

Gandelman, Néstor; Ñopo, Hugo; Ripani, Laura

## Working Paper

Traditional excluding forces: A review of the quantitative literature on the economic situation of indigenous peoples, afro-descendants, and people living with disability

Working Paper, No. 619

## Provided in Cooperation with:

Inter-American Development Bank (IDB), Washington, DC

*Suggested Citation:* Gandelman, Néstor; Ñopo, Hugo; Ripani, Laura (2007) : Traditional excluding forces: A review of the quantitative literature on the economic situation of indigenous peoples, afro-descendants, and people living with disability, Working Paper, No. 619, Inter-American Development Bank, Research Department, Washington, DC

This Version is available at:

<https://hdl.handle.net/10419/51448>

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*INTER-AMERICAN DEVELOPMENT BANK  
BANCO INTERAMERICANO DE DESARROLLO (BID)  
RESEARCH DEPARTMENT  
DEPARTAMENTO DE INVESTIGACIÓN  
WORKING PAPER #619*

**TRADITIONAL EXCLUDING FORCES:  
A REVIEW OF THE QUANTITATIVE LITERATURE  
ON THE ECONOMIC SITUATION OF INDIGENOUS PEOPLES,  
AFRO-DSCENDANTS, AND PEOPLE LIVING WITH DISABILITY**

BY

**NÉSTOR GANDELMAN\***  
**HUGO ÑOPO\*\***  
**LAURA RIPANI\*\***

**\*UNIVERSIDAD ORT URUGUAY**  
**\*\*INTER-AMERICAN DEVELOPMENT BANK**

OCTOBER 2007

**Cataloging-in-Publication data provided by the  
Inter-American Development Bank  
Felipe Herrera Library**

Gandelman, Néstor.

Traditional excluding forces : a review of the quantitative literature on the economic situation of indigenous peoples, afro-descendants, and people living with disability / by Néstor Gandelman, Hugo Ñopo, Laura Ripani.

p. cm. (Research Department Working paper series ; 619)  
Includes bibliographical references.

1. Minorities—Economic conditions. 2. Indigenous peoples—Economic conditions. 3. Blacks—Latin America—Economic conditions. 4. People with disabilities—Latin America—Economic conditions. I. Ñopo, Hugo. II. Ripani, Laura. III. Inter-American Development Bank. Research Dept. IV. Title. V. Series.

F1419.A1 G26 2007

©2007

Inter-American Development Bank  
1300 New York Avenue, N.W.  
Washington, DC 20577

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## Abstract\*

Unequal income distribution in Latin America and the Caribbean is linked to unequal distributions of (human and physical) assets and differential access to markets and services. These circumstances, and the accompanying social tensions, need to be understood in terms of traditional fragmenting forces; the sectors of the population who experience unfavorable outcomes are also recognized by characteristics such as ethnicity, race, gender and physical disability.

In addition to reviewing the general literature on social exclusion, this paper surveys several more specific topics: i) relative deprivation (in land and housing, physical infrastructure, health and income); ii) labor market issues, including access to labor markets in general, as well as informality, segregation and discrimination; iii) the transaction points of political representation, social protection and violence; and iv) areas where analysis remains weak and avenues for further research in the region.

**Keywords:** Discrimination, Social exclusion, Latin America and the Caribbean

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\* This paper benefited from the collaboration of Santiago Amieva, Sebastián Calónico, Ted Enamorado, Gabriela Flores, Diana Góngora, Georgina Pizzolitto and Holger Siebrecht. The findings and interpretations in this paper are those of the authors and do not necessarily represent the views of the Inter-American Development Bank or its corresponding executive directors. The standard disclaimer applies. Research Department, Inter-American Development Bank, Stop B-0900, 1300 New York Ave, NW, Washington, DC 20577, USA.

## 1. Introduction

Latin America and the Caribbean (LAC) is the region with the most unequal income distribution in the world. This income inequality is linked to unequal distributions of both human and physical assets and differential access to key markets and services. Poverty, deficient access to health care, poor education outcomes, poor working conditions and lack of political representation are the norm rather than the exception for substantial portions of the region's population, and this plethora of inequalities has been thought of as one of the main culprits of the multiple episodes of social tensions observed during LAC history. Nonetheless, another set of key ingredients in the understanding of these social tensions has been the existence of traditional fragmenting forces. The sectors of the population that typically are on the "unfavored" side of the distributions of outcomes are also recognized by observable characteristics such as ethnicity, race, gender and physical disability. This study is an attempt to document the efforts made towards the production of knowledge about the situation of these traditionally excluded groups, in different economic and social aspects.

As stated elsewhere (e.g., Chapter 1 of IDB, 2007), everyone participates in multiple exchanges in their daily social lives, and they occur within a certain set of social, economic, and political institutions (formal and informal) that provide the opportunities and services needed to obtain valuable outcomes in a market society. Social exclusion arises when a set of those formal and informal rules constrain the functioning of some groups of agents, the excluded. These are the *transaction points*, which are connected to outcomes (namely discrimination, housing segregation, lack of access to education, etc) that reflect exclusion suffered by those groups, and such outcomes have been described in the academic literature on excluded groups. Therefore, this survey is an attempt to i) identify the transaction points where different actors in LAC societies suffer exclusionary processes, ii) document the outcomes that arise from those processes, and iii) describe the literature that has addressed those issues for the traditionally excluded groups. It should further be noted this paper focuses on academic economic papers, addressing the issues of traditionally excluded groups from a quantitative perspective.

Who are the traditionally excluded sectors that this survey will address? Social exclusion in Latin America and the Caribbean predominantly affects indigenous peoples, Afro-descendants, persons with disabilities, and those living with the stigma of HIV/AIDS. Given the paucity of studies on HIV/AIDS-infected people, this analysis deals with only the first three of

these traditionally excluded populations. The literature on gender differentials is given only cursory treatment and is reviewed only to the extent that it simultaneously addresses differentials in other individual characteristics (indigenous peoples, Afro-descendants, etc.). In the labor markets section the survey devotes special attention to migrants, who confront particularly daunting barriers for labor market insertion.

The markets or transaction points considered were clustered in three categories: (i) relative deprivation in education, land and housing, physical infrastructure, health and income; (ii) labor markets as a transaction point that both produces exclusionary outcomes and serves as a resonance box of inequities from other markets; and (iii) other transactions in the political and social arena (political representation, social protection, and security/crime).

The literature in these categories is abundant and widespread, and the dimensions and methodologies taken into consideration in the literature are as broad as the social sciences themselves. These have ranged from sociological discussions of perceptions and attitudes to formal models of social interactions including empirical tests of statistical specifications, with or without theoretical support. The problem related to the vast heterogeneity of emphases and approaches is amplified when one takes into account that most of the region's academic community does not participate actively in the peer-refereed publication process. Hence it is not straightforward to look for academic journals that serve as a repository of the knowledge generated over time in this area. Surveying the existing knowledge on the traditional fragmenting forces in LAC thus represents an enormous task, but one that is necessary not only for the academic community, but also for policymakers, donors and international agencies interested in the development of the region.

In order to include all possible papers, we reviewed the EconLit database and LAC-based national research journals. We additionally used two approaches to locating unpublished papers. First, we reviewed two of the most popular Internet sites devoted to disseminating social science research: Research Papers in Economics (RePEc) and the Social Science Research Network (SSRN).<sup>1</sup> Second, we reviewed the information available on the web pages of international organizations with research on these topics: Inter-American Development Bank (IDB), World Bank (WB), Economic Commission for Latin America and the Caribbean (ECLAC), United

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<sup>1</sup> <http://repec.org/>  
<http://www.ssrn.com/>

Nations Development Program (UNDP), International Labour Organization (ILO) and World Health Organization (WHO).

There are inherent problems in a classification effort like the one undertaken here. The first constitutes the criteria adopted for including or excluding a paper. Restricting the review to quantitative academic pieces, for instance, leaves aside other types of rich analysis, which may be very relevant for a complete understanding of the situation of traditionally excluded groups (especially those that touch cultural understandings of the different groups, particularly indigenous peoples and Afro-descendant populations). A second problem is that the frontiers among the classified groups are hard to define in a precise and unequivocal way; classifications are inherently marked by the arbitrariness of the classifiers. A third problem is that it is virtually impossible to guarantee that all the relevant pieces of analysis have been incorporated into this survey. Nonetheless, we strove to be as comprehensive as possible within the bounds of the self-imposed classifying criteria.

The rest of the paper is organized as follows. After this introductory section, a second section reviews the general literature, that is, those pieces that do not focus on particular targeted groups, transaction points or countries/regions. The third section is devoted to the branch of the literature that addresses relative deprivation in education, land and housing, physical infrastructure, health and income. A fourth section focuses on labor markets, describing issues related to limited access to the labor markets in general, informality, segregation and discrimination, and the fifth section deals with the transaction points of political representation, social protection and violence. A sixth and final section concludes by discussing areas where analysis remains weak and further research is needed in the region.

## **2. The General Literature**

As noted above, LAC suffers from high inequality and social exclusion, a situation exacerbated during the 1990s. Studies that attempted to explain the causes and costs of social exclusion, and to present policy options for increasing economic growth and reducing inequality include Florez et al. (2001), Bouillon and Buvinic (2003), Ocampo (2004), Buvinic (2004), and ESA Consultores (2005). In these papers, social exclusion is defined as a multidimensional concept that is linked to relative poverty, social deprivation, inequality, and lack of voice and power in society, restraining labor market participation and access to education and other social services.

The authors argue that inequality restrains growth rates, economic development and democratic processes. These researchers additionally point to several sources of inequality and social exclusion: historical and demographic legacies, geographical isolation, unequal patterns of regional development, rapid urbanization, elite control, capital-intensive agricultural growth, a secular decline in rural employment and unequal distribution of assets. In addition, economic reforms such as financial sector liberalization, elimination of import/export barriers and reduction of trade tariff, tax reforms and privatization have failed to meet expectations because inadequate emphasis on equity and good governance. Reducing inequality therefore calls for long-term social policy that addresses inequality and promotes inclusion, stable economic growth, and reduction of internal dualism in productive sectors. This framework includes the following options: i) making the invisible visible in statistics; ii) better access to education; iii) expanding access to labor, land, and capital markets; iv) implementing integrated local development projects; v) creating laws such as affirmative action policies and programs; and vi) securing a stable macro-economic environment. It is also important to focus on breaking the intergenerational transmission of disadvantages. The idea is that social exclusion will have to be attacked using an integrated policy framework (Buvinic, 2004; Buvinic and Mazza, 2005). There have also been also attempts to quantify how much economies would gain from eliminating racial and ethnic exclusion, estimating the change in the volume of aggregate production and income that would result from ending occupational discrimination by race and ethnic origin and increasing investment in human capital in these groups. The impact on the GDP would be 37% in Bolivia, 13 percent in Brazil, 14 percent in Guatemala, and 4 percent in Peru (Zoninsein, 2001).

The role of ethnic origin has recently received particular attention in the academic production of the region. Along those lines, it has been documented that indigenous peoples and Afro-descendants have less capacity to generate income because of their lower levels of human capital, lower remuneration in the labor market and lower access to high-quality jobs (Duryea and Genoni, 2004), leading into problems of economic, social, cultural and political inequalities (Bello and Rangel, 2002). Also, many members of these groups lag behind others in regard to certain Millennium Development Goals (Busso et al., 2005). Two additional elements that have been highlighted are those groups' notoriously higher incidence of poverty, which persists despite the overall improvements of other groups (Hall and Patrinos, 2005; Sanchez(2005)); and



low returns to income-generating assets (physical and human capital, public assets and social capital), which particularly affect the income-generation strategies of excluded groups (Skoufias and Patrinos, 2007). The latter topic has been the subject of studies in Bolivia (Contreras et al., 2007), Ecuador (Borja-Vega and Lunde, 2007), Guatemala (Fazio, 2007), Mexico (Borja-Vega et al., 2007) and Peru (Escobal and Ponce, 2007), and for Afro-descendants in Colombia (World Bank (2005).

As mentioned above, this survey will not do justice to the enormous academic efforts to document gender-based exclusion. It is nonetheless worthwhile to mention summary of key facts by the World Bank (2003) in this area. While LAC has made significant advances with regard to equality (most remarkably education and access to labor markets), traditional social patterns continue to undermine females' full participation in the labor markets, which in turn reduces households' ability to escape from poverty. The report indicates that there is much to be done with regard to poverty and social exclusion, reproductive health care and protection from domestic violence. Lastly, the study emphasizes that the consideration of gender as a basis for exclusion depends very much on the transaction point that is being analyzed.

To summarize, even though the purpose was not to be exhaustive, this section presented some of the more general literature that has analyzed socioeconomic aspects that differ between traditionally excluded populations and the rest of the population. The rest of the paper will analyze the literature that touches more particularly different combinations of targeted groups and transaction points. This will give us a more specific view of the problems faced by the traditionally excluded groups through these different lenses.

### **3. Relative deprivation on Income, Education, Health, Land, Housing, and Physical Infrastructure**

Multi-dimensional deprivation is one outcome of exclusion, but as such needs to be distinguished from the process that produces and reproduces the exclusionary outcome. The transaction points that are going to be addressed in this section have to do with the processes of accessing sources of income, having educational opportunities, a place to live, being able to access health serviced when needed, as well physical infrastructure. The papers covered in this section will survey the literature about outcome differentials in these aspects that come from exclusionary processes functioning on those transaction points.

### ***3.1 Income Deprivation***

Income deprivation is only one of the outcomes of exclusion, but it is clearly one of the most crucial. Furthermore, material deprivation is highly correlated with other dimensions of deprivation that affect the capacity of the excluded to obtain desirable outcomes in a market economy. Lack of employment or low-productivity employment results in low incomes and poverty, but also restricts those in unemployment and low-productivity jobs from participating in social institutions such as unions and other worker organizations geared at improving working conditions (Gaviria, 2007).

Limited access to income, and poverty, are probably among the most studied topics in the social exclusion literature on Latin America. There are at least three reasons for this focus. First, the literature dealing with these topics for Latin America tends to replicate, with some lag, applications previously made in developed countries. Second, data on income are widely available through household surveys in most countries. Finally, and more importantly, many of the problems of limited access reviewed in this paper (e.g., health, education) may actually come from lack of income-generation opportunities. If this is indeed the case, policies targeted to solve differential access to income sources may also help to improve other aspects of segregated groups' living conditions.

The literature has at least two approaches to define poverty: one measured as low income and the other focusing on unsatisfied basic needs (e.g., running water, education). Nonetheless, there is also the view that poverty among indigenous peoples varies according to the perceptions, actual conditions and priorities of each indigenous group. Indigenous peoples are aware and proud of their cultural and ethnic identity, their language, social organization and ancestral knowledge, and none of these aspects are captured by the traditional measures of human poverty (Coba, 2005).

Whether presenting basic income statistics alone or estimating the impact of a specific exclusionary characteristic (e.g. ethnicity or disability) on income, the results are largely the same: the poverty statistics for indigenous and Afro-descendants reveal a worse situation compared to the rest of the population in almost the entire region (Costa Rica and Haiti are two important exceptions). When estimating poverty rates by race, Afro-descendants constitute 30 percent of Latin America's population but represent 40 percent of the region's poor. In general, indigenous peoples and Afro-descendants, in different magnitudes, have lower income levels

compared to the rest of the population (Machinea, 2005; Busso et al., 2005; Bello and Rangel, 2002; Dade and Arnush, 2006).

When considering income statistics over time, overall there has been a reduction in poverty, but the share of indigenous and Afro-descendants poor is still larger than the share of non-indigenous, non-Afro-descendent poor. Interestingly, indigenous peoples were largely unaffected by either increases or declines in national poverty rates in Mexico, Bolivia, Ecuador and Peru. The conclusion is that the income sources of indigenous peoples are less affected by macroeconomic shocks, whether positive or negative. Moreover, analyzing data for Ecuador and Mexico during their last crisis and recovery episodes showed that indigenous peoples were less affected by the crisis as it unfolded, but their recovery was so slow that the net impact on them was worse than for non-indigenous populations. When evaluating two basic ways to reduce poverty to attain the MDGs—growth in the mean and reduction in inequality—it was found that even small income redistributions from wealthy individuals to non-whites would be equivalent to relatively large annual growth rates until 2015 (Busso et al., 2005; Espinosa, 2005; Gacitúa et al., 2005; Hall and Patrinos, 2005; Skoufias and Patrinos, 2007).

By now, it is clear that there is agreement in the literature that the lack of access to income for excluded groups is a widespread phenomenon in LAC. Naturally, these income differences may be due to different groups' characteristics. Some studies have applied more sophisticated analytical tools to study these differentials, finding that there still are statistically significant differences between excluded groups and the rest of the population that cannot be explained by differences in groups' characteristics. For example, specific research has been performed using Oaxaca-Blinder decompositions;<sup>2</sup> and probit models estimating the probability for a household to fall into poverty (Ponce, 2006, for Ecuador; Telles and Lim, 1998, and Montaña, 2004, for Brazil). Using the latter approach, Hall and Patrinos (2005) find that being indigenous increases the probability of being poor in Bolivia (13 percent), Ecuador (16 percent), Guatemala (14 percent), Mexico (30 percent) and Peru (11 percent). In terms of people with disabilities, poverty seems to exacerbate disabilities (Dudzik et al., 2002; Hernández and Hernández, 2005).

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<sup>2</sup> These pieces will be outlined in the section on labor markets

### ***3.2 Education***

Income deprivation, as reviewed in the previous subsection, can cause and be caused by deprivation in other dimensions, notably education. The opportunity cost for low-income families of sending their children to school may preclude them from investing in schooling and condemning these youngsters to low productivity, low wages and bad-quality jobs. Income deprivation is partially the cause of differentials in education, but these differentials in education perpetuate differentials in income. In order to integrate the excluded groups, it is necessary to break this vicious circle. The exclusion phenomenon in its purest form happens when even after controlling for different income level, there still are differences in education outcomes, or the inverse, when after controlling for education levels there still are differences in income levels. The transaction points in these cases are the school system and the labor market.

In terms of education, there is a wide literature about the differences in educational outcomes by gender, but there is not such a wide set of papers with analysis of the educational differences for the traditionally excluded groups analyzed in this survey. In terms of kind of analysis, the education literature for LAC can be divided into quantitative analysis and policy-oriented analysis. The latter usually include basic statistics on the excluded groups but do not perform any statistical/econometric analysis of the data.

The literature has analyzed various aspects of the education experience for different groups. Some authors argue that the key differentials are at the initial steps in formal education, reporting evidence of lower probabilities of going to school as well as in the transition rates for primary school. Filmer (2005) analyzes peoples with disabilities in nine countries, while Sánchez and García (2006) focus on Afro-Colombians. Beckett and Pebley (2002) and García-Aracil and Winter (2006) study differences between indigenous and non-indigenous and between male and female indigenous in Guatemala and Ecuador, respectively. Others estimate differences between Colombian Afro-descendants and indigenous peoples and the rest of the population, stating that one of the main exclusionary factors interfering in the development of these groups is their restricted participation in the secondary education system (World Bank, 2005); higher education levels, however, have received less attention. There is additionally some scattered evidence that the disabled have lower access to education than the rest of the population (Lemez, 2005, in Uruguay).

Several authors document differences in test scores (Hernández-Zavala et al., 2006, using data from Guatemala, Mexico and Peru), grade repetition (Patrinos and Psacharopoulos, 1992, for Bolivia and Guatemala) and other traditional educational indicators (Porter, 2001, for persons with disabilities in Nicaragua, El Salvador, Jamaica and Chile; Solano, 2003, for indigenous persons in Costa Rica; Ñopo et al., 2004, for racial and ethnic differences in a context of racial mixture in Peru).

Illiteracy, being the outmost face of education deprivation, has deserved special attention. Its evolution does not seem to be homogenous in LAC. Decreasing illiteracy rates and literacy gaps for indigenous peoples are reported in Bolivia (Mezza Rosso, 2003), but no significant changes for Afro-descendants, in this indicator as well as in others, in Ecuador (Ponce, 2006). Differences in illiteracy rates between indigenous men, indigenous women and the general population are also reported for Panama (Coba, 2005)

Returns to education in the form of better job opportunities are the key transmission mechanism that perpetuates education and income differentials. The evidence presented so far shows that excluded groups have lower education level than the rest of the population. In order to close the salary gap there is a need to increase the quality of schools and the access to them (see Patrinos and García-Moreno, 2006, for the Mexican case). But if returns to education are different among groups, as seems to be the case,<sup>3</sup> that will not be enough.

Finally, other studies have found interesting results that in this context can provide a broader picture of challenges in the area of education. Parker et al. (2003) show that language barriers seem to be an important factor behind continued social exclusion. They find that the lower performance of indigenous children is mostly produced by the lower outcomes of monolingual indigenous, whereas bilingual children perform almost equivalent to their non-indigenous counterparts in Mexico. Cueto and Secada (2004), analyzing school performance in rural schools in Peru, find that after adjusting for the economic and linguistic differences between the students, the differences between rural and urban schools disappear. Similarly, McEwan (2005) analyzed the situation of indigenous peoples in Bolivia and Chile, and found that between one-half and two-thirds of the differences in grades between indigenous and non-indigenous can be attributed to differences in school quality; also, between one-fourth and two-fifths of the same gap can be attributed to family characteristics.

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<sup>3</sup> See the section on labor markets below.

There is a set of policy-oriented papers that present options highlighting the need to improve educational opportunities for excluded groups. Some surveys present a good summary of political and social initiatives implemented in LAC to reduce social exclusion of Afrodescendants and indigenous peoples, showing that the general situation of both populations is characterized by limited access to education (Hopenhayn and Bello, 2001; Bello and Rangel, 2002). They highlight that pedagogic approach is important in addressing problems of access and attendance rates and note challenges, such as the establishment of bilingual schools, involved in taking a multicultural approach. The region needs to improve strategies towards bilingual/multicultural practices in areas where there are higher proportions of indigenous populations (Peredo, 2004).

Breaking intergenerational transmission of disadvantages has to do, among other things, with better access to education for excluded groups (Buvinic, 2004; Ocampo, 2004; IDB, 2003, for Argentina, Brazil, Peru, and Bolivia). One of the most urgent needs is policymaking to reduce inequalities in primary schooling. In general, there is good progress towards Millennium Development Goals in primary education, but less so for indigenous peoples and Afro-descendants (Bouillon and Buvinic, 2003).

### ***3.3 Health***

The concept of health-illness in Western societies is not necessarily similar to that prevailing among some indigenous or Afro-descendants in LAC. As part of the Western tradition, it is possible to define the right to health as being able to achieve “the highest possible level of physical and mental health and, access to public health services” (Sánchez and Bryan, 2003). There are few studies that report the understanding of the concept of health for indigenous and Afro-descendants, however, and these studies have been made using focus groups and interviews. Among Colombian rural Afro-descendants, the concept of health-illness is related to traditions and cultural beliefs, which are in many cases related to traditional medicines (Sánchez and García, 2006). For Colombian indigenous peoples, health is an integral concept associated with emotional, spiritual and physical elements in people’s relationship with their surroundings (World Bank, 2005); health is understood as “having a good relationship with mother nature.” That said, it is perhaps not surprising to observe that almost half of the indigenous peoples and Afro-descendants in Colombia have no access to health insurance (Bernal and Cárdenas, 2005).

The difference in concept is not only “academic”. The cause of the poor health conditions of indigenous may be the differences in focus and concepts between occidental medicine and their traditional ancestral treatments (Peredo Beltrán, 2004). Along these lines, it has been asserted that there exists discrimination against traditional medicine in favor of Western medicine (Bello and Rangel, 2002; Hopenhayn and Bello, 2001)

While research on access to health care and health outcomes has focused on indigenous and Afro-descendants, that work largely neglects those groups’ different personal and group characteristics, which may lead to different health outcomes. In particular, the rural-urban dimension explains a sizable part of the health gap. Even though the literature has not presented formal indisputable evidence of discrimination against indigenous nor Afro-descendants with respect to health outcomes, there are many papers that argue the existence of such discrimination (Dade and Arnush, 2006; Sánchez and Bryan, 2003; Hopenhayn and Bello, 2001; Coba, 2001; Ribando, 2005; Peredo Beltrán, 2004; and Bello and Rangel, 2002). In the best case, however the evidence provided is a simple cross-tab for one or more countries, and in many other only the opinion of others is cited.

Most papers in this area are based on cross-tabs (or they cite cross-tabs made by other authors) of census, household surveys or specially made surveys. They unanimously report a worse health conditions among indigenous and Afro-descendants.<sup>4</sup> Marini and Gragnolati (2003), studying malnutrition in Guatemala, presents a multivariable regression to establish the determinants of such a phenomenon. They present a Oaxaca-Blinder decomposition to determine the proportion of the height-for-age score that is due to characteristics of the indigenous population (region, education, household size, etc) and unobserved factors including discrimination. According to their results, a sizeable part of the differential outcome cannot be accounted for by indigenous peoples’ characteristics.

Although not presenting a formal setup to control for the effects of other variables, Machinea (2005) and Coba (2005) disaggregate infant mortality rates between indigenous-urban, non-indigenous-urban, indigenous-rural and non-indigenous rural. They implicitly have two important conclusions: first, indigenous in urban areas have lower infant mortality rates than indigenous (and non-indigenous in some cases) in rural areas. Second, indigenous peoples have higher infant mortality rates than non-indigenous people living in their same area (urban or

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<sup>4</sup> Table 1 in the Annex presents a summary of the countries and health indicators used in the papers reviewed.

rural). Thus, the larger share of indigenous peoples living in rural areas is an important determinant of worse indigenous health outcomes but cannot account for the whole differential. The open question is whether including other factors (e.g., education, income level) could close the gap and leave no room for an interpretation of interpretation.

Finally, there is an incipient literature on stigmatization and access to health care for people with physical or mental disabilities. This literature argues that failure to ensure that people with disabilities receive effective educational services results in exclusion from the labor market and contributes to poor health (Dudzik et al., 2002; Acuña and Bolis, 2005).

### ***3.4 Land and Housing***

Geographical segregation increases the exposure of disadvantaged groups to crime and violence, both because the rich retreat into gated communities with private security and because the disadvantaged lack the social, economic, and political resources needed to access the preventive and corrective forces of the judicial system and the police (Gaviria, 2007). While there is an old and broad literature on housing differentials, researchers interested in LAC have only recently started to focus on these issues. There are two methodological venues in the regional literature: qualitative studies based on interviews and historical records, and quantitative indicators based on household surveys and censuses. In both approaches, group-differentials are discussed in two dimensions: access to land or housing; and housing quality (including many health-related issues like running water, garbage disposal, adequate sanitation, etc.).

International organizations have pushed forward the idea of providing access to land titles for the poor as a cost-effective poverty alleviation policy. Finan et al. (2004) point out that, although access to land can raise household welfare significantly in rural Mexico, this would not be sufficient to raise most indigenous residents from poverty. Moreover, Afro-descendants have been much less successful in obtaining collective land rights (Dade and Aleisha, 2006; Ribando, 2005) than indigenous peoples. Only in Brazil and in Colombia (since 1988 and 1991, respectively) do national constitutions mention the cultural and agrarian land rights of the Afro-descendant population.

This situation is to some extent explained by the fact that most Afro-descendants have been integrated into the mestizo culture and therefore do not possess the racial/cultural group identity or specific relationship to the land that would allow them to receive privileged access to land. A



notable exemption is the Garifuna community, descendants of escaped slaves from St. Vincent, that won communal land rights in Honduras and Nicaragua by proving that their language, religious beliefs, and traditional agriculture techniques are inextricably linked to their notion of land (Ribando, 2005).

With respect to ownership ratios, indigenous peoples and Afro-descendants seem to display levels at least as high as the rest of the population (see Benavides et al., 2006, for Peru; Ponce, 2006, for Ecuador; and González, 2006, for Honduras). Ownership levels aside, there are reports of housing quality problems (e.g., overcrowding, unsatisfied basic needs) for the indigenous population in Costa Rica and Panama, respectively (Solano, 2003; Coba, 2005). Solano (2003) additionally presents evidence that the housing situation of the indigenous population living in rural areas is not very different from the housing conditions of non-indigenous living in the same area. The differences in the aggregates are strongly affected by the different percentages of indigenous and non-indigenous peoples living in urban and rural areas. Similarly, Putnam (2004) finds that the Afro-descendant population of Costa Rica of the province of Limon (where most Costa Rican Afro-descendants live) is in no worse housing condition than that of non-Afro-descendants from Limon. Note that neither the results of Solano (2003) nor Putnam (2004) implies the absence of housing problems for the indigenous or Afro-descendant population. In the best case scenario, they suggest, that given where they live, Afro-descendants and indigenous are in largely the same situation as their neighbors. Nonetheless, the question of why they live in these areas and why these areas lack access to public services remains unanswered.

According to the literature, there are three main problems with respect to indigenous land access: (i) gender differential treatments; (ii) the impact of major development projects (e.g. oil drilling in Colombia and Venezuela, hydroelectric and power stations in Chile, deforesting in the Venezuelan and Brazilian Amazonia); and (iii) migration to cities.

A few decades ago, the majority of indigenous peoples lived in rural areas. There are still sizeable “ancestral” lands but migration to the cities has created new problems. It has been argued that the cause of indigenous poverty is the liberal reforms of the nineteenth century that introduced the idea of private land ownership (Bello and Rangel, 2002). Most countries overlook the common law rights traditionally used by indigenous peoples to allocate land use, and these authors argue that the relationship of indigenous peoples with the land is not only economic but

also includes many social, cultural and religious aspects. Many times the combination of a country's legal framework with major development projects has forced migration to the cities. There are two reasons why indigenous women are in an especially vulnerable situation (Peredo Beltrán, 2004). First, they are traditionally specialized in the management of natural resources, and after migration they face stronger challenges than men in adapting to urban environments. Second, according to the customs of many indigenous peoples land ownership is typically passed to male family members in the understanding the women will obtain access to land through their husbands. This approach prevails, for instance, among Bolivia's Aymara and Quechua communities.

Using census data, Sánchez and García (2006) report that the Afro-descendant population of Colombia is also experiencing an important urban migration process. As in the case of indigenous populations, these migrants (many forcefully displaced) end up living in lower-quality houses in neighborhoods with poor access to public utilities. Similar results have been found for Honduras, Ecuador and two locations in Argentina, respectively (González, 2006; Ponce, 2006; and Universidad Nacional de Tres de Febrero, 2006). However, the evidence for Peru seems to go in the opposite direction. There Afro-descendants have better building quality and better access to public utilities than the general public (Benavides et al., 2006).

Finally, how important is access to land for the indigenous and Afro-descendant populations? According to a World Bank Report (2005), although the cultural connotations are not the same, for both indigenous and rural Afro-descendants in Colombia access to land seems essential for improving their well being. Afro-descendants in rural areas perceive in access to land a guarantee of subsistence and continuity of cultural traditions. Indigenous peoples see in the territory the basic pillar of the quality of life and collective ownership of the territories implies the recognition of ancestral rights.

### ***3.5 Physical Infrastructure***

The set of papers dealing with access to physical infrastructure in LAC countries is a subset of those dealing with housing conditions. The references to public utilities are always made in comprehensive studies with the goal of portraying a broad picture of the Afro-descendants and indigenous population in LAC. The literature reports that Afro-descendants and indigenous peoples have lower access to public utilities and that investments in infrastructure in areas

populated by these groups is below “ideal” levels. As emphasized before, the differences among ethnic and racial groups reported are far from being attributed to ethnic discrimination. Rather, these are the consequence of other characteristics of ethnic groups (e.g., urban vs. rural settlements, as suggested by Ponce (2006). The following paragraphs report the main finding of the reviewed literature.

Sánchez and Bryan (2003), in their literature review on Afro-descendants’ social exclusion, report that most of this population lives in rural areas suffering lack of infrastructure and access to public utilities. According to these authors, Latin American governments invest very little or do not invest at all in infrastructure and services in areas mostly populated by Afro-descendants, which leads to has negative consequences for the marketing of agricultural products and ecological resources. Ribando (2005) presents sample statistics for the Afro-descendant population in Brazil and Colombia on resources commonly identified as crucial in overcoming opoverty. For instance, he cites a report by the U.S. Department of State<sup>5</sup> stating that the municipality with the highest percentage of Afro-descendants in Colombian has the lowest per-capita level of government investment in health, education and infrastructure. Moreover, according to ECLAC (2000), lack of access to infrastructure is not gender neutral. Due to the traditional gender-based division of labor in LAC, rural female workers and indigenous women have harder living conditions in order to compensate for deficiencies in access to running water, electricity and transportation.

Sánchez and García (2006) report changes in the rural-urban composition of Afro-descendant settlements in Colombia due to a rapid process of migration to urban areas. Using census data, they report that, like indigenous populations, Afro-descendant migrants end up living in lower-quality houses in neighborhoods with poor access to public utilities. In order to understand the differences in wellbeing among the Afro-descendants and the general population they use a principal component analysis technique to construct an Index of Living Conditions, and their main conclusion is that access and quality of housing public services are the main determinants of the Afro-descendant population’s lower welfare. Benavides et al. (2006) also apply the principal component analysis to infrastructure. Considering access to the public water system and drainage, they find that Afro-Peruvians have significantly higher access to public infrastructure than the average citizen and the indigenous population.

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<sup>5</sup> U.S. Department of State, “Colombia: Country Report on Human Rights Practices, 2003”, February 2004.

Based on household surveys for 2003 in Ecuador, Ponce (2006) disaggregates several infrastructure indicators among Afro-descendants, indigenous, mestizos and white population. In terms of sanitary system, running water, telephone, electricity and garbage disposal services, the indigenous population systematically has the worse statistics, followed by Afro-descendants and the white population (e.g., 10.9 percent of indigenous households have telephones, compared to 17.7 percent of Afro-descendants' and 42.1 percent of whites' households). After acknowledging that these ethnic differences could be due to different shares of urban and rural settlements among ethnic groups, the author presents the share of each ethnicity living in urban and rural areas and concludes that the condition of the Afro-descendant population cannot be explained by geographic location alone.

#### **4. Labor Markets as Transaction Points Reproducing Exclusionary Outcomes**

In terms of exclusion, labor markets act as resonance boxes of inequities or exclusion mechanisms already exerted in other social spheres. Labor markets thus convert into earnings differentials unequal access to health, education of good quality and basic living conditions that the societies have. These earnings differentials are, in turn, the main channel through which differences in health, education and basic living conditions persist. The labor markets are not necessarily the culprits of exclusion, but the extent to which they work as catalysts for the execution of exclusion mechanisms is a necessary issue to disentangle. Along those lines, the literature review on the traditional fragmenting forces within the labor markets has been subdivided into four categories. First, there is an analysis of the literature related to limited access to human capital characteristics (nonetheless, it is understood that this literature has substantial overlap with that outlined in previous sections, so the discussion will focus on those that have direct linkages to the labor markets). Second, the survey will address the broadly defined area of limited access to the labor markets (participation, employment and working conditions, among others). This section will then continue with a description of the literature on limited access to formal jobs. The fourth and final component of this section is devoted to the literature on segregation and discrimination in labor markets.

#### ***4.1 Limited Access to Human Capital***

This analysis of the literature on LAC labor markets begins by reviewing the documents that analyze the differences in human capital characteristics among groups traditionally discriminated against. As noted above, given that the labor markets work as resonance boxes of inequalities and exclusions exerted in other spheres, it is important to document the nature and magnitudes of those differences. This subsection therefore considers the academic literature describing the human capital characteristics of groups traditionally discriminated against.

Several authors, with different methodologies and focusing on different groups, have analyzed the problem of unequal access to the appropriate channels for acquiring human capital, as addressed in the section on education above. In contrast, this section outlines some of the work that document the outcomes of such unequal access, focusing on the differences in human capital characteristics that individuals have when they face the labor markets. It is therefore not surprising that most of the pieces documenting the differences in human capital characteristics that this study is referring to, do it as a mean to explain gaps in labor market outcomes (mainly participation, employment, formality, occupation and wages). The description of those papers gets deferred to the next subsections, depending on the main topic within the labor markets that they address. For a general overview of the labor markets and traditionally excluded groups see Mazza (2004).

#### ***4.2 Limited Access to Labor Markets***

Since much of the literature on limited access to labor markets focused on migrants and people with disabilities, these two groups will take up most of the discussion in this sub-section. Nonetheless, a few pieces on the role of ethnicity and race in access to labor markets will be described at the end.

Although today's world is characterized by high global mobility and decreasing restrictions on migration of high skilled workers, international labor markets remain segmented in a way that limits the international migration of poor and unskilled workers. The main reasons for migration are associated with individuals' hopes for attaining better working and life conditions at the place of destination. However, other variables interfere when migrants try to find a job in their country of destination; these include racial, social or cultural discrimination.

In the LAC context, migration occurs both within the region and, more importantly, from the region to more developed countries; in either case, migration reduces the home country labor supply. One of the most important factors in migration appears to be self-selection by skill (see Clark et al., 2003, for migration from LAC to the United States and Canada, and Pellegrino (2002) for Argentina and Uruguay emigration. This descriptive literature is complemented with another branch that attempts to understand the sources of the differences in the labor markets between migrants and locals. Bello and Rangel (2002) provide some explanations for these differences, emphasizing on a set of difficulties that range from economic to cultural and social aspects, as well as psychological and linguistics problems. They also highlight the risks associated with being an illegal immigrant when searching for a job. Stefoni (2002) studies the role of gender as a limitation to the access to the labor markets of migrant workers. For that, she describes the situation of Peruvian immigrants in Chile. This migration is characterized as being mainly female and largely concentrated in the domestic service and the informal sector, despite the educational attainment that these women have; while the educational level of these immigrants varies greatly, labor market segmentation means that they have access to only a narrow range of jobs, regardless of preparation. On the other hand, Cacopardo and Maguid (2001), studying gender differences among cross-border migrants in Argentina, found no differences in occupational status, earnings and unemployment levels between males and females.

Access to labor market is also limited for persons with disability. Disabled people participate less in the labor market than the rest of the population because of transportation obstacles and costs, as well as barriers to productivity in the workplace. From the perspective of labor demand, sometimes employers view a disability as a sign of lower productivity (or additional workplace costs), which triggers some sorts of statistical discrimination. Hernández-Licona (2005), Elwan (1999) and Montes and Massiah (2002) provide complementary information outlining the situation of people with disabilities in the labor markets, as well as problems about data and the policy options in this arena. They point out that persons with disabilities generally hold low-skill jobs in agriculture and service-related industries. The existing evidence in LAC shows that the unemployment rate of people with disabilities is twice, or even three times, that of persons without them in developed countries. Although data is scarce for the developing world, people with disabilities are much less likely to be engaged

economically than the population overall. Consequently, making policy changes to combat labor-market discrimination against those with disabilities requires access to better data, since information on persons with disabilities is either lacking or of poor quality throughout the region. Complementing these pieces, Alvarez (2000), also suggests the importance of improving accessibility for persons with disabilities and increasing access to rehabilitation technology for the disabled as a form of increasing their social inclusion.

In principle, an efficient labor market with perfectly rational players is meant to be “race blind,” except under certain particular circumstances. However, the statistics suggest that this is not the case. An examination of factors that influence workplace decisions suggests that race and ethnicity play significant roles in determining job placement and career opportunities. Whether a person is looking for a job, seeking a promotion, or considering a new line of work, race and ethnicity constrain individual choices and affect chances of success, or even entry into labor markets. IDB (2001) summarizes key facts about economic opportunity differentials between racial groups in Argentina, Brazil, Peru and Bolivia. It explores some mechanisms through which this may happen and concludes that it is mostly due to persistent educational gaps and discrimination in the labor market. Arends (1991), exploring female labor force participation in Guatemala, finds a surprisingly small effect of ethnicity on participation. Roland (2001) in his study of six Brazilian metropolitan areas, showed that there is persistent inequality for both male and female Afro-descendant workers in the labor market; non-Afro-descendant workers earn more than double the income of Afro-descendants. Unemployment is also drastically higher among Brazilian Afro-descendants, the unemployment rate differentials between Afro-descendants and whites ranged from 45% in Salvador to 70% in the Federal District. De Janvry et al. (2005) study occupational choices for young men and women in rural Mexico, finding that indigenous men are substantially less likely to be wage earners than non-indigenous men. They additionally report wage gaps of around 15 percent in agricultural wage jobs and 35 percent in self-employment, both favoring non-indigenous individuals over their indigenous counterparts.

To close this subsection, Machinea (2005) has pointed out that the Millennium Development Goals do not sufficiently address labor market issues. He stresses that this is especially important when one takes into account that LAC unemployment increased from 6.9 percent in 1990 to 10% in 2004, that informal-sector jobs and low-productivity agricultural

activities absorb more than 50% of the employment, and that some excluded groups are restricted in their access to the labor market.

### ***4.3 Limited Access to Formal Jobs***

The literature on formality and traditionally excluded groups has not been abundant. There is a great deal of advancement in understanding the dynamics of the informal sector, but with no particular emphasis on traditionally excluded groups. The literature that analyzes the groups of interest for purposes of this paper and addresses informality does so by emphasizing working conditions, but generally within a broader context of living conditions. Consequently, the works cited in this sub-section are not exclusively devoted to the formality of the traditionally excluded groups in the labor markets but nonetheless have bearing on the conditions of excluded groups.

Benavides et al. (2006) report that even though the percentage of Afro-descendants outside of the economically active population is higher than the national figures, the percentage of Afro-Peruvians who work in the formal sector is higher than that of the rest of the population. Also, the average labor earnings of Afro-Peruvians are not different than the average of the rest of the nation (although the average per capita income is significantly lower). Anticipating a topic to be covered in the next sub-section, they report a high degree of occupational segregation, as 40 percent of Afro-descendants work in unskilled services. Interestingly, in this study Afro-descendants are the group most likely to report having experienced a discriminatory event in the past.

Interestingly, migratory condition is a characteristic that, intersecting with ethnicity and gender, has received special attention in this branch of the literature. Bossen (1982), analyzing seasonal labor recruitment in plantations in Guatemala, found that laborer's gender and migratory condition were the determinants of firms' recruitment patterns. She rationalizes firms' discriminatory behaviors against females such that for a large plantation, the trade-off between employing cheap laborers (women) and reducing the development of workers' solidarity (by employing migrants, who are more expensive than women) might be worth the wage differential. Angeles (2002) also analyzes the situation of Guatemalan migrant workers, particularly those in the border area near the Mexican state of Chiapas. He highlights that they are mostly males (90 percent) and involved in agricultural labor (98 percent); almost one third of them are illiterate and hence have access to only a narrow range of employment. The work of Farah and Sánchez



(2003) provides a comprehensive overview of the working conditions of Bolivians abroad, particularly in neighboring countries. As these workers are predominantly undocumented and illegal immigrants in the countries where they reside, they are subject to abuse and exploitation, working under precarious conditions.

#### ***4.4 Segregation and Discrimination***

An extensive literature has addressed segregation and discrimination against traditional minorities in LAC labor markets. Even though the methods for precisely detecting and measuring discrimination remain far from being conclusive, there are interesting advances in the literature. Besides the analysis of occupational segregation, there are studies of discrimination using more sophisticated techniques such as Oaxaca-Blinder decompositions and non-parametric techniques. Even more, the literature has started to use natural field experiments to understand the outcomes of discrimination and its underlying mechanisms.

Peredo (2004) outlines the increase in female labor force participation in LAC since the 1970s. This significant change notwithstanding, she also points out that the segregation of indigenous peoples and Afro-descendants within occupations related to domestic service has not changed substantially. Along similar lines, but focusing on Panama, Coba (2005) points out the precarious working conditions of the indigenous populations, especially indigenous women, who mostly concentrate on agricultural production. A similar work for Costa Rica is Solano (2003), who using the 2000 census documents living conditions of the indigenous population. In regard to labor markets, she highlights important differences between indigenous and non-indigenous populations as well as between indigenous and non-indigenous territories; the highest unemployment rates are found among indigenous individuals living outside of indigenous territories.

A family of papers using wage decompositions *a la* Oaxaca-Blinder has been interestingly developed in the region. Marconi (2004) provides an analysis of the wage gap between the public and the private sectors in Brazil. The gap is noticeable, even after controlling for demographic and productive characteristics. The paper also documents the existence of wage gaps by skin color and gender in the public sector, the latter being larger than the former. Along similar lines, Arias et al. (2002) analyze the determinants of earnings gaps between whites and Afro-descendants in Brazil using quantile regressions and Oaxaca-Blinder type decompositions.

They report that the differences in earnings that cannot be attributed to differences in human capital increase with job responsibilities, regardless of skill level. They also point out that average measures of earning gaps provide only limited information about the situation of disadvantaged groups, advocating for the use of techniques that go beyond averages and emphasize distributions of the variables of interest, as is the case with quantile regressions. Contreras et al. (2006) measure earnings and employment gaps for people with disabilities in Chile and Uruguay. They report that, depending on the intensity of the disability, the earnings penalty could be between 18 percent and 26 percent in Uruguay and between 20 percent and 37 percent in Chile. On the other hand, the employment rate gaps are between 30 percent and 57 percent in both countries, again depending on the intensity of the disability.

Another important question regarding exclusion is whether it can lead to political instability and social conflicts. Figueroa and Barron (2005) analyze the role ethnicity plays in political instability, social disorder, and inequality. They try to explain social disorder and also inequality in Peru, finding social exclusion (defined here as limited access to human capital) but not discrimination (defined here as unequal pay for same levels of human capital), which promotes the existence and longevity of horizontal inequalities (inequalities among culturally defined groups) further leading to inequality. Following the Sigma theory developed in Figueroa (2003), the authors re-label the differences in human capital characteristics as social exclusion and the differences in rewards as discrimination (within an Oaxaca-Blinder decomposition setup). They found more evidence for the former than for the latter in urban Peru, therefore concluding that ethnicity is not the prime mover of social disorder. Similar results are found in Barron (2006). Sánchez (2005) applies the same methodology to Ecuador, in order to analyze the role of ethnicity in political instability, social disorder, and inequality. Unlike Figueroa and Barron (2005), she finds both social exclusion and discrimination, leading to the conclusion that in Ecuador ethnicity would in fact be one of the prime mover of social disorder. However, both agree that neither migration, inter-marriage, collective actions nor government policies constitute mechanism of social equalization. Also for Peru, Ñopo et al. (2007) examine the relationship between earnings and racial differences. Since most of the population is of mixed racial heritage, the authors construct indicators of racial intensities using a score-based procedure. This methodology allows them to study non-linearities in earning differences across mixed white and indigenous racial characteristics. Estimates from a semi-parametric model show evidence of a

race premium for whiteness in earnings, statistically significant among wage earners but not among the self-employed. These results may be consistent with a story of employer discrimination.

Another analysis of earnings gaps is by Barron (2005) which, using a variation of the propensity score matching technique proposed in Nopo (forthcoming) documents the differences between locals and migrants in the Limenian labor markets. The evidence found suggests almost no role for discrimination between these two groups, as the gap is small and has a negligible impact on the Gini measure of inequality. Along similar lines, Patrinos (2000) studies the wage-cost to an individual of being an economic minority in different countries. In Bolivia and Peru, discrimination is estimated to account for 28 percent of the ethnic wage gap observed, whereas in Guatemala and Mexico it represents up to 50 percent of the overall earning differential. In Brazil the income gap between indigenous and non-indigenous even widens with increased schooling. Roland (2001) documents differences in employment and earnings between Afro-descendants and other workers in six metropolitan areas in Brazil towards the end of the 1990s. She finds noticeable gaps in all cities, especially Sao Paulo and Salvador, where it can reach 100 percent (i.e., non-Afro-descendants earning, on average, twice as much as their Afro-descendant counterparts).

García-Aracil and Winter (2006) compare both ethnic and gender differences in Ecuador. Using the Living Standards Measurement Study (LSMS) for 1998-1999 they examine the determinants of wage gaps for gender and race and the determinants affecting the likelihood that a child remains in school, and if there are difference in returns to schooling across gender and ethnicity. They explore whether and how lower educational attainment and labor market discrimination contribute to lower earning for indigenous vs. non-indigenous people and women vs. men. They find that about half of both gaps is explained by educational attainment and half by discrimination. The main determinants affecting children's enrollment are educational level of the mother, father's profession, households' wealth (for boys), child labor and opportunity cost (for indigenous children). There is a significant difference in returns to schooling by ethnicity but not by gender.

Gandelman (2006) proposes a "market test" for discrimination in the soccer market in Uruguay. His estimations show a positive relationship between education, performance and promotions on one had; and between socioeconomic background, performance and promotions,

on the other. This result is interpreted as produced by different opportunity costs. Moreover, he finds that Afro-descendant players' performance is better evaluated than white players' performance, but that race is not a significant determinant of international transfers. Assuming that talent is distributed equally among the population, he interprets these results as evidence of racial discrimination against Afro-descendant players in the national league but not with respect to international promotions.

## **5. Other Transactions in the Political and Social Arena (Political Activity, Social Protection, and Security/Crime)**

Political and electoral systems that exclude disadvantaged groups of the population reduce their ability to influence public policies and programs, which results in lower investments in services (such as high-quality educational and health services) needed by those who suffer exclusion in order to prosper. Social protection systems are also transaction points where the contact between governmental agencies and those in need of social protection policies face critical frictions, given that, in general, people are in or out of the government programs according to certain characteristics (targeting mechanisms). Finally, dangerous neighborhoods and socioeconomic segregation in terms of housing, among other issues, make security issues important. The outcomes in this sense are (generally) higher crime rates among those who suffer from social exclusion. This section focus on the lack of access of the traditionally excluded groups to: (i) political representation, (ii) social protection, and (iii) security.

### ***5.1 Limited Access to Political Representation***

This literature is composed of studies that examine the basic statistics about political representation of indigenous peoples and Afro-descendants in the region, or in specific countries. Although most of the authors reviewed tend to report underrepresentation of these groups, this result is not unanimous. Sources of data and methodologies differ, which impedes the explanation of varying results.

Using Latinobarómetro data, Gaviria (2001) analyzes racial differences in LAC, noting several broad facts without interpretation or implications. Those broad facts encompass socioeconomic status, subjective well-being, confidence in the state, political participation, social capital, and social mobility. One of the main findings is that there are statistically significant

differences between races in socioeconomic status and subjective well-being but not in political participation, social capital or social mobility.

This conclusion differs from other studies, which find differences by race in political participation. For example, Ribando (2005) use a few estimates from different sources of data for LAC from 2003 to 2005 to claim that the Afro-descendant population is underrepresented in the legislative branch of government. However, the analysis is scattered and not comparable in terms of which indicators are selected. Hopenhayn and Bello (2001) and Bello and Rangel (2002) compare indigenous with Afro-descendants and find that the general situation of both populations is the following: limited access to education, health, labor market, land and housing in addition to political under-representation.

Instead of considering outcomes, the World Bank (2005) investigates aspirations, priorities and roles assigned by excluded groups to state and community institutions. This study finds that the obstacles faced by Afro-descendants and indigenous peoples in Colombia when trying to participate and be part of mainstream Colombian society differ greatly.

Within the policy-oriented literature, Buvinic (2004) argues that social exclusion is multidimensional, and therefore, several factors have to be taken into consideration in this analysis. Among these factors are justice and political participation indicators. In addition to educational quotas, LAC has a good track record with quotas to increase women's participation in representative government bodies. Until 2005, eleven countries have adopted these quotas. However, there are still incipient efforts in trying to incorporate quotas for excluded populations such as Afro-descendants and indigenous peoples. Using data from Nicaragua and Brazil, Dade and Arnush (2006) state that Afro-descendants are very poorly politically represented. In 2003, only 27 out of 594 Brazilian congressmen claimed to be of African descent, even though 45 percent of Brazil's population is of African descent. Furthermore, there is not a single Afro-descendant in Nicaragua's National Assembly, despite the fact that Afro-descendants make up 9 percent of the country's population. Analyzing the gender and ethnicity situation in LAC for the period 1980-2000, Peredo Beltrán (2004) finds that empowering processes for women had not happened in the same way in all countries, precisely because of the contexts of social stratification and access to basic rights that are determined by ethnic and socio-cultural factors. Benavides (2006) emphasizes the problems faced by political parties in the region that attempt to representing indigenous groups' interests. Given the low educational level of these populations

and their generalized poverty, it is difficult to generate new leaders able to design programs to help these populations. Bouillon and Buvinic (2003), using mainly results from other IDB reports, find that excluded groups generally have very little political representation.

## ***5.2 Limited Access to Social Protection***

In this section, there is a review of the literature on access to social protection programs such as social security, conditional cash transfers and other poverty-reduction strategies. However, little research has been undertaken, and the available evidence is mixed. The following paragraphs present the main results of the papers in this area.

Bouillon and Buvinic (2003) use results that are based on previous IDB papers and reports that used micro/macro simulations, poverty and inequality indices and social indicators (progressivity of social spending, trends/distribution of social expenditures) to analyze the situation of indigenous and other excluded groups versus the rest of the population. ESA Consultores (2005) compare Afro-descendants with indigenous peoples in Honduras. They find that, in general, Afro-descendants have better access to basic social services than indigenous peoples, and this might be because they tend to live in the most economically prosperous regions compared to the indigenous, who are being left behind geographically. They recommend more efficient spending on public services, in particular education and health, and the introduction of evaluation programs for public services. They also promote economic incentives for school attendance (lunch programs, transportation). Ocampo (2004), using data for the period 1980-2000, engages in a policy-oriented analysis, arguing that social exclusion manifests itself in LAC mostly through the high level of income inequality and that the way to combat this is with a long-term social policy that addresses inequality and promotes inclusion, through more educational opportunities, labor policy, social security; in this paper segmented protection and social policy are not advocated as compensatory tools. Undertaking a complete literature review of the situation of Afro-descendants in LAC, Sánchez and Bryan (2003) find that there is a vicious circle where limited access to goods, services and opportunities plus low education levels leads to educational and labor market discrimination. Moreover, the lack of government intervention in this area exacerbates this problem.

### ***5.3 Limited Access to Security***

In terms of access to security and the study of violence and insecurity in general, most of the literature on vulnerable groups concentrates on gender-related violence (mostly domestic violence). Regarding the excluded groups discussed in this study, the literature focuses primarily on displaced individuals in Colombia, most of whom are Afro-descendants and indigenous peoples. For example, World Bank (2005) specifies, among the exclusionary factors interfering in the development of the excluded groups, the inadequate attention to the increasing number of Colombian Afro-descendant and indigenous individuals and families displaced by the conflict that affects the country.

In a new kind of study, Castillo and Petrie (2005) analyze discrimination patterns against indigenous populations in war, with evidence from Peru's conflict in the 1980s and 1990s. They find that there is evidence of taste-based discrimination in war crimes, even accounting for inference and data problem.

## **6. Final Words, as a Mode of Conclusion**

The literature reviewed in this paper shows that not all dimensions of exclusion have received the same attention from the academic community. Lack of access to income and education, and labor market outcomes, have received much more attention than political representation, social protection and security.

In terms of excluded groups, Afro-descendants and indigenous peoples have been the most studied. In contrast, few papers focus on migrants and persons with disabilities. In part due to the lower proportion of Afro-descendants and indigenous descendants in their population, there are a few countries (e.g., Uruguay and Argentina) that are basically absent from this debate. Colombia and Panama have been the most studied countries.

From a methodological point of view, in the majority of the areas covered in this paper, the quality of the papers is rather low. There is a desperate need to go beyond simple averages and anecdotal evidence. Finally, from a data perspective, all countries in LAC conduct periodic surveys of their population (household surveys, census, etc.). Unfortunately, in many cases these surveys are not able to properly identify the traditional excluded groups. Bottom line, this paper ends with a call for more and better data and more and better research.

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## Annex

<b>Table 1. Health Indicators Used in the Literature</b>			
	Country	Groups	Indicators
Coba (2005)	Panama	Indigenous	Infant mortality rate, fertility rate, life expectancy, medical services by municipalities
Gonzalez (2006)	Honduras	Afro Other ethnic groups	<u>Infant mortality rate</u> Infant mortality rate
Ribando (2005)	Colombia, Brazil Honduras	Afro Afro	Infant mortality rate HIV/AIDS prevalence rate
Benavides, Torero and Valdivia (2006)	Peru	Afro  Indigenous Afro and indigenous	Chronic diseases  <u>Chronic diseases</u> Same access to health services but no comparison with rest of population
Machinea (2005)	Bolivia, Ecuador, Guatemala, Peru Brazil Trinidad y Tobago	Indigenous Afro Other ethnic groups	Infant malnutrition Infant malnutrition Infant malnutrition
Espinosa (2005)	Bolivia, Ecuador, Guatemala, Mexico, Panama Guatemala	Indigenous Indigenous	Infant mortality rate Infant mortality rate
Sanchez and García (2006)	Colombia	Afro	Infectious diseases, infant mortality rate, vaccination, access to health services
World Bank (2005)	Colombia	Indigenous	Infant mortality rate
Bello and Rangel (2002)	Bolivia Venezuela	Indigenous Indigenous	Infant mortality rate, infectious diseases, access to health services Hepatitis B, tuberculosis
Dade and Arnusch(2006)	Panama Colombia	Indigenous Afro	Mortality from diarrhea Infant mortality, health care coverage, government health investment in mostly Afro-descendant populated regions
Sanchez and Bryan (2003)	Brazil Colombia	Afro Afro	Infant mortality Health care coverage

	Country	Groups	Indicators
Montaño (2004)	Brazil, Ecuador, Panama	Afro and indigenous	Higher fertility rates
Hopenhayn and Bello (2001)	Bolivia, Guatemala	Indigenous	Higher fertility rates
	Bolivia	Indigenous	Infant malnutrition, health care access
	Venezuela Panama Argentina and Chile	Indigenous Indigenous Peruvian immigrants	Hepatitis B Mortality from diarrhea Health care access
Ponce (2006)	Ecuador	Afro and indigenous	Infant mortality, malnutrition, place of childbirth, health coverage
ECLAC (2000)	Guatemala	Indigenous	Medical professionals attending childbirth, AIDS/HIV knowledge
Hall and Patrinos (2005)	Paraguay	Indigenous	Place of childbirth
	Bolivia, Ecuador, Guatemala, Mexico, Peru	Indigenous	Health insurance coverage
Marini and Gragnolati (2003)	Ecuador, Guatemala, Mexico	Indigenous	Malnutrition
	Guatemala	Indigenous	Infant malnutrition, <u>adult malnutrition,</u> <u>obesity</u>
Robles (2001)		Indigenous	Mortality rates, access to health and basic needs programs.

*Note:* underlined indicators mean that the group presents better statistics than the average population, in all the other cases, the targeted group is in worse situation than the white or average population.