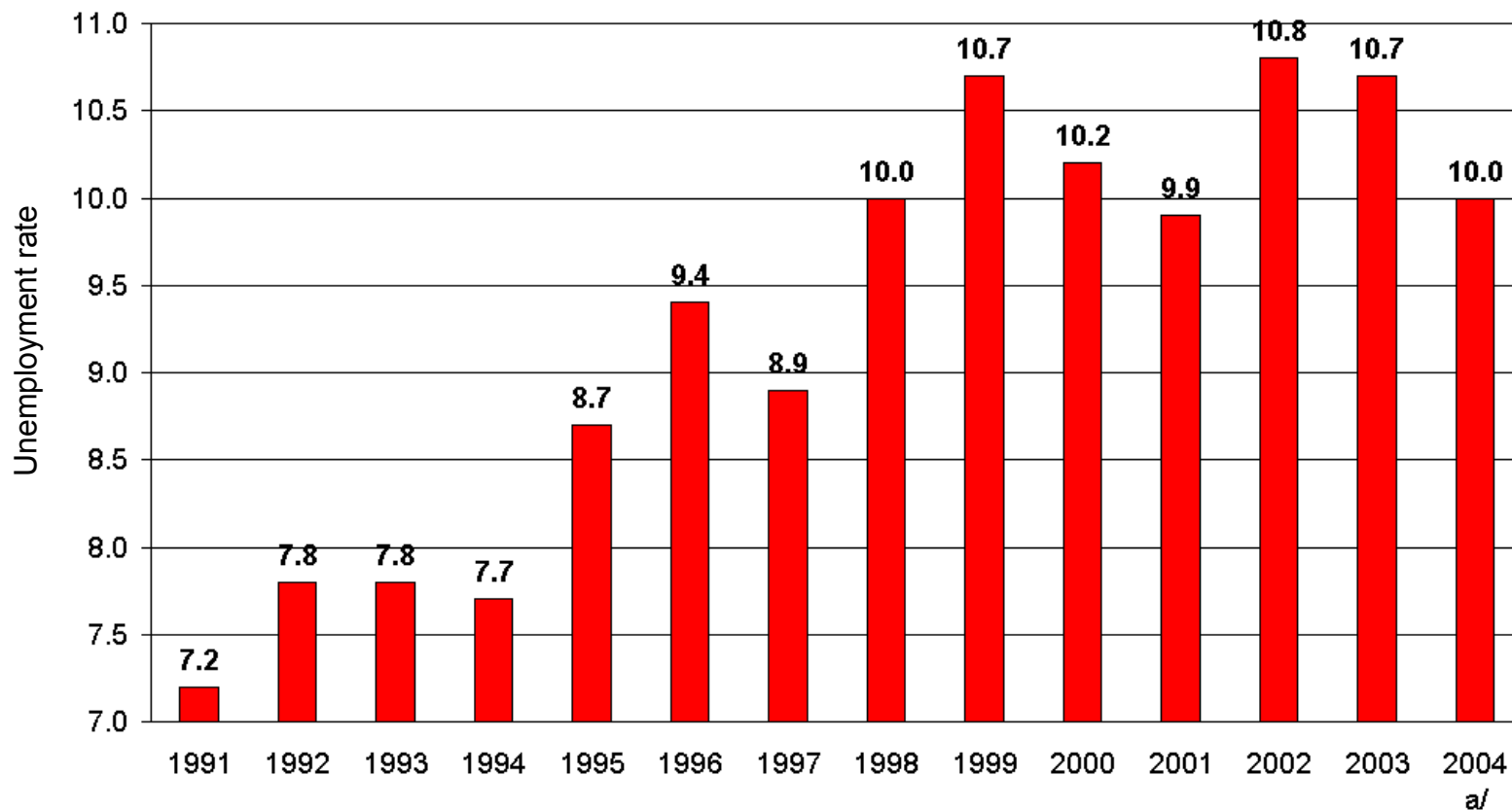
Latin America (14 countries a/): Trends in labour-force participation and employment rates, 1990-2004



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2003-2004* (LC/G.2255-P), Santiago, Chile, 2004. United Nations publication, Sales No. E..04.II.G.2.

a/ Unweighted average.

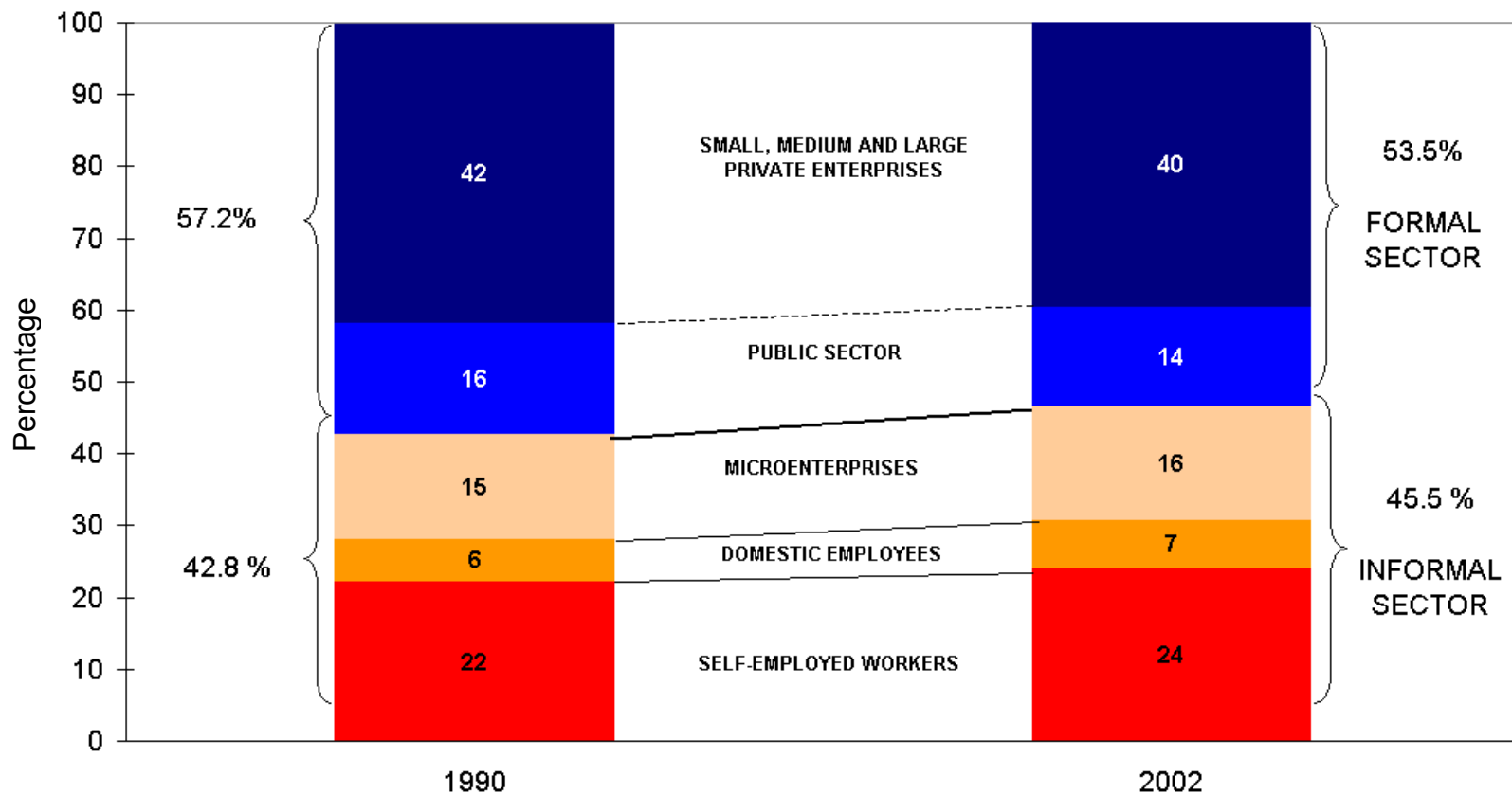
Latin America and the Caribbean: Urban unemployment, 1991-2004 (Average annual rates)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean 2004* (LC/G.2265-P), Santiago, Chile, 2004. United Nations publication, Sales No. E.04.II.G.147.

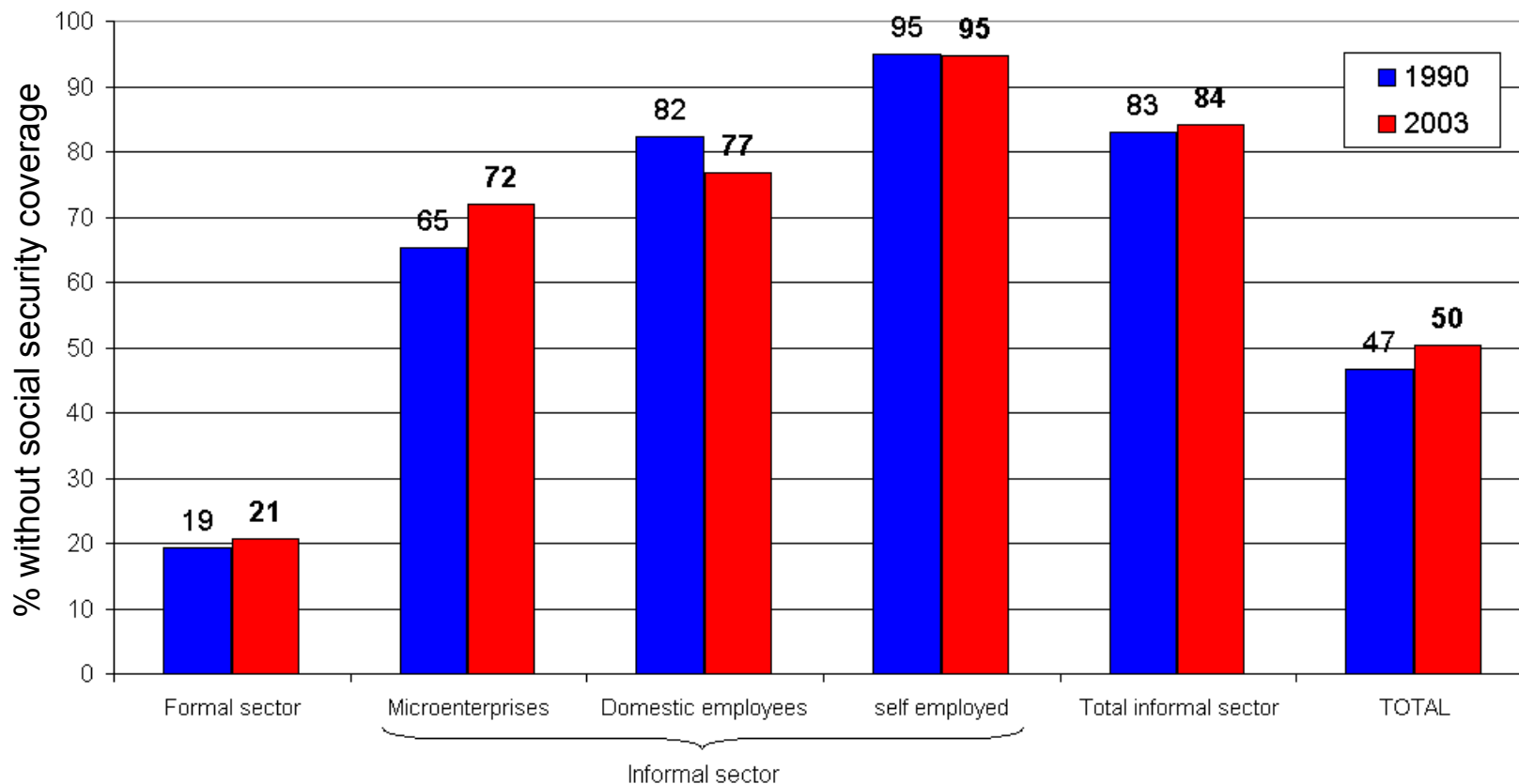
a/ Preliminary figures.

Latin America: Distribution of non-agricultural employment by sector, 1990-2002



Source: International Labour Organization (ILO), *Panorama Laboral 2004: América Latina y el Caribe*, Lima, December 2004.

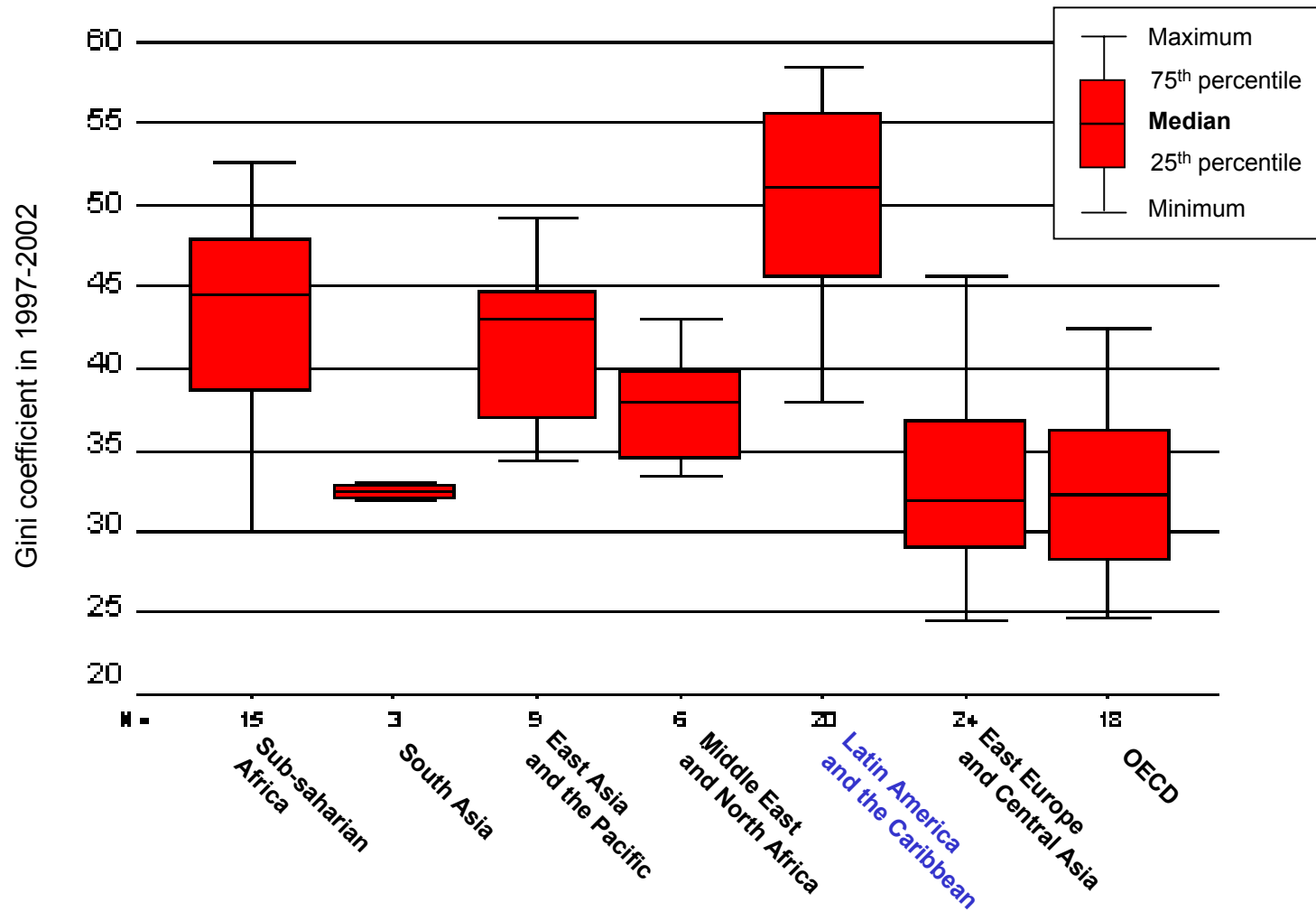
Latin America (15 countries): Employed urban population without social security coverage, 1990-2003 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), *Panorama Laboral 2004: América Latina y el Caribe*, Lima, December 2004.

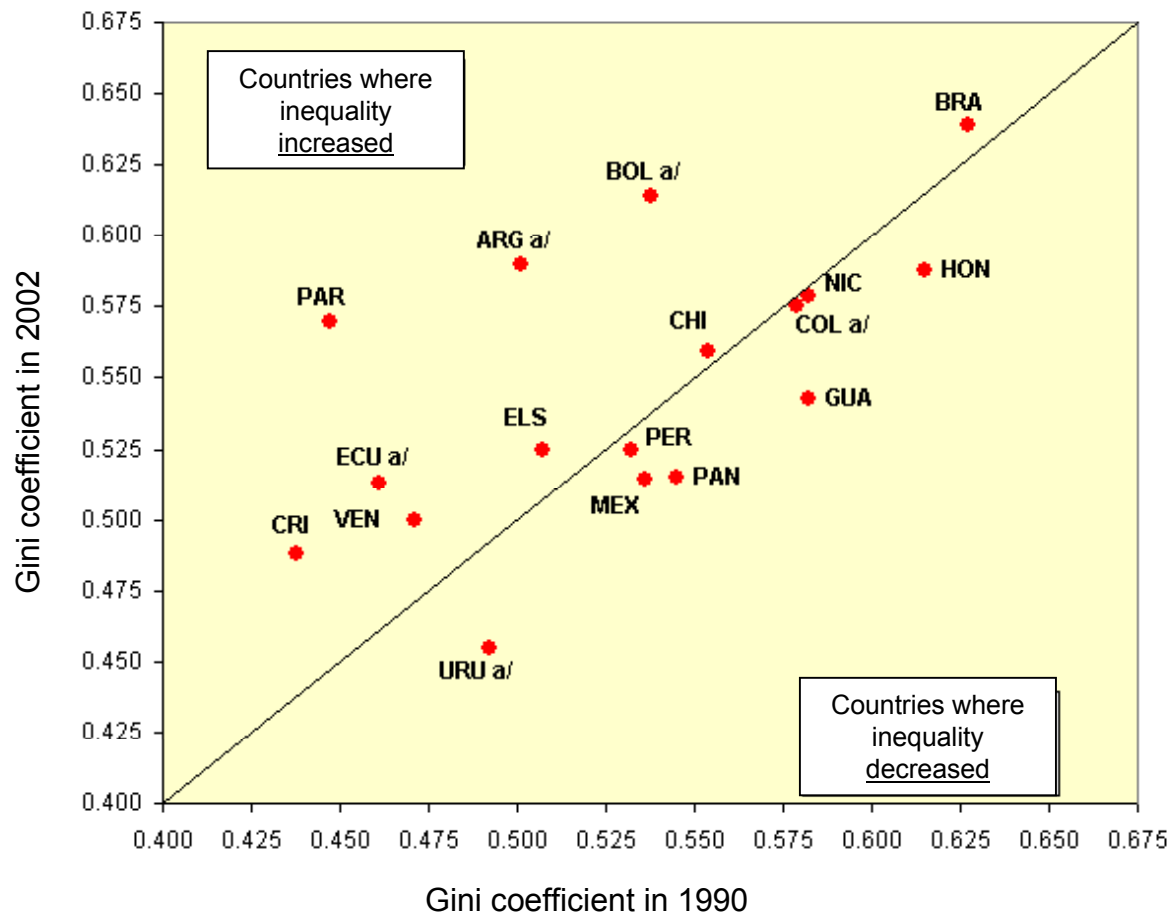
Income distribution

World regions: Gini coefficient, 1997-2002 (Percentages)



Source: World Bank, World Development Indicators (WDI) 2004 (online).

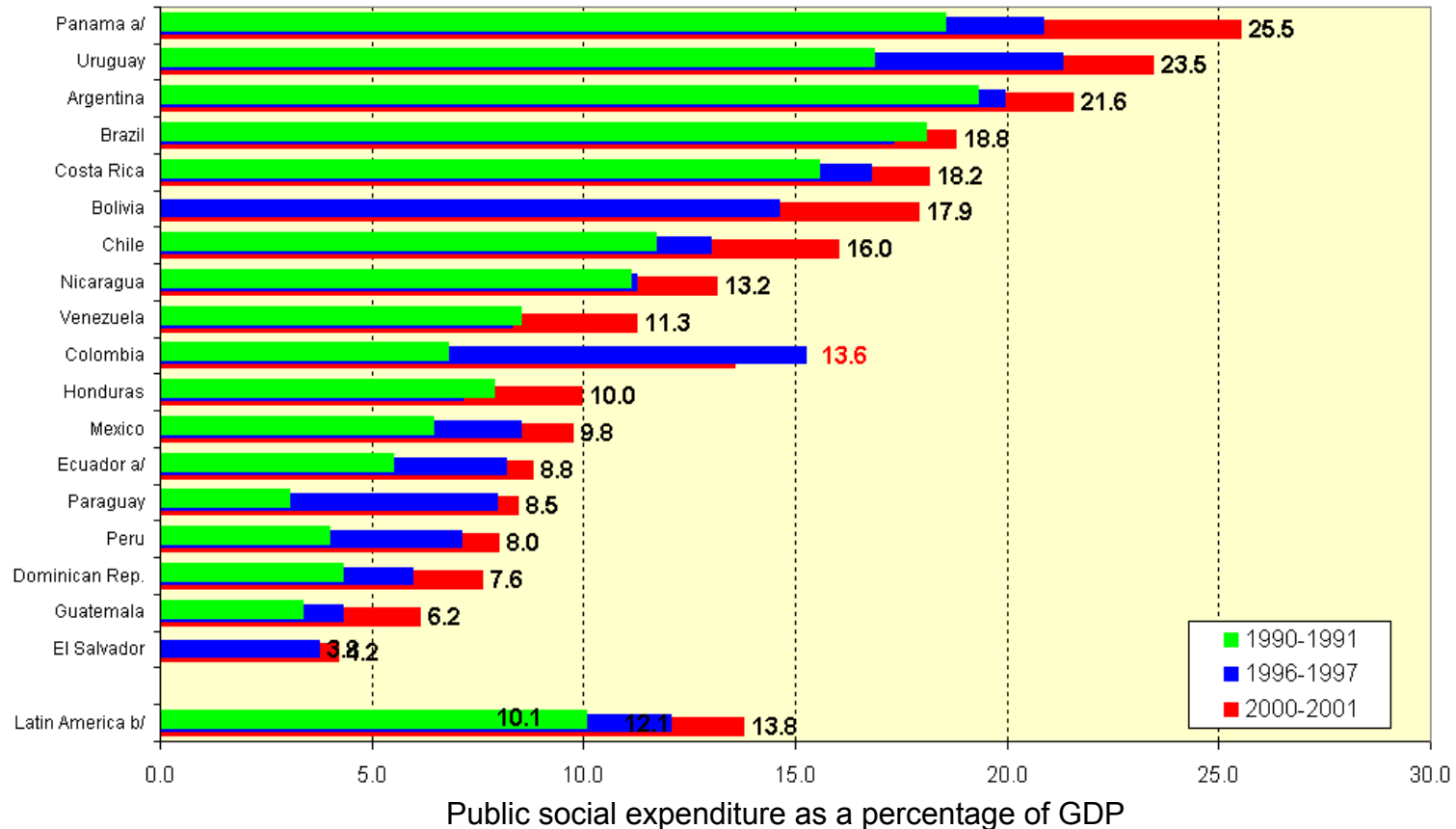
Latin America (17 countries): Changes in Gini coefficients, 1990-2002



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2004*, Santiago, Chile, 2005 [in press].
a/ Urban areas.

Public social expenditure

Latin America (18 countries): Public social spending as a percentage of GDP in 1990-1991, 1996-1997 and 2000-2001 (Percentages)

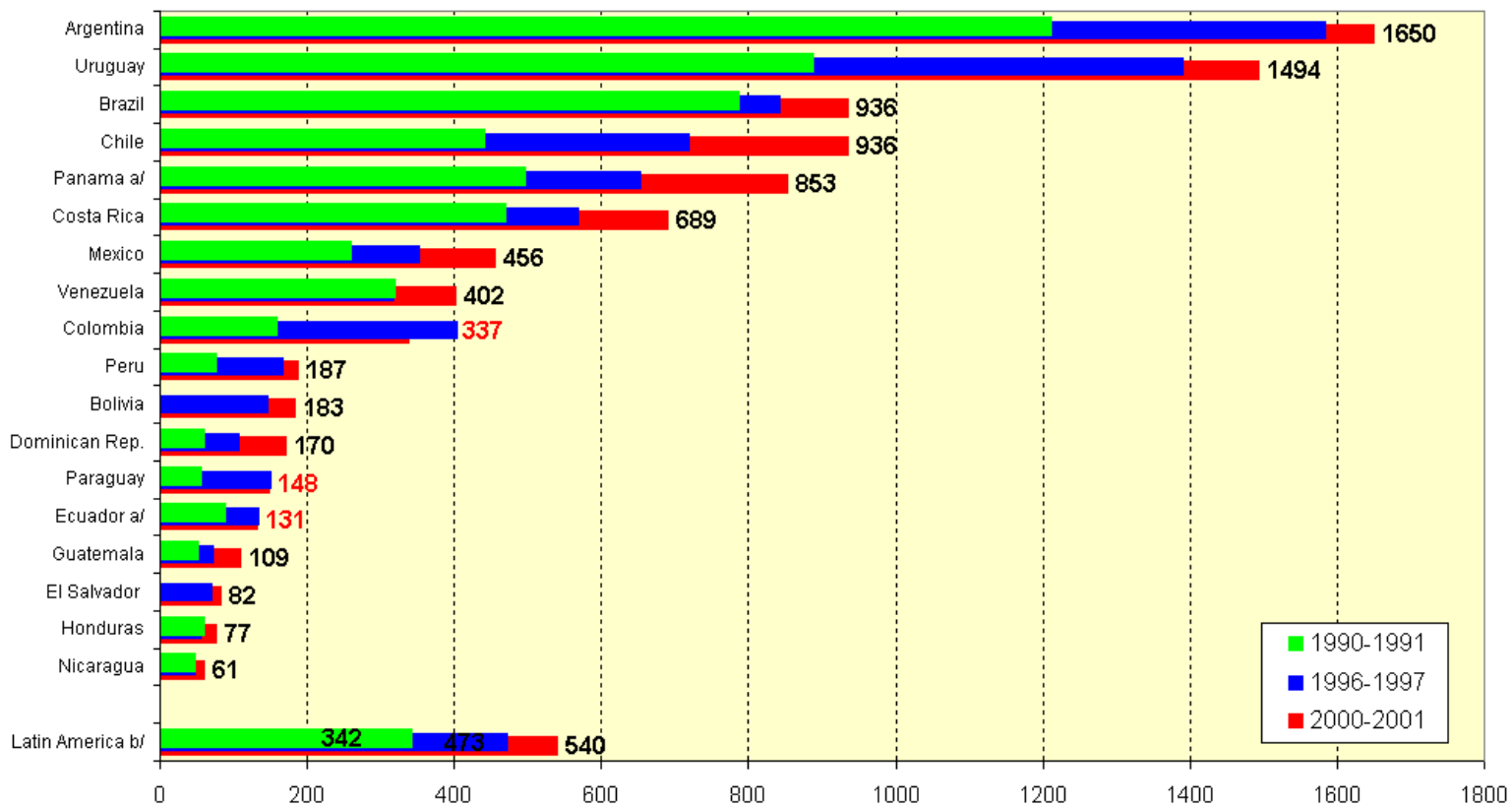


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

a/ The figures in the 2000-2001 bar refer to 2000.

b/ Unweighted average.

Latin America (18 countries): Per capita social spending in 1990-1991, 1996-1997 and 2000-2001 (1997 dollars)



Per capita public social expenditure in 1997 dollars

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

a/ The figures in the 2000-2001 bar refer to 2000.

b/ Unweighted average.

MAIN OBSTACLES TO SOCIAL INTEGRATION

- ▶ Increasing rates of urban unemployment and informal employment result in the segmentation of societies, reducing levels of social protection, labour productivity and popular participation in the development process.
- ▶ Persistently high levels of inequality in the distribution of income and assets make social contrasts more dramatic, produce greater vertical fragmentation and affect the rate of economic growth.
- ▶ Significant progress has been made in the implementation of policies for reversing discrimination against women and against indigenous and Afro-descendent groups, although sharp social disparities still prevail, to the detriment of ethnic minorities.
- ▶ Disruptive processes have emerged, such as risky and violent behaviour among urban youth: young people with higher levels of education face growing obstacles in the labour market and difficulties in achieving social mobility.

MAIN CHALLENGES

- Increase levels of high-quality employment and social protection through:
 - Higher and less volatile rates of economic growth
 - A new pattern of development to reduce productivity gaps between sectors
- Improve income distribution to reduce social disparities, while preserving political stability and enhancing economic growth
- Build human capital among low-income children and young people to stop the reproduction of poverty and inequality and promote broader participation in the knowledge society
- Maintain the growth trend in social expenditure, avoiding a procyclical pattern and incorporating the following characteristics:
 - Sustainability over time
 - Transparency (evaluation, accountability, avoiding corruption)
 - Civil-society participation
 - Coordination