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DIVERSITY AND EQUITY: REVIEW TO INDIGENOUS PEOPLES, POVERTY AND HUMAN DEVELOPMENT IN LATIN AMERICA: 1994-2004, EDITED BY GILLETTE HALL AND HARRY A. PATRINOS

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Introduction and Purpose

Latin America is the region of the world with the highest level of measured inequality in income. Researchers and policy-makers have discussed the causes and effects of such phenomenon for a long time. Among all the complexities involved in understanding societies that struggle to find a democratic consensus, in search of a fair and efficient social order, there is one fundamental feature that simultaneously represents identity, pride and challenge: the vast cultural diversity of its societies. Currently, about 10 percent of the region's population is indigenous, though that share can hardly be described as a homogenous group.

Take some examples. Only in Chiapas, the poorest Mexican state, thirteen different languages are spoken, while the indigenous identities in that state not only differ among themselves, but noticeable so with respect to indigenous groups in the neighboring states, such as Oaxaca or Tabasco. Moving further south, the Bolivian Constitution currently under debate and already approved by the Constitutional Assembly, establishes thirty five different official languages. Yet, such diversity is embedded and intertwined with a multidimensional inequality observed in the socioeconomic structure, which has historical and institutional roots (De Ferranti, et al., 2003). Is such diversity and inequality causally linked?, To what extent?, What are the policy implications? Those are fundamental questions for which the book edited by Hall and Patrinos offers useful empirical and policy-oriented approximations.

The Questions and Findings

The evolution of specific welfare-related indicators for these indigenous populations during the last decade is the theme of this important book. The study declares to have four guiding questions, to wit:

1. Have income poverty rates increased or decreased among Indigenous Peoples over the past decade, and what are the main determinants of observed trends?, How does this evolution compare to changes observed in poverty rates for the rest of the population?

2. Have the main human capital indicators (education and health outcomes) improved over this period for indigenous and non-indigenous groups? What factors explain those trends?
3. How do returns to human capital have changed for indigenous and non-indigenous people? What explains differences in labor market earnings?
4. How does access to major social and poverty reduction programs differ between indigenous and non-indigenous people?

The study explores the existing evidence in Bolivia, Ecuador, Guatemala, Mexico and Peru, countries that represent the largest share of indigenous population in the region. All four questions above look at “relative” evolution of specific indicators in order to identify gaps or differential trends between indigenous and non-indigenous populations.

Though there are differences across countries, the main findings can thus be summarized:

1. Few gains were made in income poverty reduction among indigenous peoples during the decade (1994-2004), and indigenous people seem to recover more slowly from economic crisis;
2. Being indigenous increases an individual’s probability of being poor, and this relationship is stable throughout the decade;
3. The indigenous poverty differential is deeper, the labor-earnings disadvantage is relatively high across the region, and indigenous people also continue to have fewer years of education. The gaps in these three aspects seem to be narrowing;
4. The labor earnings that indigenous people derive from each year of schooling are lower, and this gap widens at higher education levels;
5. Education outcomes are substantially worse for indigenous peoples, which reflect deficiencies in education quality, potentially reinforced by relatively high child labor rates;
6. Due to differential access to services, major differences in indigenous and non-indigenous health indicators persist;
7. Poverty-targeted programs unevenly succeed in reaching indigenous people.

It is important to underline the fact that gaps do not necessarily mean discrimination *per se*. Relative achievement of indigenous versus non-indigenous populations can be explained by policies, behavioral responses, geographical factors, and other issues, that could be summarized as demand-side versus supply-side constraints. One fundamental finding is related to the existence of important supply side gaps, widely understood as both quantity and quality constraints. Indicators of this problem in the educational market are strikingly clear. If access is understood not as a binary concept, but rather as a continuum of skills acquisition which will imply different income-generation capabilities in the future, access gaps are still very large in Latin America. This is especially clear for indigenous populations, the authors show.

Even in a context of well-functioning political structures that determine the allocation of public funds and the identification of public priorities, the lack of representation of indigenous populations in the political arena might explain the uneven response of public policies to indigenous people’s needs. Such is the nature of the supply-side of the story, if perhaps unfairly simplified.

Given that, the arguments and findings in the book should be a relevant advocacy tool for civil society organizations and government instances giving the battle for this cause and needing a stronger political presence. Only a myopic political view could find the book threatening for public action. Achieving universal coverage of public infrastructure, health and education services, with higher quality, is the main policy challenge according to the evidence.

On the demand side, the book shows how public interventions do not necessarily reach all indigenous groups, but mentions the improved targeting of demand-side policies, such as conditional cash-transfers programs (CCT). Provided supply-side constraints are overcome, CCT programs seem an effective way of reaching the target population. Conditionality has been the subject of heated debates in public policy circles in the region. However, the evidence shows that financial constraints are not the only reason why households do not demand specific public services, or do not do it in the socially desirable level, while such investments imply externalities. Schady and Araujo (2007), for example, support this view with evidence for Ecuador, one of the countries also analyzed in the edited volume by Hall and Patrinos.

Thus, the book does not only show the existence and trends in gaps, but also makes an effort to draw some policy lessons from the different country cases. Institutional measures, such as anti-discrimination laws and positive-discrimination policies are shown to work in specific contexts, where the persistence of inequality requires more active public intervention. It is worth mentioning that one of the countries included in the book, Bolivia, has undergone a constitutional process both motivated and driven by some of the issues established in the book.

A Conceptual Digression on the Notion of “Being Indigenous”

Among the questions addressed by the book, one fundamental issue is missing, namely: What does it mean to be indigenous? Some readers may find that as a flaw. However, in spite of the relevance of such discussion, arguably one of the strengths of the analysis is the fact that they do not take that route of inquiry. This is especially relevant given the fact that the book aims at having policy relevance. For policy purposes, in many cases, it is very important to find a variable that allows identification of groups that represent specific policy challenges, without attempting to fully define those groups in sociological, cultural or economic terms. That is the approach followed by the authors, who find that a variable like “language” correlates with the gaps that reflect systematic socioeconomic differences to be tackled by policy. That does not mean that authors do not understand the complex nature of the idea of being indigenous. They indeed acknowledge the limitation of the approach, but appropriately establish its validity for policy purposes.

An analogy with a recent similar initiative is illustrative of this issue in a different context. In 2002-2005, the Technical Committee for Poverty Measurement in Mexico, whose existence allowed the government to set policy-evaluation standards and hold itself accountable for results in social policy, faced a similar challenge and was subject to political pressures.¹ Poverty is obviously a multidimensional, socially complex phenomenon. The political pressure on this independent body was on opening a debate about the multidimensional nature of poverty, instead of defining “being

¹ The description of the process and the analytical results of the Committee are shown in Szekely (2006).

poor” solely in terms of income. The decision was to use an income-poverty definition, provide policy makers and the society with a useful accountability tool, and carry out research to understand the identification problems implied by the methodological decision.

The edited volume by Hall and Patrinos includes the concept “Human Development” (HD) in its title. That implies a conceptual perspective that deserves discussion. The HD approach, originally proposed by the United Nations Development Program in 1990, is not solely but fundamentally based on Amartya Sen’s Capabilities approach (Basu and Lopez-Calva, 2002). Three are the pillars of this perspective, namely: equity, freedom, and agency. Recently, Sen has proposed a view of “identity”, related to ethnic identity (Sen, 2006). According to Sen:

i) Identity is multidimensional. Some of the worst conflicts in history have derived from reducing identity to only one dimension. A person has ethnic origin, nationality, gender, religion, profession, affection, tastes, political affiliation, and other features that allow her to feel close to some people and different from others in different contexts. In the limit, we are all human beings and care for our species, as it is clear in environmental debates. Institutions, culture, and policies should be such that no person has to feel ashamed or hide one or several dimensions of her personality under any condition.

ii) Identity can be chosen. Ethnic freedom should be preserved so that people can choose which identity to adopt according with their origins, history, condition and preference. Identity should not be imposed. Mistakes have also been made by policy makers, politicians, and social scientists by following an approach of “cultural conservation” as opposed to “cultural freedom”.

If a human development perspective is to be adopted in analyzing and designing policies towards indigenous populations, these two principles must be respected.

Where From Here? Some Ideas

The book edited by Hall and Patrinos established solid facts with respect to the evolution of indigenous people’s welfare indicators during the last decade. It is a key reference to understand patterns, some differences across the countries under study, and the diversity of policies that have been tested with different degrees of emphasis, commitment and success. It still looks at the indigenous populations basically as a relatively homogenous group. This might be due to data limitations and the need to establish gaps between indigenous and non-indigenous as a first step. It will be interesting, however, to look further into issues such as the differential development of indigenous groups within similar institutional and cultural contexts, but under different level of exposure to markets and trade, for example. In Mexico, as one example, some Mayan groups in the Yucatan *peninsula* have evolved into very different communities when compared to those Mixtecos in Oaxaca, or Tzeltales in Chiapas. Are there any geographical issues that explain such differential patterns? Is the exposure to more developed markets and social protection schemes what explains a more rapid improvement in socioeconomic conditions of ones versus the others? A second issue is related to the fact that different indigenous groups also respond in different ways to public interventions. Do CCT programs have heterogeneous effects among populations with different ethnic traditions or exposed to more urbanized environments? If so, why? These are the questions

for which more information is needed, and whose response would help policy makers design better interventions. One can learn a great deal from understanding the gaps between indigenous and non indigenous peoples, but also from the differences among indigenous peoples themselves. In the search of equity, one must understand diversity.

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