

# Latin-America and The Human Opportunity Agenda

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Director

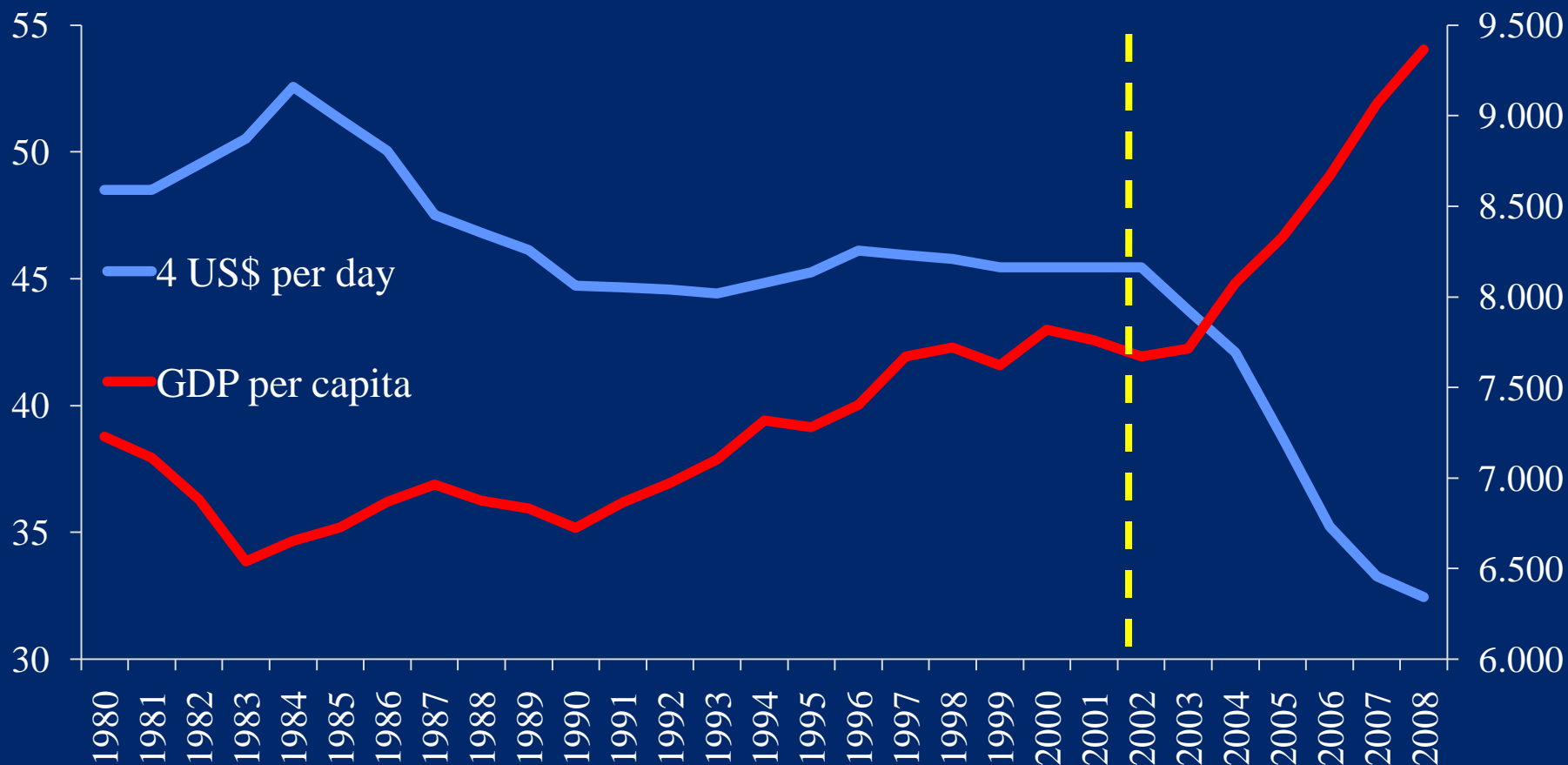
Poverty Reduction and Economic Management

Latin America and the Caribbean

The World Bank

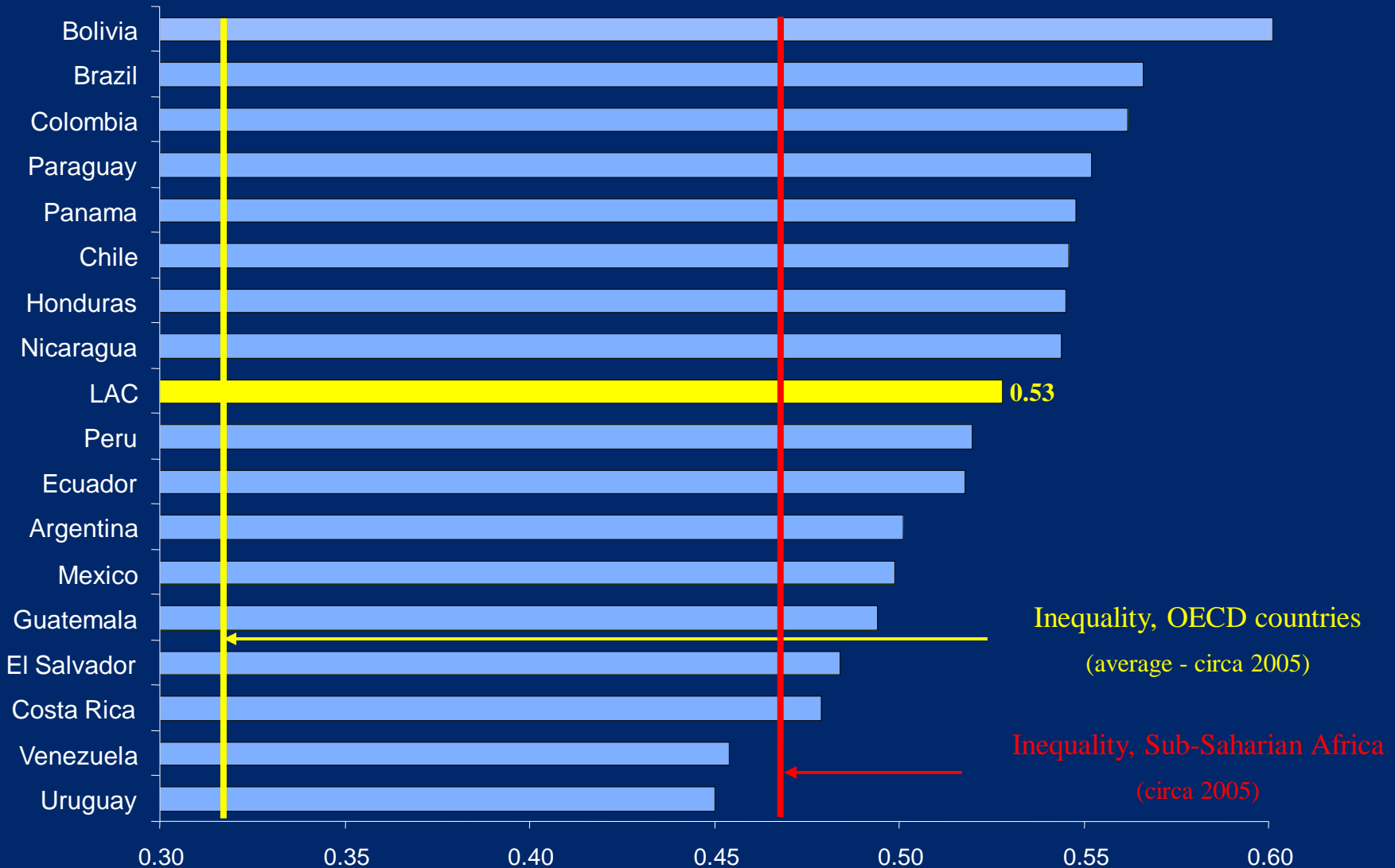
# Poverty in LAC has been falling...

Evolution of Poverty (4 US\$ per day) and GDP 1980 – 2008 in LAC



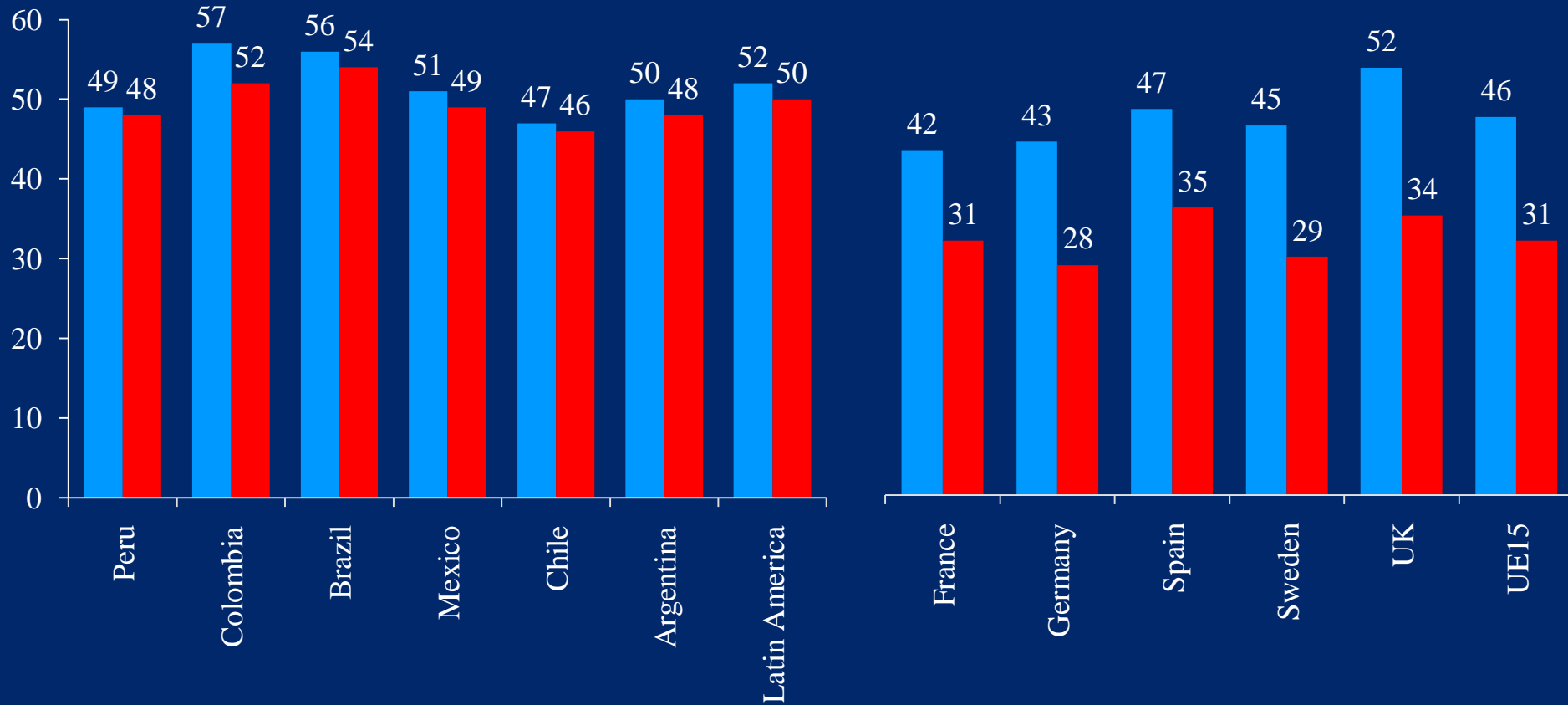
# But inequality remains very high...

Income inequality in Latin American countries  
(Gini coefficient, circa 2004-2005)

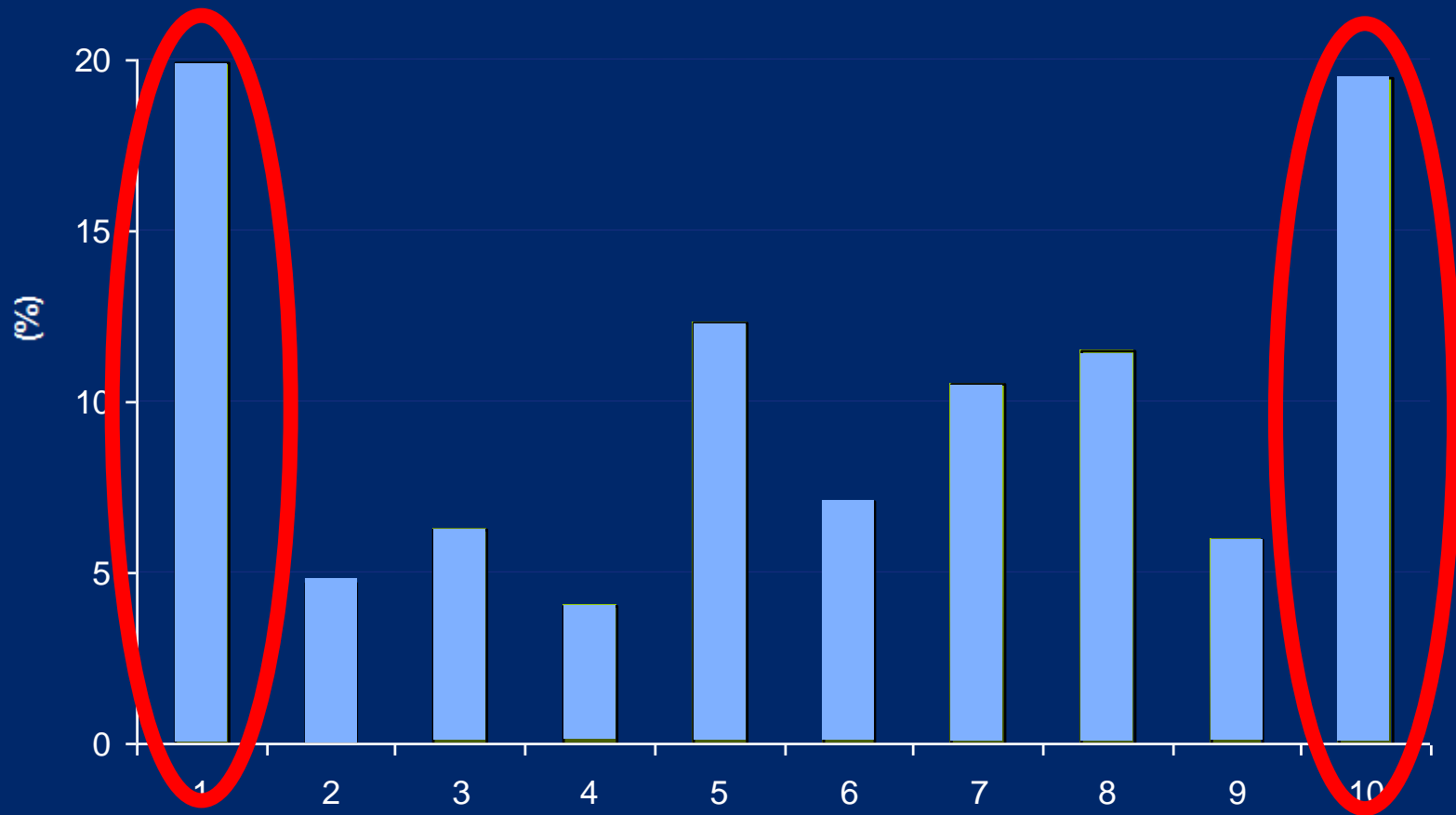


# Fiscal Policy And Inequality

Inequality (Ginis) before and after taxes and transfers



# Inequality polarizes politics...

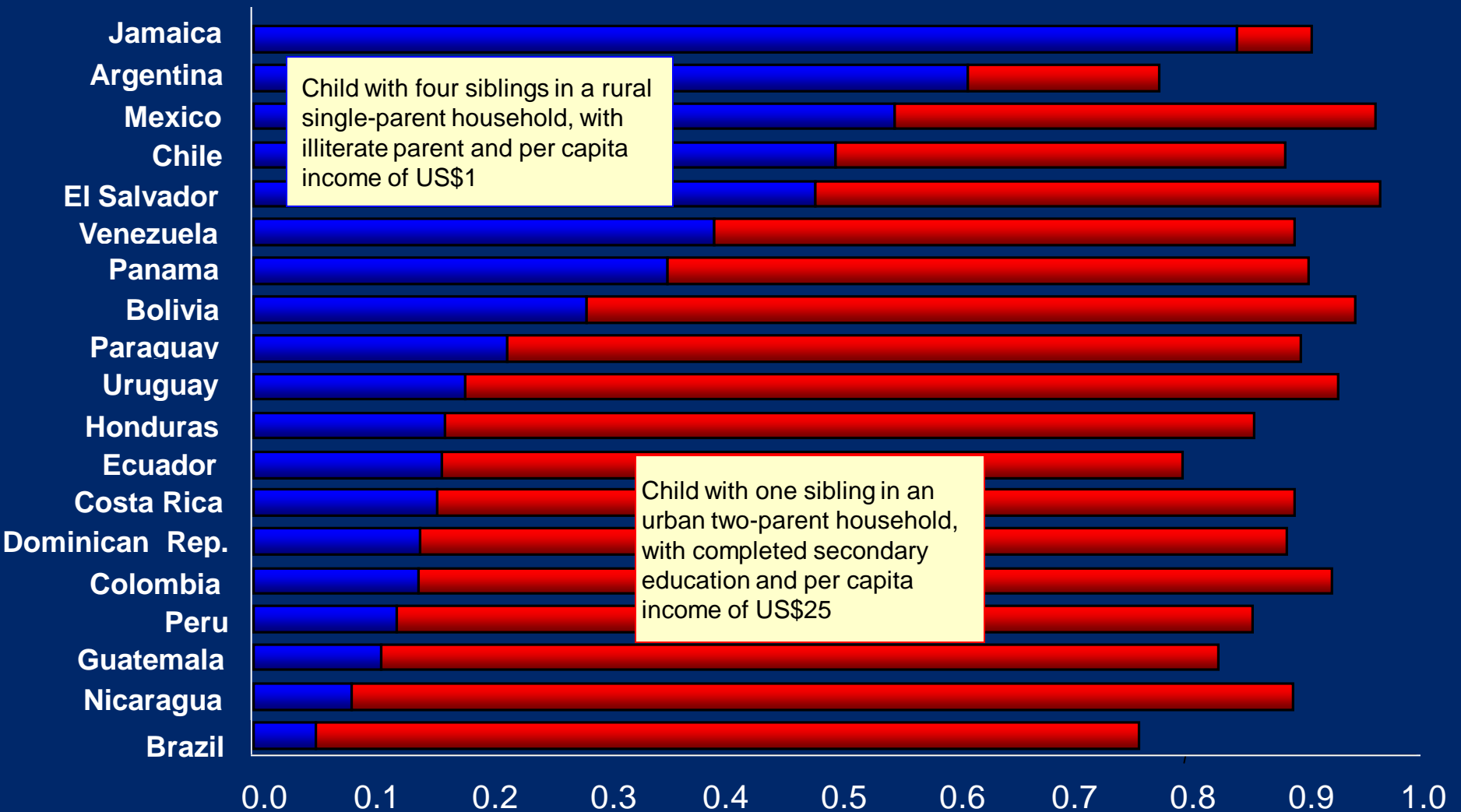


1 = "Incomes should be more equal"

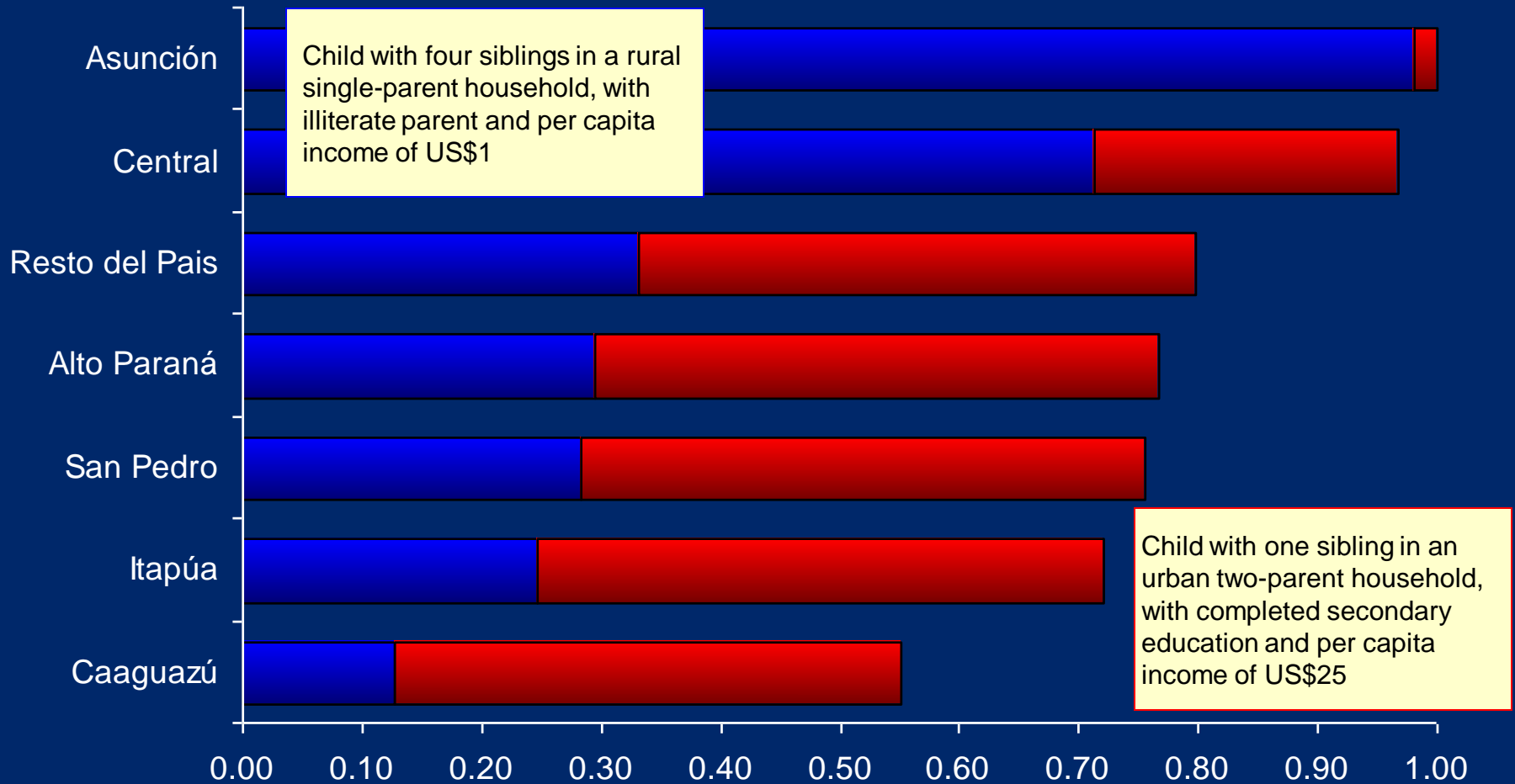
10 = "We need more differences in incomes as an incentive to individual efforts"

# Two Latin American Children:

## Probability of completing sixth grade on time

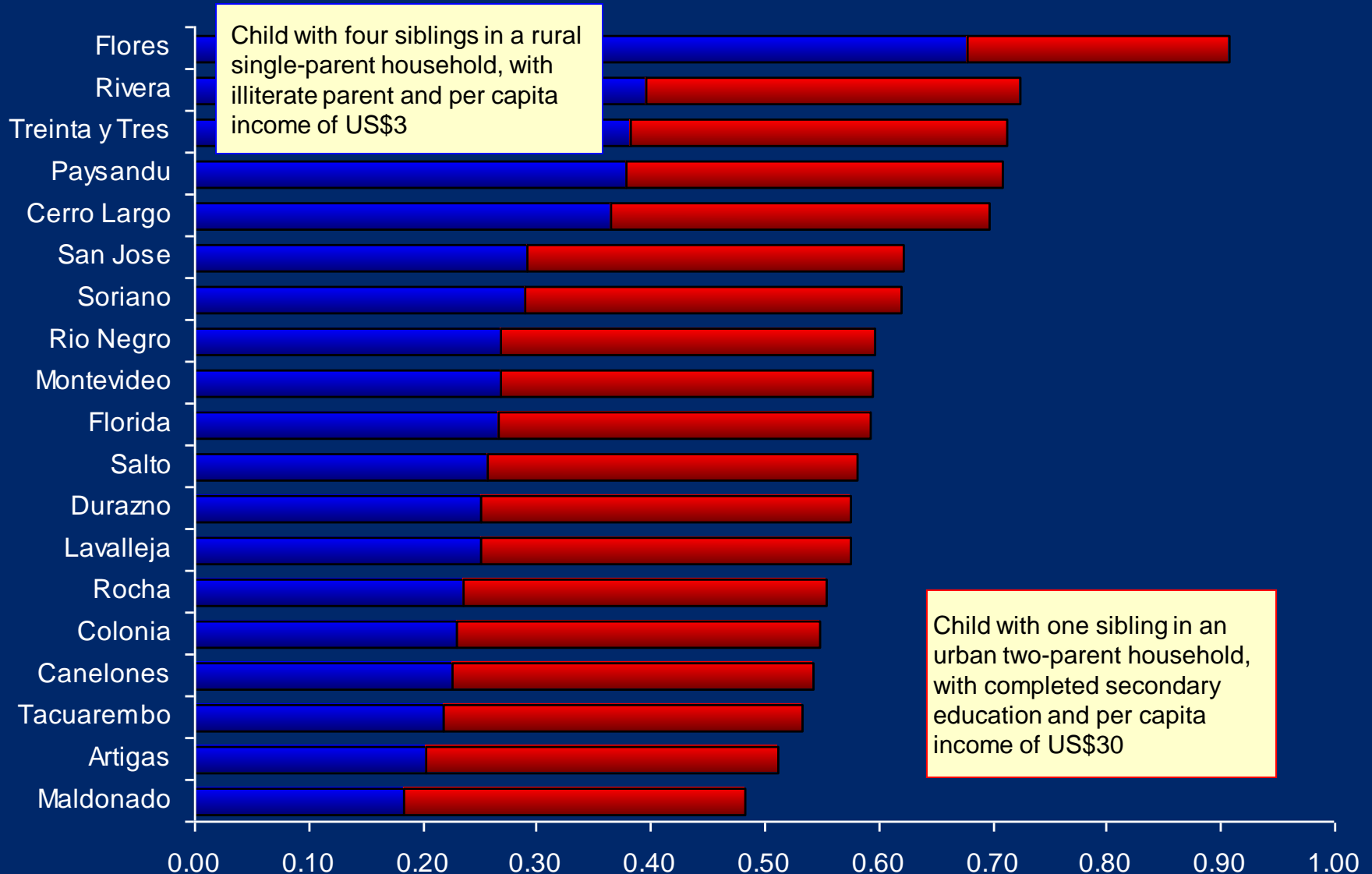


# Two Paraguayan Children: Probability of having potable water in the house



# Two Uruguayan Children:

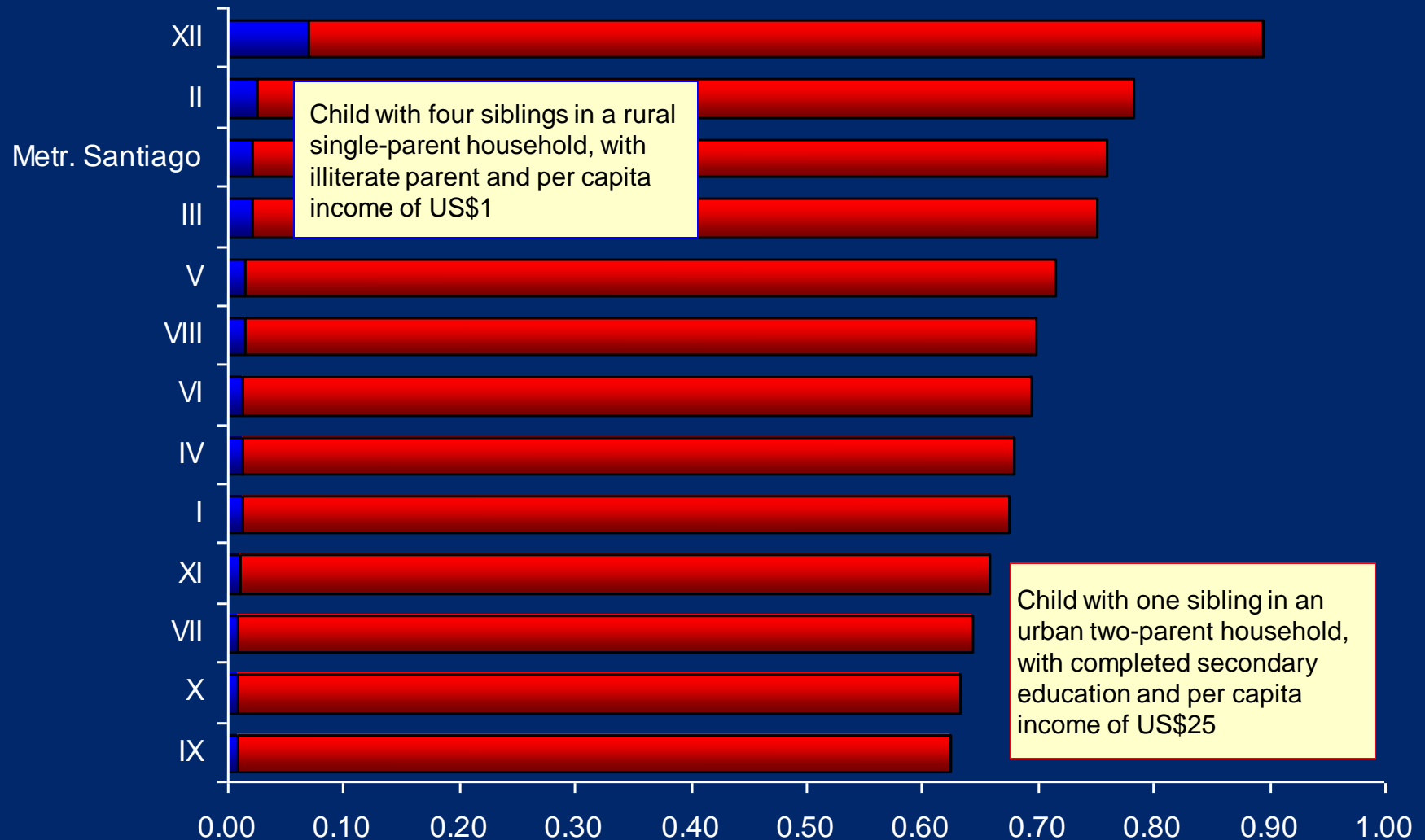
Probability of a preventive dental visit (previous 6 months)





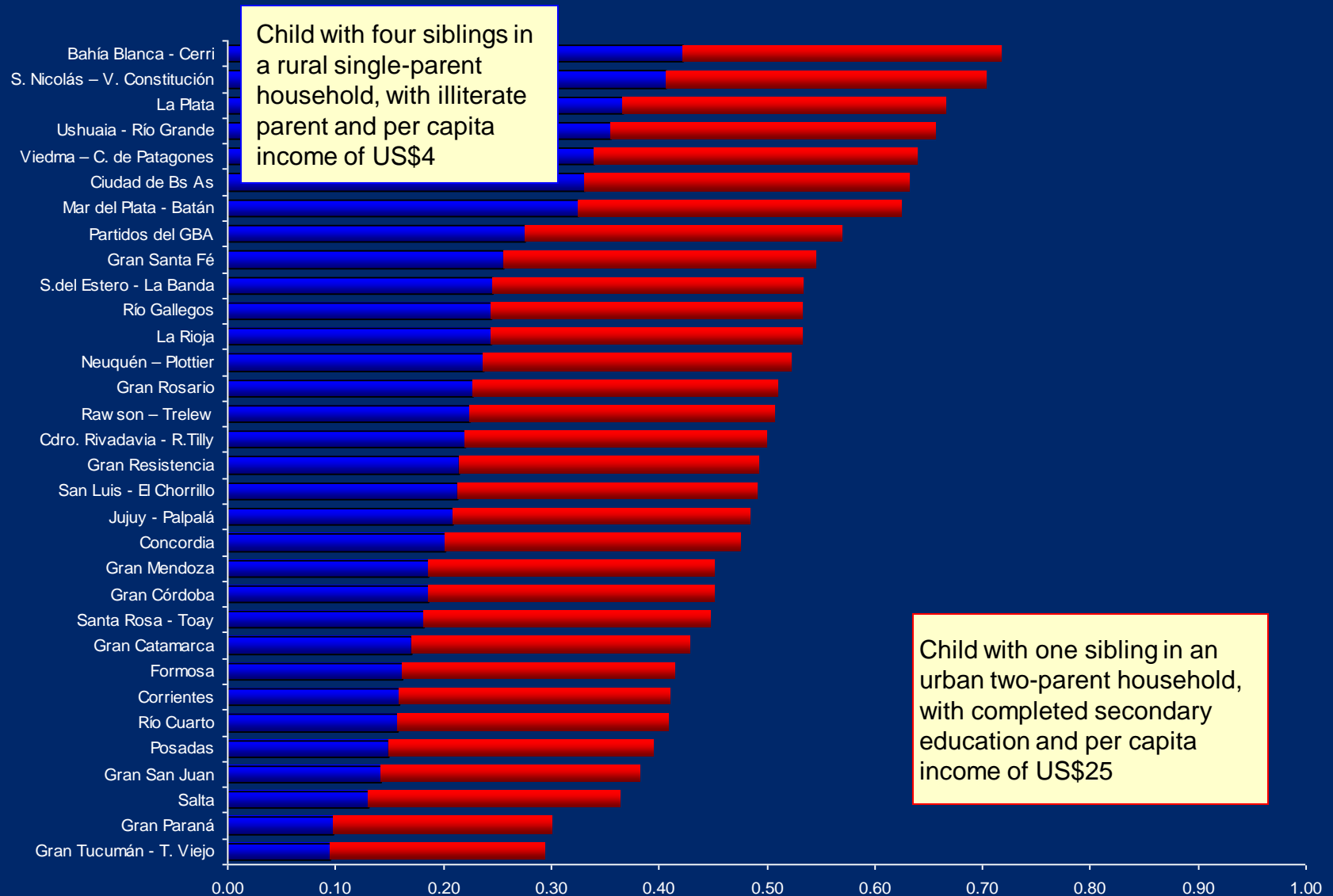
# Two Chilean Children:

## Probability of living in a household with access to computers



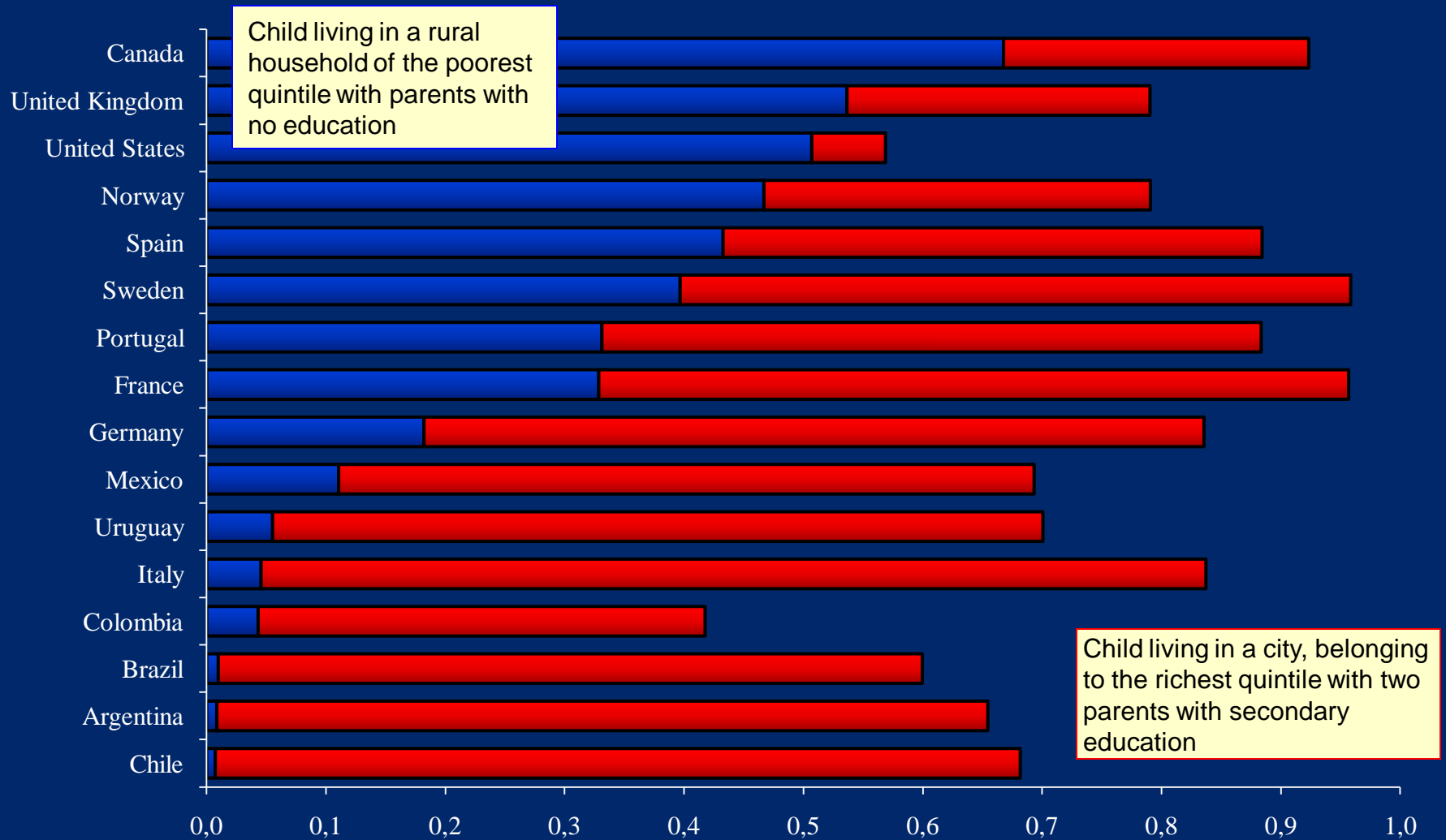
# Two Argentinean Children:

## Probability of 2-5yo children receiving early education



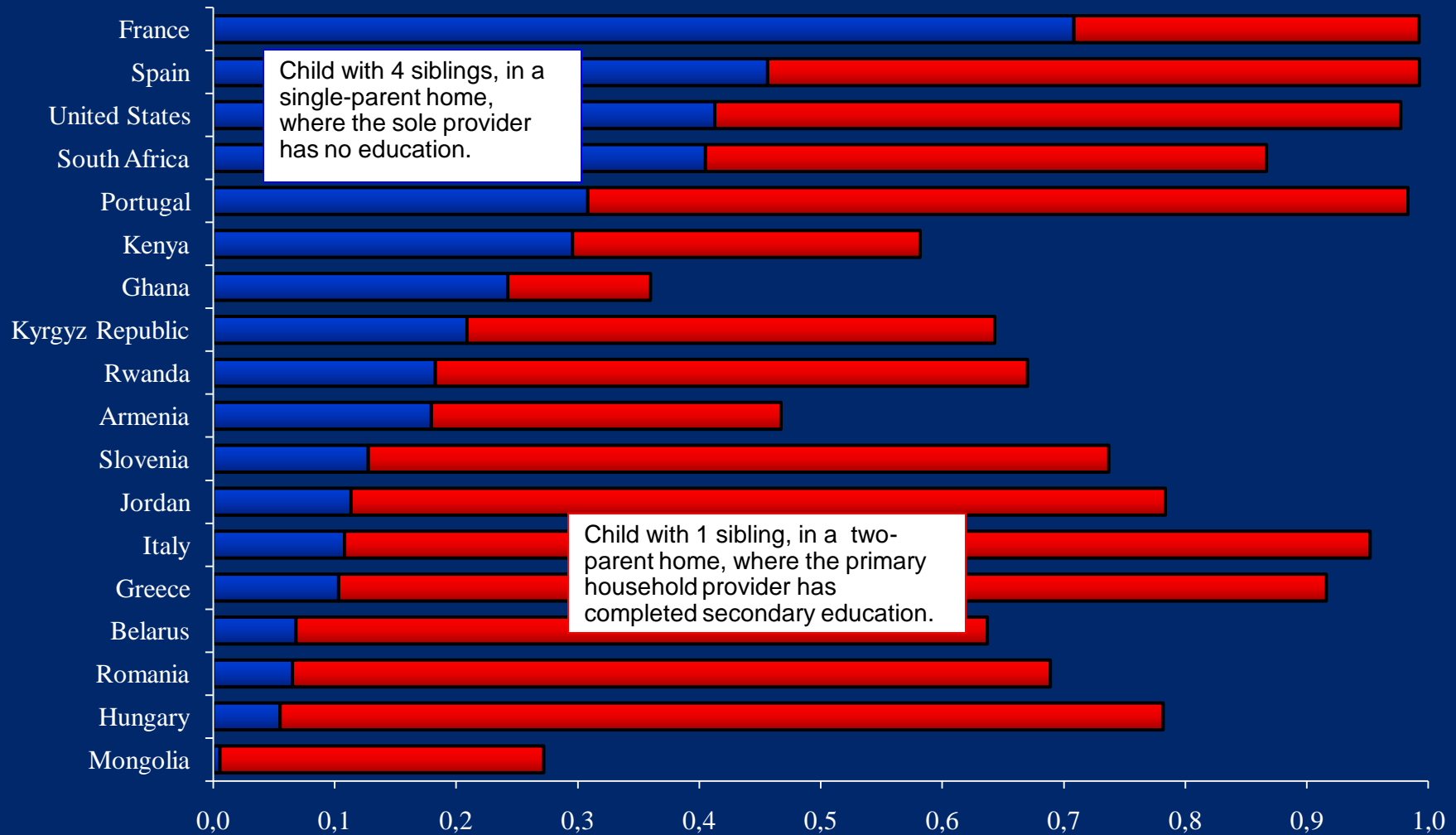
# European and Latin-American Children:

Probability of reaching an adequate level of mathematical knowledge (Level 2 of PISA)



# Children from Different Regions of the World:

Probability of living in a home free of overcrowding (more than 1.5 people per room)



# Human Opportunity Index

# Human Doing Business Development Index

Rank

|    |                |    |                |
|----|----------------|----|----------------|
| 1  | Chile          | 92 | Mexico         |
| 2  | Uruguay        | 91 | Peru           |
| 3  | Argentina      | 88 | Colombia       |
| 4  | Costa Rica     | 88 | Chile          |
| 5  | Venezuela      | 87 | Panama         |
| 6  | Mexico         | 86 | Jamaica        |
| 7  | Jamaica        | 81 | El Salvador    |
| 8  | Colombia       | 79 | Dominican Rep. |
| 9  | Ecuador        | 76 | Guatemala      |
| 10 | Brazil         | 76 | Paraguay       |
| 11 | Dominican Rep. | 73 | Argentina      |
| 12 | Paraguay       | 71 | Nicaragua      |
| 13 | Bolivia        | 69 | Uruguay        |
| 14 | Peru           | 69 | Costa Rica     |
| 15 | Panama         | 69 | Brazil         |
| 16 | El Salvador    | 53 | Ecuador        |
| 17 | Guatemala      | 51 | Honduras       |
| 18 | Honduras       | 48 | Bolivia        |
| 19 | Nicaragua      | 46 | Venezuela      |

|  | Rank | Human Opportunity Index (Education) |    | Human Doing Business Development Index |
|--|------|-------------------------------------|----|--|
|  | 1    | Canada                              | 89 | US Norway                              |
|  | 2    | UK                                  | 83 | UK Canada                              |
|  | 3    | Sweden                              | 82 | Canada Sweden                          |
|  | 4    | Germany                             | 81 | Norway France                          |
|  | 5    | Norway                              | 77 | Sweden US                              |
|  | 6    | France                              | 77 | Germany Spain                          |
|  | 7    | Spain                               | 73 | France Italy                           |
|  | 8    | US*                                 | 71 | Portugal UK                            |
|  | 9    | Portugal                            | 69 | Spain Germany                          |
|  | 10   | Italy                               | 67 | Italy Portugal                         |

\* HOY for education calculated as a simple average of HOIs for reading, mathematics and science in PISA. For the US average of mathematics and science only.

# The Human Opportunity Agenda and the New Social Policy

## 1. More Emphasis on **Early Childhood**:

1. Pregnant Mothers
2. Institutional delivery
3. Vaccination
4. Nutrition
5. Epigenetics

## 2. Invest More on **Primary Education**:

1. Reading Standards
2. Critical Thinking
3. Mathematical Skills

# The Human Opportunity Agenda and the New Social Policy

## 3. Protect **Teenagers**:

1. Detect Talent
2. Physical Security
3. Sexual Education
4. Mentorship

## 4. Finance (Don't Give Away) **High Education**:

1. Loans
2. Scholarships
3. Differentiated Taxation
4. On-going Training



# The Human Opportunity Agenda and the New Social Policy

## 5. Ensure **Legal Identity**:

1. Birth Certificate
2. Property Titles
3. Voter Registration Cards
4. Public Defender

## 6. **No Discrimination** of People and **Monopolization** of Markets.

## 7. Open Access to **Information**:

1. Libraries
2. Local Governments
3. Wireless Cities

# The Human Opportunity Agenda and the New Social Policy

## 8. Target **Subsidies**:

1. Water
2. Sanitation
3. Electricity

## 9. Offer Services to **Microenterprises** (beyond credit)

## 10. Share the Benefits of **Globalization**:

1. Indirect Exporters
2. Transfers of Technology
3. Commercial Opportunities

Thanks

[www.worldbank.org/lacopportunity](http://www.worldbank.org/lacopportunity)