

# Reducing Poverty and Inequity in Latin America



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*Ken Eakin*

[Photo: Brazilian slums.]

"Some people say that inequity doesn't matter if the poverty level keeps going down. Others say that the poverty level is not as important as the level of inequity. But let's remember that our goal is to reduce both."

With those words, [Jurgen Schuldt](#), Vice Rector of the [Universidad del Pacífico](#) in Lima, Peru, kicked off a recent workshop on poverty and inequity in Latin America. Citing statistics, Dr Schuldt noted that 45% of Latin Americans live in poverty, earning less than US\$2/day, while the richest 5% of the population earns 55% of the region's income.

## **Context**

The workshop was attended by a group of around 110 researchers, academics, and [World Bank](#) representatives. It was hosted by the Latin American Program on Social Policies (LAPSP), a network of 14 institutions in 10 different countries, which is based at the Centro de Investigación de la Universidad del Pacífico (CIUP). Funded by the International Development Research Centre (IDRC), the network's aim is to promote debate and reflection on social policy throughout Latin America. The purpose of this workshop was to allow experts and policy analysts to share research results, and to provide input for the World Bank's World Development Report 2000 on Poverty.

According to [Pierre Werbrouck](#), a World Bank representative, the Bank's poverty reduction strategy is based on three main elements: empowerment, security, and opportunity for the poor. During the workshop, an apparent consensus emerged that social programs aimed at alleviating poverty must, above all, be viable, accountable, and people-focused.

## **Measurement tools**

For example, various participants argued that existing social programs are not reaching those most in need, due either to a lack of measurement tools that are sophisticated enough to identify the poorest and their needs or a lack of consultation with the poor concerning the effectiveness of social programs. In addition, one participant noted the threat of corruption tainting the process of "transferring resources from programs to communities."

[Carlos Aramburu](#), an anthropologist and member of the CIUP research team, recommended that the World Bank add a fourth plank to its poverty reduction strategy: program monitoring and evaluation. Without good statistical tools and consultation with local people to measure the real impact of social programs, he stated, there is little way of knowing that the programs are being implemented well, are reaching their target population, and are making a difference. In other words, all refinements and changes to social policy should be based on solid information.

### **Macro-economic data**

Macro-economic data alone can be misleading, added [Dr Ricardo Henriquez](#), a Brazilian researcher. In 1998, Brazil experienced a 4-5% growth rate — and yet the poverty rate continued to rise. He stressed the need for concrete results, increased effectiveness, and monitoring, so that growth does not increase inequity.

The challenge is to involve the poor in the process of overcoming their situation, said [Dr Christian Parker](#), director of the Centro de Estudios de la Realidad Contemporanea (CERC), a Chilean organization. The problem is social, not simply economic. "It is always the 'experts' who are measuring poverty and not the people," he concluded.

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### **Resource Persons:**

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Sidebar: [The World Bank's Poverty Reduction Strategy](#)

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[Combining Environmental Protection and Poverty Alleviation in Colombia](#), by Gerry Toomey

[Monitoring and Evaluating Poverty Alleviation Programs in Peru](#), by Ken Eakin

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