



## From the Division Chief

In this issue of the newsletter we wish to share with you some of the deliberations and results presented at recent conferences that the SOC Division helped to coordinate. They deal with complex social issues for which there is little solid evidence and even fewer prescriptions. We thank our partners in the Bank and in outside agencies who joined us in coordinating and sponsoring these events where we hope to have added some useful knowledge. The papers presented at the conferences, as well as the other products produced (a video and a map on disability, a database for women), are or will be available through the Bank's bookstore or through the Division's webpage.

Mayra Buvinić

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IDB President Enrique Iglesias (sixth from right), First Lady of Chile Luisa Duran de Lagos, TV personality "Don Francisco" and First Lady of Ecuador Isabel de Noboa (sequentially: fourth, third, and second from right) talk with a participant at the IDB seminar on disabilities, given at the Bank's annual meetings.

## The Importance to Development of Increasing Opportunity for Persons with Disabilities

BY ERNEST MASSIAH



In most countries of the region, particularly in rural areas, disabled children face problems finding schools that will accept them or teachers trained to work with students with disabilities. Few schools in rural or

urban areas are designed to allow students with physical or visual disabilities easy access to classrooms or bathrooms. If a child is one of the few who completes primary school, the problem of finding a secondary school that can accommodate him will be repeated. In Latin America and the Caribbean, few students who have a disability enter university. Physical barriers and low expectations structure the disabled student's perspective on inclusive education.

Entering the job market is not easy for a person with a disability. This job seeker is likely to be offered jobs below her level of training or qualifications, and if employed, she is likely to receive lower pay than a non-disabled counterpart. The employment

search is likely to reveal overt and tacit discrimination—a job seeker may be refused employment even though he is qualified; performance expectations may be low; and, colleagues fearful of or uncomfortable and unfamiliar with persons with disabilities may restrict social interactions with a colleague who has a disability.

Getting a job will be difficult, getting to work will be worse. Few public transit systems in the region have facilities that accommodate persons with disabilities. Streets in most cities do not facilitate the movement of persons with wheelchairs or visual impairments. Having arrived at the work place, getting into the office will be a challenge. Most office buildings in Latin America and the Caribbean



are not accessible to disabled people; office equipment and space planning is generally insensitive to the needs of persons with disabilities.

*continued on 2*

## Increasing Opportunities for Persons with Disabilities, continued from page 1



Ernest Massiah (left), Social Development Specialist of the IDB, with TV personality Mario Kreuzberger (Don Francisco) at the IDB seminar on inclusion of persons with disabilities.

Restroom facilities, cafeterias, and workstations are not designed to accommodate disabled workers. At the end of the workday, the strife of transportation will be repeated.

Only recently are we discovering the advantages of including persons with disabilities in economic and social development. Every disabled person who is allowed to be economically independent, reduces the time care givers spend out of the labor force and increases overall productivity. The possibilities for inclusion have broadened with technological advances in the last ten years, in particular, with the development of computer programs for persons with disabilities. These programs have changed the way information can be accessed and sent. On-line university courses, new areas

of employment in technology, and the growth of telecommuting offer disabled persons new opportunities for economic inclusion.

The challenges of inclusion are not restricted to the economic arena. Barriers to social inclusion also are formidable. Access to many forms of recreation—football stadiums, cinemas, and museums—is restricted for persons with disabilities; public housing is often not accessible to all; and, in many countries in Latin America and the Caribbean people with disabilities are anchored in such limiting concepts as “the handicapped” and “crippled.” In some societies, even the rights of disabled people to marry and have children are questioned.

The Inter-American Development Bank (IDB) began addressing disability issues in the region in the 1990s. Technical cooperation grants have supported work in the Southern Cone, the Caribbean and Central America. A consistent goal of these operations is building institutional capacity of organizations working in the area of inclusion and access for disabled persons. The Bank’s \$400 million project in Curitiba, Brazil is considered an example of excellence in achieving accessibility in an urban transit system.

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## Appointment of Manager and Deputy Manager

● **Mr. Carlos M. Jarque** was appointed Manager of the Sustainable Development Department, effective January 16, 2001. Mr. Jarque, a citizen of Mexico, holds a Ph.D. in Economics from the National University of Australia and did post doctoral studies in Economics and Econometrics at Harvard University. He has a Master of Science degree from the London School of Economics and Political Science and a “Licenciatura en Actuaría” from the University of Anáhuac. Mr. Jarque was the Social Development Secretary in the last Administration in Mexico.

● **Mr. Johann-Christof Kuechemann**, previously Chief Advisor to the Sustainable Development Department, assumed the duties of Deputy Manager of the recently created Social Development and Public Governance Subdepartment on January 1, 2001. Mr. Kuechemann, a German citizen, received a Ph.D. in Sociology from the University of Bielefeld where he also studied applied mathematics with emphasis on economic models. Before joining the Bank, he worked in various Latin American countries in bilateral and multilateral relations and management of large-scale development projects.



Inter-American  
Development Bank

Sustainable Development  
Department

Social Development  
Division

### Mission Statement

The Sustainable Development Department’s Social Development Division (SDS/SOC) assists the IDB by providing technical support to operations and by helping to identify and promote new opportunities for Bank action in social development that will accelerate growth and improve the well-being of people in Latin America and the Caribbean.

The Division provides technical and conceptual support on priority issues for women and indigenous groups through the Women in Development Unit and the Indigenous Peoples and Community Development Unit. It also provides such support on early childhood development, health, labor markets, urban development, violence prevention and control, and the formulation of social policy.

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Health

## Examining Indigenous Health Needs and Practices

BY WILLIAM D. SAVEDOFF

**H**ealth conditions have been improving throughout Latin America and the Caribbean, but among indigenous peoples progress has been slow. In the few places where accurate data is available, such as Peru and Guatemala, infant mortality rates among indigenous peoples are often three to four times higher than in the rest of the population. Many factors contribute to these inequitable outcomes: lower incomes, less education, social stresses, environmental conditions, and limited access to public health services. Yet, indigenous peoples themselves also have a rich heritage of medical practices and treatments to call upon in facing many health hazards.

Within IDB programs, two trends have begun to converge on improving indigenous peoples’ health—projects aimed at improving public health services generally and those aimed at improving the condition of indigenous communities. In February of this year, the Social Development Division (SDS/SOC) convened a seminar entitled “Indigenous Peoples and Health” in order to stimulate debate among IDB staff who work in these two areas and to hear from outside experts on the topic. Presentations addressed the link between belief systems and practices in indigenous medical practices; described the experience of a particular Ecuadorian health clinic that fosters collaboration between allopathic and indigenous practitioners; and debated how to evaluate the efficacy of indigenous medication.

The debates demonstrated some agreement on the need to collect better data, sensitize medical personnel, and encourage academic centers to evaluate indigenous medical treatments. There was also consensus that public health systems should be culturally sensitive to the indigenous communities that they serve. This



approach has been demonstrated in recent IDB-financed operations in Guatemala—related to maternal health care—and in Chile, where health posts are being designed to accommodate indigenous beliefs, family preferences, and approaches to healing.

However, difficult questions also emerged. Can governments and the IDB finance medical practices that have not been scientifically validated? What standards of evidence should be applied? Should the priorities for allocating resources rely on public health criteria or upon consultations with beneficiaries? Should shamanistic practices be considered part of health programs at all, or should they be supported through cultural or social programs? These difficult questions will continue to be part of the ongoing dialogue between health specialists and experts on indigenous peoples at the IDB, even as we work closely with governments in the region to find the practical solutions for today.

*Articles on Indigenous Peoples produced by SOC/IND can be found on the web at: [http://www.iadb.org/sds/ind/index\\_ind\\_e.htm](http://www.iadb.org/sds/ind/index_ind_e.htm). A paper prepared specifically for the workshop entitled “Indigenous Peoples and Health: Issues for Discussion and Debate” by W. Savedoff and C. Perafan can be obtained by e-mail: [marthach@iadb.org](mailto:marthach@iadb.org)*

## Did You Know?

● In Latin American countries, on average, 27% of children born poor complete secondary education compared to 63% of children born in non-poor households. By this measure, the intergenerational transmission of poverty traps about 3 out of 4 children born in undereducated households.

Enrique Aldaz-Carrol and Ricardo Morán. *Family Factors in the Intergenerational Transmission of Poverty: Empirical Results and Policy Implications for Latin America*. October 1999.

● Deaths from traffic accidents in urban areas of Ecuador dropped by 32.3% over the 1990-1999 period; nonetheless, traffic accidents were still were the second-most important external cause of death in the country. In some urban areas, traffic accidents are the most significant cause of death.

FLACSO-Sede Ecuador. 2001. *Diagnóstico nacional sobre seguridad ciudadana en el Ecuador*. Research financed by the IDB.

● Out of 26 Latin American and Caribbean IDB member countries, three currently have a female Vice president: Milagros Ortiz Bosch, Dominican Republic; Astrid Fischel, First Vice president of Costa Rica; Elizabeth Odio, Second Vice President of Costa Rica; and Adina Bastidas, Venezuela.  
Embassies in Washington, DC.

● It is estimated that approximately 1.6 million persons in Latin American and the Caribbean are HIV positive. On average, 23% of these cases are in women, though the estimated proportion of female cases ranges from 46–14%. UNAIDS, Dec 2000.

● On the Pacific coast of Colombia, 90% of the population is Afro-Colombian, 85% live in poverty compared with 32% of the national average. Furthermore, infant mortality in the Pacific coast area is 110 death per 1,000 births, in contrast to 28 deaths per 1,000 births in the rest of the country.  
Dept. of National Planning, Colombia.

● Mexico’s PRD cabinet includes more than 50% women, where they also occupy 9 out of the 16 first-level positions. Five out of the nine women hold a doctorate degree.

Raúl Llanos Samaniego, *La Jornada*, Mexico City, Nov. 2000.



## Women at Work: From Equality between the Genders to Equality among Women

BY MAYRA BUVINIĆ

The late Mahbub ul Haq, who coordinated the 1995 *Human Development Report* devoted to women, described the last few decades of progress for them as a “story of expanding capabilities with limited opportunities.” Can the same be said today when we examine the progress made by Latin American and Caribbean women? Analyses of trend data, commissioned by the IDB for the Seminar on Women at Work (Santiago, March 17, 2001), indeed track remarkable gains in terms of women’s capabilities.<sup>1</sup> Gender differences were reversed in the average years of schooling historically favoring boys, starting with the cohorts born in 1970 (see graph). Women’s

health indicators also show steady improvement. For instance, the decade that began in 1980-85 witnessed reduction in mortality rates for girls from an average of 50 to an average of 37 infant deaths per 1,000 live births. Aside from its many social benefits, schooling increases women’s wages, by around eight percent for those completing primary, and by about nine percent for those completing secondary. Health also improves women’s earnings. In a series of studies measuring returns to health, women’s height, as an indicator of good nutrition, increases wages by seven percent, while each one-month increment in girls’ onset of menstruation (a health indicator of poor nutri-

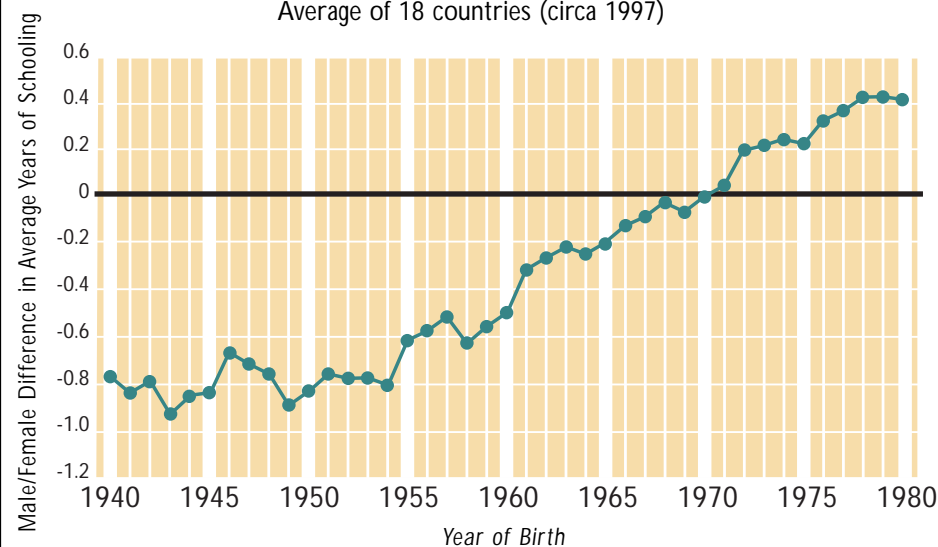
tion) reduces wages by 2.3 percent.<sup>2</sup>

Not surprisingly then, there has been substantial progress in narrowing the wage gap between the genders. In Brazil, for instance, women went from earning 67 percent of male wages in the early 1980s to close to 80 percent in 1998—a significant achievement in less than a decade. Costa Rica and Colombia went even further, completely closing the wage gap between the genders in the last decade or so. Costa Rica reversed the traditional wage gap favoring men in 1990. Colombian women reversed the wage gap in their favor by the end of the decade. The progress women have made in wages as well as the strides they have made in political life (see article on page 5) show that the story for the average woman in the region has been one of expanding opportunities as well as capabilities.

But the story line changes when one looks beyond the averages and disaggregates the data by income, ethnicity and race, and disability, among other characteristics that divide and exclude. There one sees persistent inequalities that keep groups of women behind in terms of both education and health indicators. Indigenous women in Guatemala show the worst schooling attendance records (1998); disabled women in Brazil and Nicaragua have the highest proportion of those with no schooling (1993). The differences between rich and poor in the probability of dying between the ages of 15-59 is three times greater for women than for men in Chile and two times greater in Brazil.<sup>3</sup>

### Progress in Girls’ Education Has Been Noticeable

Gender Differences in Scholastic Achievements  
Average of 18 countries (circa 1997)



Source: S. Duryea, A. Cox Edwards, M. Ureta. “A Survey of Women in the Labor Market,” IDB, 2001.

1 See S. Duryea, A. Cox Edwards and M. Ureta, *A Survey of Women in the Labor Market*, IDB 2001; S. Duryea, *Measuring Social Exclusion*, IDB, 2001; A. Montes and E. Massiah, *Methodological Consideration in the Analysis of Household Data on Disabilities in Latin America and the Caribbean*; and S. Gammage and J. Schmitt, *Statistical Appendix of Women Status in Latin America and the Caribbean 1970-2000*, IDB, 2001.

2 William Savedoff and T. Paul Schultz, eds. *Wealth from Health*, Washington, D.C. IDB, 2000.

3 See WHO, *The World Health Report*, 1999; See also WB, IDB and PAHO, *The Health of Women in Latin America and the Caribbean: A Convergence of Interests*, forthcoming.

4 G. Anríquez and M. Buvinić *Poverty Alleviation for Male-Headed and Female-Headed Households in a Fast-Growing Economy: A Case Study for Chile*, IDB 1997 (unpublished).

## PROLEAD

### Attitudes Change on Women Leaders

A new poll commissioned to the Gallup organization indicates that attitudes about women in politics have changed rapidly over the last few years as women have risen to positions of power in many countries of Latin America. Over half of the 2000 men and women interviewed in the capital cities of Argentina, Brazil, Colombia, Mexico, and El Salvador felt 1) their country would be better governed if more women were in political office, or 2) women leaders are more capable than men in dealing with problems of poverty, corruption, education, the economy and environmental protection, and 3) they would have a woman president in the next 20 years. The poll results were presented at a November 2000 conference, “Politics Matter: A Dialogue of Women Political Leaders” held at IDB’s headquarters. The poll results and the rapporteur’s conference report on economic and political risks and opportunities in the region are forthcoming on the PROLEAD website: [www.iadb.org/sds/prolead](http://www.iadb.org/sds/prolead).

Left behind in terms of education and health, these women get poorly paid jobs, and their low earnings perpetuate their exclusion and that of their families. Data on earnings by gender for a period of fast economic growth in Chile (1987-94) shows that progress for some but not all women narrowed the gap in earnings between women and men but widened this gap among women.<sup>4</sup>

In summary, the disaggregated data suggests two different story lines for summarizing women’s progress in Latin America and the Caribbean. For better-off women, there have been substantial gains in capabilities and opportunities. To the contrary, there has been disappointing progress in both capabilities and opportunities for women who belong to excluded groups—because they are poor, indigenous, of African descent, or disabled. Policies need to embrace the goal of social, economic, and political inclusion of these women. It is a major challenge for governments and feminists alike.

### Engendering Budgets: An Emerging Tool for Gender Mainstreaming

BY ANNE-MARIE URBAN

Over the past five to ten years, an increasing number of initiatives have emerged across the globe to introduce a gender perspective into governmental planning and budgetary processes. This interest evolved from a concern over the differential impacts and unequal benefits of globalization and many economic reform programs on women and vulnerable social groups. The goal is to restructure and target public expenditures to promote women’s economic opportunities and equal access to productive resources, as recommended in the 1995 Beijing Platform for Action. Over the past year, the Women in Development (WID) Unit of the IDB’s Social Division exe-

cuted a series of activities in Honduras, Ecuador, and Chile meant to advance this goal in the region. At the request of various Ministries of Finance, the World Bank, and IDB Country Offices, workshops and meetings focused on recent global experiences and approaches to integrating gender into national and municipal budget planning. The WID Unit is currently preparing a Technical Cooperation to support learning events and training seminars to build knowledge and institutional capacity within the IDB and its member countries in this area.

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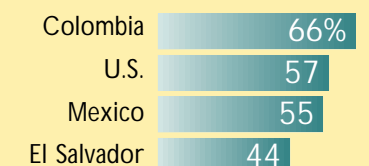
## Women and Power

At least two-thirds of people in the major cities of Brazil, Colombia, Mexico and El Salvador believe that their countries will elect a female president in the next 20 years, according to a recent Gallup poll. But only 46 percent believe the same in the United States. The survey, conducted last summer in five Latin American nations, also found that Latin American men and women feel that women are better than men at many political tasks, including reducing poverty and combating corruption.

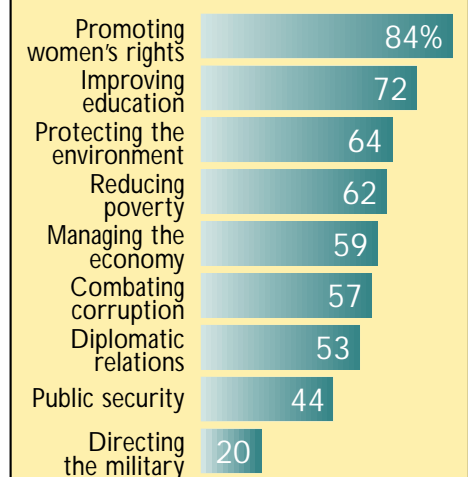
Q. Do you believe your country will elect a female president in the next 20 years? Percentage of respondents who said “yes.”



Q. Do you believe government would be better if more women held political office? Percentage of respondents who said “yes.”



Q. Do you believe women would do a better job than men at these tasks? Percentage of respondents who said “yes.”



Sources: Gallup Organization, IDB.

## Seminar Analyzes Regional Opportunities and Challenges of Incorporating Women into the Labor Market

BY GABRIELA VEGA

"Women at Work: A Challenge for Development," a seminar held in Santiago, Chile, during meetings of the Bank's Board of Governors in March, brought together government, NGOs, scholars, union activists, and representatives from the women's movement, to analyze both progress made and pending tasks for improving the incorporation of women in the labor market.

A recurrent issue throughout the seminar was the fact that motherhood and domestic responsibilities, including care of children, assign vulnerability to women joining the economic arena. These conditions diminish women's mobility and autonomy to design their labor market strategies.<sup>1</sup> Seminar panelists and commentators suggested different ways of approaching this complex issue when designing public policies. The Minister of National Service for Women in Chile, Adriana Delpiano, and IDB Executive Vice President Burke Dillon, for example, advocated in favor of policies and investment, both public and private, in quality child care services.

The issue of motherhood protection was proposed as an important recognition of the contribution of women to society and as a measure that promotes the equality of opportunities between men and women. A large majority of Latin American and Caribbean countries already have developed frameworks in which maternity leave is financed directly by

the state or through social security systems. These measures do not link maternity leave to neither the number nor the age of female workers, and thus protect the principle of equality of opportunities. This is not necessarily true when employers directly finance maternity leave. However, a major limitation for most women is that plans of maternity protection cover only the small proportion of women who are employed in the formal sector of the economy.

The panel discussing welfare and social security noted that women are



less protected. Not only women have less presence in the formal sector of the economy where employment protection and benefits usually are more effective, but when they participate, they usually do so for shorter periods of service and lower wages resulting in lower pension benefits. Panelists recommended adjusting pension systems and designing compensation mechanisms, including more equitable criteria in the calculation of benefits, to

recognize the reproductive contribution of women to society.<sup>2</sup>

Additionally, the seminar focused on changes in income gaps and occupational segregation. Panelists reported positive trends in both areas which probably benefit women of higher socioeconomic status who are narrowing their income gap with respect to men and are entering occupations previously reserved for them. Differences, however, persist and in a good proportion should be attributed to gender discrimination.<sup>3,4</sup>

The need for labor information disaggregated by sex and studies that analyze the participation of women at work was strongly emphasized. A study in Argentina, Brazil, Chile, and Mexico demonstrates that the direct and indirect costs of hiring women (including costs associated with maternity leave, child care, and work absenteeism due to domestic responsibilities) are marginal and do not justify the perception that lower women's salaries

reflect greater costs of contracting them (ILO, 2001).\*

Globalization and its contradictory effects on the employment of women was another agenda focus of the seminar. Analyses show that the globalization of companies and the subsequent emergence of large-scale subcontracting outside national borders is increasing informal sector work in developing countries. Women constitute an eligible group for export



L-R: IDB EVP K. Burke Dillon, Chief of IDB's Women in Development Unit Gabriela Vega, and IDB Head of External Relations meet at the "Women at Work" Seminar.

activities such as the "maquila" assembly industry or the agricultural export sector because they supply a labor force of greater flexibility and smaller costs. However, although they

receive comparatively lower wages, the process of globalization has generated sources of work for women who have increased their income and their economic autonomy. A very important aspect of globalization is that it develops in a context where union organization is undermined, while at the same time political rights are emphasized motivating international NGOs to organize around workers' rights.<sup>1</sup> The establishment and monitoring of ethical behavior standards in international subcontracting in LAC and globally is one successful result of this phenomenon.<sup>5</sup>

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### "Women at Work: A Challenge for Development" Seminar Publications

The documents prepared for the Women at Work seminar will be made available through the IDB's Women in Development webpage: <http://www.iadb.org/sds/wid>

- *Análisis comparativos de los marcos legales e institucionales de los sistemas de seguridad social de América Latina y el Caribe.* Haydée Birgin. March 2001 (2).
- *La globalización y el trabajo de la mujer en América Latina: el caso chileno.* Dante Contreras, Esteban Puentes, and Tomás Rau. SDS/WID: March 2001.
- *Changing Employment Patterns and the Informalization of Jobs: General Trends and Gender Dimensions.* Lourdes Benería. SDS/WID: March 2001 (1).
- *Los sistemas de pensiones y el futuro de los adultos mayores en la región.* Alejandra Cox Edwards. SDS/WID: March 2001.
- *Evolución de las diferencias salariales entre hombres y mujeres: comparación de seis países latinoamericanos.* Jaime Tenjo, Rocío Rivero, and Luisa Fernanda Bernat. SDS/WID: March 2001 (3).
- *La mujer en el trabajo: Progresos y desafíos.* Mayra Buvinić. SDS/WID: March 2001.
- *Framework for the Comparative Analysis of Social Protection for (women) Workers in the Informal Economy.* Frances Lund and Armando Barrientos. SDS/SOC: March 2001.
- *Working Within Confines: Occupational Segregation by Gender for Three Latin American Countries.* Ruthanne Deutsch, Andrew Morrison, Claudia Piras, and Hugo Nopo. SDS/WID: March 2001 (4).
- *Inventario de programas innovadores para mejorar la situación de la mujer en el mercado laboral.* BID/WID: March 2001 (5).

## Publications

- *A Region in Denial: Racial Discrimination and Racism in Latin America* (working paper). Ariel Dulitzky. SDS/SOC: January 2001.
  - *Economic and Health Effects of Occupational Hazards in Latin America and the Caribbean* (Technical Working Paper Series). Antonio Giuffrida, Roberto F. Iunes, and William D. Savedoff. SDS/SOC: April 2001.
  - *Intergovernmental Fiscal Relations in Latin America: Policy Design and Policy Outcomes.* Richard Bird. SDS/SOC: December 2000.
  - *Operational Guidelines for Housing: Urban Development and Housing Policy.* (OP-751), SDS/SOC: June 1999.
  - *Public Purchaser-Private Provider Contracting for Health Services: Examples from Latin America and the Caribbean* (Technical Working Paper Series, SOC-120). Katherine Slack and William D. Savedoff. SDS/SOC: February 2001.
  - *The Importance of Using Ethnic or Racial Group-Specific Data in Public Policy Formulation* (working paper). Paulo Paiva. SDS/SOC: January 2001.
  - *The Long Road to Housing Reform: Lessons from the Chilean Experience.* Eduardo Rojas. SDS/SOC: July 1999.
  - *Wealth from Health: Linking Social Investments to Earnings in Latin America.* William D. Savedoff and T. Paul Schultz. eds. 2000. Inter-American Development Bank/Research Dept.: December 2000.
- To order this publication, contact the IDB bookstore: 202 623 1753, or visit the IDB Publication Website: [www.iadb.org/exr/pub/index.asp](http://www.iadb.org/exr/pub/index.asp).

Documents can be obtained via email: [sds/soc@iadb.org](mailto:sds/soc@iadb.org) or phone 202 623 3533.

\* All references with the exception of ILO, 2000. "The Labor Costs of Protecting Motherhood and Child Care," in: *Panorama Laboral 2000. Temas Especiales*, Lima, consist of articles prepared for the Seminar "Women in the Workplace: A Challenge for Development," Santiago, Chile, 17 March. IDB. See box.

## Race, Ethnicity, and Social Exclusion in Latin America: What Do We Know?

BY OMAR ARIAS AND SUZANNE DURYEA

Very few studies provide reliable empirical evidence on the role of a person's race or ethnic background in accounting for social exclusion, poverty, and inequality in the region. The subject remains almost taboo in many countries, thus limiting regular collection of data in household surveys or censuses. Two studies conducted by the IDB try to address this shortcoming. They examine the socioeconomic status of different ethnic and racial groups in Guatemala, Brazil, Bolivia and Peru, four of the few countries where ethnicity or race can be inferred from the languages reported spoken (Guatemala, Bolivia and Peru) or individuals' self-identification (Brazil).\*

In all four of these countries extreme poverty is higher in the populations of interest. For example in Guatemala, over 80 percent of the indigenous population lives below the \$2-a-day poverty line while 55 percent of the non-indigenous population is poor. With a poverty rate of 60 percent Afro-Brazilians are twice as likely as whites to be poor. Gaps between the indigenous and non-indigenous are also large in Bolivia and Peru. The disproportionately high poverty levels of the indigenous and Afro-Brazilians are linked to their lower labor market earnings. The lower earnings, in turn, primarily reflect the disadvantage in schooling attainment, (on average, three years of formal education), their lower access to formal sector jobs, and the fact that indigenous and Afro-Brazilians receive less pay in the labor market regardless of their schooling levels, reflecting lower returns to education.



A more detailed analysis of earnings gaps between male heads of households who self-identify as branco (white), pardo (brown) or preto (black) is revealing. On average, both pretos and pardos earn 44 percent less than whites but this gap is higher between pretos and whites in the higher paying jobs (57 percent). While differences in human capital, including parents' education, and in its returns, account for all of the earnings gap between Afro-Brazilians and whites in lower paying jobs, a 10 percent earnings gap remains in better paying jobs. Moreover, the gap in the returns to education between whites and pretos is larger in the higher paying jobs (2.6 percentage points) than in the lower paying jobs (1.9). On the other hand, the gaps in education returns between whites

and pardos follow the opposite pattern, 1.1 in the higher paying jobs compared to 1.9 in jobs at the lower end. The fact that whites tend to attend school in states with relatively better quality (proxied by state averages of teacher-pupil ratios) accounts for about half of their advantage in returns to education. This suggests that the gradient of skin color, in itself, may play a role in generating differences in labor market performance in Brazil.

Yet the evidence stresses that equalizing access to quality education, including adequate early learning environments, is the main means to combat socio-economic exclusion of Afro-Brazilians. Improving school attendance rates is critical to this. Racially disaggregated data over time in Brazil shows that from 1986 to

1992, school attendance for Afro-Brazilian 7- and 8-year-olds lags 10-13 points behind their white counterparts but after 1992 we see the gap reducing from 10 percentage points in 1992 to 3 percentage points in 1999. The convergence in early attendance rates observed in Brazil is a very positive development that should be reinforced and promoted in other countries with decisive government policies that improve learning environments in disadvantaged schools and communities and with support from the IDB and the international development community.

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## In Pursuit of More Inclusive Project Designs

The Social Development Division (SDS/SOC) and the IDB's Office of Oversight and Evaluation (OVE) are evaluating loans in three countries—Honduras, Guatemala, and Ecuador that claim a significant number of Afro-Latin people communities. The purpose of the study is to assess how well project design and implementation benefit these communities, and determine lessons learned that might improve future design and execution. Findings, emphasizing common patterns and conditions for success in benefiting Afro-Latin populations with a view to meeting the challenge of inclusion will be published and then discussed during a half-day seminar for Bank staff organized by SDS/SOC, OVE, and the Office of Learning.

For further information, contact  
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or 202 623 2588.

## Ensuring that Everyone Counts

The absence of adequate data and statistics on race and ethnicity required for competent public policies, consensus on defining and measuring the concept of race, and the importance of having indigenous and Afro-Latin communities participate in designing and implementing census and survey efforts, were some of the issues discussed last November at a conference organized by the IDB, the World Bank, and DANE of Colombia, entitled, "Encuentro Internacional Todos Contamos, los Grupos Etnicos en los Censos." The event brought together officials from statistical and census agencies in 14 Latin American countries, as well as representatives of Afro-Latin and indigenous communities from throughout the region.

For more information on our work on social exclusion, please visit us at [www.iadb.org/sds/soc](http://www.iadb.org/sds/soc) or contact Juliana Pungiluppi: [julianap@iadb.org](mailto:julianap@iadb.org).



## Social Inclusion Conference

On June 18, 2001, the IDB will hold a conference entitled, Towards a Shared Vision of Development: High Level Dialogue on Race, Ethnicity, and Inclusion in Latin America and the Caribbean, at the IDB Headquarters. Participants will include high-level officials from government and non-governmental organizations in IDB member countries. With this conference, the IDB will initiate a series of activities against social exclusion in concert with other development agencies, including the Pan-American Health Organization, the World Bank, the Inter-American Dialogue, and the Inter-American Foundation. On the following day, June 19th, the conference group will participate in a roundtable to deepen their debate in thematic areas such as land titling, accessibility to health, higher education, and community development for traditional excluded groups. On June 20th, the Pan-American Health Organization will take the experts through a process to shape action plans to help achieve equity in health services in the minority ethnic groups of five countries in the region.

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# Widely Dispersed Indigenous Communities Work for Legal Recognition

BY MARGARET GOODMAN

Reversing the exclusion of Argentina's indigenous population presents some particularly difficult challenges. Unlike countries such as Guatemala, Peru, or Bolivia where indigenous people constitute a substantial segment of the population, the indigenous people of Argentina make up only a tiny percentage of the populace. According to various estimates, the number of indigenous people ranges from 250,000 to 1 million, out of a total population of about 36 million.\*

Such a small population, divided into 14 ethnic groups, geographically disbursed (the majority of Argentina's indigenous people live in the north, but there are groups in the south, and even in Buenos Aires), are easy to ignore. An instance that exposed this problem arose out of a recent evaluation mission by the IDB's Office of Oversight and Evaluation (OVE). When the office alerted people in Buenos Aires that it was studying a project for indigenous people, the common response was, "Do we have any?"

A component within an IDB technical cooperation program to support vulnerable groups in Argentina specifically addresses the status of indigenous people. The component supports indigenous communities in their bid to gain legal recognition. Additionally, the program helps communities prepare and execute projects in the areas of job training, environment, health, sanitation, education and culture, housing and community infrastructure, and communications with ethnic identity, language, and culture given prominence.

The OVE evaluation mission visit-

\* 1997 IDB estimate based on data from the Latin America Demographic Center and the United Nations Population Division was 35,672,000.



ed indigenous communities in the provinces of Jujuy, Chaco, and Formosa where it encountered palpable enthusiasm for the program. A particular source of pride to the communities is their direct authority (rather than the state or municipal government's or an NGO's) over program funds used for training workshops, small infrastructure investments, scholarships, and legal proceedings. At least 20 communities have begun an intense process of formalizing their legal standing. In addition, 118 specific projects have begun, including 56 productive projects, and 27 improvements

to homes and community centers. Pre-primary and primary schools are improving their bi-lingual education programs and communities are awarding high school scholarships according to their own community criteria.

Findings so far reveal that, although some elements can be improved, the program has been effective both in strengthening indigenous cultures and helping them integrate into the larger Argentine culture.

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## Recent Events Organized by the Indigenous Peoples and Community Development Unit (SDS/IND)

Lecture on entoengineering by Douglas Cardinal, renowned Canadian architect.	November, 2000	SDS-RE2
Indigenous Peoples and Sustainable Development: Mexico, Central America and Panama	January 11, 2001	SDS/IND-RE2
Workshop on Indigenous Health	February 13, 2001	SDS/IND-SOC
Training on policy and program management for the indigenous peoples of Latin America.	May 2001	SDS-INDES



# How Can Sector Loans Be Improved to Meet the Goals of Social Development?

BY ANDRÉ MEDICI, ALVARO CUBILLOS, AND PATRICK SAINT POL

Fast-disbursing sector loans—loans used to help countries in financial difficulties that could portend macro-economic risk—have not been considered an effective way to achieve the goals of development. Although the loans cover general financial or sector-specific needs, few of these loans ever succeed in bringing about the necessary structural changes for improving a country's economic health or its social development. This prompts one to ask: Is this situation irreversible? Are these sector loans condemned to be used solely as financial rescue operations?

Recent experience in Region One's Social Programs Division (SO1) suggests that fast-disbursing sector loans are not condemned to be ineffective. In fact, these loans can be effective vehicles for remedying a country's structural problems, creating a window of opportunity for attaining development goals. Among the reasons why, are these:

- The loans are carried out when a government is in need of substantial short-term financial assistance, thereby creating increased flexibility in discussing innovations in technical proposals that might be politically difficult in regular times.
- When a country requests a sector loan, often there is little time for the country to fully develop a sector agenda, a factor that makes it easier for the Bank to move forward with the social agenda it has developed over time, and use this as a precondition for loan approval.
- The conditions contained in the sector loans are set out as priorities reflected in simple, robust goals. They are commitments assumed by a government's highest decision-making bodies that in turn, apply political pressure to imple-

## Meeting Social Development Goals

Brazil: Social Sector Reform and Social Protection Program (loan 1174/OC-BR), approved in 1999, enabled social spending in government priority programs in the areas of education, health, employment, and social welfare. This was during a time when the government, out of necessary fiscal adjustment, had imposed substantial budgetary cuts. The loan helped to build up administrative management capability and generate a process of dialogue and consensus-building among stakeholders, including the poor.

Bolivia: Fiscal Adjustment and Social Spending Maintenance Program (loan 1019/SF-BO), approved in 1999, protected social spending on education, health, preschool nutrition, and low-income housing. With loan support, the Ministry of Finance introduced a system to monitor and evaluate social spending at the central and decentralized government levels throughout the country.

Argentina: Fiscal Balance and Social Management Support Program (loan 1295/OC AR) seeks to improve the mechanisms for management and evaluation of social programs through: social security (support and refine ongoing reforms by establishing management information systems and minimizing discrepancies in the data used in decision-making); labor market (create a national employment system to increase employability and improve external competitiveness); social development (implement an evaluation and strategy program to improve program management, efficiency, and focus), and modernization of the state (establishing performance evaluation mechanisms for public institutions providing social services).

ment the measures required to achieve agreed upon goals.

In the last two years, SO1 implemented sector loans in Brazil, Bolivia, and Argentina. During a time of economic crisis when fiscal adjustment and budgetary constraint were required, each of these loans effectively helped to identify priorities and guarantee the sustainability of key social programs (see box).

To broaden the scope of the development objectives of social sector loans, SO1's solutions are to: a) protect social spending, by supporting dialogue and seeking a con-

sensus among the different stakeholders in times of government fiscal adjustment, with input from the very poor and less organized groups; b) develop and implement management instruments to increase the efficiency and effectiveness of social spending, c) help consolidate countries' social agendas, and d) increase transparency and participation by civil society in a government's social initiatives.

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## Increasing Opportunities for People with Disabilities,

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In March 2000, the Bank held a seminar entitled “Dialogue on Development and Inclusion: Opportunities for People with Disabilities” at the Annual Meeting of the IDB Board of Governors in Santiago, Chile. The seminar focused attention on two areas: education and employment, and access and transport. Over 450 representatives from NGOs, civil society and governments attended the seminar, co-funded by the Governments of Finland and Canada.

On education and labor issues, there was wide consensus at the seminar on the need to avoid segregating students with disabilities into special schools: inclusion would bring educational and social benefits to both students with and without disabilities. Panelists at the seminar also were quick to dispel the myth that improving access in urban environments is a costly venture. Many of the most obvious impediments to access, such as the lack of ramps at street corners, requires only a small change on the part of planners and no real increase in funding. In addition, it was stressed that accessible design was not an issue only for persons with disability but would facilitate the movement of women with baby carriages, people with hand-pulled

carts, and the elderly, a large and growing population.

The IDB president, Enrique Iglesias, in addressing the seminar situated the Bank’s position, when he said, “At its core, inclusion is about equity. Amartya Sen, the Nobel Prize winner in economics...is eloquent when he speaks of development as freedom. In his view, development consists of the removal of barriers that leave people with little choice and opportunity to express their abilities. The removal of these barriers contributes to economic development. But, [Sen] adds that freedom, which would lead to a society with few barriers, is a social com-

mitment, one that requires no other justification.”

Background papers from the conference are being prepared for publication. A map that shows the incidence of best practices and status of work on disability in Latin America and the Caribbean, printed for the seminar, also provides electronic mail addresses for many of the main institutions working on disability. A limited number of maps are available upon request. These materials will be soon available on the disability web site being designed by the Bank.

For information on disability, the Bank can be contacted at [disability@iadb.org](mailto:disability@iadb.org)

### Dialogue on Development and Inclusion: Opportunities for People with Disabilities Seminar Publications

These materials will be available on the disability web site being designed by the Bank. For information on disability, the Bank can be contacted at [disability@iadb.org](mailto:disability@iadb.org)

- *Acceso de las personas con discapacidad a los mercados de trabajo*. Grupo Latinoamericano para la Participación, la Integración y la Inclusión de las Personas con Discapacidad (GLARP IIPD). IDB: 2001.
- *Disability in Latin America and the Caribbean: A First Review of Policy, Statistics, and the Potential for Inclusionary Policies and Strategies*. Pamela Dudzik, Anne Elwan, and Robert L. Metts. IDB: 2001.
- *Disability and Inclusive Education*. Gordon L. Porter. IDB: 2001.
- *Disability and the Labor Market in Latin America*. Gonzalo Hernández Licona. IDB: 2001.
- *Estrategias para mejorar el Acceso en proyectos de infraestructura y diseño urbano*. Eduardo Alvarez. IDB: 2001.
- *Methodological Considerations in the Analysis of Household Data on Disabilities in Latin America*. Andrés Montes and Ernest Massiah. IDB: 2001.

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