

The Urban Poor in Latin America

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Marianne Fay, Editor



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Foreword

Poverty remains a key challenge for Latin America and the Caribbean, where 175 million people—36 percent of the region’s population—live in poverty. That such a high level persists despite decades of initiatives to reduce poverty shows how complex the problem is. As we adjust our policies to advance poverty reduction efforts, we must confront and accommodate some important changes in the economic and social reality of the region and its poorest inhabitants.

One such change is the fact that Latin America has become a largely urbanized region. Three-quarters of its population now reportedly live in towns and cities (although official figures may overstate the extent of urbanization). And while what is described as “urban” runs the gamut from villages to megacities such as São Paulo or Mexico City, most urban dwellers live in medium and large cities.

Urbanization is usually associated with economic growth and development, in Latin America as elsewhere. While the urban share of the region’s population increased from half to three-quarters between 1960 and 2003, GDP per capita almost doubled. For many people from the countryside, cities of various sizes have offered a way out of poverty, with more employment possibilities and better access to services.

As the population has become more urban, so has the poverty that endures. Today, more than half of Latin America’s poor live in cities. The challenges and opportunities they face are quite different from those of their rural counterparts, for whom many traditional poverty reduction programs have rightly been formulated. Designing better policy instruments to tackle urban poverty requires a clearer appreciation of its distinctive dynamics.

This report serves a timely need in refocusing the Bank’s poverty reduction efforts in the region on an urban context. That is where the poor will increasingly be and where a good deal of the battle must be fought.

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