

Techno-integration of Latin America

Institutions, exponential trade, and equality
in the era of algorithms

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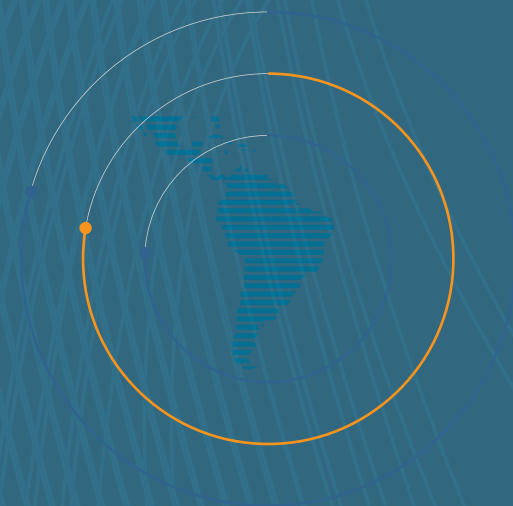
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TECHNO- INTEGRATION OF LATIN AMERICA



INSTITUTIONS, EXPONENTIAL TRADE,
AND EQUALITY IN THE ERA OF ALGORITHMS

COORDINATOR: ANA INÉS BASCO



INTAL





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FOREWORD

BIG DATA, BIG INTEGRATION

Building a far-reaching integration that can listen to “the voice” of its inhabitants as well as decide intelligent strategic courses is a key challenge for Latin America. This means consolidating an “accuracy” convergence that, backed up by big data progress and disruptive technological advances, will be able to capture the best opportunities for our region towards international integration, without neglecting elements of political economy at stake.

This discussion does not only involve key and classical aspects of the trade agenda such as tariffs, preferences, phytosanitary measures or facilitation of customs formalities, it also takes full account of the human dimension of the aspirations of those who claim to be recipients of such convergence efforts among countries and regions in times of exponential technologies.

Integration in Latin America is written with double “n”, as in Innovation. And, therefore, it is a question of innovating in the ways to approach the analysis of this phenomenon. The results we present in this report relate to the use of big data tools that would be helpful to better calibrate the convergence efforts of our continent, after listening to the population’s expectations and comparing them with the evolution objective indicators of the socioeconomic variables. This is a 20-year database which has incorporated topics focused on trade and integration in the last triennial period, and which involves more than 60,000 face-to-face interviews in 18 countries in the region.

Hence, the key importance of this product supported by the IDB Regional Public Goods program, resulting from an alliance among the Institute for the Integration of Latin America and the Caribbean – INTAL, IDB Integration and Trade Sector and the prestigious corporation Latinobarómetro. In a co-creation experience built to meet the demand of individual countries which is later included in commonly agreed questionnaires; the objective is to consult through public opinion polls on Latin American’s expectations, perceptions and opinions, and cross-check this information with statistical data from trade and economic exchange, and with various innovation and infrastructure indices.

The aim is to build bridges, through approaches to trade negotiations and integrationist associations supported by the legitimacy of the respective societies, and generate products of strategic knowledge that can be used as basic inputs when discussing and making decisions on the steps for international trade policy.

This year results of public opinion polls show once again an “associative capital” overly relevant for our region.

For the third consecutive year, and in spite of the complex circumstances that international trade and global geopolitics are dealing with, the trend that indicates that Latin America stands up for convergence in a common home and a wider view to the rest of the multilateral scenario becomes established. The regional integration is an aspiration and it is located, in its multiple dimensions, in a high level of consideration in the imagination of countries' populations.

More than 7 out of 10 Latin Americans support regional economic integration, and more than 6 out of 10 support political integration, while 8 out of 10 consider globalization as a key factor for economic growth. But this is not a blank check. Because, almost with the same proportion, 8 out of 10 interviewees also remember that there is a high equity gap within the countries, and 6 out of 10 indicate that there is also a deficit of trust in institutions. Also, the interpersonal trust only reaches 14% among respondents. The quality of democracy, similarly, shows the lowest levels of the decade.

This time, we continue and reinforce the technology impact study on the regional and global integration processes and on the world view of Latin Americans from the influence of this phenomenon. We considered it relevant to delve into how technology presents an opportunity not only to strengthen links through global knowledge services or electronic commerce, for example, but also to improve the awareness of integration efforts. The findings of these surveys leave no margin for doubt. In fact, when Latin Americans have a more frequent and strong access to consumption, connectivity and technological products in eco-innovation environments, the support indices for democracy, regional convergence, environmental sustainability and the incorporation of new technologies are higher.

Examples include these three examples:

- More than 77% consider that internet access is a top priority, even more than building new highways, clearly showing a new approach to conceptualize typical demands for regional infrastructure.
- Only 14% of Latin American made on-line purchases during the last month, but this Figure also expresses a significant social gap: it represents 28% of persons with a very good economic status, compared to 7% of those with a low economic status.
- Countries that allocate a greater GDP percentage to "Science and technology" are more aware of the importance of innovation in the development agenda (correlation coefficient of 0.7).

We combined the two essential dimensions for the integration of the region in an integrated BIG DATA set; on one side, to develop an overview of existing "objective" data, such as digital infrastructure, transport system, the modernization of consumption patterns, the facilitation of procedures in single windows for foreign trade, the Internet of Things in supply chains, traceability and sustainability of agricultural production, the competitiveness of global services or productivity of manufacturing sector; and, on the other side, the "emotional" opinion as a magnificent tool to explore and integrate people into their

aspirations and institutional and social expectations, and of a new development agenda that portrays an aspiration for integration. People find the safety of future with less uncertainty in integration. This objective and emotional BIG DATA allow us to work public policies from a holistic view by considering all the development stakeholders, complying better with democratic aspirations.

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EXECUTIVE SUMMARY

As part of the Regional Public Goods Program (RPGs) of the Inter-American Development Bank (IDB) which supports projects to address the challenges of Latin American countries and takes advantage of the opportunities for development through regional cooperation, the alliance INTAL-Latinobarómetro was created three years ago.

This joint-venture based on the acknowledgment that up to present there is not any instrument which explores the objective and subjective dimensions of regional integration processes systematically. Countries did not have any comparative information available on perceptions, attitudes, knowledge, values and behavior of the population enabling better understanding and perception of problems by identifying common interests, and thus facilitating cooperation in issues of a regional nature. Counting on public opinion information and objective comparable data among countries is an essential piece to promote national and supranational public policies that stimulate convergence processes.

The alliance INTAL-Latinobarómetro was proposed in this manner as a convergence to produce annual public opinion polls, and in a synergistic manner to consolidate and compare official statistics on issues of trade exchange as well as political and social integration in order to generate an updated and pertinent knowledge platform on this dimension. In a pioneering and innovating manner, this follow up is carried out from a collective deliberation process between governmental entities of nine countries in the region, seeking to channel and meet their information demands collaboratively¹. Participating government entities are well-positioned agencies, both in the monitoring of their own opinions and in the eventual discussion of bilateral or multilateral international negotiation agendas, own public opinions such as the discussion of eventual bilateral, regional or multilateral international negotiation. Participants have an interest in, and also make useful contributions to, the regional instrument development.

In this manner, and from a questionnaire prepared on the basis of the mutual interest of participating institutions we work with data provided by the annual Latinobarómetro survey² conducted to 20,200 citizens of 18 Latin American countries and which is the main Public Opinion Databank in Spanish, and the second most visited in the world.

The aim of the Project is to generate a Regional Public Good (BPR) project consisting of an annual monitoring system of integration processes in Latin America, collectively prepared by governments of participating countries and to be used by them for decision making in matters of public policy.

¹The alliance between INTAL and Latinobarómetro makes up a Regional Public Good (RPG) program which counts on the participation of institutions from various countries in the region, such as the Chamber of Deputies of Argentina, Instituto Legislativo Brasileiro and Secretary of State of Social Defense of Minas Gerais in Brazil; Ministry of Foreign Affairs of Chile; National Secretariat for Planning and Development of Ecuador; State Electoral and Citizen Participation Institute of Oaxaca; and the Social Studies and Public Opinion Center of the Chamber of Deputies of Mexico; Ministry of the Interior of Paraguay; Ministry of Foreign Affairs of Peru; Central Electoral Board of Dominican Republic and the Ministry of the Interior of Uruguay.

²Latinobarómetro Corporation is a non-profit organization that observes the development of democracies, economies and societies at large, using public opinion indicators which measure attitudes, values and behaviors. The results are used by the socio-political actors of Latin American region, international organizations, governments and media. <http://www.latinobarometro.org/lat.jsp>

In 2015 we first approached the subject through INTAL publication “Objective and Subjective Dimensions of Regional and Global Integration in Latin America”, which outlined initial findings on the relationships between national and regional statistics and public opinions on integration. During 2016 we published another report entitled “The DNA of Regional Integration”.

This year we are publishing this new report which complements previous ones, by adding value with the analysis of information, with cross references of objective data and the development of an own index, the Integrometer, which enables to measure the unsatisfied demand for regional integration.

This Project strengthens Latinobarómetro’s indicators, and objective databases of INTAL, INTrade, and COSIPLAN-IIRSA (regional infrastructure); and its website with on-line pages and videos can be viewed at <http://intal-lianzalb.iadb.org/>

This study seeks to make a contribution to the analysis y conceptualization of regional integration processes on the basis of the development of knowledge based on key subjective and objective data for our region. And this is the result of a great effort coordinated by Ana Inés Basco working in close collaboration with Paula Garnero, Martín Harraca, Paula Alzualde, Mariana Pernas, Alejandra Wulff, Soledad Codoni, Andrea Benitez, Eugenia Piasentini, Carlos D’Elía, Alejandro Ramos Martinez and Jéssica De Angelis.

Particularly, Latin Americans’ perception is analyzed in relation to globalization, the regional integration process, and priorities in the countries’ development agenda. Integration is conceived as a multidimensional subject that leads us to explore the opinions of society on political, economic, institutional, social, cultural, environmental and technological matters.

What do we understand by integration? Do we want more or less integration? Do we have our own preferences to integrate with some particular country or bloc? Do we agree about the free trade of goods and services? and with the free mobility of workers? The answers to these questions are contextualized within the prevailing scientific-technological framework where the introduction of Information and communications technology (ICTs) and other new disruptive technologies such as 3D printing, drones, robotics, the Internet of Things, virtual reality, Artificial Intelligence, and big data are challenging the way we produce, communicate, consume, exchange opinions and participate in democracy. However, it is undeniable that the technological advance also generates tensions and challenges in the area of employment, social inclusion and environmental impact. Are Latin Americans prepared to integrate in the new global economy? What impact do we think new technologies have on employment? What are the most resisted technologies and how have we integrated those ones which were disruptive in the past?

These questions gain greater complexity when they incorporate a socioeconomic and environmental dimension. Latin America has a great diversity of natural resources that strengthened by human capital and technological advance, offer opportunities for their unrivalled insertion to global economy.

But the region is also characterized by an enormous social inequality in the interior of countries and, among them, between urban and rural population, between young persons and older adults, between men and women, between workers and employers, among persons from different ethnic backgrounds. Is it possible to reach regional integration in a context with major inequalities? Are we, Latin Americans, indifferent to inequality? How much are we concerned about equity and inclusion?

At the same time, a sustainable integration strategy requires the shared efforts of countries, and policies that promote the responsible use of resources and environment. What importance do we attach to the care for the environment? Do we acknowledge problems posed by climate change? Is there environmental social awareness in this region?

Throughout this document, subjective data from the 18 countries that participated in the 2017 Latinobarómetro survey is analyzed. 1,000 interviews were conducted in each Central American country and in Dominican Republic; and 1,200 interviews were made in each country of South America and Mexico. Subjective data arising from the poll is analyzed first in isolation, then the information is related to other data arising from the same survey, and finally the information is compared to other objective data from other statistical sources, many of them collected by international entities, but on the basis of the national statistical systems of each country (refer to Methodological Annex).

The task consists of cross-checking subjective and objective data in order to check whether there is a relationship between variables (Pearson correlation coefficient), and determine the intensity of this relationship. Without explaining causality, the relations of different degrees of correspondence and significance that allow us to characterize The DNA of the Regional Integration are identified.

The resulting information is organized in 5 thematic chapters: i) Economic Integration; ii) Political Integration and New Democracy; iii) Integration and Equity; iv) Environment and Climate Change; and v) Innovation and New Technologies.

This report will highlight that the Regional Integration has a broad level of support by Latin Americans, and it is mainly associated to free trade and political dialogue. Globalization is perceived not only as the free mobility of goods, but also of persons and as an opportunity for the economic growth. The free mobility of workers is also strongly supported.

Democracy as a form of government has an important social base, but with stagnation and gradual deterioration during the last decade, complemented by an important crisis of confidence in actors and organizations. The disagreement on the functioning of democracy institutions and the perception of high levels of corruption, put at risk the social support for representative democracy and tip the scale in favor of more direct forms of democratization such as election of judges by popular vote, or the juries composed of ordinary citizens. ICTs emerge as an important partner of the democratic system, enabling new forms of citizen participation and offering communication channels between government and society.

We are not indifferent to inequality. Social policies, inclusion and poverty are the major concerns of Latin Americans. Perception of an unjust distribution of income is generalized among all countries in the region. Gender inequality does not have a priority position in the development agenda, but a large proportion of society recognizes the existence of conflicts between women and men and supports an equal gender representation in parliament and the judiciary.

Latin Americans are concerned about environmental sustainability. The problems of the climate change are visualized by a significant part of society. There is an enormous commitment to care for the environment and the fight against climate change, even at the expense of economic growth.

The technological advance is embraced and also feared in the region. Technologies with a high level of penetration such as mobile telephony or the internet are mostly preferred by Latin Americans. Digital connectivity is considered essential to move in today's world, and its universal access is a social demand which is given priority attention in the region. By contrast, disruptive technologies such as artificial intelligence and robotics meet great resistance and rise concern, especially because of their potential negative effect on employment.

The key results of this study are detailed below:

THE DNA OF THE ECONOMIC INTEGRATION

- **Integration and development:** The integration to the world and to the region has been mentioned as the main problem for development by 1 out of 4 persons (25%). And, it is more strongly supported by people older than 65 years (28%) and those having a better socio-economic status (30%), compared to the regional average (25%).

- **Latin America, yes...** In times when fragmentation processes, nationalistic tendencies and localisms burst into various parts of the world, the “associative capital” of Latin America still has an unchanged high value, coinciding with the already observed tendency in the two previous public opinion surveys: 77% of Latin Americans were in favor of economic integration with other countries in the region, and 62% agreed about political integration.

...but, competing with other priorities. In spite of this aspirational support for Latin America's processes of integration, when their inhabitants were asked on what their primary counterparts would be to build exchange links, the neighboring countries' position went down among options: only 12% identified Latin American region as a priority to strengthen ties. Argentina is the country that most strongly expressed its desire to strengthen links with Latin America (30%), while Brazil and Honduras were the least willing to do so (5%). U.S.A. was chosen in the first place to deepen commercial and political relations, with 34% of responses, followed by European Union with 16%. Preference for Latin America was in the fourth position reaching 12%, even behind China (13%). Willingness to integrate with a country or bloc correlated with the favorable views on them (as it particularly happened with U.S.A., China and the European Union), and also with objective indicators that had to do with the volume of bilateral trade (which happened for Latin America as a block, U.S.A. and China).

• **A pragmatic approach on integration:** when questioned about what they understood by integration, Latin Americans referred to “free commerce” in the first place (57% of responses, reaching its maximum level in El Salvador (68%), and its minimum level in Brazil (41%); and, in the second place, they referred to “political dialogue” (47%, reaching a peak of 75% in Venezuela and as low as 35% in Paraguay). Other well-balanced options, reaching an average level between 35% and 32% of mentioned options were “mobility of people and workers” (maximum in Colombia with 49%, minimum in Panama with 16%), “the scientific and academic exchange” (maximum in Argentina with 41%, minimum in Panama with 21%) and “promotion of local and foreign investments” (maximum in Venezuela with 43%, minimum in Panama with 20%).

• **Coincidences between the “thermal sensation” and “temperature” of integration.** Countries that preferred “free trade” and “political dialogue” options showed greater exports concentration, and less direct foreign investment income. Countries that chose the option “mobility of people and workers from one country to another” had more restrictions for the mobility of people and capital.

• **Conformism versus Non-conformism:** 6 out of 10 Latin Americans were satisfied with the efforts their countries were making to achieve integration. Young persons (under 35), were the ones who better acknowledged efforts made by their country to integrate to the world. Those who identified themselves ideologically as “rightist”) were the least satisfied with the efforts made by their country to achieve integration.

• **Perspective on Foreign Direct Investment (FDI):** 67% of Latin Americans considered that foreign investment was profitable for the economic development of their country. Men were more convinced than women about its benefits (71%), just like persons with a higher socioeconomic status (74%). As regards countries, Ecuador was the country where direct foreign investment was best regarded (82%), and Peru was at the opposite side of the spectrum with 47%.

• **Pluri-globalization.** Latin Americans’ support for further opening was not only understood in economic terms, but also from social and labor levels: 4 out of 5 Latin Americans considered that globalization was an opportunity for economic growth. Furthermore, almost 9 out of 10 supported the free mobility of workers in the region, an opinion with positive coefficient of correlation (0.64) with the weight of industry in GDP. That is to say, citizens of countries with a greater presence of the manufacturing industry would be more open to work in other countries and host foreign workers.

• **Palpitations of Mercosur:** Citizens of Mercosur member countries attached more importance to “integration to the world and to the region” in the development agenda of their countries (29%, compared to a regional average of 25%); and they also supported the most economic integration with other countries in the region, but at the same time they were not very pleased with the efforts for integration made by their countries in the last 5 years (60%, 3 points above Latin American average).

- **FTAs and free trade:** While 77% of Latin Americans agreed about the free trade of goods and services among countries in the region, countries that signed a larger number of free trade agreements (FTA) showed less support. When analyzing blocs, Mercosur countries on average showed a greater support for free trade (80%), but they only had one FTA. On the opposite side, the least support for free trade was found among the countries of the Pacific Alliance (72% of average support) which, on average, had signed a larger number of FTAs (13).

- **“Integrometer”.** Based on the preparation of its own indicator, the “Integrometer”, there was an intention to reflect the percentage of persons with a strong willingness to integrate (very much in favor of integration) and who considered that this desire was not being satisfied by their respective governments. Although 62% considered that their country made efforts to integrate with the world, it was found that there was a hard core of unmet demand for more economic integration reaching 7.3% of regional population. Countries leading this ranking were Venezuela (20.3%), El Salvador (11.7%) and Argentina (11.5%), while the ones with least demand were Chile (3.2%), Ecuador (3.3%) and Brazil (3.7%).

- **Larger, more satisfied.** This way, it should be noted that from 18 countries, the first 14 with a larger unmet demand for economic integration together represented barely 31% of the regional GDP; consequently, countries with greater weight in the regional GDP, such as Brazil and Mexico, were the “most satisfied ones”. Certain structural factors helped us to understand the contexts that favored the arising of unmet demand for integration, namely: a) international trade (countries with large trade exchange with the region, and with more concentrated exports, demanded greater integration); b) features of economic structure and infrastructure (economies with increased participation of services in GDP, and better infrastructure indicators had a lower demand for integration); c) the institutional and regulatory framework (a negative correlation between demand for integration and indices of governmental efficiency and controls to the mobility of people and capital was noted).

THE DNA OF INNOVATION AND NEW TECHNOLOGIES

- **Robots, far away.** 4 out of 5 Latin Americans believe that science and technology are a threat to employment. Artificial intelligence and robotics generate a strong resistance. Only 24% trusted that these technologies would enable the creation of more jobs than they destroyed. Guatemala was the country with greater confidence (44%), and Uruguay the country with the least (9%).

- **Future, too far ahead.** Regarding phenomena such as the circular or collaborative economy, hardly 1 out of 5 Latin Americans are willing to make changes in their consumer habits, by renting more and buying less. Thinking of the future, disruptive technologies applied to transportation, food industry, and health, also show very high levels of resistance among Latin Americans. Hardly 23% would be willing to travel in a robot-driven vehicle, with a maximum level of 43% in Chile and a minimum of 14% in Nicaragua. 22%

would be willing to undergo long-distance robotic surgery, with a maximum of 29% in Bolivia and a minimum of 13% in Ecuador. 10% would be willing to eat cultured meat, with a maximum of 16% in Chile and a minimum of 5% in Ecuador. Generally, men under 35 years of age and of a good economic status and who are internet users were more prone to incorporate these disruptive technologies.

- **Persons being taken care of by persons.** The economy of care, however, offers a more open view on changing times, combining a cobotization horizon in which advanced technological options coexist with emotional intelligence aspects irreplaceable by machines. 85% of Latin Americans considered that in the future older adults and children would have to be equally taken care of, despite technological development. Argentina was the country which agreed the most with this idea (93%), and Panama the country which less agreed with it (76%).

- **Hope for the future, in spite of everything.** 7 out of 10 Latin Americans consider that their country shall stand out as an outcome of their undertakings and technological developments in the future. Ecuador and Dominican Republic were the most optimistic (77%), while Brazil and Uruguay were least optimistic (58%).

- **Physical and digital highways.** 88% of Latin Americans considered that knowing how to use internet was essential to move in today's world, and 77% prioritized the universal access to this connectivity, even over the development of basic infrastructure such as highways. Countries with a higher percentage of user-of-the-internet population and with a greater GDP per capita were more aware of the importance of the internet and new technologies in the current world (correlation of 0.73 and 0.55, respectively). Argentina and Brazil were the countries that supported the most universal access to the internet over the development of highways (79%) and Guatemala was the one that supported it the least (62%).

- **Technology brings more technology.** Almost all Latin Americans responded they had one cellular phone, and 44% had one smartphone, though with significant differences among countries; more than 65% of persons in Paraguay and Chile, less than 27% in Nicaragua, Bolivia and Mexico. Among people who had a smartphone, 31% were short of money every month, and 16% did not have enough food to eat on a regular basis. In a world without smartphones the perception of the importance of innovation in the development agenda would be reduced, the internet would be less valued for its impact on daily life and there would be less people willing to modify their consumer habits by buying less and renting more. Willingness to accept disruptive technologies would be seriously affected. However, the access to a smartphone (or its absence) did not seem to influence the widespread perception (77%) on the negative impact of the technological advance in employment.

- **Electronic commerce higher up in the pyramid.** Only 14% of Latin Americans used the internet to shop online during the last month. Uruguay is the country with more purchases (24%) and Bolivia the one with fewer (8%). Men purchased more than women (16% versus 12%); young people under 35 years of age also shopped more online (19% versus 12% for population from 35 to 65 years of age). But the greatest difference was found

between those ones at the extremes as regard their socio-economic status: 28% of those with a very good socioeconomic status compared to 7% of those in a very bad situation shopped online during the last month.

THE DNA OF THE POLITICAL INTEGRATION AND NEW DEMOCRACY

- **Integration + Dialogue.** “Soft” aspects of integration, which have to do with institutional, legislative and regulatory matters, have been highlighted as very relevant by different sectoral convergence strategies. Latin Americans associated integration to political dialogue that, after free trade, was identified as the second most important aspect of integration in Latin America with 49% of mentioned options. Although with a 15-point disadvantage with regard to economic integration, 62% of Latin Americans were in favor of political integration with other countries in the region. The maximum support was noted in Venezuela and Uruguay (73% and 72%, respectively) and the minimum in Brazil with 44% support.

- **Institutional mistrust.** Latin Americans have very little confidence in institutions. Responses showed that the most reliable institution was the Church (65% of responses: “some” and “great” confidence). Armed Forces were in a comfortable second position with 42% of confidence, and the Police Force in a third place, with 35%. Political parties had great disrepute (15% of confidence), though the confidence in the Electoral Institution was greater than in the judiciary, government and congress. In spite of the very little confidence in institutions, the “Institutional quality” and “Rule of law” were not seen as a priority among the problems for the countries’ development, they were in the fifth and seventh positions with 38% and 34%, respectively.

- **“The vehicle yes, but not the leadership”.** When asked whether they believed that democracy is preferable to any other form of government, 53% of Latin Americans gave an affirmative answer, which means a high level of support; the result was 8 points lower than in 2010. Percentage of the indifferent grew from 16% to 25%. The level of dissatisfaction with the “Democratic Quality” grew from 52% to 65% during the same period. The dissatisfaction on the functioning of democracy was related to the lack of confidence in institutions, corruption and inequity. On this latter aspect, only 18% of respondents considered that the distribution of wealth was just in their countries, with a maximum level in Ecuador of 43% and a minimum in Brazil of 6%.

- **Regional integration overcoming any defect.** High disagreement with regard to functioning (66%) of democracy institutions did not undermine the support for the political integration of Latin America (62% of support), with differences among countries ranging from the highest level of backing in Venezuela (73%) to the lowest level in Brazil (44%).

- **Opposite to rampant corruption, a new justice.** One third of respondents considered that it is “likely or highly likely to” bribe a judge. 7 out of 10 Latin Americans agreed on the democratization of justice. This had to do with the high level of distrust in the judicial institution (72% of distrust). 72% agreed that judges and prosecutors were elected by

popular vote; the maximum percentage in Venezuela (90%) and the minimum in Guatemala (59%). 76% also believed that juries in charge of deciding public corruption cases should be composed of ordinary citizens; the maximum percentage was found in Colombia (84%) and the minimum in Paraguay (66%).

- **Yes to direct democracy.** Almost half of Latin Americans supported the selection of parliamentarians by drawing of lots (48% of support), as it happened with certain popular positions in ancient classic democracy. Dominican Republic is the country which gave greater support for this idea (58%) and Uruguay the least (24%).

- **ICTs impact on the basis of democracy.** Correlations of 0.71 and 0.73 were found between internet and social networks' users, with regard to the belief that "democracy is preferable to any other form of government". Besides, correlations of 0.56 and 0.70 among internet and social networks' users, with regard to those who acknowledged that "democracy may have its shortcomings, but it is the best form of government". The development of Electronic Government is other aspect that strengthens the foundations of representative democracy. Countries with a higher rate of Development of Electronic Government fundamentally disagreed on the "selection of parliamentarians by drawing of lots as in Ancient Greece (correlation of 0.55) and showed less tolerance against corruption actions (correlation of 0.57).

THE DNA OF SOCIAL INTEGRATION AND EQUITY

- **The human factor.** Social policies, social inclusion and poverty were identified as the main concerns of Latin Americans in the development agenda (49% of responses and first position in 11 topics ranking). Argentina was the most concerned country (65%) and Bolivia the least (32%).

- **Inequality is present.** Countries with larger GDP per capita and higher human development index were more concerned about equity and inclusion (correlations of 0.65 and 0.67, respectively). Likewise, countries with a higher poverty percentage were the least concerned about social policies, inclusion and poverty as important topics for development (correlation of -0.55). This could suggest that poverty becomes an obstacle itself for society to identify it as a problem.

- **Trust, conflict, inclusion. Confidence level among Latin Americans is the lowest in the world.** Only 14% considered that "most people can be trusted", this Figure is 6 points lower than the one available in 2010 and 1996. From the levels of conflict in society, the perception of conflicts registered between the rich and poor (76%) and between workers and employers (77%) have remained highly stable between 2010 and 2017. When the society is more aware of tensions between workers and employers, and between the rich and the poor, greater is the concern about social (correlations of 0.78 and 0.64) and equal opportunities (correlations of 0.93 and 0.64).

- **In pursuit of labor mobility.** 9 out of 10 Latin Americans are in favor of workers having freedom to work in any country. Countries with larger controls for mobility of capital and persons support the most the free mobility of workers (correlation of -0.8). Venezuela was the country that supported the most the free mobility of workers (96%), and Panama the least (72%).

- **Rejection to the unknown.** 44% of Latin Americans considered that society would be better if it were composed of persons of the same nationality, and 54% considered that conflicts between locals and foreigners were strong or very strong. Even then, countries that traded more with the rest of the region tended to have lower levels of this kind of conflict (correlation of 0.6).

- **Gender Equality and Conflict.** Within the framework of highly stable social violence, already mentioned, the leap forward of gender tensions is a worrying signal. The universe of inhabitants considering that the “Strong and Very strong” level of conflict between men and women was of 56% in 2010 and went up by 10 points in 2017, standing at 66%, with a maximum level in Dominican Republic of 87% and a minimum level in Uruguay of 51%. Despite this, gender equality was not identified as an important topic that may affect countries’ development; it was placed in the eighth position. However, 72% were in favor of half parliamentary positions being held by women and half of the judges being women.

THE DNA OF ENVIRONMENT AND ECO-INTEGRATION

- **Environment: it is urgent to turn back the change.** Environment and climate change are topics that Latin Americans are concerned about, they are in the second position of the ranking of main topics in the development agenda of countries with 45% of mentioned options. Except for Paraguay (24%), in all the countries in the region, environment and climate change exceeded 40% of mentioned options. Countries such as Colombia (60%), Nicaragua (57%) and Costa Rica (56%) were concerned about this topic.

- **An invisible storm.** The climate change was considered an urgent problem (by 75% of persons), man-made (83% of “Agree” and “Strongly agree” responses). Even so, countries, with greater exposure to climate change were less aware of the problem, among which Dominican Republic (46%), Guatemala (50%), Nicaragua (50%) and El Salvador (51%) stood out.

- **Care and contamination connected at both ends.** Awareness of the problem is greater in countries with worst environmental pollution, but also in those having specific policies on mitigation. This way, in countries such as Colombia (a leader in the number of companies with environmental certification with regard to the GDP in the region) or Venezuela (with the highest CO2 emissions per capita), the intention to act against climate change reached 80% and 73%, respectively. In contrast, in countries such as Guatemala and Dominican Republic, with less environmental certified companies, and relatively low emission levels, these percentages were reduced to 56% and 57%, respectively. In terms

of regional blocs, the awareness of climate change as an urgent topic to be resolved was higher among countries within the Pacific Alliance (78% on average), followed by Mercosur (76%), and lastly by Central America and Dominican Republic (73%).

- **Responsibility of Maturity.** 7 out of ten Latin Americans consider that the climate change problem should be dealt with, even at the expense of economic growth. Countries with energy grids that have an increased percentage of alternative sources (including nuclear energy) gave less priority to economic growth over the fight against climate change (negative correlation of -0.55). By contrast, young persons and countries with a greater average growth during the last years gave priority to the economic growth above the fight against climate change.

- **Climate mitigation with shared responsibility.** 35% of Latin Americans are aware of climate change as a shared responsibility issue that requires the intervention of all social actors to meet a solution. 32% considered that institutions had to solve it (Governments, NGOs, International agencies, companies). 20% blamed the countries that generate (or generated) a greater greenhouse effect.

The background features a teal color with a white dot pattern. On the left side, there are overlapping geometric shapes: a large teal shape, a smaller dark teal shape, and a triangular orange shape at the bottom left corner. The text 'MAIN FINDINGS' is centered in the teal area.

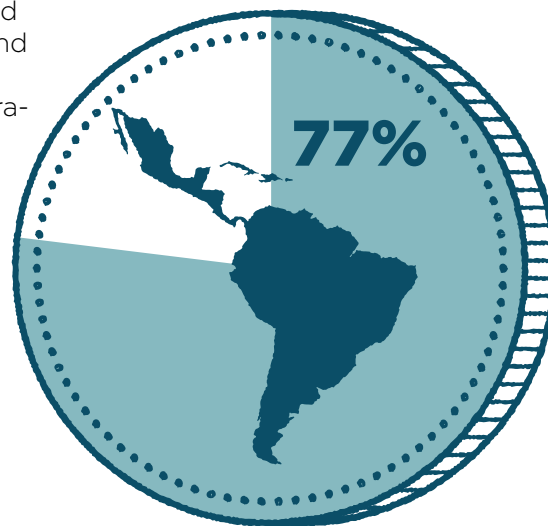
MAIN FINDINGS

MAIN FINDINGS

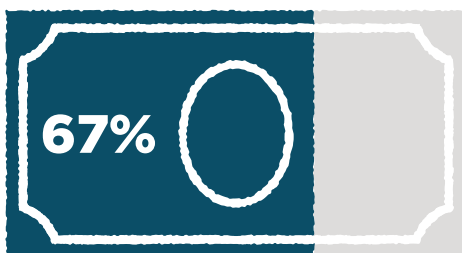
1

INTEGRATIONIST AND OPEN

In contrast to other parts of the world where a protectionist, nationalistic and separatist stance prevails, Latin Americans continue to trust in integration and globalization:



are in favor of economic integration and free trade of goods and services with other countries in the region.



Besides, almost 70% are in favor of direct foreign investment and eight out of ten believe that globalization is an opportunity for economic growth,

...however...



34%
U.S.A.



16%
European Union



13%
China



12%
Latin America

the order of priority to strengthen bonds is shown above.

2

CITIZENS + TECHNOLOGY= Democracy + Integration

Internet and social networks' users are the strongest supporters of regional integration,



they are aware of the environment and climate change more clearly,



they prefer to live in a heterogeneous society

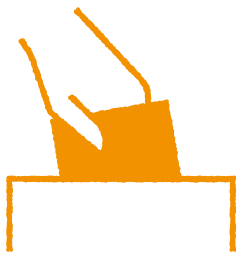


and they are more open to incorporate new technologies

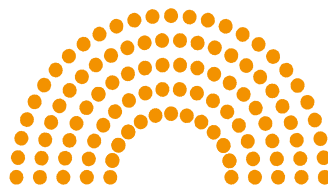


USERS NON USERS

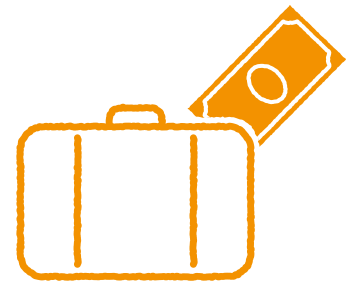
Countries with further development of Electronic Government show...



a greater attachment to democracy as their system of government;



they prefer best a representative democracy,



and they are less likely to tolerate corruption.

In a regional context marked by profound social inequalities, crises of confidence in institutions and unwanted effects caused by climate change, ICTs can be seen as strategic partners that favor the awareness of problems, reinforce trade links between countries, strengthen communication between governments and citizens, expand the foundations of democracy, contribute to the creation of environmental awareness and fight against climate change.

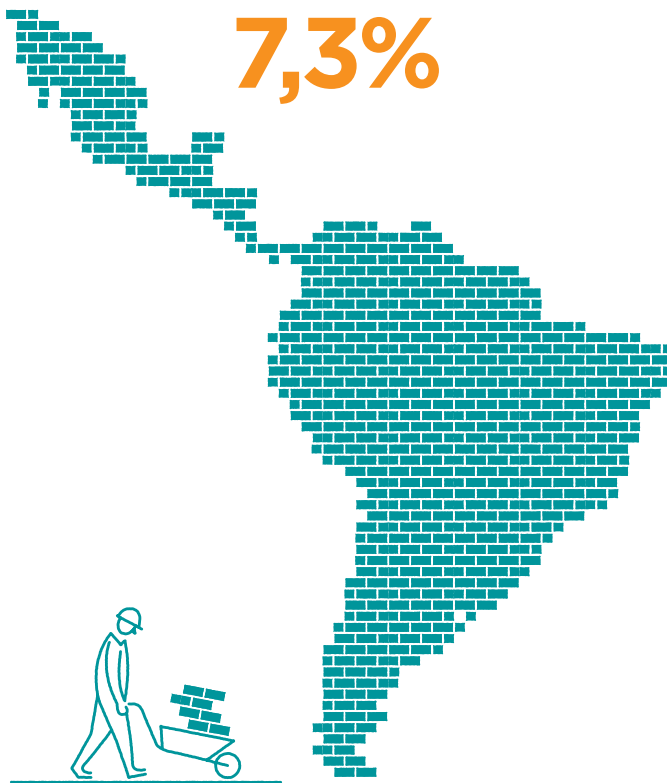
3

INTEGROMETER

How wide is the gap between the strong desire for integration and the perception that this aspiration does not result into a concrete reality?

There is a hard core of a strong unmet demand for economic integration reaching a

7,3%



This demand is greater among:



... men



... between 35 and 65 years of age



and it achieves peak levels at extreme high or low incomes (persons of very good or very bad socioeconomic status).



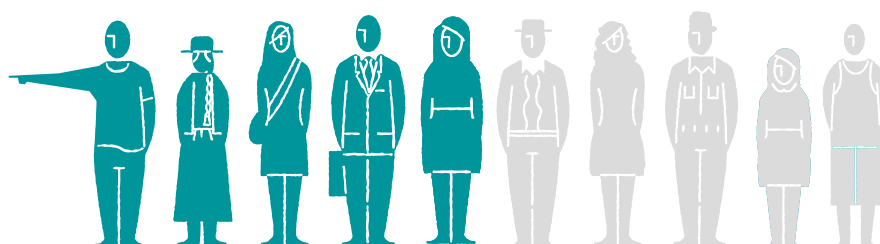
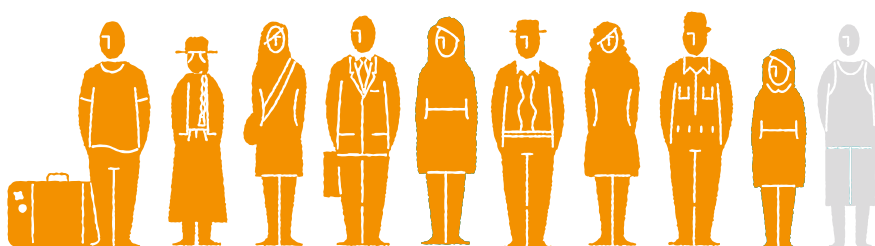
Also, this demand is higher among persons who are afraid of losing their jobs and/or intend to migrate.

By using the “Integrometer”, an indicator which reflects the percentage of people expressing a strong desire to integrate (fully in support for integration) and that consider this desire is not being satisfied by their respective governments, we have found an unsatisfied demand for further economic integration.

4

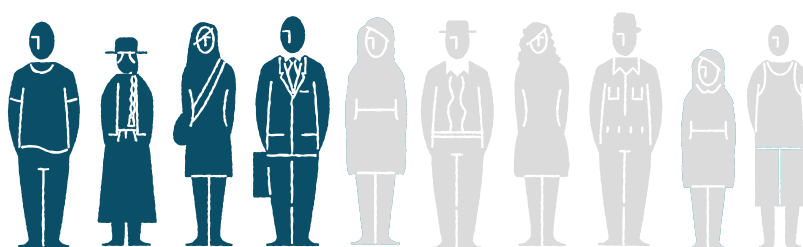
GLOBALIZING EMPLOYMENT

9 de cada **10** latinoamericanos están a favor de que los trabajadores puedan trabajar libremente en cualquier país, permitiéndose su desplazamiento más allá de las fronteras.



However, **5** out of **10** acknowledge there are conflicts between local people and foreigners in their country,

4 out of **10** prefer society to be fully integrated by people of their same culture and identity.



The great support to the free mobility of workers is more related to persons' needs to broaden labor horizons rather than their desire to live in a multicultural society. Countries with greater controls for mobility of capital and people are the strongest supporters to the free movement of workers. Countries having greater trade exchange with the rest of the region are less aware of conflict between locals and foreigners.

5

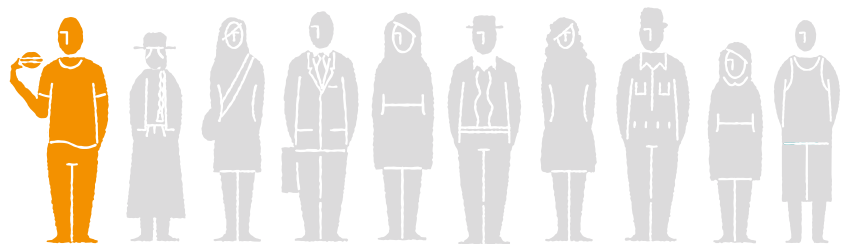
CAUTIOUS ABOUT TECHNOLOGICAL ADVANCE AND RELUCTANT TO INCORPORATE NEW HABITS

4 out of **5** Latin Americans believe that science and technology are a threat to jobs. Disruptive technologies such as Artificial Intelligence and Robotics are strongly resisted;



2 out of **10** Latin Americans would be willing to travel in a robot-driven vehicle, or undergo long-distance robotic surgery;

And only **1** out of **10** would be willing to eat cultured meat.



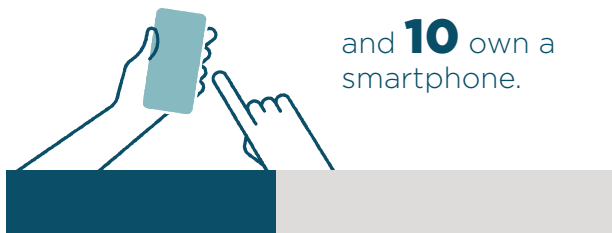
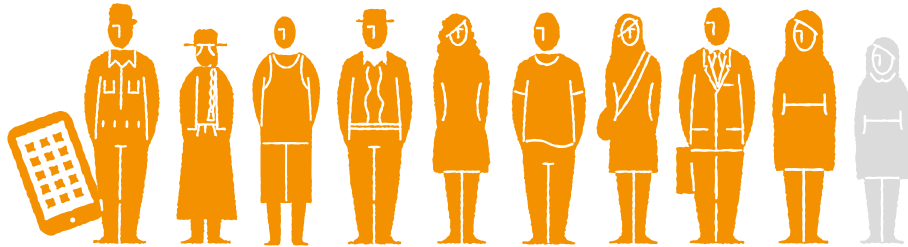
Men under 35 and in good economic position are usually prone to incorporate disruptive technologies.

Men under 35 and in good economic position are usually prone to incorporate disruptive technologies.

6

DEVOTEES OF CONNECTIVITY
AND THE INTERNET

9 out of **10**
Latin
Americans
have at least
one mobile
phone



and **10** own a
smartphone.

The internet
is considered
a basic public
good, and
universal
access is a
priority;



88%
of Latin Americans
consider that being able
to use the internet is
indispensable to move in
today's world.

Countries with the highest percentage of population using internet and the largest GDP per-capita are most aware of the importance of internet and new technologies in today's world; and, at the same time, they are the heaviest users of e-commerce. In a world without smartphones, the awareness of the importance of innovation in the development agenda would decline, the internet would be less valued due to its impact on daily life, and there would be fewer persons willing to change their consumption habits by buying less and renting more. Willingness to accept disruptive technologies would be significantly affected.



and **77%** give
priority to
universal access to
the internet, even
over the devel-
opment of basic
infrastructure such
as highways.



Only **14%**
acknowledged
having used an
e-commerce
platform during the
last month.

7

INTEGRATION AND NEW FORMS OF GOVERNANCE



of Latin Americans consider democracy to be the best form of government.

70%

The democratization of justice and, to a lesser extent, direct democracy count with important social support.

However,

75%

are dissatisfied with the way democracy is functioning in their own country,

66%

are dissatisfied with the performance of institutions, and

53%

consider that their country's efforts to fight corruption are insufficient.



The church is the only institution that generates greater confidence

(65%)



and political parties generate the least
(15%)



The confidence of Latin Americans in government, parliament and justice does not exceed

25%



72% of Latin Americans are in favor of judges being elected by popular vote,



76% are in favor of juries composed of ordinary citizens,



while the random lottery selection of parliamentarians like in Ancient Greece is supported by

38%.

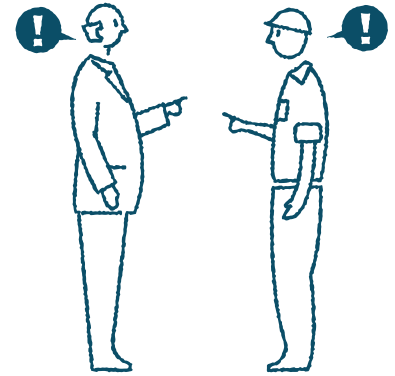
8

NUMEROUS INEQUALITIES

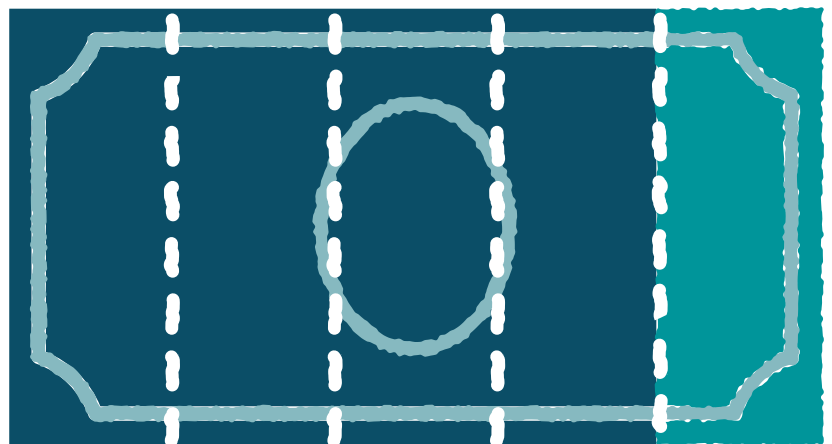
Countries more concerned with equity and social inclusion have a greater GDP per-capita and a higher human development index score. Countries more afflicted by poverty identify these topics to a lesser extent as limiting factors for development.



When a society is clearly aware of tensions between workers and employers, and between the rich and poor, there is more concern for equity and inclusion.



Gender equality is not considered a priority topic in the development agenda, but a vast majority of Latin Americans support an equal representation of women and men in the parliament and the judiciary.



79%

consider that the income distribution in their country is unfair and “social policies, social inclusion and poverty” are acknowledged as the main problems in the development agenda.



9

COMMITMENT TO ECO-INTEGRATION

Environment and climate change are real concerns for Latin Americans and they are ranked in the second place among major problems in the countries' development agenda.

**83%**

of persons consider that climate change is man-made,


**75%**

that this is an urgent problem, and

**71%**

that it must be dealt with, even at the expense of economic growth.

Countries with greater environmental contamination and those having targeted mitigation policies are more aware of the problem. By contrast, countries with increased exposure to climate change are less conscious about it.



ECONOMIC INTEGRATION

CHAPTER 1



The DNA of regional integration



of respondents are in favor of Latin American economic integration.



Although 77% of respondents favor Latin American free trade in goods and services, the countries that signed more free trade agreements are the least supportive of this idea.



57%

of respondents believe that integration is related to free trade, while...



of respondents believe that foreign investment is beneficial for the economy.



47%

believe that it is associated with political dialogue.



MERCOSUR citizens attach the greatest importance to regional and global integration.

Four out of five believe that globalization is an opportunity for economic growth.



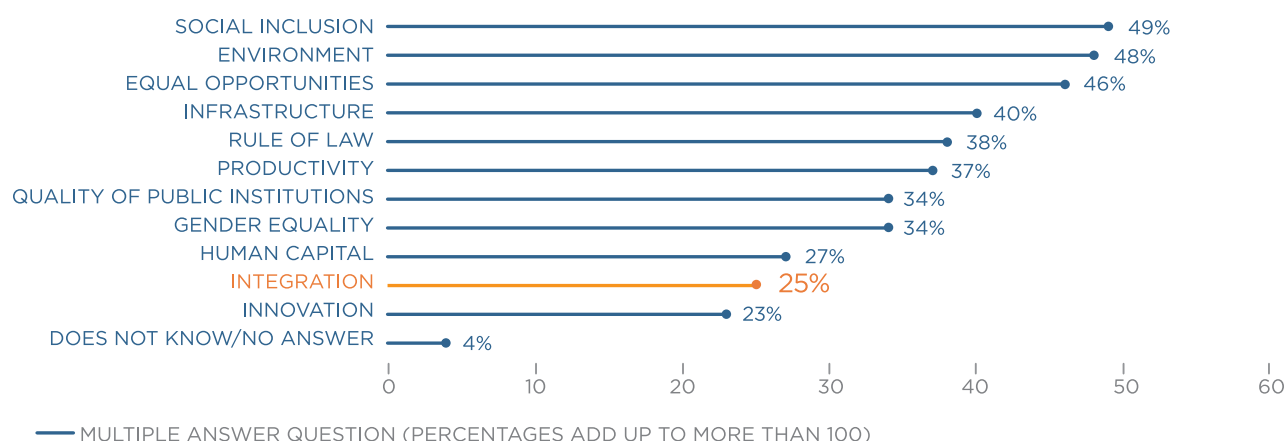
ECONOMIC INTEGRATION

GLOBALIZATION IS STRONGLY CHALLENGED WORLDWIDE, ESPECIALLY IN DEVELOPED COUNTRIES. WHAT HAPPENS IN LATIN AMERICA IN TERMS OF INTEGRATION? IS THERE A SENSE OF DISCONTENT AS IN DEVELOPED COUNTRIES? WHAT IS THE PLACE OF LATIN AMERICAN INTEGRATION IN THE COUNTRIES' DEVELOPMENT AGENDA? ARE WE INTERESTED IN BECOMING INTEGRATED? ARE WE SATISFIED WITH THE CURRENT INTEGRATION LEVEL? DO WE WISH FOR A GREATER OR LOWER DEGREE OF INTEGRATION? DO WE PREFER INTEGRATION WITH ANY COUNTRY OR REGIONAL BLOC IN PARTICULAR? WHAT IS OUR OPINION ABOUT MIGRATORY FLOWS?

INTEGRATION AND DEVELOPMENT

The survey on the main developmental issues reveals that “integration with the region and the world” ranks tenth (among 11 options) with 25% of mentions. On the contrary, issues such as “social policies, poverty and inclusion”, “environment and climate change”, “equal opportunities for all” and “transportation, energy, water, and sanitation infrastructure” are Latin American’s main concerns (Figure 1). The “integration with the region and the world” is seemingly not regarded as a pressing issue, although there is a high percentage of the population with integration demands, as this survey will show further below.

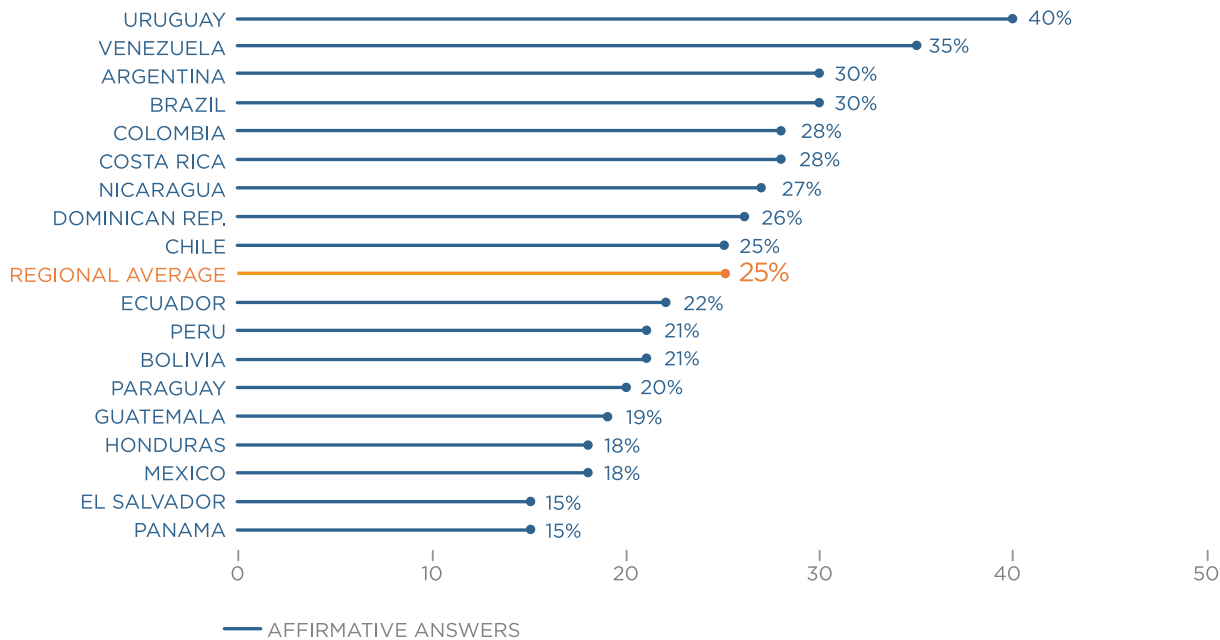
Figure 1
Key developmental issues



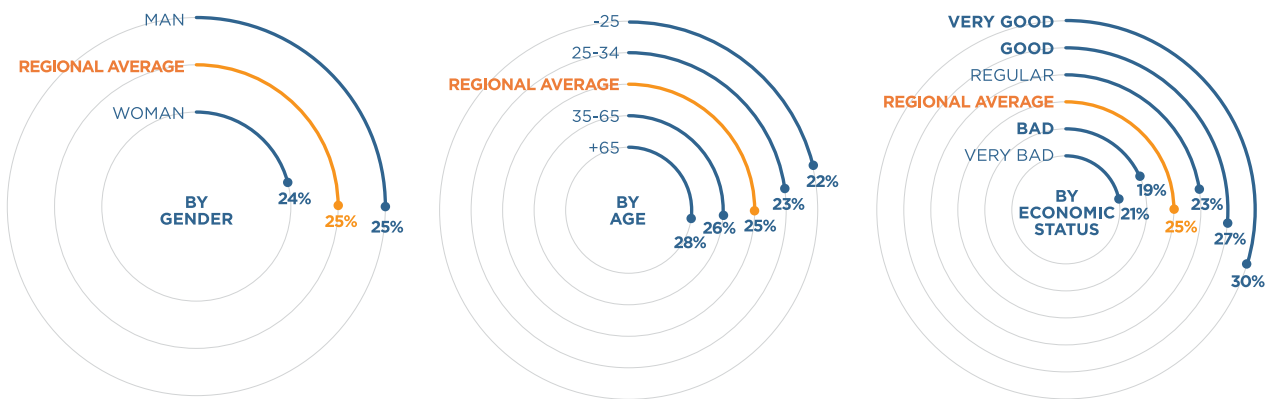
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The surveys conducted in 2015 and 2016 reveal that integration has remained stable for a third consecutive year, and it is a priority for 1 out of 4 respondents. In particular, integration is mentioned by persons aged over 65 and with a higher socioeconomic status. Gender is not a determining factor in the answers. When we analyze the results by country, we note that “integration with the region and the world” reaches its peak in Uruguay (40%) and Venezuela (38%). At the other end of the spectrum, the countries with the least references to this issue are Panama and El Salvador (only 15%) (Figure 2).

Figure 2
Is integration a key issue for development?



Figures 3, 4, 5



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

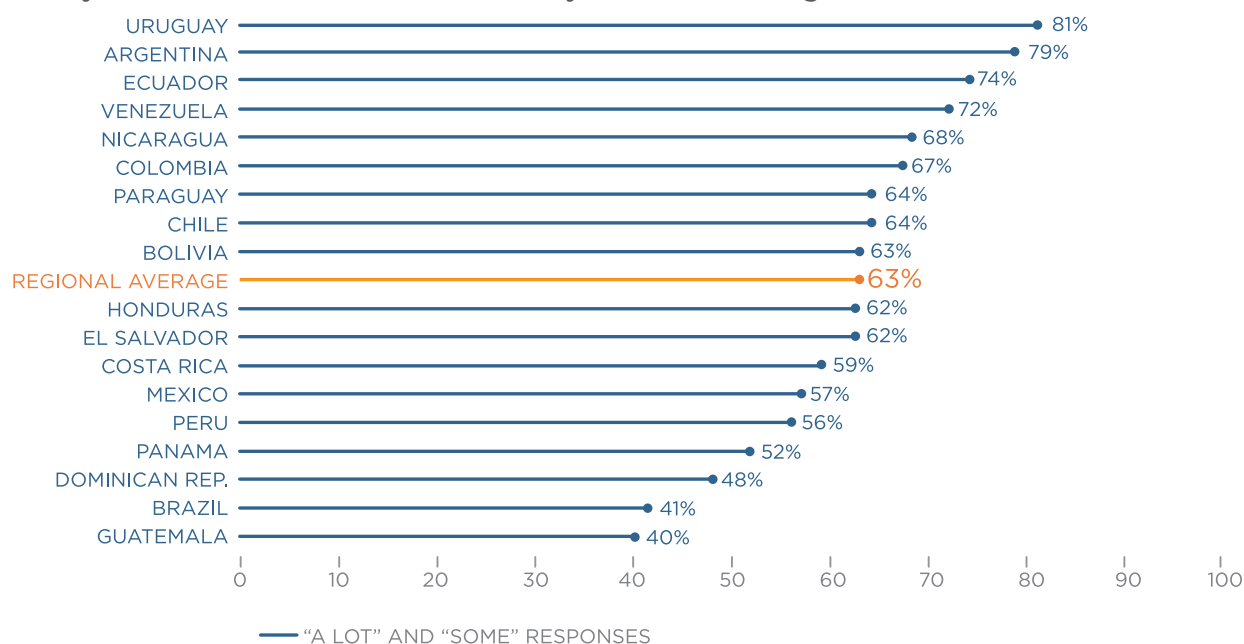
ARE WE SATISFIED WITH THE DEGREE OF INTEGRATION ACCOMPLISHED?

Respondents were asked about the country's efforts for its integration with the world in the past five years. On average, 62% of Latin Americans are satisfied with the extent of integration efforts ("some" or "a lot" responses), while 35% believe that such efforts were insufficient ("a little" or "not at all" responses) (Figure 7). On average, young people (aged below 35) are the ones who best acknowledge their country's efforts for integration with the world. When we analyze the responses according to respondents' political ideology, we find that those considered to be "right-wing" supporters are the least satisfied with their country's integration efforts.

The answers by country show that the efforts for integration with the world are best acknowledged by Uruguayan and Argentine citizens (81% and 79% respectively, with "a lot" and "some" responses). At the other end of the spectrum, there are Guatemalan and Brazilian citizens (40% and 41%, respectively) (Figure 6).

Figure 6

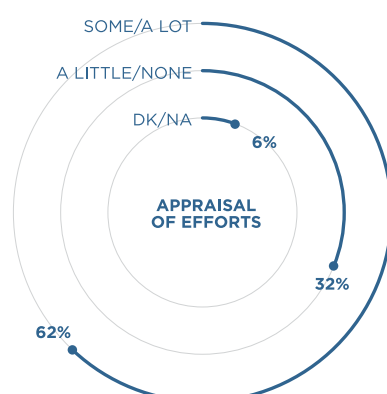
Have any efforts been made for the country to become integrated with the world?



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 7

Have any efforts been made for the country to become integrated with the world?



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

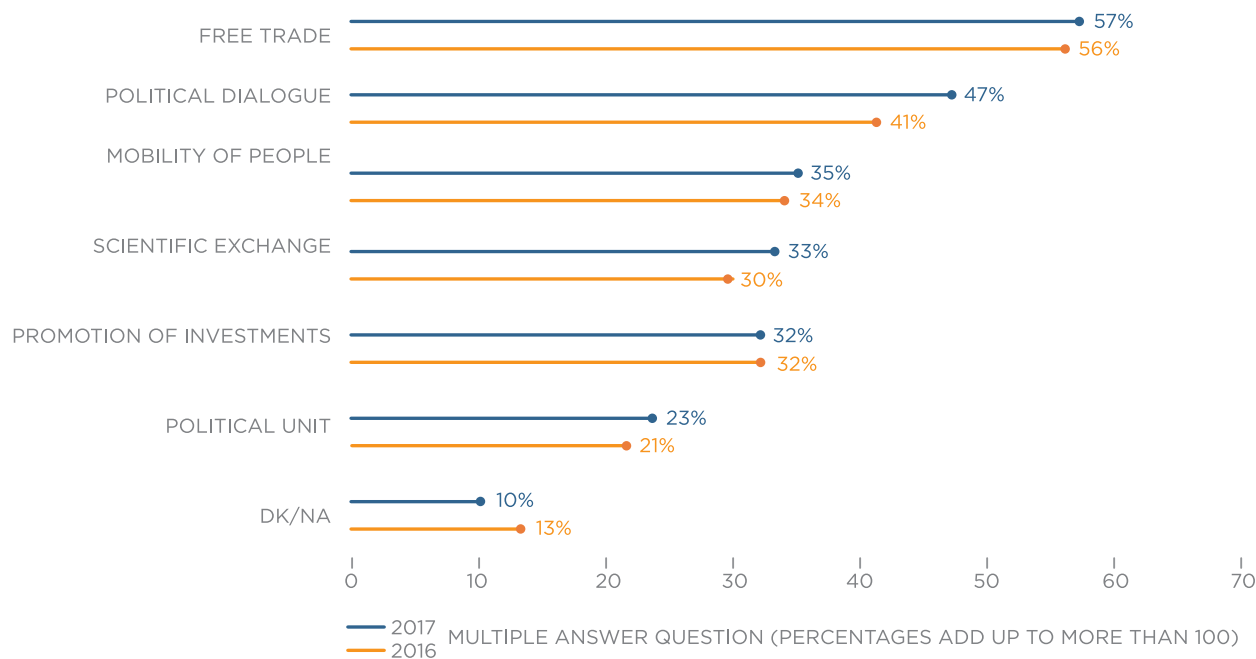
In the next pages we will introduce an indicator devised by us and called *integrometer*, which reflects the countries' unsatisfied demand for economic integration.

WHAT DO WE UNDERSTAND BY LATIN AMERICA'S REGIONAL INTEGRATION?

The regional integration is a multidimensional process requiring coordination efforts and convergence in terms of economy, trade, international policy, social policies and environment, among others. Which of the multiple integration dimensions are visible for citizens in the region? Which are not?

From a list of 6 options, the most representative issue is “free trade”, with 57% of mentions, reaching its peak in El Salvador (68%) and its minimum percentage in Brazil (41%) (Figure 8). “Political dialogue” ranks second, with 47% of mentions, registering a high of 75% in Venezuela and a low of 35% in Paraguay. Other options, such as “mobility of people and workers”, “scientific and academic exchange” and the “promotion of national and foreign investments” range between 35% and 32% of positive responses. The least selected option is “Latin American political unit vis-à-vis world powers” with 23 % of responses.

Figure 8
Issues associated with Latin American integration

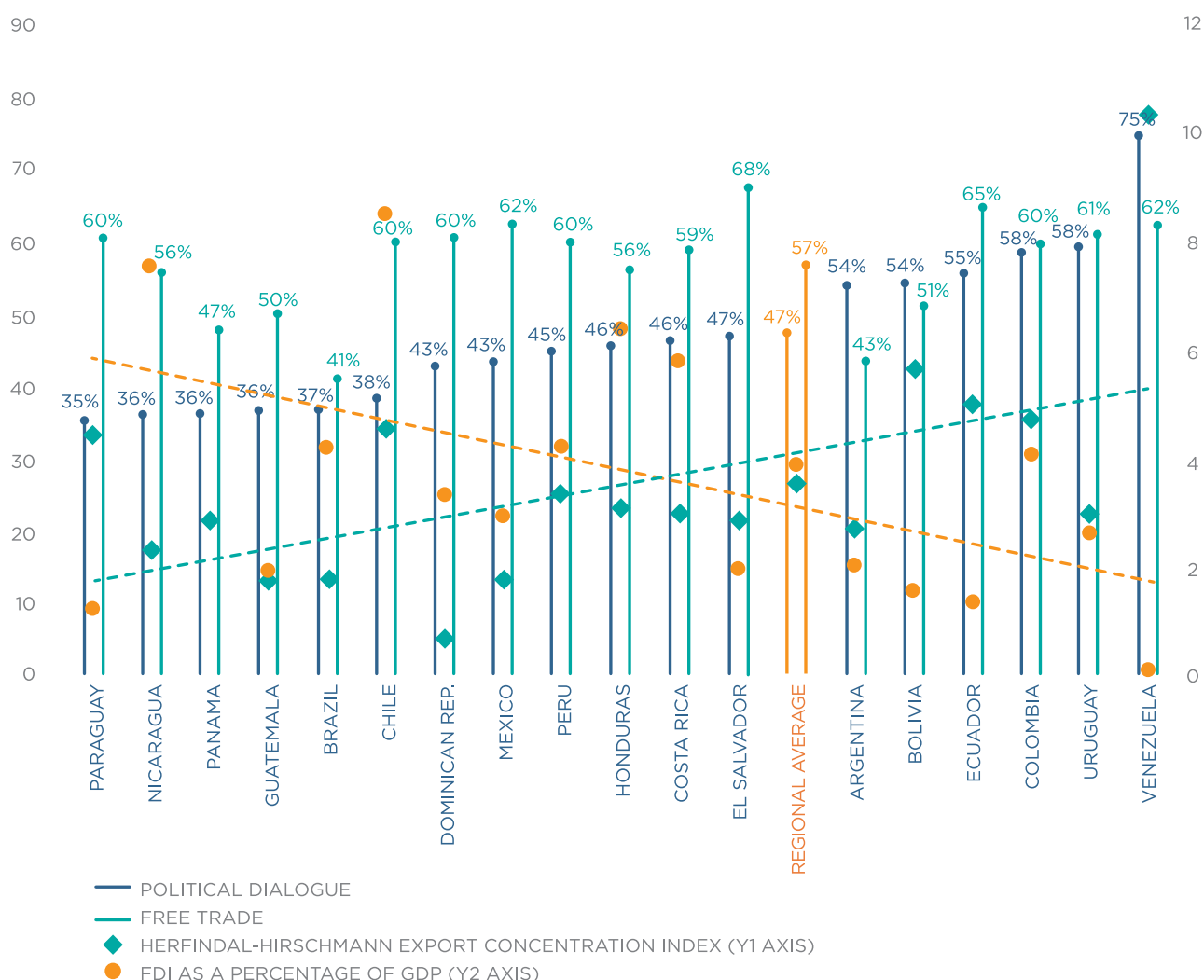


Source: Own compilation based on INTAL/Latinobarómetro 2017 data

AI The comparison with 2016 responses reveals that priorities remain steady although generally with higher values in 2017. The answers for “political dialogue” reported the greatest increase in relation to the previous year (6 percentage points). “Scientific or academic exchange” was the only option reporting a shift in ranking (a 3 p. p. increase) and ranks fourth in 2017.

The countries leaning more towards “free trade” and “political dialogue” show the highest export concentration¹ and lowest foreign direct investment (FDI) inflows² (Figure 9).

Figure 9
Relationship among the main issues associated with integration, export concentration and foreign direct investment (FDI) inflow



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹The Herfindal-Hirschmann export concentration index shows a positive correlation with “political dialogue” (0.73) and “free trade” (0.49).

²The Herfindal-Hirschmann export concentration index shows a positive correlation with “political dialogue” (0.73) and “free trade” (0.49).

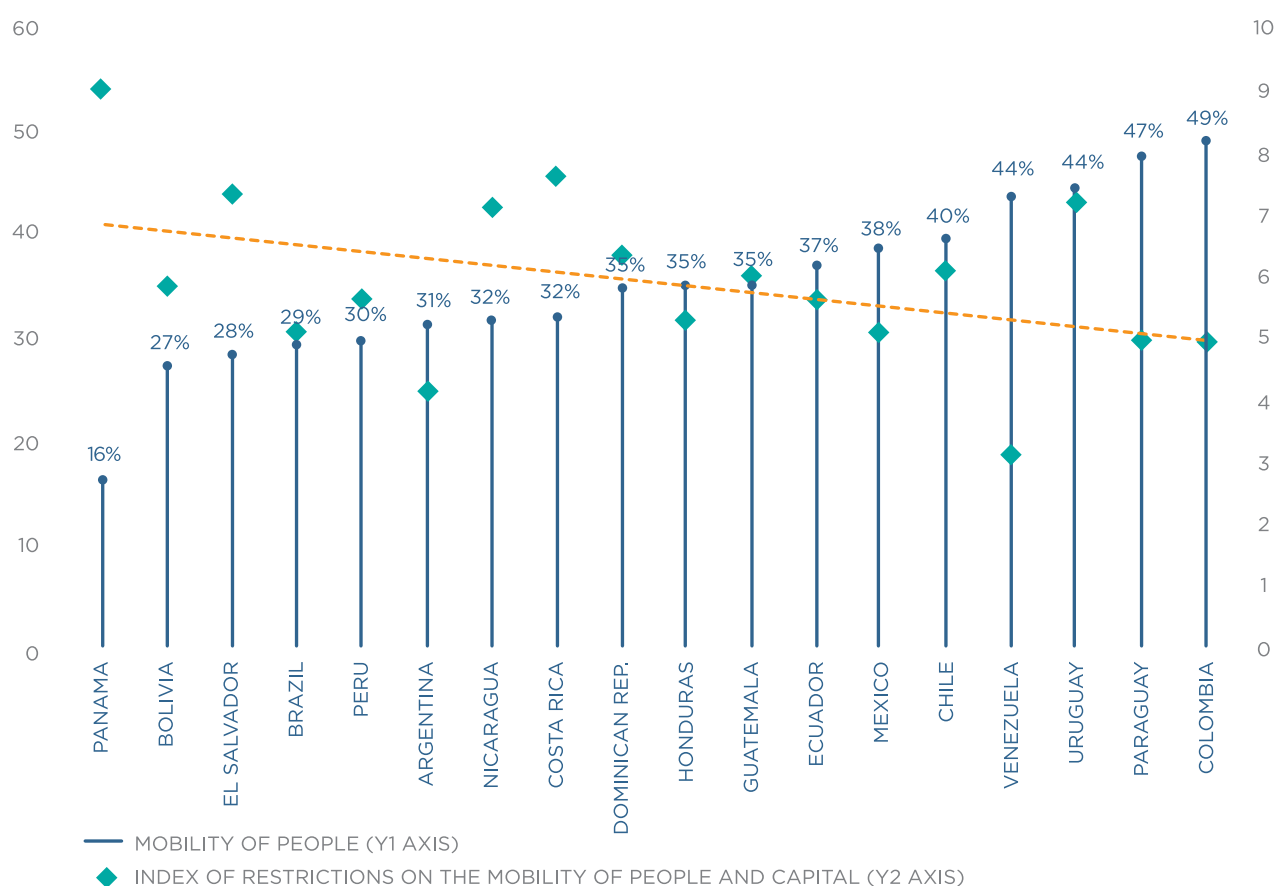
FDI inflow exhibits a negative correlation with “political dialogue” (-0.56) and “free trade” (-0.4).

The countries that favored the “mobility of people and workers from one country to another” option are the ones with more restrictions on the mobility of people and capital³ (Figure 10). This might suggest that where controls are tighter, the demand for free mobility is higher.

The countries that favored the “scientific exchange” option have the highest GDP per capita (correlation of 0.59). “Latin American political unit vis-à-vis world power” was mostly selected in countries with a lower degree of economic openness (correlation of 0.55).

Figure 10

Relationship between the perception of mobility of people as an issue associated with integration and control of people and capital flows



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

³ There is a negative correlation of -0.61 between the index of restrictions on the mobility of people and capital and the “mobility of people and workers” option. The index is structured in such manner that its value is proportional to the controls: the higher the index value, the greater the controls.

IS LATIN AMERICAN ECONOMIC INTEGRATION POSSIBLE?

Latin American economy exhibits a significant level of concentration: only 2 out of 18 countries account for 62% of the regional GDP; Brazil and Mexico contribute to around 40% and 22% of said GDP, respectively. Is integration possible among unequal economies? We provide several experiences below.

There are, at least, two concurrent country blocs in Latin America; MERCOSUR⁴, the Pacific Alliance⁵ and other agreements such as the Central American Integration System (SICA, by its initials in Spanish)⁶ and the Central America - Dominican Republic - United States Free Trade Agreement (DR - CAFTA), among others. Furthermore, the Trans-Pacific Partnership Agreement (TPP) was executed among 12 countries of Latin America, the Caribbean, North America, Asia and Oceania, thus becoming the largest free trade area in the world. A vast majority of Latin Americans are in favor of integration with other countries in the region (77%) (Figures 11 and 12). The strongest support is noted in Uruguay (87%) and Argentina (84%). The weakest support is found in Guatemala (63% citizens in favor).

Figure 11

Opinion about economic integration with other countries in the region

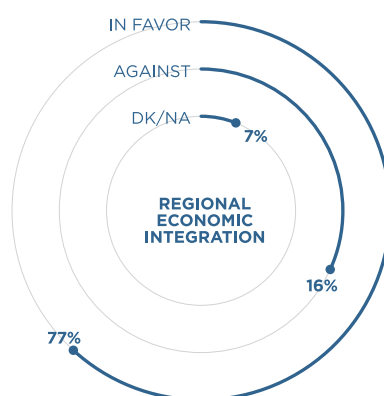
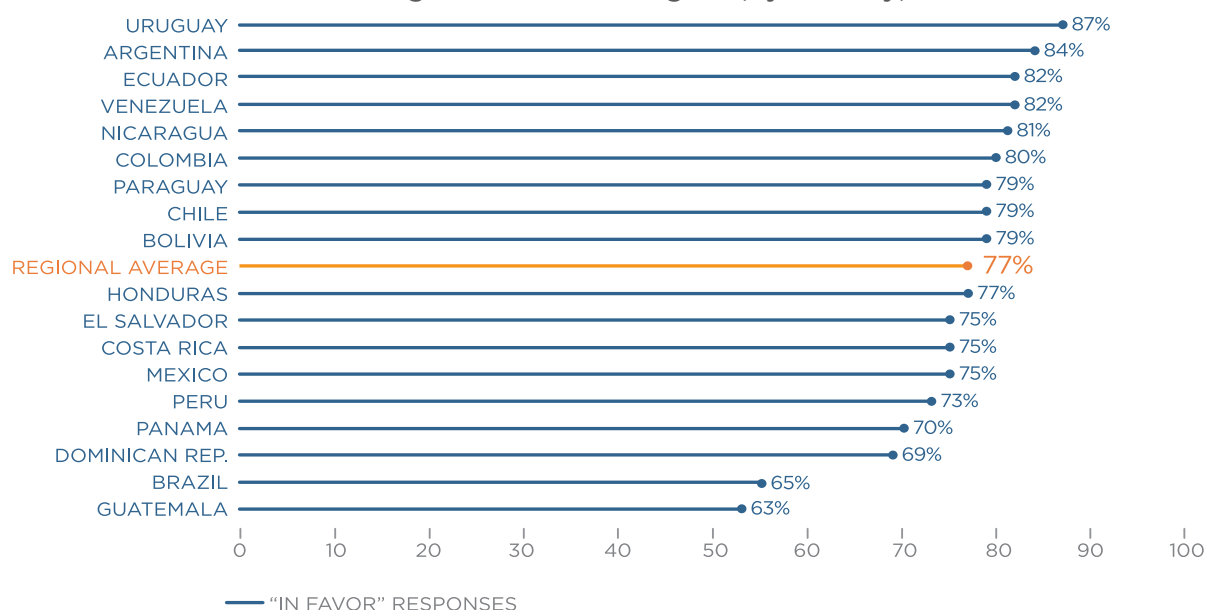


Figure 12

Opinion in favor of economic integration with the region (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

⁴ Argentina, Bolivia, Brazil, Ecuador, Paraguay, Uruguay and Venezuela

⁵ Chile, Colombia, Mexico and Peru

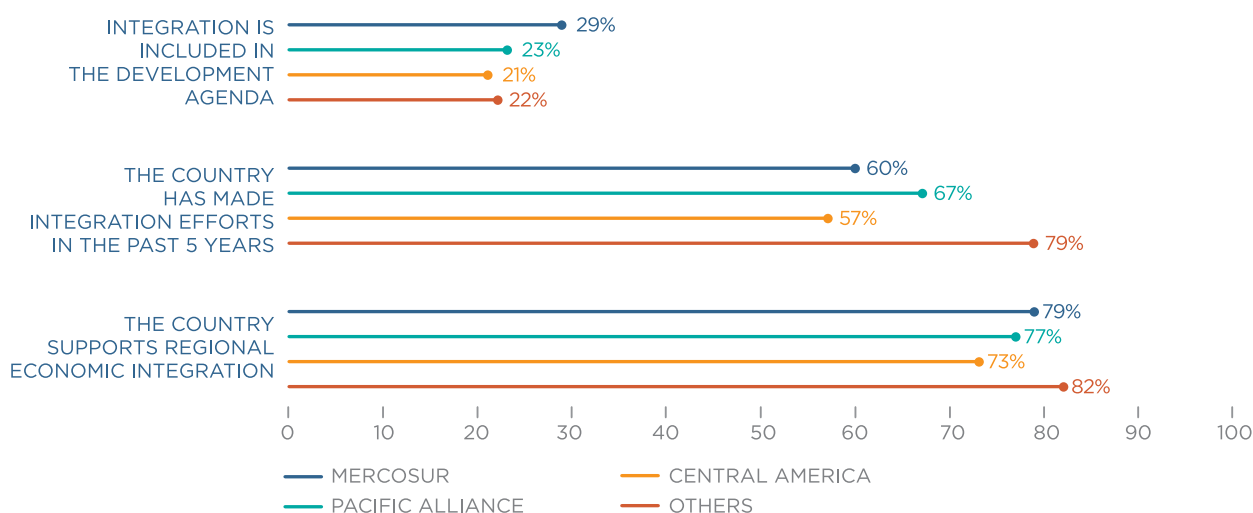
⁶ Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica

Is economic integration a priority for the two main Latin American economies? The data illustrate that the percentage of people in favor of economic integration —albeit below the average— is high in both cases: 65% in Brazil and 75% in Mexico.

WHAT IS REQUIRED, THEN, FOR LATIN AMERICAN INTEGRATION TO BECOME EFFECTIVE?

It is interesting to compare the countries' responses by bloc. MERCOSUR citizens attach the greatest importance to “integration with the region and the world” in their country's development agenda (29% as opposed to the regional average of 25%); Central American countries assign the least importance to this issue (21%) ⁷ (Figure 13). MERCOSUR countries are the most supportive of economic integration with other countries in the region, but they are rather dissatisfied with the efforts made by their respective countries to become integrated in the past five years (60%, 3 points above the Latin American average). On the contrary, citizens from Ecuador and the Pacific Alliance Member States best acknowledge the efforts made by their respective countries to become integrated with the world in the past five years (79% and 67% respectively). The regional sub-bloc stands 4 points above the Latin American average.

Figure 13
Integration prospects by economic bloc



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

⁷ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Dominican Republic

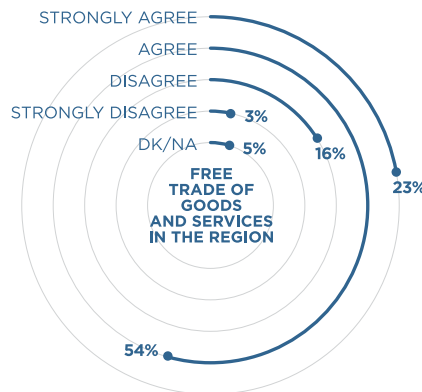
THE QUEST FOR MORE FREEDOM

The high level of support garnered by Latin American economic integration (77%) is ratified when respondents are asked about the free trade of goods and services and the free mobility of workers.

TRADE

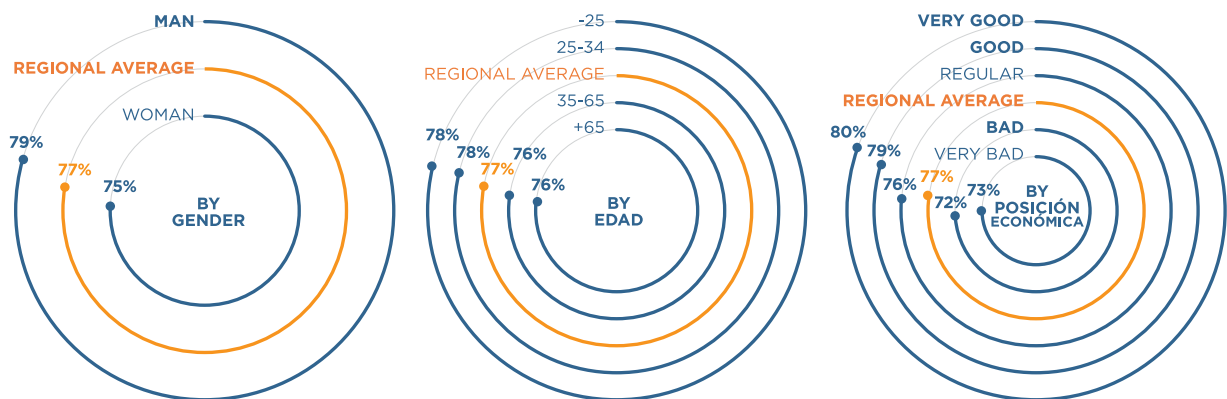
77% of respondents are in favor of free trade of goods and services within Latin America (54% “agree” and 23% “strongly agree”) (Figure 14). Venezuela is the country with the strongest support for free trade (92% responses in favor), while Panama is the country with the highest resistance (61% of responses in favor). Free trade is generally more accepted by men (79%) than women (75%) and it relates to the respondent’s socioeconomic level: average support amounts to 80% in citizens with a “very good” status, while such support decreases to 73% in citizens with a “very bad” status (Figure 17). Once more, the use of social networks equally highlights a difference among respondents: those who support free trade (79%) against non-users (71%).

Figure 14
Support for the free trade of goods and services



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

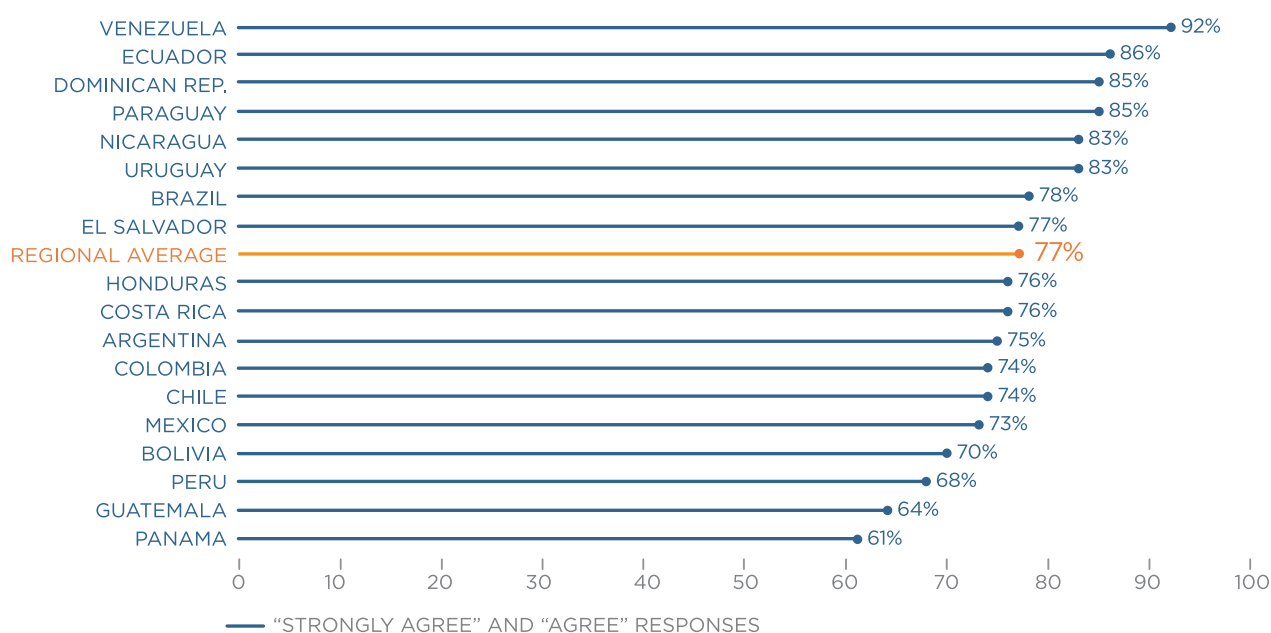
Figures 15, 16, 17



— “STRONGLY AGREE” AND “AGREE” RESPONSES

Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 18
Agreement with the free trade of goods and services by country



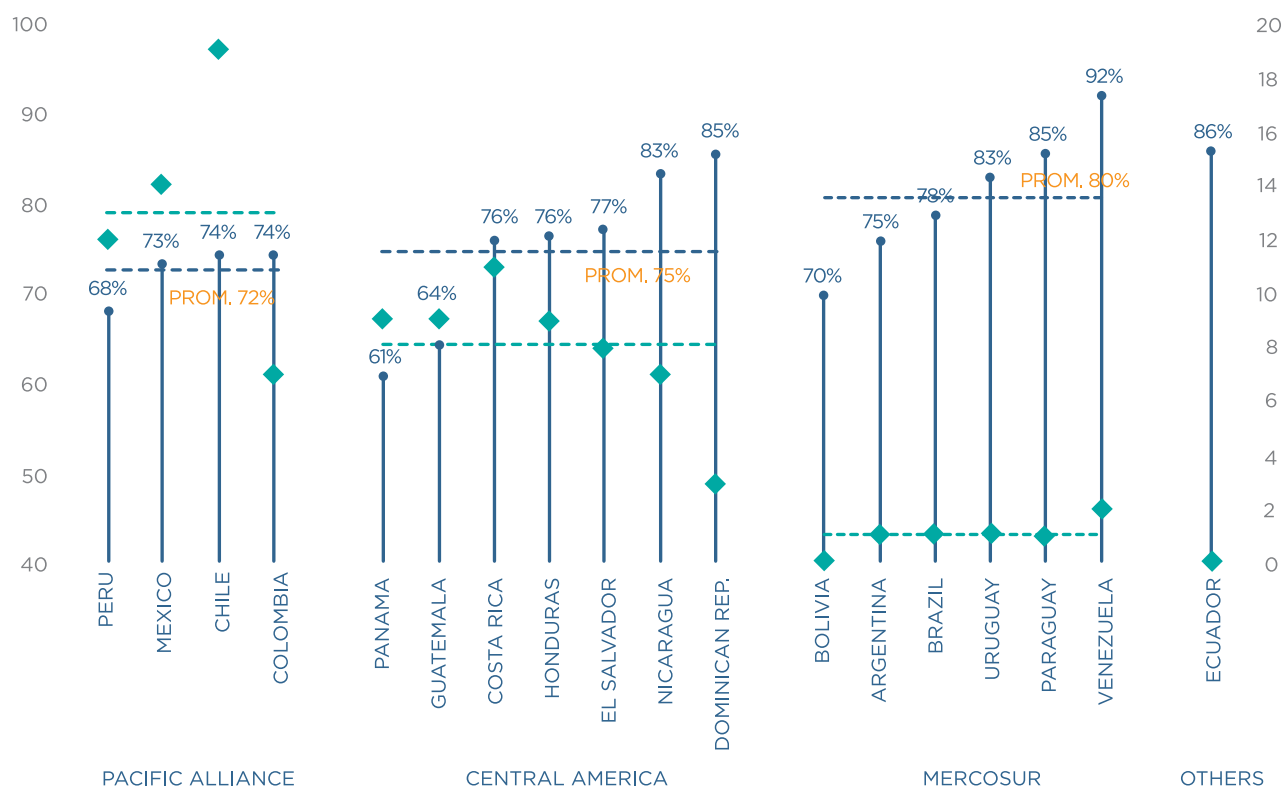
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

It is noteworthy that the countries that signed more free trade agreements are the least supportive of free trade and vice versa (a negative correlation of -0.49). The analysis of responses by bloc reveal that MERCOSUR countries are -on average- more supportive of free trade (80%) even though they have signed a single FTA (between each country and the bloc of member states). At the other end of the spectrum, the weakest support for free trade is noted in Pacific Alliance countries (72% of support on average), which signed the greatest number of FTAs (13⁸) (Figure 19).

⁸ As for Pacific Alliance countries, the FTAs are the following: **1) Chile:** Trans-Pacific Strategic Economic Partnership Agreement (P4); Pacific Alliance; Chile - European Free Trade Agreement (EFTA); Chile - Australia; Chile - Canada; Chile - Central America; Chile - South Korea; Chile - United States of America; Chile - Hong Kong SAR; Chile - Japan; Chile - Malaysia; Chile - Mexico; Chile - Peru; Chile - People's Republic of China; Chile - Turkey; Chile - European Union; Chile - Vietnam; Colombia - Chile; Panama - Chile. **2) Mexico:** Pacific Alliance; Central America - Mexico; Chile - Mexico; Colombia - Mexico; Mexico - European Free Trade Agreement (EFTA); Mexico - Costa Rica; Mexico - Israel; Mexico - Japan; Mexico - Nicaragua; Mexico - Panama; Mexico - Peru; Mexico - Northern Triangle of Central America (El Salvador, Guatemala and Honduras); Mexico - European Union; North American Free Trade Agreement (NAFTA). **3) Peru:** Pacific Alliance; Chile - Peru; Mexico - Peru; Panama - Peru; Peru - European Free Trade Agreement (EFTA); Peru - Canada; Peru - Korea; Peru - United States of America; Peru - Japan; Peru - People's Republic of China; Peru - Singapore; Peru - Thailand. **4) Colombia:** Pacific Alliance; Colombia - North American Free Trade Agreement (NAFTA); Colombia - Canada; Colombia - Chile; Colombia - Mexico; Colombia - Northern Triangle of Central America (El Salvador, Guatemala and Honduras); United States of America - Colombia.

Figure 19

Correlation between support for free trade and free trade agreements signed by bloc and country



It should be noted that the percentage of support for economic integration and free trade of goods and services (77% on regional average) is in both cases higher than the percentage of identification of “free trade” as one of Latin American integration dimensions (57%). This might suggest that, insofar as more Latin Americans identify free trade as the economic dimension of integration, the support for Latin American integration will increase accordingly.

DIMENSIONING LATIN AMERICA'S INCLUSION IN WORLD TRADE

According to WTO figures, world trade in 2015 was 300 times in comparison with 1948. What is the share of Latin American exports in such figure? How has Latin America adapted to global exchange long-term trends? Generally, it is not possible to properly address these questions in the analysis of the situation where a considerably short-term approach prevails.

In the first place, it should be noted that South America and Central America have been losing ground in the global exports of goods since the 1940s. In 1948, these countries accounted for over 12% of the global exchange, while only 6% in 2014, a contraction of 6 percentage points (p.p.). They are not the only countries that have experienced this contraction. Leading economies in the commodities trade —with similar specializations to those found in some South American countries— such as Australia, New Zealand or Canada, have also lost their share, between 2 and 3 p.p. each during those years (Graph 1).

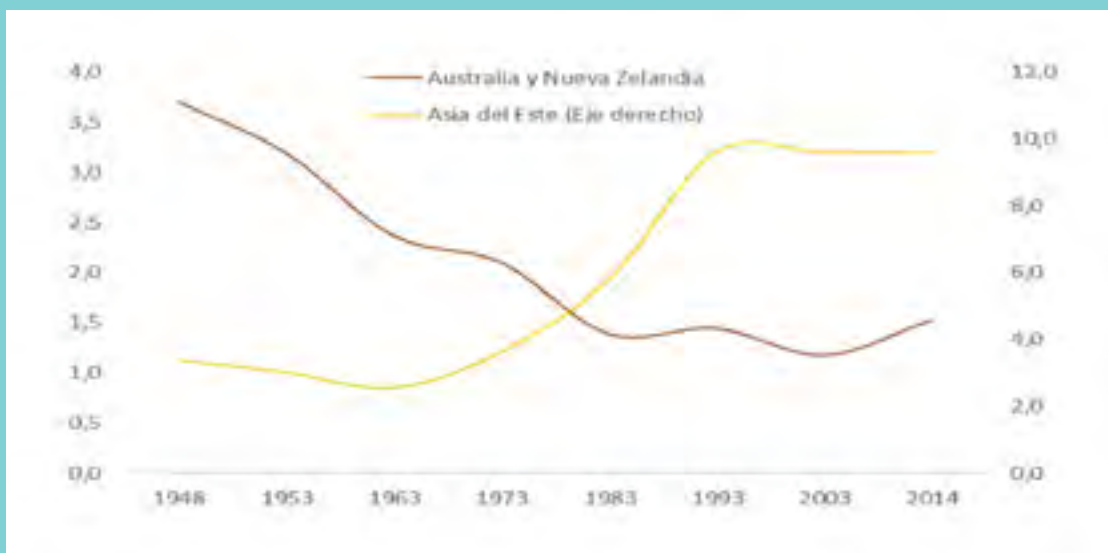
Why? Because a significant part of the world trade dynamics has been associated with the exchange of manufactures, whose increasing flows outpaced commodities. Being specialized in manufactures has contributed to increasing the share in trade, but it is not enough. In addition to trading in a dynamic sector, it is necessary to be competitive in these markets⁽¹⁾. In fact, China and other East Asian countries —specialized in this sector— have added up 12 p.p. and 6.2 p.p. to their global market share, respectively.

In Latin America, Mexico, evidencing a similar specialization profile to these economies and with a very close trade relationship with the United States, has increased its market share, adding up 1.2 p.p. of the global trade. Therefore, even though the region as a whole has lost ground in world trade, this result reflects different realities and—to a large extent— it is grounded in causes related to structural aspects of countries, specifically their type of specialization and their competitive capacity.

GRAPH 1.

Share of Latin American and other benchmark countries in global exports of goods in the long term (in percentage)





Note: East Asia comprises the Republic of Korea, Hong Kong, China, Malaysia, Singapore, Thailand and Taiwan.
Source: INTAL, based on WTO data.

Another angle of this analysis involves considering what happened to Latin America's share of exports in the regional market. Why is the trade relationship among regional partners so important? How has it evolved?

In 2015, the share of imports from Latin American countries in the total regional imports was of 15.8% (Graph 2). This means 0.6 p.p. less than the share recorded in 2000 (16.4%). However, it should be noted that this coefficient rose to about 20% in 2005 and 2010; therefore, when measured in comparison with the latter year, the contraction amounts to almost 4 p.p. This performance is related to several items. Firstly, there is a cyclic component; in particular, 2015 was a year marked by a low activity rate, while in 2005 and 2010, the economy was booming. Intraregional trade is boosted by product growth. Furthermore, the decline in relation to 2000 is associated with longer-term factors. An overriding factor is China's growing presence as an exporter to Latin America: its market share in Latin American imports was of only 3% in 2000 and climbed to 18% in 2015.

GRAPH 2

Latin America and the Caribbean (LAC)'s market share (in percentage)



Gaining share and competitiveness in the global market are objectives that require an improvement in the regional inclusion profile, through innovation and diversification of products. This task should involve not only the manufacturing sector but also activities based on natural resources. To that end, regional integration plays a key role, ensuring access to markets and encouraging a number of cooperation actions to strengthen the region's presence in the global trade.

WORKERS

There is a high level of support for free mobility of workers, represented by 9 out of 10 Latin Americans. The lowest and highest levels appear —once again— in Panama and Venezuela (72% and 96% respectively, Figures 20 and 21). The support is slightly higher among women (88%) and it is mostly focused on middle-income sectors, and it is slightly lower among sectors with a very good or very bad economic situation. Furthermore, the situation in terms of employment of respondents has no correlation with their favorable or unfavorable opinion about the mobility of people.

Figure 20
Support for free mobility of workers

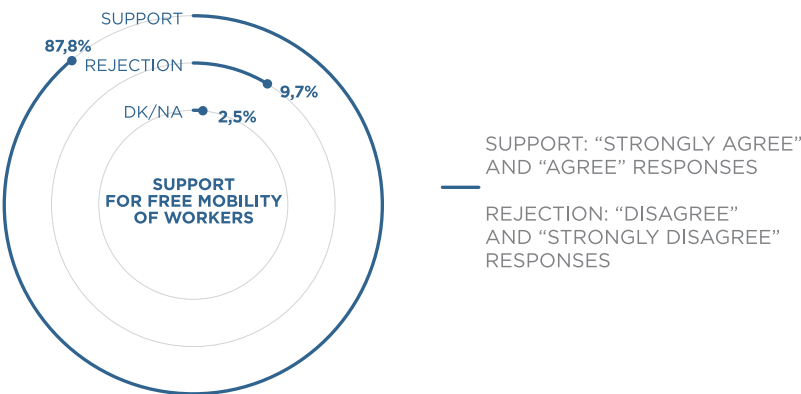
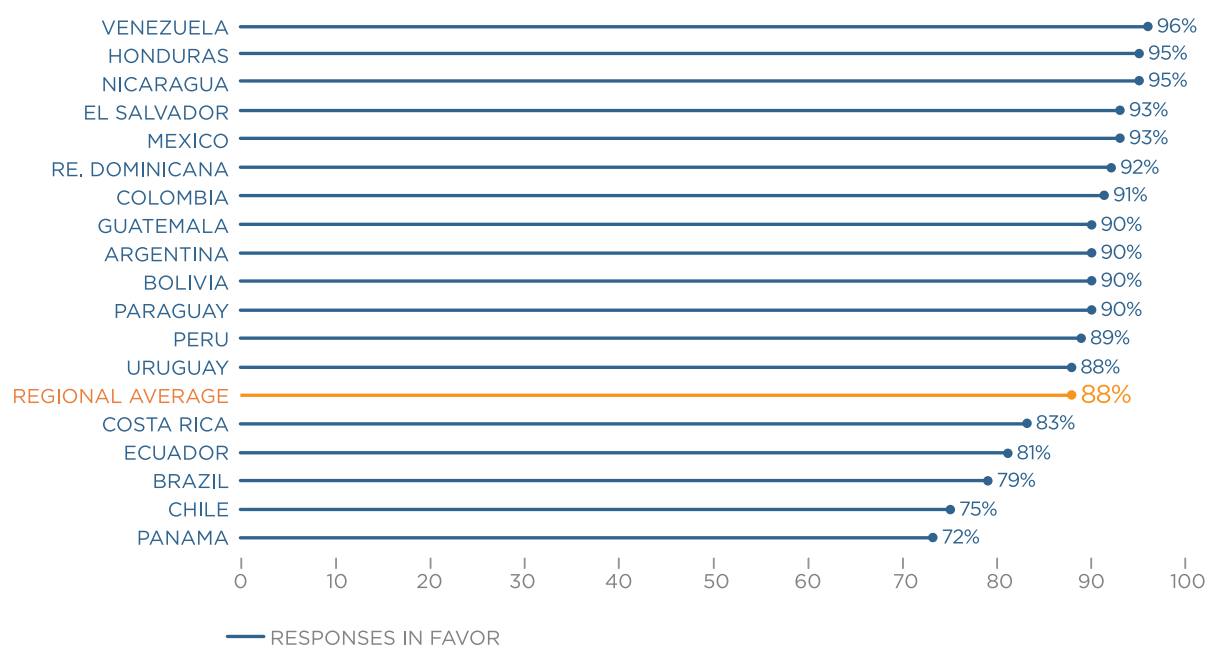


Figure 21
Support for free mobility of workers by country



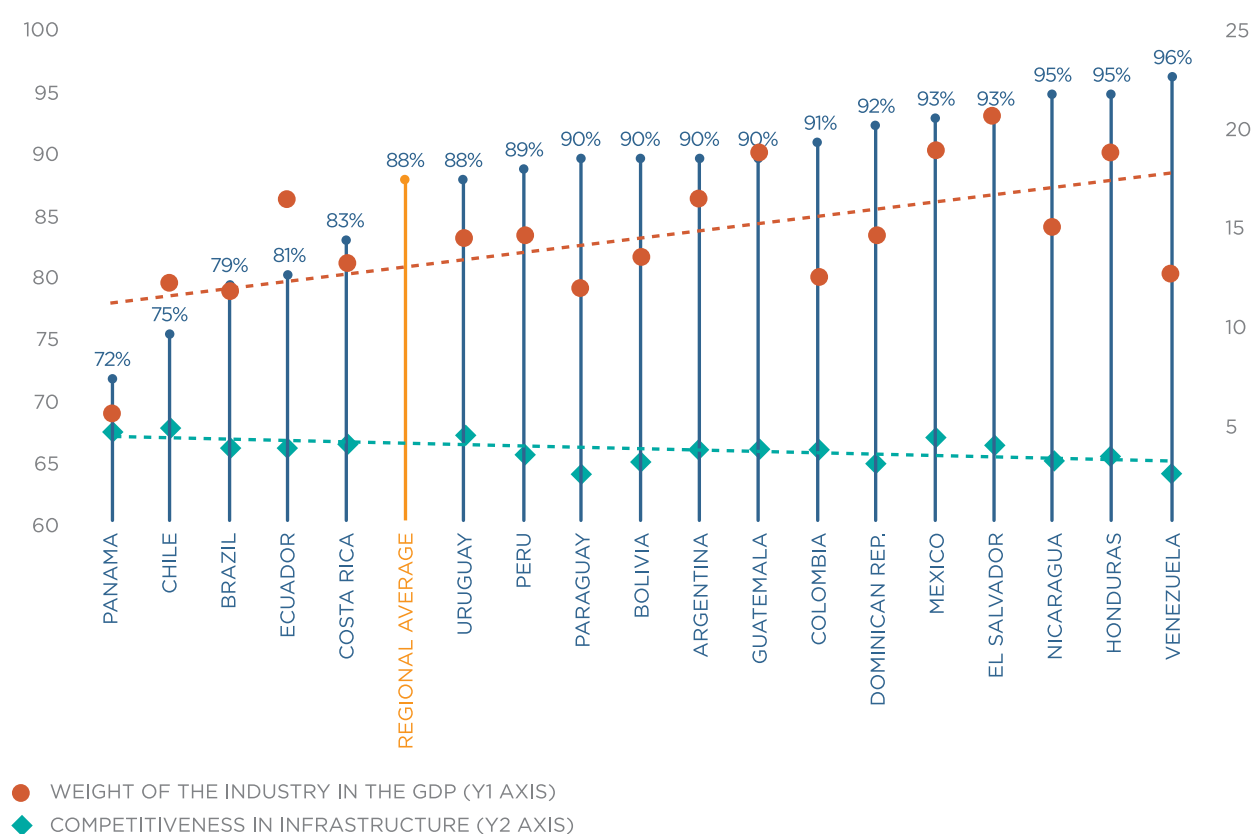
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

A positive correlation (0.64) is noted between the support for mobility of workers and the incidence of industry in the GDP. That is, citizens of countries with a higher presence in the manufacturing industry would be more amenable to work in other countries and receive foreign workers (Figure 22). On the contrary, we find a negative correlation (-0.7) with the Competitiveness Ranking⁹ of a country's infrastructure. This might suggest that countries with better infrastructure would be less willing to receive workers from other countries.

⁹ The Global Competitiveness Report 2017-2018. 2017. Geneva: WEF.

Figure 22

Relationship between support for free mobility of workers and structural factors by country



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

As is the case with free trade, support for the mobility of workers is very high (88% on average), though seemingly not regarded as a relevant issue for Latin American integration (only 35% of respondents on average recognized it as such). Consequently, insofar as Latin Americans associate integration with the possibility of free mobility of people and workers, the support for Latin American integration might be higher.

INTEGRATION INFRASTRUCTURE MOVING FORWARD

Physical integration is one of the pillars of population integration. It consists in the development of the transportation, energy and communications infrastructure required for transnational connection between production territories and urban clusters.

The planning and implementation of physical integration, considering economic, environmental and social issues, is one of the main objectives of UNASUR's South American Infrastructure and Planning Council (COSIPLAN), with the support of IDB's Institute for the Integration of Latin America and the Caribbean (IDB-INTAL), in its capacity as Secretariat of the Technical Coordination Committee of the Initiative for the Integration of the Regional Infrastructure in South America (IIRSA), as a contribution to regional efforts towards a greater physical connectivity.

As of August 2017, COSIPLAN's Project Portfolio comprised 562 projects with an aggregate investment of US\$ 198.90 billion, distributed throughout South America. The active portfolio, that is, projects in the developmental stage, amounts to 409 projects with an investment of about US\$ 150.40 billion. 153 projects have already been completed and required an investment of US\$ 48.49 billion. This means that over a quarter of all integration projects (prioritized by the countries) have been completed, consisting in twenty-five works finished in the past year, between 2016 and 2017.

High impact projects are also included in an Integration Priority Project Agenda (API, by its initials in Spanish). The first five-year review was carried out in 2017, with a view to validating, analyzing and adjusting governmental priorities to the current political and economic dynamics. This review resulted in the drafting of two agendas with different implementation scopes and horizons.

API 2022 encompasses 14 structured projects, including 42 works and an estimated investment of US\$ 11.08 billion. These projects are either in the process of execution or in an advance stage of study, and their completion is expected within a five-year term.

API 2027 encompasses 12 structured projects, including 35 lower-progress works, but regarded by the regional governments as a high priority; the estimated investment is of over US\$ 12 billion.

FOREIGN INVESTMENT

Sixty-seven percent (67%) of Latin Americans believe that foreign investment is beneficial for their country's economic development. The percentage of respondents finding themselves unable to form an opinion due to lack of sufficient information (18%) outnumbered those who consider foreign investment to be harmful (12%). The citizens that are most convinced of the benefits of foreign investment are men and people with a high socioeconomic status (Figures 24, 25 and 26). Furthermore, a more positive view is noted in citizens with a centrist political ideology (71%), in relation to left and right-wing supporters (64% in both cases), and in users of social networks (70%) in comparison with non-users (59%).

The answers by country illustrate that FDI is highly regarded in Ecuador (82%), followed by the Dominican Republic and Nicaragua (79%). Peru is on the opposite side, with 47% of positive answers (Figure 27).

We found a negative correlation of -0.54 between the "harmful" responses and the openness coefficient, an apparent indication that, as a country's economy becomes increasingly closed, public perception of FDI worsens.

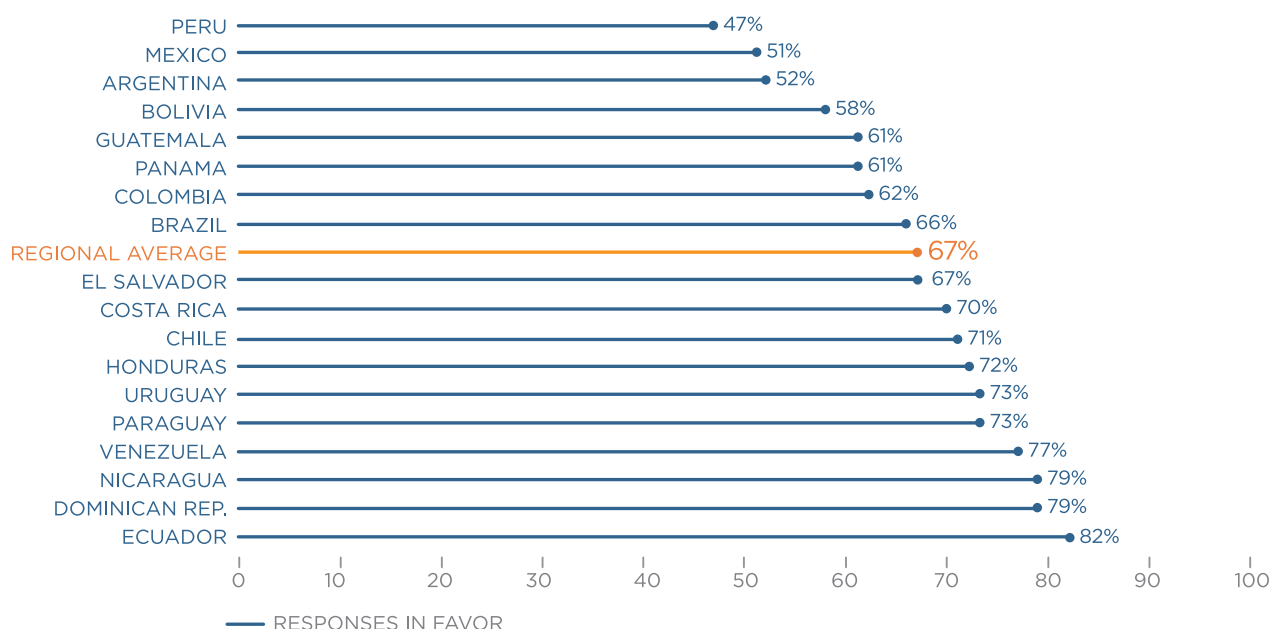
Figure 23
Is foreign investment beneficial or harmful?

Figures 24, 25, 26



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

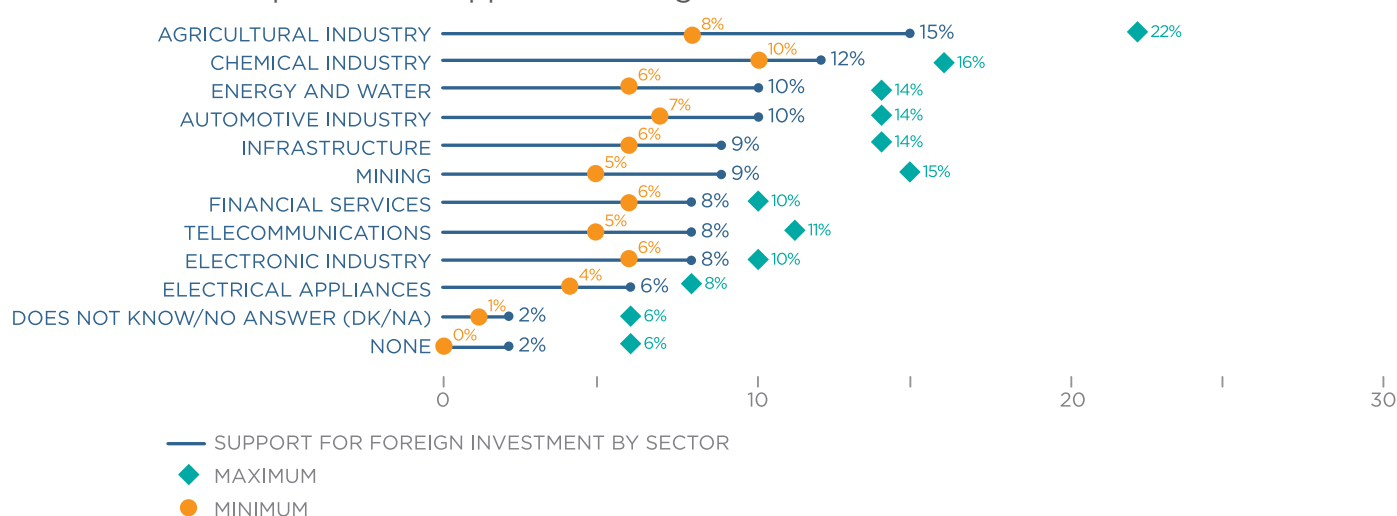
Figure 27
Foreign investment deemed beneficial (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

With regard to the FDI-target industrial sector, the main choice was the agricultural industry (15%), followed by the chemical industry and medicines (12%). There does not seem to be a significant dispersion in the remaining answers, except for electrical appliances (6%); the other sectors ranged from 8% and 10%. The analysis of the responses by country does not reveal any substantial differences, except for the agricultural industry with a peak of 22% in El Salvador.

Figure 28
Relationship between support for foreign investment and industrial sectors



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

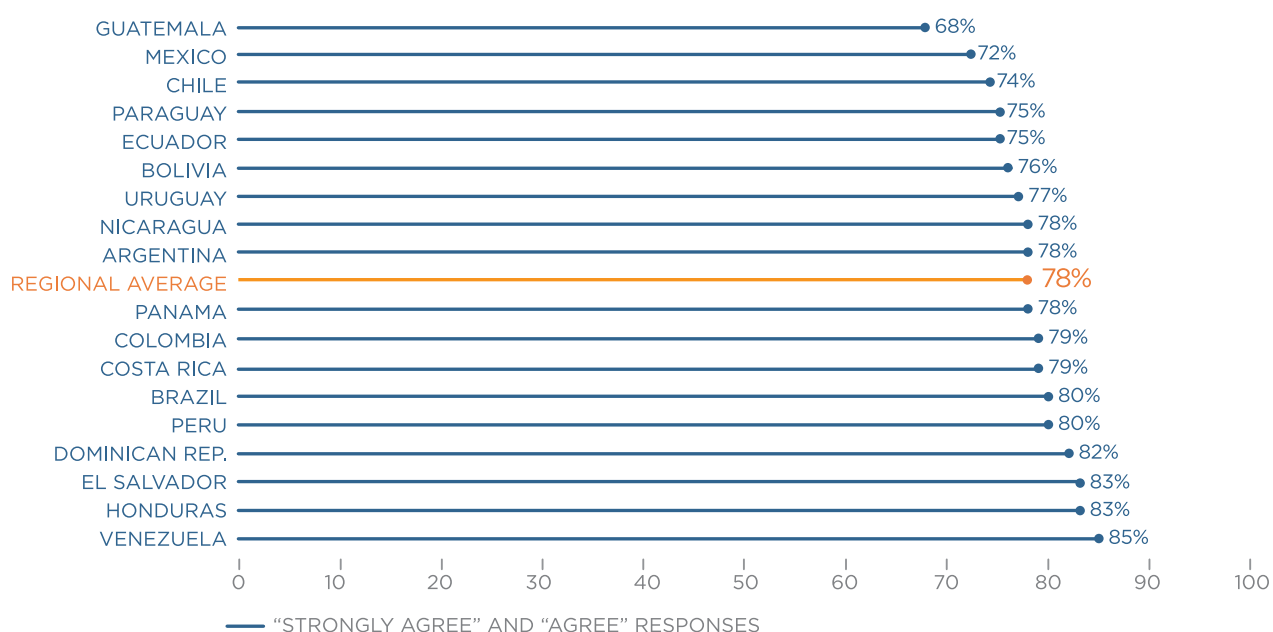
Countries with a higher GDP per capita show more preference for FDI allocation to the automotive and electronic industries (correlations of 0.76 and 0.67, respectively). Countries with the highest exports per capita are also amenable to FDI allocation to the automotive industry (a correlation of 0.58), while countries with export concentration prefer the chemical industry and financial services as FDI targets (correlation of 0.60 and 0.55 respectively with the Herfindal-Hirschmann index).

INTEGRATION: WITH WHOM AND WHY?

Latin American economy has become integrated into the world as a supplier of natural resources and commodities in global value chains, with a clear specialization in low-technology activities¹⁰. In the present context, where world trade is showing signs of improvement ¹¹, we wonder what Latin Americans think about globalization and its economic impact.

Almost 4 out of 5 Latin Americans believe that globalization is an opportunity for economic growth (78% of “Agree” and “Strongly Agree” responses). Venezuela is the country with the strongest support (85%) and Guatemalan citizens are the least convinced of the opportunity provided by globalization for the country’s economic growth (68%) (Figure 29).

Figure 29
Perception of globalization as an opportunity for economic growth (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹⁰ Regional foreign trade data may illustrate this trend: considering the average of Latin American countries in 2015, 47.4% of Latin American exports consist of primary products, 21.2% correspond to manufactures based on natural resources and 12.6% are low-technology manufactures. Thus, only 18.8% of such exports comprise medium- and high-technology manufactures. (INTrade).

¹¹ According to a recent report by INTrade, the value of Latin American and Caribbean exports registered a 17% increase in the first quarter of 2017, thus reverting a four-year downward trend: Giordano, Paolo, coord.; Michalczewsky, Kathia and Ramos Martínez, Alejandro. 2017. *Trade Trend Estimates: Latin American and The Caribbean. 2017 Edition*. Washington: IDB.

Furthermore, a high correspondence is noted among respondents believing that globalization is favorable for economic growth, and those supporting free trade (82%) and free mobility of workers (80%).

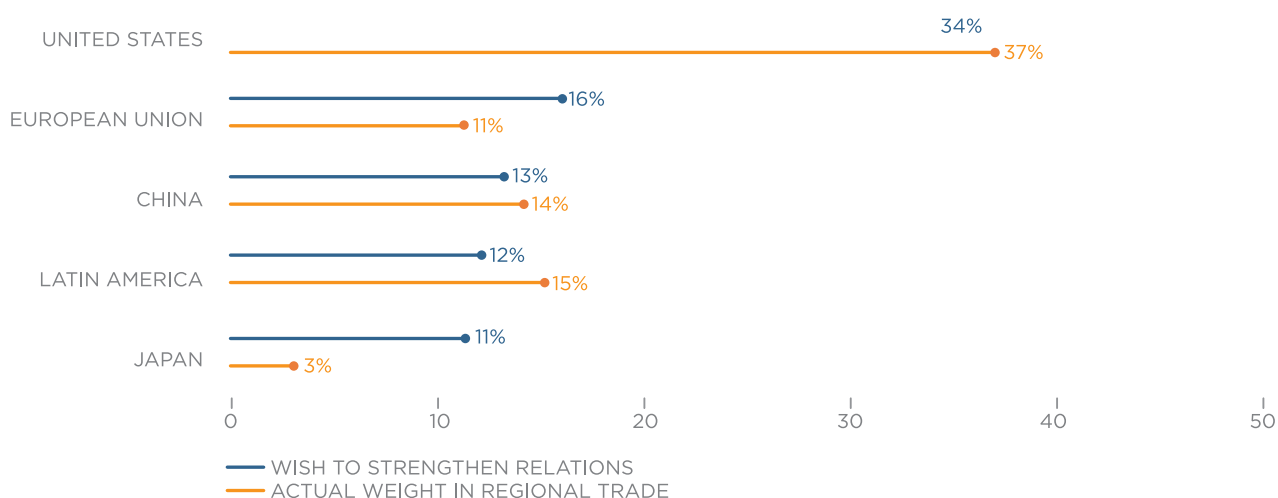
Do we have any country or bloc preferences for integration purposes? What factors nurture our preferences?

The United States of America is clearly the preferred option to strengthen trade and political relations with 34% of responses, followed by the European Union (16%). It should be noted that Latin America ranks fourth with 12% of mentions, after China (13%) (Figure 30).

The United States of America is the country that respondents most frequently cite as the one with which the region should continue developing relations, as Latin America's main trading partner and with the best image (Figure 33). The European Union, which accounts for 11% of trade with Latin America, ranks second both in terms of willingness to strengthen ties and in positive image. China, which accounts for 14% of the trade with Latin America, exhibits a highly favorable image (61%) and appears to be another favored country with which to forge ties. Finally, it should be noted that there is a significant lack of knowledge about Russia and India (29% and 37%, respectively), while Cuba stands out as the country with the most unfavorable opinion (34%) (Figure 32).

These values differ from Argentine millennials' view. According to research conducted by IDB-INTAL called "Compás millennial" [Millennial Compass]¹², in the survey on which foreign ties should be promoted by Argentina, Latin America ranks first with 64% of favorable opinions, followed by Europe (49%), China (39%), United States of America (37%) and Russia (30%).

Figure 30
Relationship between respondents' wish to strengthen relations with countries or blocs and the weight of the relation in regional trade



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹² Basco, Ana Inés and Carballo, Marita. 2017. *Compás millennial: la generación Y en la era de la integración 4.0*. Buenos Aires: INTAL BID [IDB-INTAL].

It should be noted that the wish to strengthen ties with Latin America is strongest in Argentina (30% of positive responses), while Brazil and Honduras are the least interested in that regard (5% of responses). Bolivia is the country with most trading partners within Latin America (52%) while Mexico is the country with the least number of regional partners (only 4% of its total trade) (Figure 31).

Figure 31
Relationship between the wish to become integrated and the weight of trade with the region (by country)

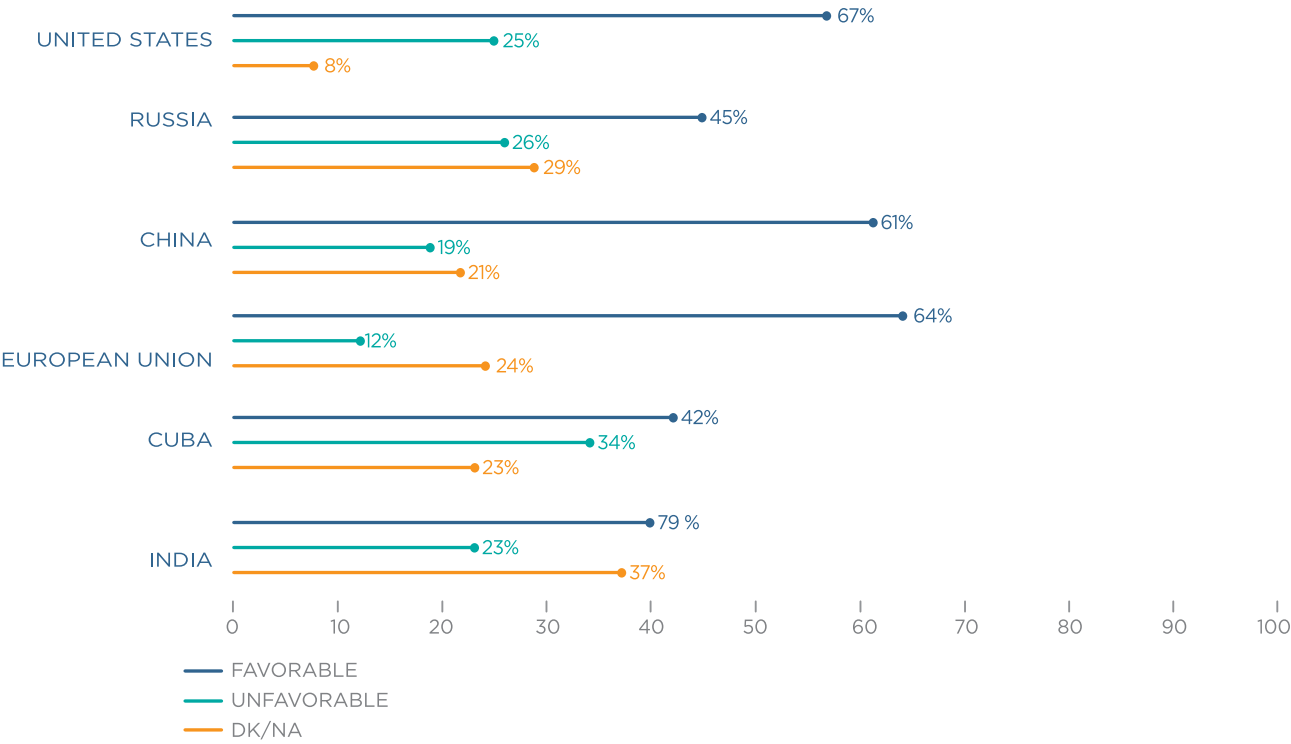


Source: Own compilation based on INTAL/Latinobarómetro 2017 data

It seems that the importance of bilateral trade between each country and the above-mentioned blocs contributes to the understanding of the wish to strengthen relations with such blocs, as are the cases of the United States and China (Figures 33 and 35), where a positive correlation is noted between both variables (0.57 and 0.64 respectively). Nonetheless, this wish would be strongly correlated with our favorable/unfavorable opinion about these countries, which enables us to understand the view about these two countries and the European Union as well, where the relationship with trade yields a non-significant correlation (Figure 34). On the contrary, the relationship between the opinion about a country and the wish to become integrated with it brings forth positive correlations of 0.75 for the United States, 0.61 for China, and 0.55 for the European Union.

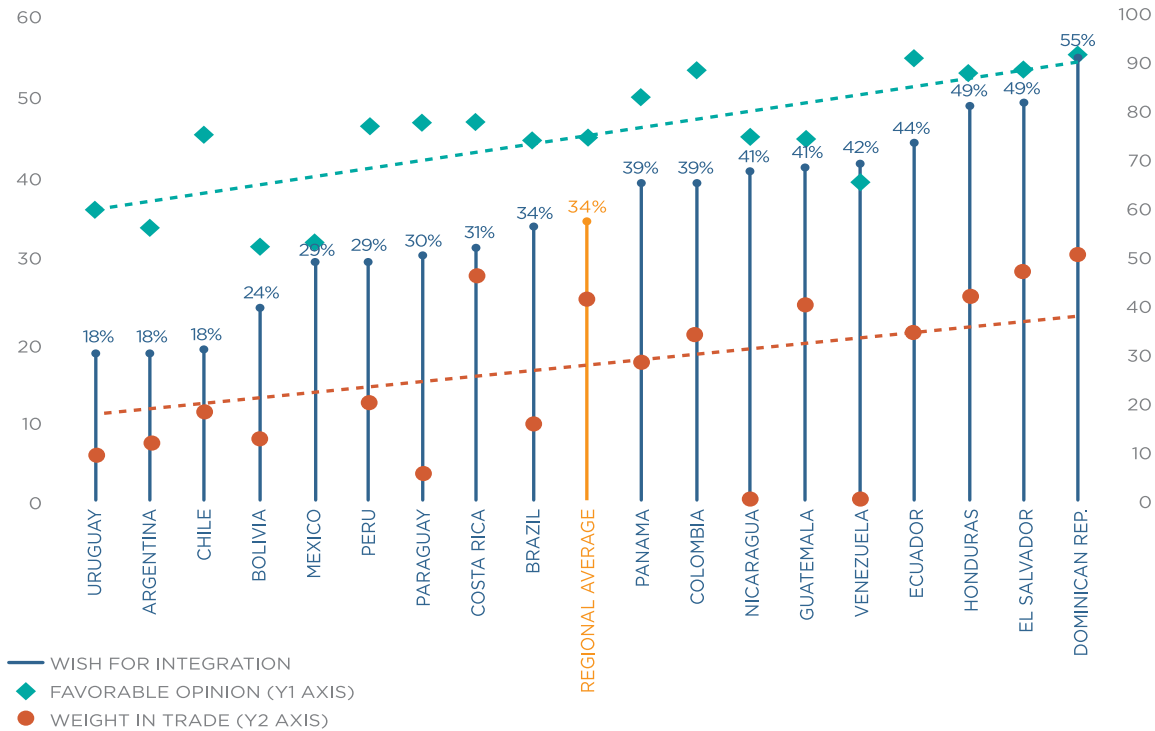
Once again, these values contrast with Argentine millennials' opinion. According to the above-mentioned research work, Latin America is the region which 54% of millennials view in the most positive light; this favorable impression is present in the entire spectrum of ideological stances. Latin America is closely followed by Europe (47% of responses) and, with much less support, by China (36%), United States of America (31%) and Russia (25%).

Figure 32
Opinion about countries and blocs



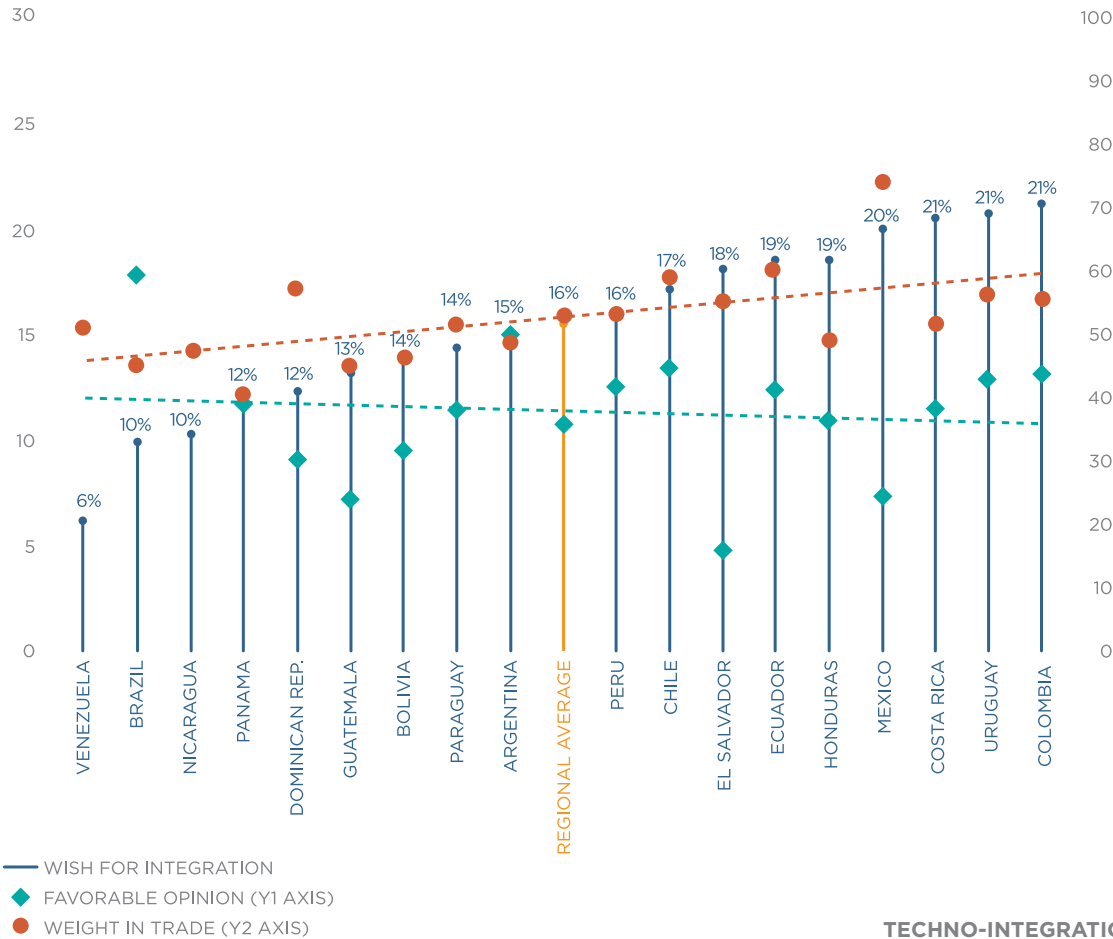
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 33
Relationship between the wish for integration, opinion and weight of trade with the United States



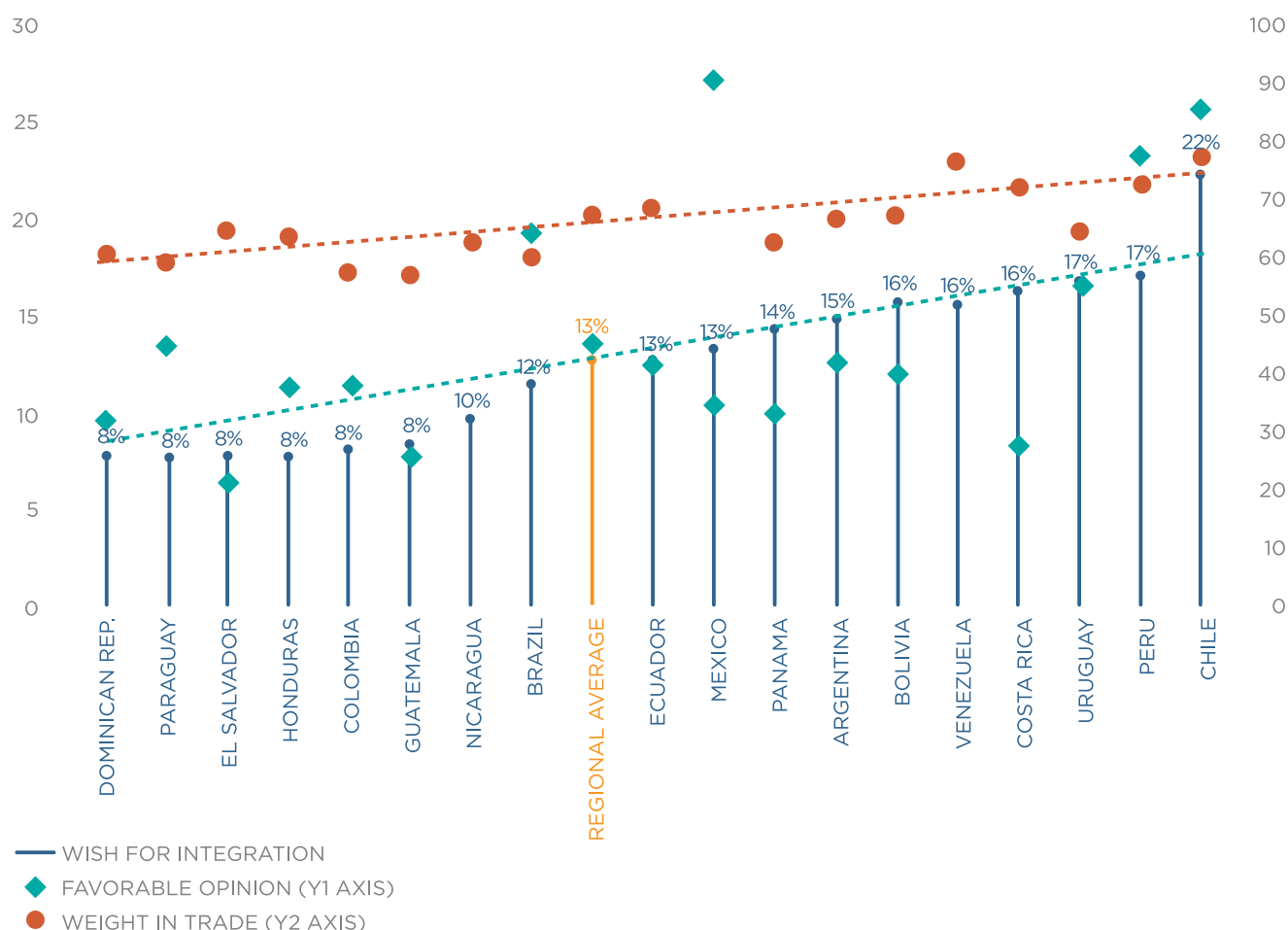
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 34
Relationship between the wish for integration, opinion and weight of trade with the European Union



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 35
Relationship between the wish for integration, opinion and weight of trade with China



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

THE INTEGROMETER

The data in the following infographic suggest that there is still a demand for integration in Latin American countries that has not been fully satisfied. Is it possible to quantify such demand?

To this end, we devised an indicator capable of reflecting the “unsatisfied demand” for economic integration, that is, the population expressly stating a strong wish for integration currently unmet by their respective governments.

A predecessor of this novel indicator is the Euro Dynamometer, devised by the European Commission after conducting a survey on the population’s opinion about the pace at which Euro-related institutions are being unified¹³, and the speed desired by the population for such unification. In this study, we consider that there is an unsatisfied demand for integration where a respondent expresses a strong wish for its country to move forward in terms of economic integration but -at the same time- said respondent believes that the country has not made much progress in that regard in the past few years.

¹³Responses range from 1 (no movement) and 7 (very fast). By calculating the difference between the answers to both questions, the demand for a faster integration can be estimated.

Thus, the aforementioned respondents are expected to become the most enthusiastic population segment at the time of supporting their respective governments in actions aimed at deepening the integration process, as well as actively claiming for such integration. For calculation purposes, interviewees' responses such as "very much in favor of" (or "strongly agree with") their country's economic integration with other countries in the region were cross-referenced with the answers stating that interviewees' respective countries have done "little" or "nothing" to become integrated with the world in the last five years. It should be noted, therefore, that the indicator is identified as a demand, because it highlights the gap between the current sense of dissatisfaction and the explicit wish for integration, and it is not merely a statement of different opinions on related issues.

Once the indicator has been built, countries were arranged in increasing level of demand for integration. The following box shows that the regional average of this hard core of integration demand reaches 7.3% of the overall population.

Venezuela ranks first with a demand of 20.8%, almost 10 points above the second position (El Salvador with 11.7%). Argentina also exhibits a demand for integration beyond the regional average (11.5%).

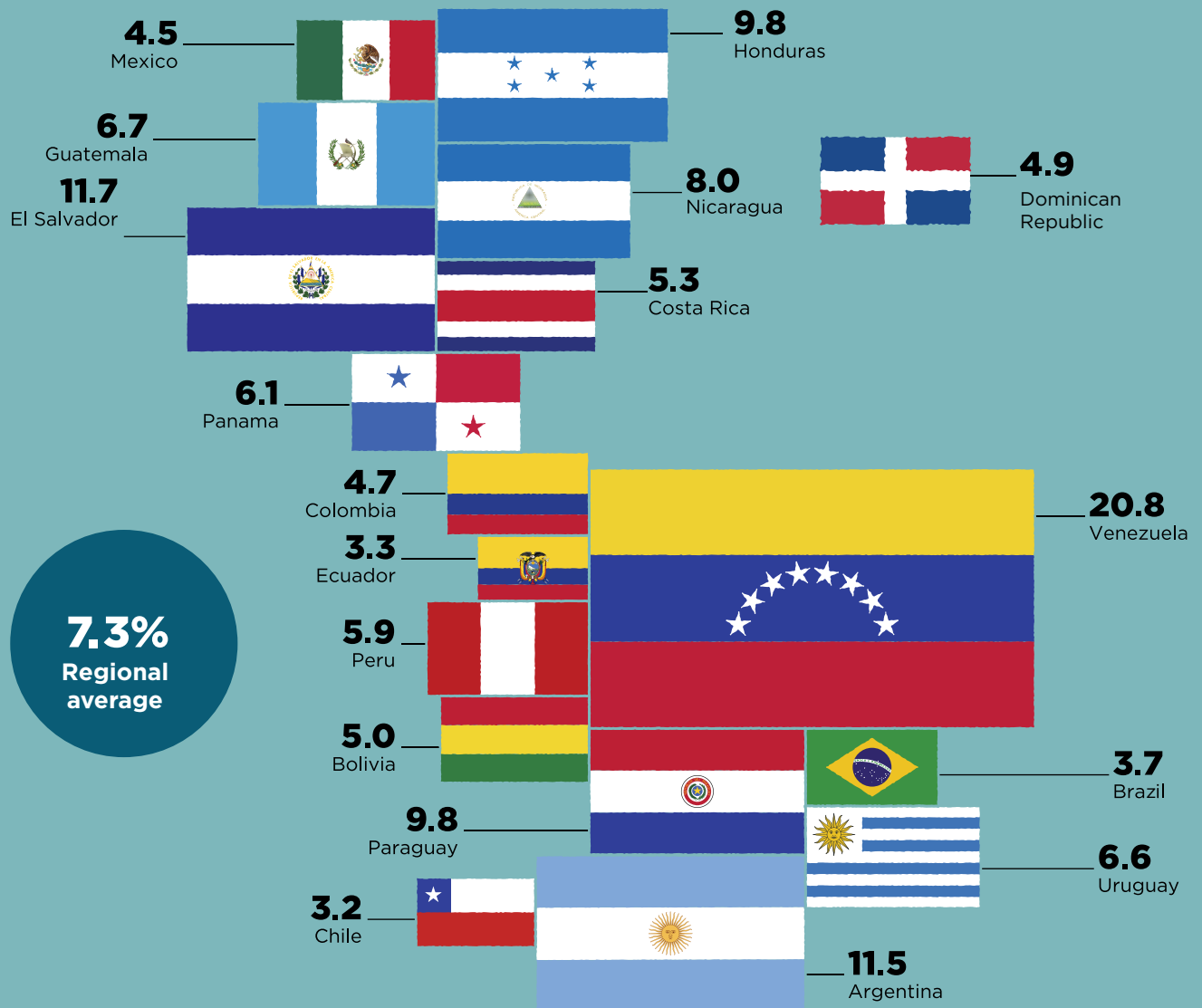
It is worth analyzing the demand for integration in the main Latin American economies: Brazil (40% of Latin America's GDP) and Mexico (22% of Latin America's GDP) rank among the "most satisfied" (3.7% and 4.5%, respectively). In the following infographic, countries are arranged by increasing order of "demand for integration", and their contribution to GDP is shown.

It may be noted that the 14 countries with the highest demand for integration amount to only 32% of Latin America's GDP, while the countries with more weight in the regional GDP are the "most satisfied" or with less demand for economic integration. This is particularly relevant at the time of considering strategies for regional integration (See the infographic entitled Weight in the Regional GDP).

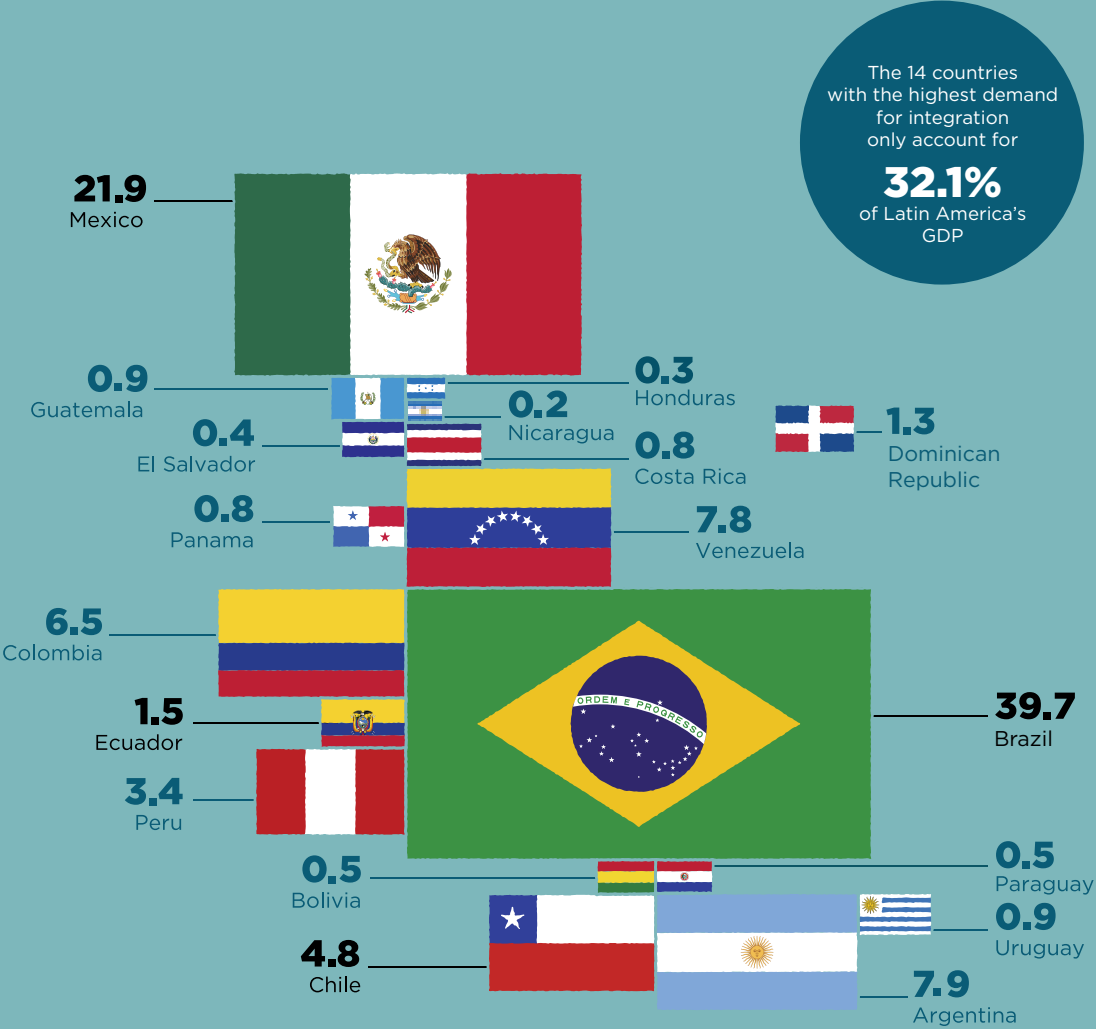
Furthermore, we find structural factors that might enable us to understand the phenomenon of unsatisfied demand for integration; said factors may be grouped into three thematic blocs.

International trade: There seems to be a correspondence between the role of international trade in the country's economy and its inhabitants' demand for integration. Thus, there is a positive correlation with economies with a more intense trade than other Latin American countries, an indication that, at regional level, major trading countries might wish to deepen the integration process. The same applies to countries with a more concentrated export matrix, which might suggest the existence of economic stakeholders with significant weight and, therefore, acting as a reference group within their respective countries (Figure 36).

Weight in Regional GDP



Weight in Regional GDP
In percentage

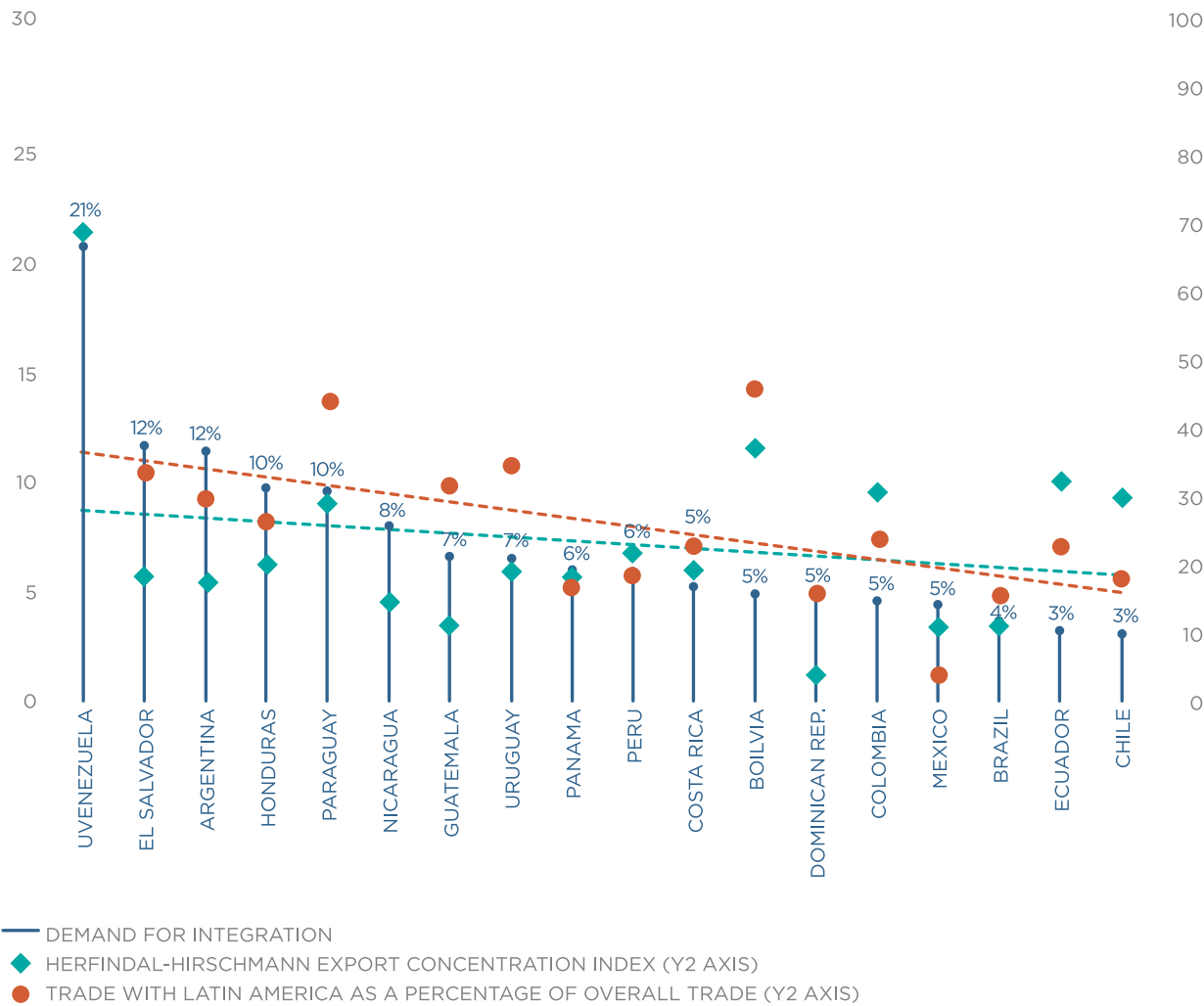


Economic structure and infrastructure: In countries where services have more weight as GDP added value (an indicator typically associated with more mature economies), the demand for integration is less frequent, supporting the idea that in these cases there is a higher degree of satisfaction with the country's current economic structure.

In the same line of reasoning, we note that the demand for integration is higher in countries with the worst indicators in terms of infrastructure (Figure 37).

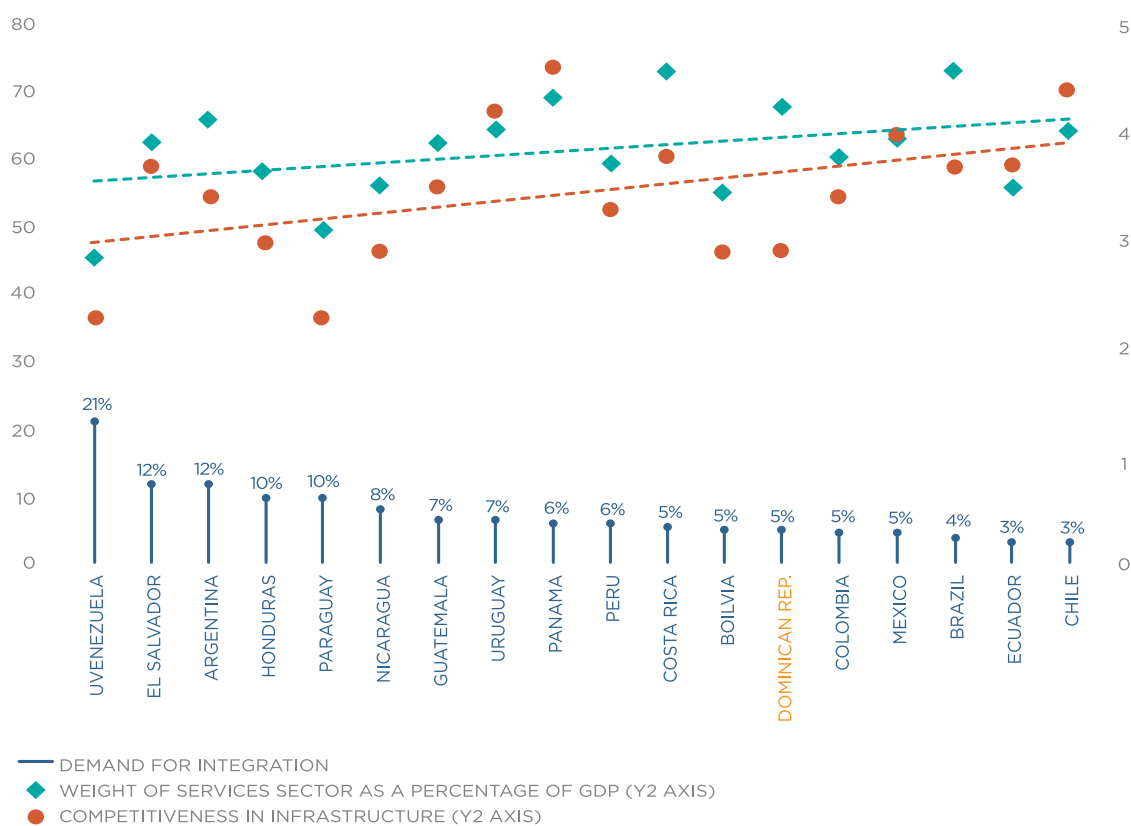
Institutional and regulatory framework: Inhabitants also state a higher demand for integration in countries where the State is more inefficient and there are more controls on certain individual freedoms. Thus, a negative correlation is noted among the demand for integration, the index of governmental efficiency, and the index of restrictions on the mobility of people and capital (Figure 38).

Figure 36
Integrometer and international trade



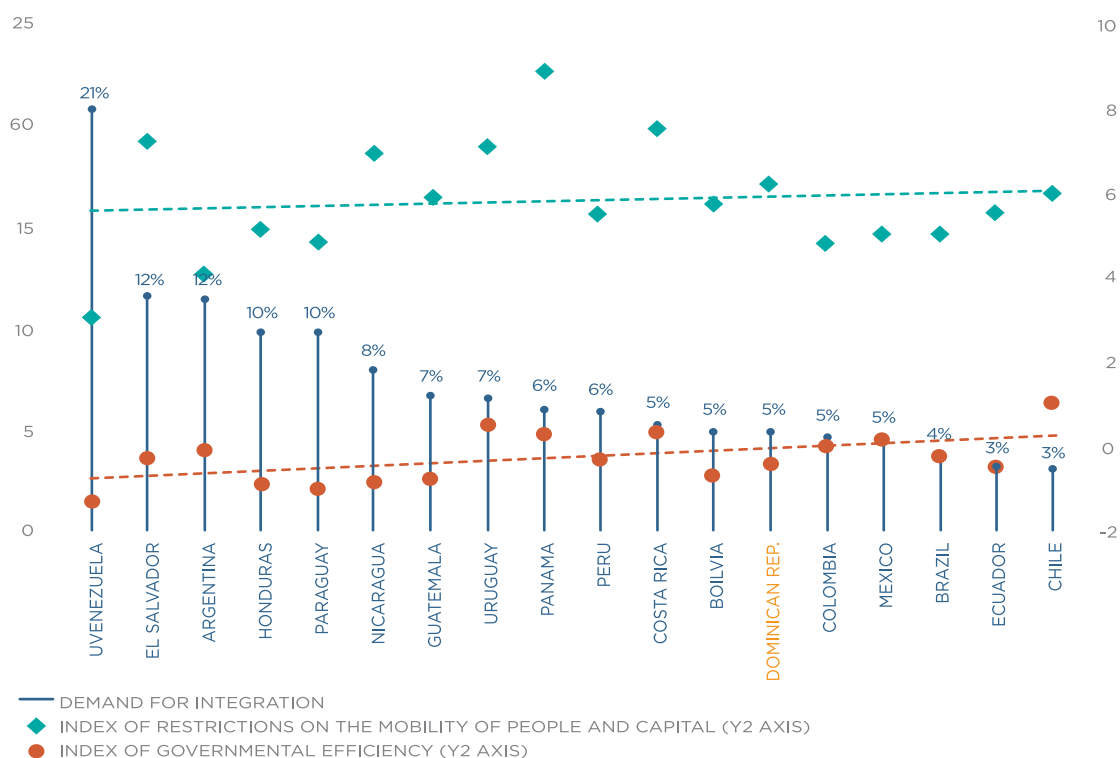
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 37
Integrometer, economic structure and infrastructure



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

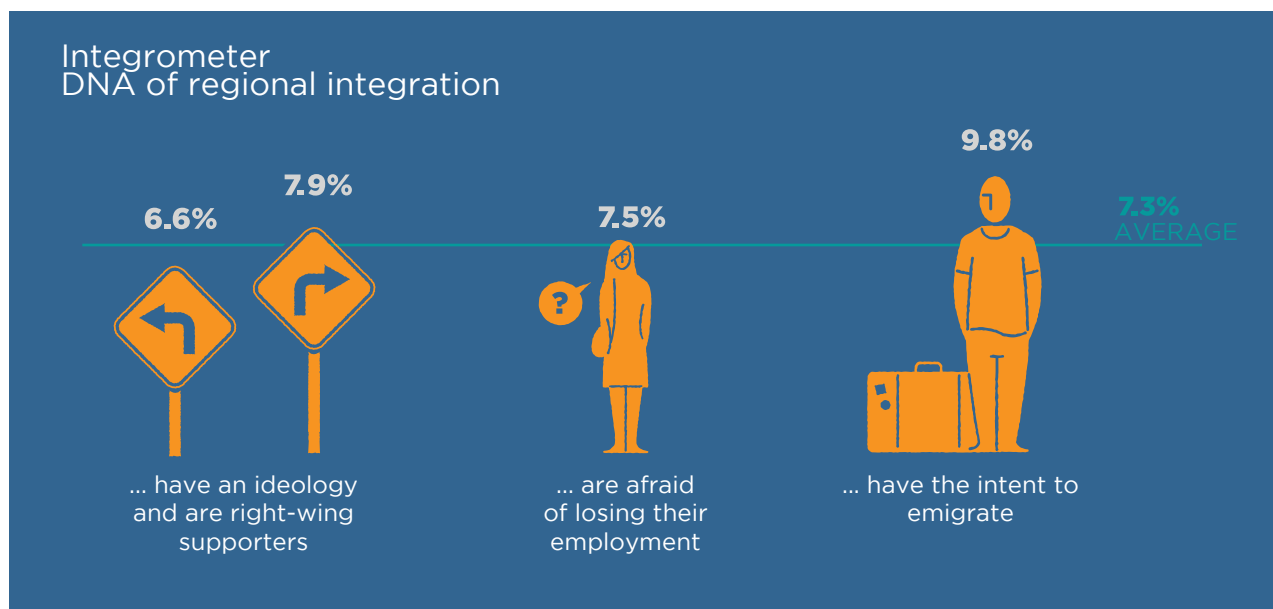
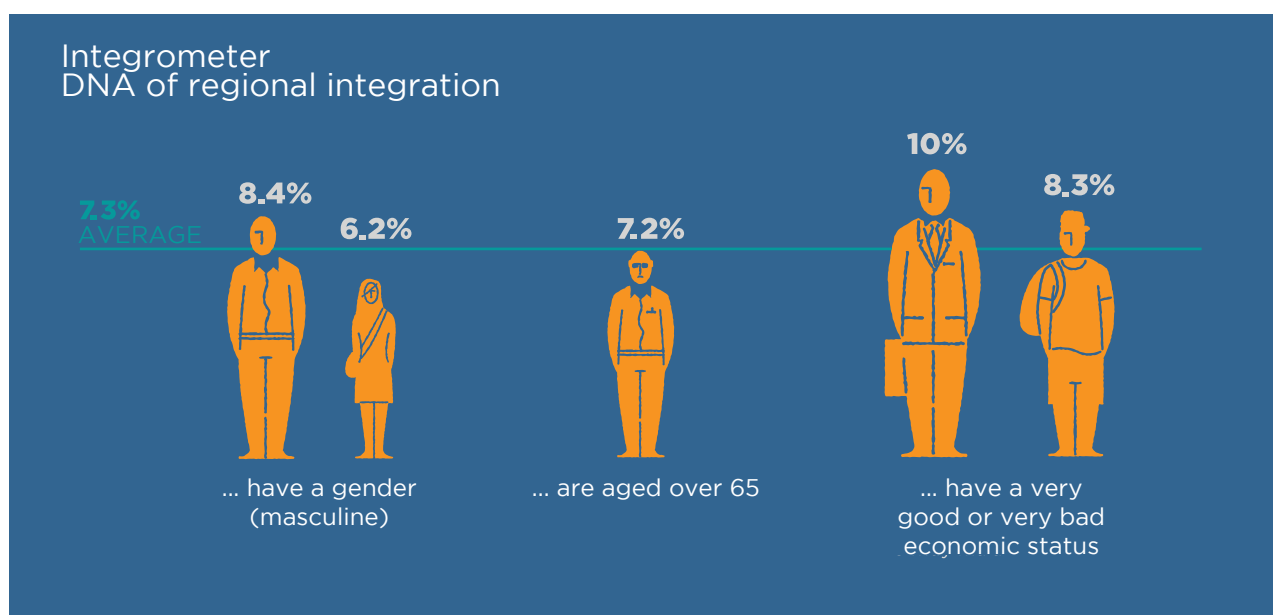
Figure 38
Integrometer and institutional and regulatory framework



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

DNA OF THE REGIONAL INTEGROMETER

The integrometer shows interesting results when we analyze the regional average of unsatisfied demand for integration (7.3%) and compare it with sociodemographic data. The conclusion is that “the unsatisfied demand for integration” is as follows:



CONCLUSION

In a context where developed countries face tension and introduce projects contrary to globalization and free trade, the support for those processes in Latin America is still remarkably high; 78% of Latin Americans believe that globalization is an opportunity for economic growth and 77% are supportive of regional economic integration.

Furthermore, 67% of Latin Americans believe that Foreign Direct Investment is beneficial for a country's economic development, and 9 out of 10 are in favor of the free mobility of workers in the region. Our "integrometer" detects the unsatisfied demand for more integration which, in the aggregate, reaches 7% of Latin Americans.

For the integration process, which Latin Americans mainly associate with free trade and political dialogue (57% and 47%, respectively), the major economic powers (the United States of America, the European Union and China) are prioritized over the region.

The support for Latin American integration is high in the population, an indication that there is scope for development of a more comprehensive and ambitious policy agenda, in particular in countries less satisfied with the efforts made in this regard in the past few years (32%).

Furthermore, the lower support for economic integration as free trade is noted in countries with a longer track record of FTAs (a correlation of -0.5): the clearest example is found in Pacific Alliance countries with 13 FTAs on average, exhibiting the least support for free trade (72%).

In addition, the "integrometer" reveals that Latin America's economic giants (Brazil and Mexico) display a very low demand for more integration, a potential obstacle to face and overcome in the upcoming regional integration agenda.

In this regard, it is noteworthy that MERCOSUR Member States are the ones that best acknowledge integration as a key factor for development (29% as opposed to the regional average of 25%), the most amenable to the idea that the integration process be prioritized and carried out accordingly (79% against the regional average of 77%), and the most supportive of free trade (80% vs. the regional average of 77%).

An abstract graphic in the upper right corner of the page. It features several concentric circular segments in various shades of teal and blue. To the left of these circles is a brownish-gold curved shape. The background of the entire page is a teal color with a white dotted pattern.

INNOVATION AND NEW TECHNOLOGIES

CHAPTER 2

The DNA of regional integration



85%

of respondents consider that caretaking of older adults and children will be still required irrespective of technological development.



44%

have a smartphone.



are unable to meet their basic needs with their current monthly income.

lack access to sufficient food on a regular basis.



3 out of **4** respondents -especially women- regard disruptive technologies (such as cultured meat, autonomous vehicles and robotic surgery) with distrust.



77%

think that universal internet access is a top priority, more than infrastructure development.



4 out of **5** think that science and technology threaten employment.

INNOVATION AND NEW TECHNOLOGIES

TECHNOLOGICAL PROGRESS AND THE DISSEMINATION OF NEW TECHNOLOGIES ARE CHANGING THE WAY WE COMMUNICATE, PRODUCE AND EXCHANGE GOODS AND SERVICES. INDEED, WE ARE WITNESSING A NEW TECHNOLOGICAL REVOLUTION: 3D PRINTING, DRONES, ROBOTICS, INTERNET OF THINGS, VIRTUAL REALITY, ARTIFICIAL INTELLIGENCE, DIGITAL NETWORKS AND BIG DATA ARE SOME EXAMPLES OF THE NEW TECHNOLOGIES CURRENTLY CHALLENGING THE TRADITIONAL TECHNOLOGY, PAVING THE WAY FOR THE EMERGENCE OF A NEW INDUSTRY, KNOWN AS INDUSTRY 4.0. THE DISRUPTIVE NATURE OF SOME OF THESE TECHNOLOGIES GIVES RISE TO SOME TENSION AND CHALLENGES IN TERMS OF EMPLOYMENT, SOCIAL INCLUSION AND ENVIRONMENTAL IMPACT. AT THE SAME TIME, INFORMATION AND COMMUNICATION TECHNOLOGIES (ITCS) ARE STRATEGIC FOR THE CONSOLIDATION OF FURTHER INTEGRATION EFFORTS. ON THE ONE HAND, THEY ENABLE THE REMOVAL OF NATIONAL BORDERS, THE STRENGTHENING OF TRADE TIES BETWEEN COUNTRIES AND A REDUCTION IN PRODUCTION AND TRANSACTIONAL COSTS. ON THE OTHER HAND, IT IS NOTED THAT SOCIAL SUPPORT FOR INTEGRATION IS HIGHER AMONG INTERNET AND SOCIAL NETWORK USERS. WHAT IS THE ROLE OF INNOVATION AND TECHNOLOGICAL CHANGE IN OUR DEVELOPMENT AGENDA? ARE LATIN AMERICANS PREPARED TO BECOME INTEGRATED INTO THE NEW GLOBAL ECONOMY? WHAT IS THE IMPACT OF NEW TECHNOLOGIES ON OUR DAILY LIFE? WHICH ARE THE TECHNOLOGIES FACING THE GREATEST OPPOSITION AND HOW HAVE WE INTEGRATED FORMERLY DISRUPTIVE TECHNOLOGIES?

INNOVATION ON THE CURRENT DEVELOPMENT AGENDA

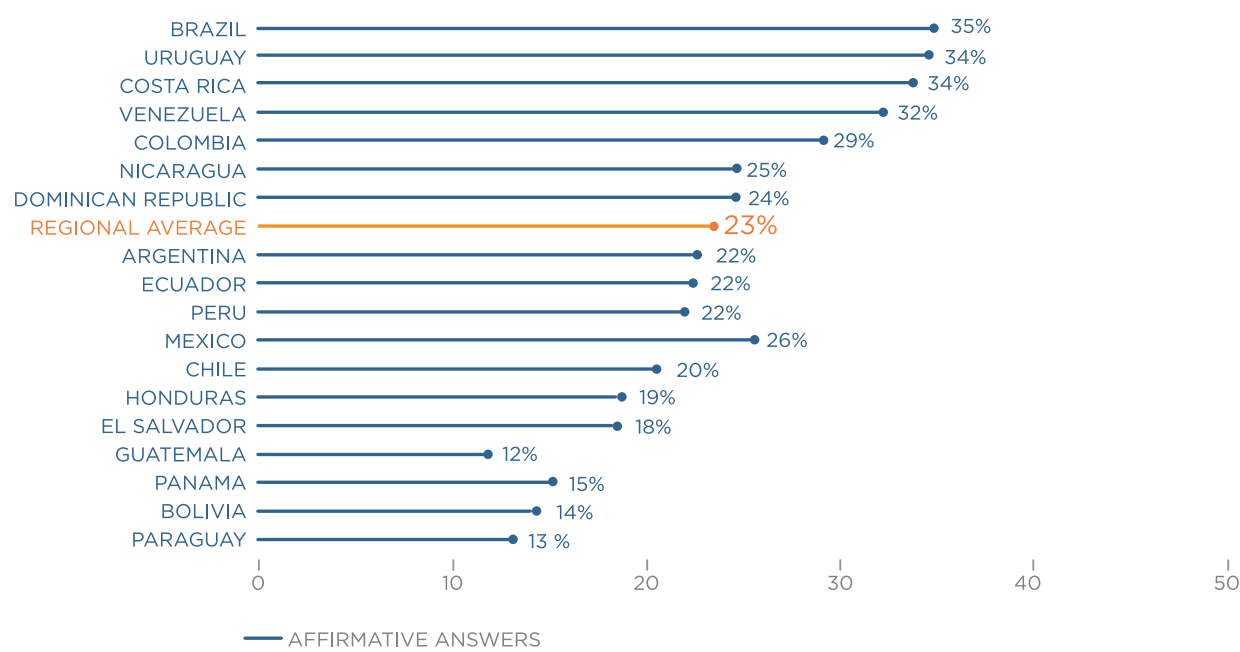
Twenty-three percent (23%) of Latin Americans believe that innovation is a key issue for the development of their respective countries; however, among 11 options, innovation was the least mentioned. This might be an indication that innovation has not gained prominence as a key issue on Latin Americans' agenda. Nonetheless, in Brazil, the leading economy in the region, innovation is acknowledged by 35% of citizens as a relevant issue for the country's development. It is followed by Uruguay and Costa Rica (34% each). Paraguay stands at the other extreme, with 13% (Figure 1).

The countries allocating the highest percentage of their GDP to science and technology are the ones that best appreciate the importance of including innovation on the development agenda (a correlation of 0.7). Accordingly, a correlation of 0.69 is noted in relation to countries with a higher number of researchers per million inhabitants. That is, the higher the resources allotted to the promotion of science and technology, the higher the importance attached to innovation in citizens' perception.

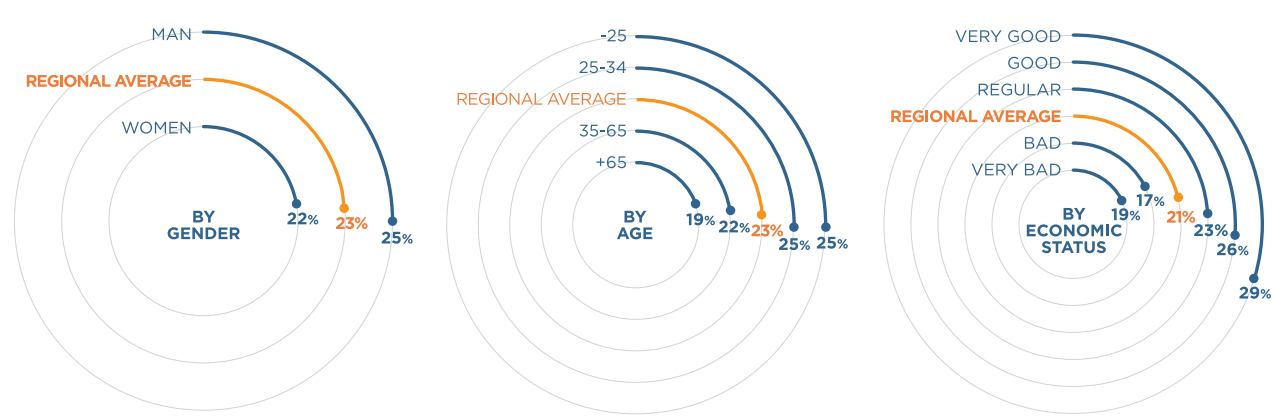
Internet access is another factor positively reinforcing such perception; a 0.68 correlation is noted in relation to broadband internet subscriptions per 100 inhabitants.

The analysis of responses by gender, age and socioeconomic status reveals that men, people aged below 35 and citizens with a good or very good economic status regard innovation as an important aspect for their country's development above the regional average (23%).

Figure 1
Is innovation a key issue for development?



Figures 2, 3, 4



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

THE UPCOMING AGENDA AND THE FUTURE OF EMPLOYMENT

Leaving behind the current development agenda and looking forward, almost 7 out of 10 Latin Americans were optimistic about their respective countries' position in the future technological development race. Some 69% of respondents believe that their country will stand out because of its technological undertakings and developments. This perception appears to be unrelated to the resources currently invested in science and technology (either at individual or regional level)¹⁴. The most optimistic countries are Ecuador and Dominican Republic, with 77% of favorable responses. The least optimistic are Brazil and Uruguay, with 58% of positive responses (Figure 5).

Figure 5

Relationship between the perception that respondents' own country will stand out because of its technological undertakings and developments, and the investment in science and technology.



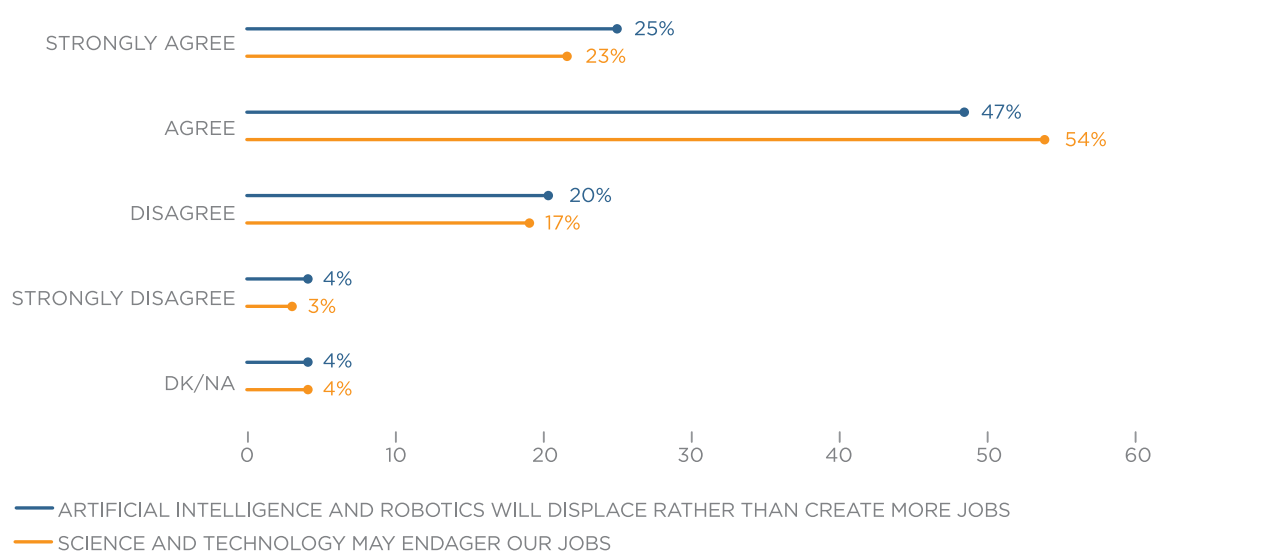
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹⁴ No correlations have been found between the most optimistic countries and the percentage of their GDP allotted to science and technology. At the same time, Latin American and the Caribbean invest 0.8% of their GDP in Research and Development against the global average of 2.1%.

Could this be an indication that Latin American society is willing to make efforts to allocate more resources to the development of science, technology and innovation? Is scientific and technological progress perceived as an opportunity for the future?

When asked about the impact on the labor market, 77% of respondents sided with the idea that employment is being threatened by technological progress. In particular, 71% believe that artificial intelligence and robotics will bring forth a negative balance in terms of job creation (Figure 6). Only 24% of interviewees trust that these technologies will create rather than displace more jobs; this trust is strongest in Guatemala (44%) and weakest in Uruguay (9%). It is noteworthy that technological progress is perceived as a threat to employment irrespective of the current occupational status (no correlations were found with the interviewee's occupational status or the countries' unemployment rate). This is in line with similar research work conducted in other countries: in the United States of America, a recent survey by the Pew Research Center ¹⁵ revealed that 76% of Americans believe that economic inequality will become much worse with automation, while 75% of Americans think that the economy will not create new and better-paid jobs for humans. It is also consistent with the opinion of Argentine millennials because, according to IDB-INTAL's research work called *Compás millennial* [Millennial Compass], seven out of ten respondents argue that robots will be able to do many tasks currently performed by humans in the next ten years.

Figure 6
Do exponential technologies pose a threat to employment?



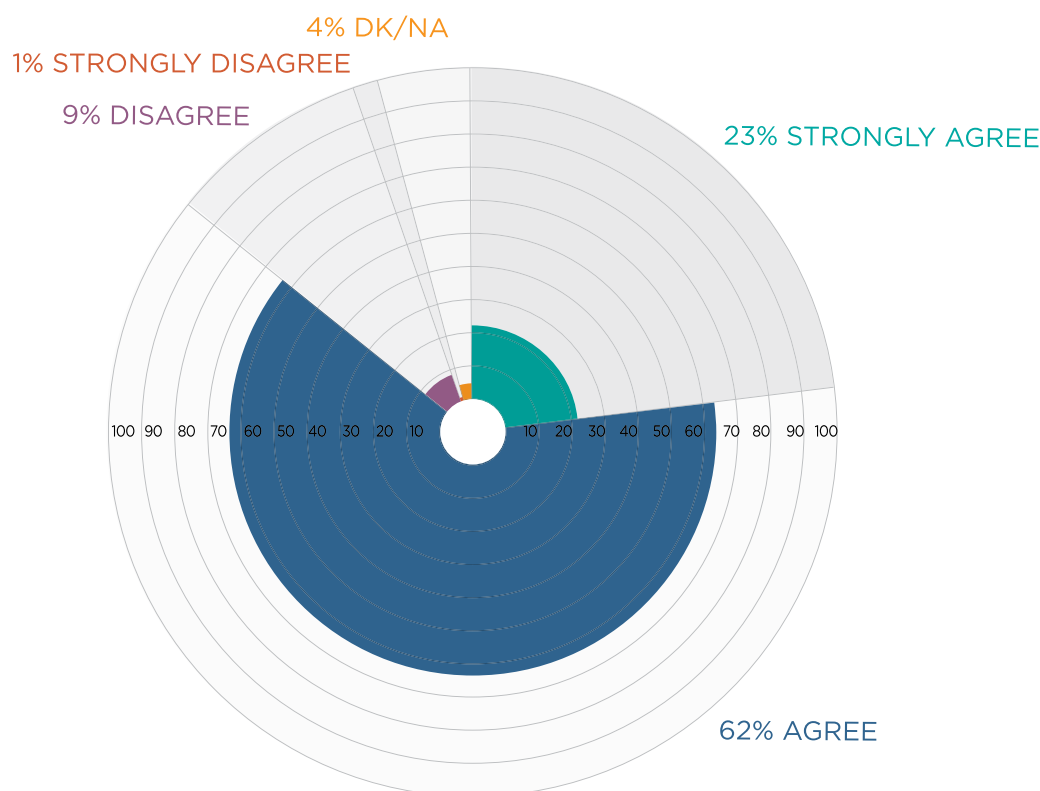
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹⁵ Smith, Aaron and Anderson, Monica. 2017. *Automation in everyday life*. Washington: Pew Research Center.

Nonetheless, in some specific market niches such as caretaking, the technological progress is not viewed as a menace to employment. About 85% of Latin Americans believe that, in the future, the care for older adults and children will be still required in spite of technological development (Figure 7). The maximum and minimum degree of agreement were noted in Argentina (93%) and Panama (76%), respectively (Figure 8). Furthermore, these responses do not vary significantly if analyzed by interviewees' gender or age, but a difference is effectively noted when their economic status is considered. Affirmative answers are mostly provided by citizens with a more privileged economic status, with an 8 p.p. difference between the worst (80%) and the best (88%) economic status (Figure 9). These answers are consistent with the ones gathered by the Pew Research Center on this issue: given the chance, most Americans (59%) are not interested in the use of robots as caretakers of themselves or their families.

Figure 7
Empathy and technological development

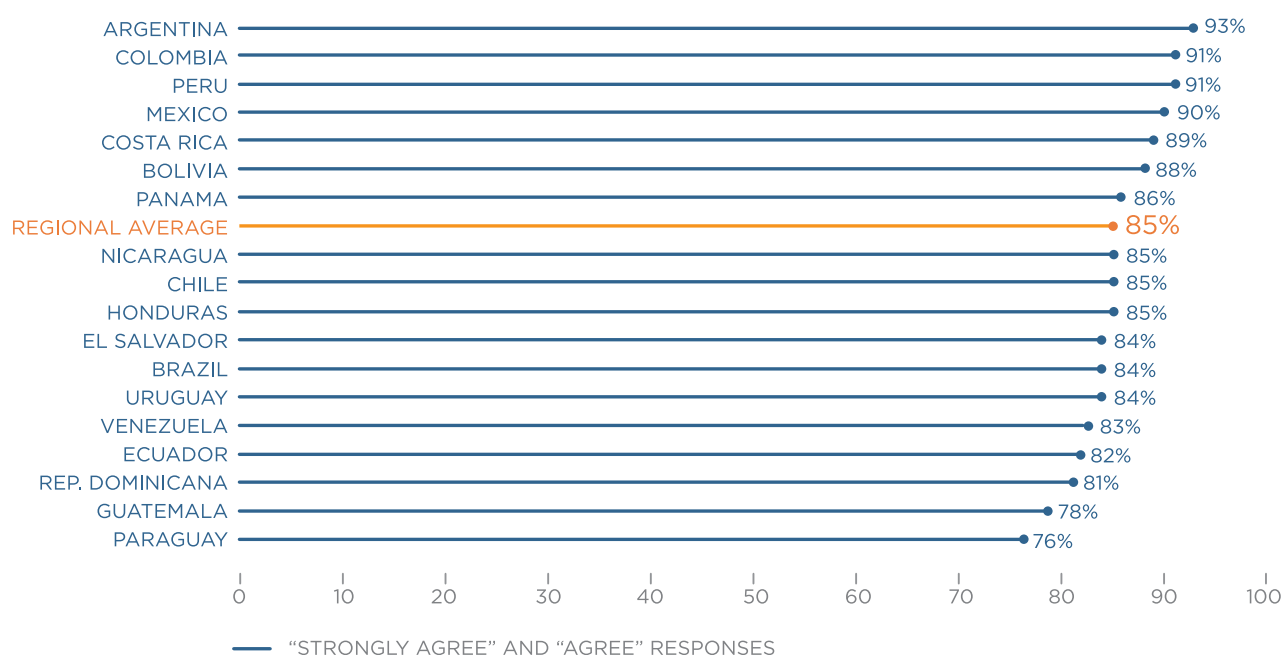
In the future, the care for sick older adults and children will be still required irrespective of technological development.



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 8
Empathy and technological development (by country)

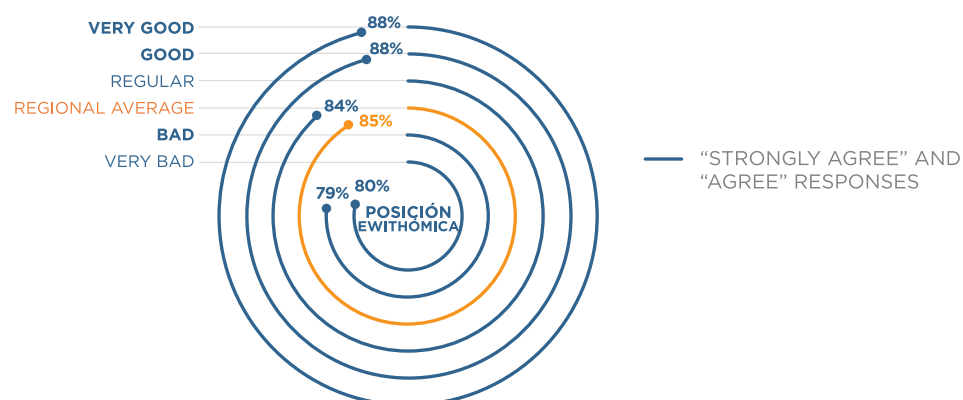
In the future, the care for sick older adults and children will be still required irrespective of technological development.



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 9
Empathy and technological development (by economic status)

In the future, the care for sick older adults and children will be still required irrespective of technological development.



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

THE FUTURE OF EMPLOYMENT

The new wave of automation in the economy, driven by the use of robotics, artificial intelligence, big data, 3D printing and the Internet of Things is changing the labor market. Even though in the past few years technology has generated industries and highly-skilled occupations, it also threatens to displace jobs, even those requiring expertise and cognitive capabilities.

Several estimates account for this phenomenon. According to IDB-INTAL'S Robotlution report, up to 30% of the tasks in almost 60% of all occupations could be automated. Other projections indicate that 47% of U.S. jobs, 57% of jobs across the OECD countries, and 77% of jobs in China are now exposed to automation. In seven Latin American countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru), it might affect 75 million people.

How should the workforce prepare itself for this new context? What skills will be required in the future? For example, it will prove necessary to include capabilities to promote a further interaction and cooperation with machines at the workplace, because a new scenario of productive complementation with such capabilities may emerge. Indeed, the use of "smart assistants" which automate routine tasks allow for all jobs to become "knowledge work".

Thus, workers in the 21st century will need more cognitive, technical, and socio-emotional skills if they want to find better jobs. Given the trend toward a higher speed in the cycle of changes and obsolescence of the required skills, it will be necessary for formation processes to occur on an ongoing basis. According to the above-mentioned Robotlution report, most countries in the region have made considerable budgetary efforts in this regard, and the public policies already implemented mainly focus on developing students' cognitive capabilities and causing them to incorporate the new information technologies.

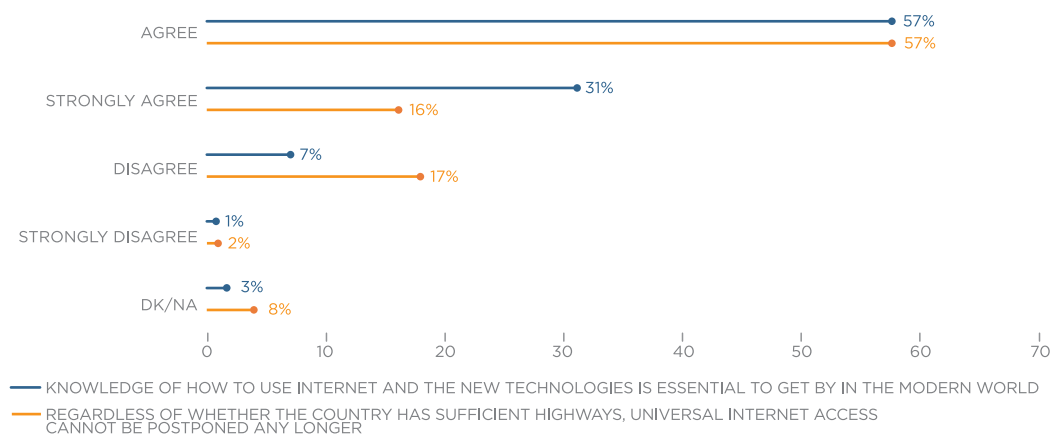
THE MOST PRECIOUS THING OR THE INTERNET OF THINGS?

Internet, which was originally a disruptive technology, is presently regarded as a basic public service in several developed countries. In Latin America, almost half the population is an internet user (regional average of 49%). Internet is far from reaching the penetration level attained by mobile phones (regional average of 117 users per 100 inhabitants), but it is highly rated irrespective of respondents' gender or age.

Eighty-eight percent (88%) of Latin Americans believe that knowledge of how to use internet is essential to get by in today's world (Figure 10). The importance of internet and new technologies in the present world is mostly endorsed by the countries with the highest percentage of internet users (a correlation of 0.73). The same applies to countries with the highest GDP per capita (a correlation of 0.55).

Argentina is the most supportive of this idea (94%), followed by Uruguay and Costa Rica (93%). The least support was registered in Guatemala (81%).

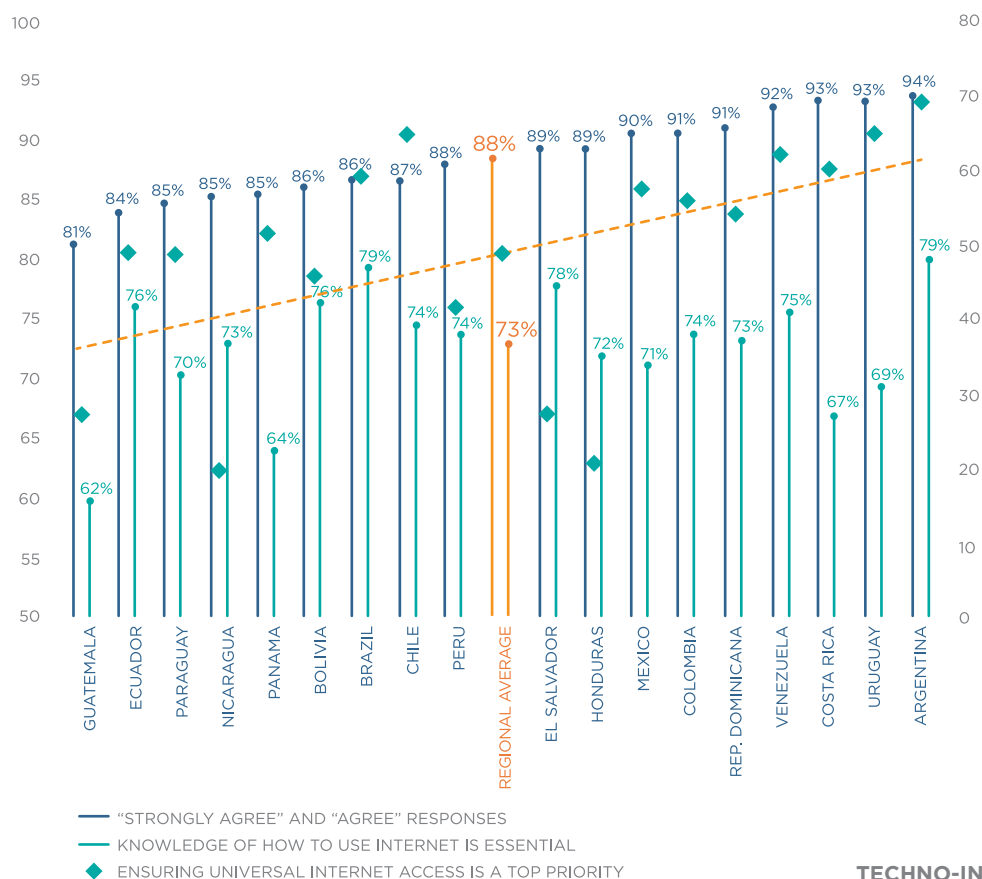
Figure 10
The importance of internet



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Universal internet access is a top priority for Latin Americans, even in relation to unsatisfied basic infrastructure demands, such as the building of highways: 73% of respondents believe that universal internet access cannot be postponed any longer. The larger the share of internet users in a country, the stronger support for this idea (a correlation of 0.5) (Figure 11). The countries that allocate a larger share of their GDP to science and technology and with more patents per inhabitants are the most convinced of the idea that universal internet access is a pressing matter (a correlation of 0.47 in relation to both variables). The strongest support for the idea of prioritizing universal internet access is found in Argentina and Brazil (79%). The least support is noted in Guatemala (62%).

Figure 11
Relationship between the perception of the importance of internet and internet usage by country



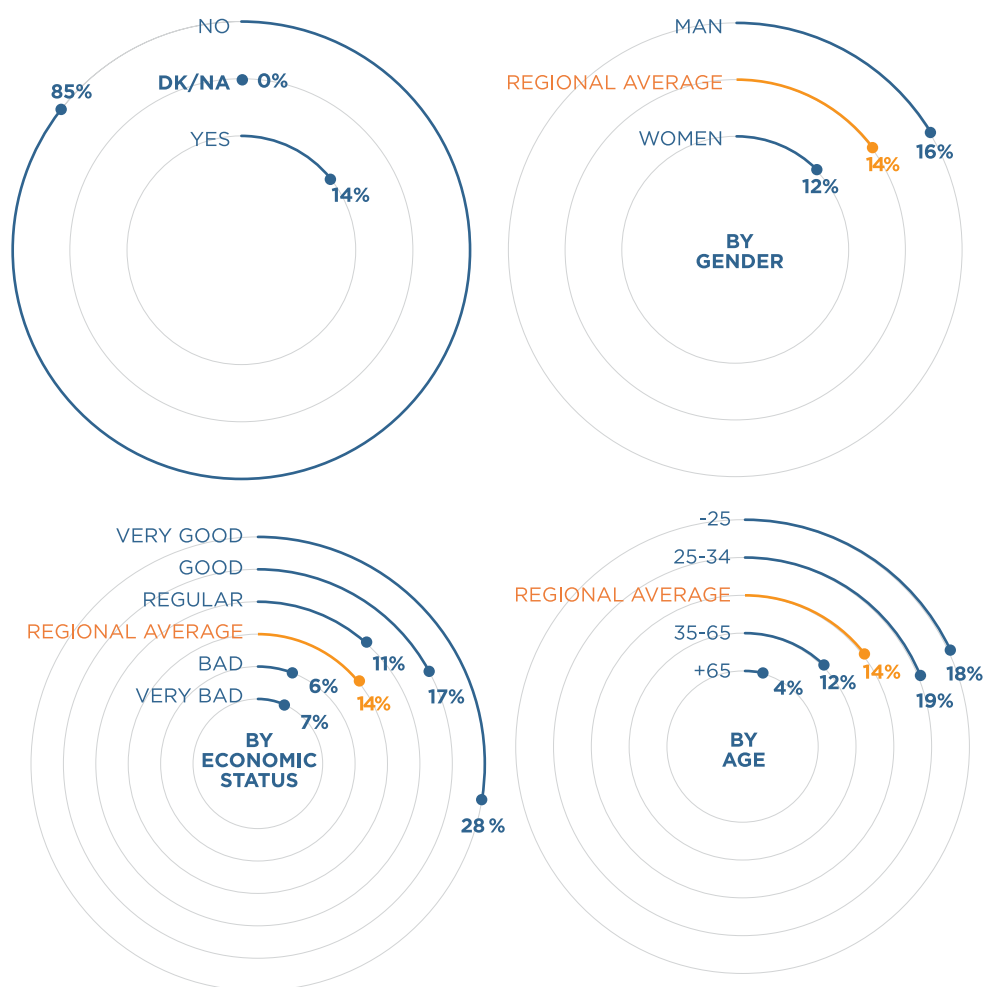
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Would Latin Americans' daily life be considerably altered without internet? When we analyze the penetration of this technology into the daily activities, we note that there is still a long road to go in terms of transactions and use of services. Only 14% of Latin Americans have made internet purchases in the previous month. The highest number of positive responses is found in Uruguay (24%), followed by Brazil and Chile with 22%. The minimum records are noted in Paraguay (7%) and Bolivia (8%) (Figure 16).

Once more, the results seem to be influenced by the respondents' gender, age and socioeconomic status. On average, 16% of men and 12% of women made internet purchases in the previous month. Among young people (aged 35 or less), 19% purchased in the past month. The most significant difference is noted between the extremes in relation to income: 28% of citizens with a very good socioeconomic status made internet purchases in the previous month as opposed to 7% of those with a very bad socioeconomic status (Figure 15).

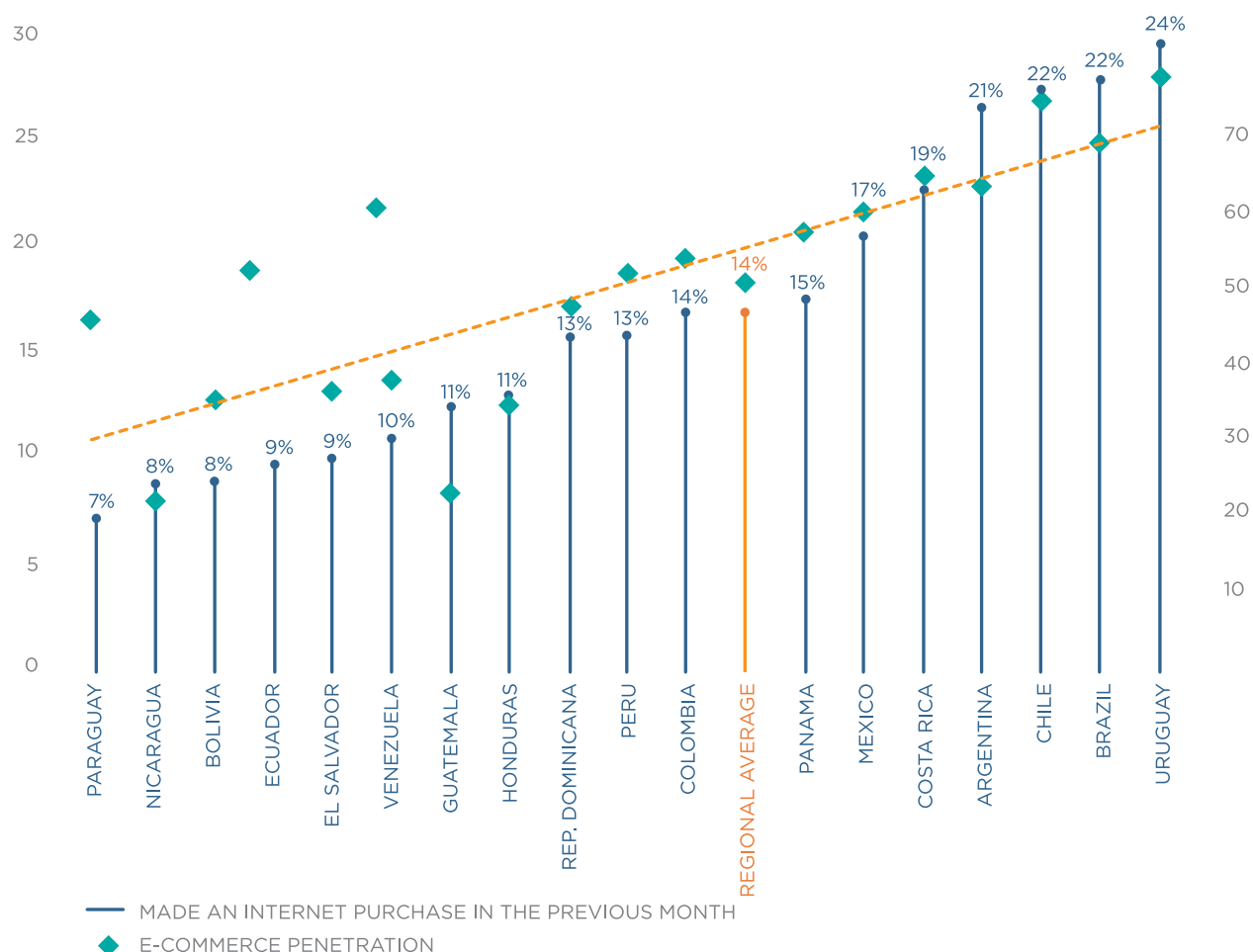
Figure 12
Did you make any internet purchase last month?

Figures 13, 14, 15



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 16
Relationship between internet purchases and e-commerce penetration (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

There is a correlation of 0.85 between the countries with the highest number of internet purchases in the past month and the e-commerce index¹⁶ devised by the United Nations. This indicator weighs, beyond internet access, other dimensions related to the conditions required for an electronic transaction which eventually prove relevant at the time of accounting for e-commerce penetration in the region. These include: the existence of companies marketing their products through the web, population's access to internet, availability of credit card or other form of electronic payment, security and trust in the payment site and in the delivery arrangement.

Furthermore, the countries reporting the highest number of e-commerce/internet purchases have the highest invention coefficient (a correlation of 0.83), GDP per capita (0.76) and percentage of internet users (0.72). These countries also allocate the highest GDP share to science and technology (a correlation of 0.69) and report the greatest number of researchers per inhabitant (0.63).

¹⁶ The UNCTAD B2C E-commerce Index 2016 is composed of four indicators: internet use penetration, secure servers per 1 million inhabitants, credit card penetration and a postal reliability score. In 2016, the Index was improved by increasing the geographic coverage (from 130 to 137 economies) and fine-tuning the indicator to measure the delivery aspect of e-commerce. The straightforwardness and transparency of the Index allow countries to compare how they perform in different areas. The 137 economies represent 96% of the world population and 99% of world GDP. Source: [UNCTAD B2C e-commerce index 2016](#). 2016. Geneva: UNCTAD.

CHILE-URUGUAY: A LAST GENERATION AGREEMENT

In October 2016, Chile and Uruguay signed a Free Trade Agreement (FTA), whose content is of particular interest for regional integration. The search for convergence paths amid diversity is a remarkable purpose in a context of weak global trade growth and uncertainty about the access to markets.

As in other cases in Latin America and the Caribbean, the trade relationship between Chile and Uruguay was previously documented. It is no longer an era where, in Raúl Prebisch's words (1), regional economies were "watertight compartments". Chile and Uruguay are already related by virtue of the Economic Complementarity Agreement No. 35 (ACE 35) between Chile and MERCOSUR and in force since 1996. This instrument regulates market access conditions for goods and the bilateral preferential duties, and has allowed for a high volume of free trade. On this important basis, both countries resolved to strengthen their interaction by means of the signature of the FTA, which incorporates key issues that enhance integration benefits even further. It thus becomes an agreement with more comprehensive features.

The FTA is framed within those classed as "last generation and innovating agreements", because it encompasses some novel chapters referring to small and medium-size companies, e-commerce, work-related rules, environment, cooperation, gender and trade, intellectual property, transparency and anticorruption. The FTA builds upon the prior strictly commercial agreement attained by Uruguay within MERCOSUR's framework (2). The above-mentioned ACE 35 is in force and effect and incorporated into the FTA. Furthermore, in the case of Chile and Uruguay, the FTA will be supplemented by others aimed at promoting and protecting investments and preventing double-taxation.

The main issues included in the FTA are the following, among others: trade facilitation goals aimed at expediting and reducing cross-border exchange costs, ensuring safety and protection. The chapter on transparency addresses the effectiveness of the dissemination of rules and procedures and makes provisions against bribe and corruption.

In the field of e-commerce, commitments are undertaken with a view to reaching a high standard and modern disciplines to govern this type of exchange. For the promotion of small and medium-size companies, a special Committee is created, composed of governmental representatives of both countries, with the duty to identify ways to assist this type of companies, exchange and debate upon experiences and best practices in support of exports, and their effective integration into global supply chains. The inclusion of a chapter on gender issues acknowledges the importance of incorporating the gender perspective in the promotion of an inclusive economic growth.

(1) A historical work entitled *La Integración Latinoamericana* [The Latin American Integration] published in 1959.

(2) MERCOSUR Council's Decision No. 32/00 on External Relations whereby MERCOSUR Member States undertake to jointly negotiate trade agreements with third parties or groups of countries outside the region subject to preferential duties.

Internet has introduced many changes in our daily life and made a strong impact on industries that produce goods and services. The introduction of internet in the world of communications and -more recently- the Internet of Things, illustrate the potential impact of this technology on our daily habits.

These technological developments, in a context of low economic growth, have brought forth manifold innovating strategies aimed at reducing transactional costs and rendering resource allocation more efficiently¹⁷.

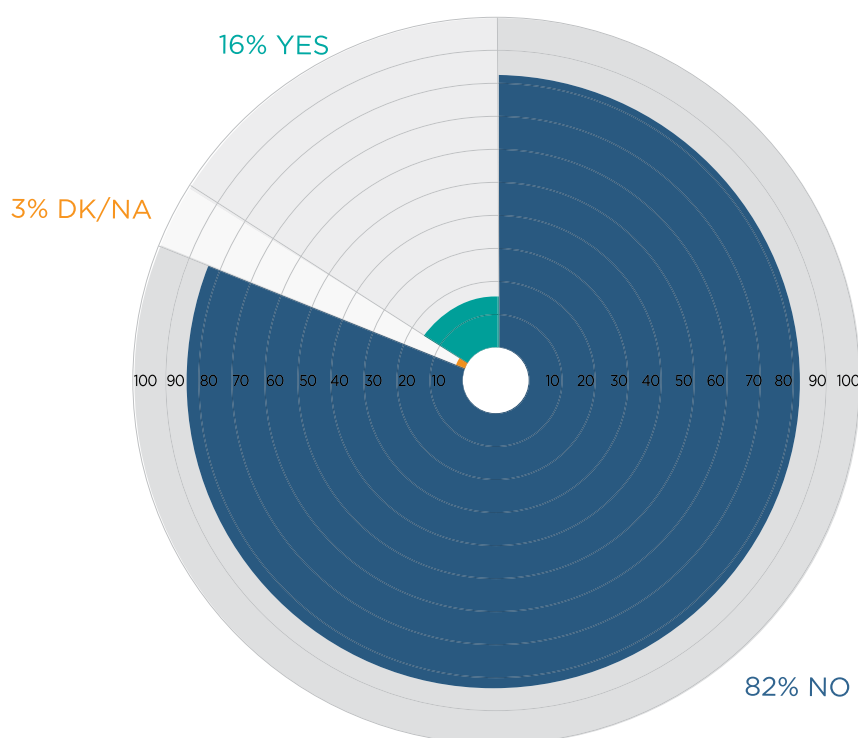
¹⁷ Nicolini, Cecilia. 2016. *Economía colaborativa: lo mío es tuyo y lo tuyo es de todos*. [The Sharing Economy: What is mine is yours and what is yours is everyone's] Conexión INTAL [INTAL Connection] 240.

Under-used goods are increasingly offered in digital platforms, which enable to “share” and “rent” instead of “owning” these items, giving rise to the so-called sharing economy. Platforms such as Uber or Airbnb are the best-known cases.

However, there are consumption habits that Latin Americans seem reluctant to pursue. For example, ceasing to buy goods instead of renting them: only 16% of respondents would be willing to rent clothes or cars instead of buying them (Figure 17). No significant evidences were found to conclude that the use of internet or smartphones might be determining factors in this attitude. The highest percentage of willingness to change habits was noted in Peru (21%) and the lowest in Ecuador and Paraguay (10%).

Figure 17

Would you change your consumption habits to purchase less and rent more?



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Likewise, and considering the future, the application of disruptive technologies to transportation, the food industry and health equally shows high resistance levels in Latin America.

DISRUPTIVE PRINTING

The introduction of 3D printing into productive processes poses some challenges to trade, with remarkable effects on global value chains, logistics, trade and transportation of goods. This technology decentralizes product design and development and introduces a major component of services and software to the manufacturing process. It consists in a small-scale production model: the generation of physical objects from a digitally modelled original, challenging the scope of current trade regulations.

According to Gartner, 455,772 3D printers were sold worldwide in 2016, more than doubling the units sold in 2015; this figure is expected to rise to 6.7 million by the year 2020. Meanwhile, the International Data Corporation (IDC) has valued this market at US\$ 13.2 billion (including printers, materials, software and services). 3D printing is currently mostly used in the automotive, aerospace, mechanical, engineering, pharmaceutical, medicine and electronic industries.

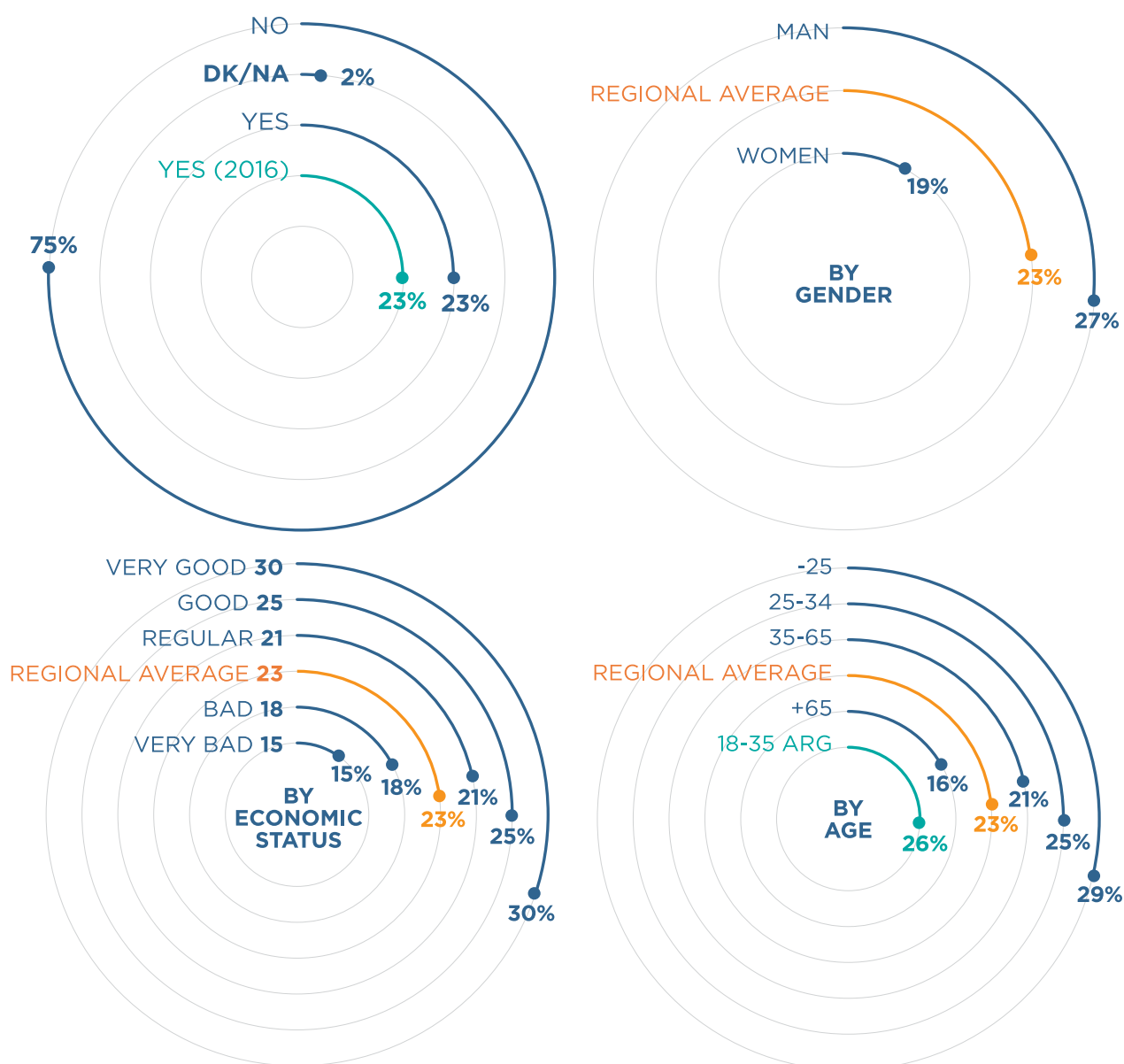
According to “Trade Regulation in a 3D Printed World”, a report devised by the Swedish government, “3DP changes what is being traded, where trade takes place, and who participates”. This model alters the nature of economic agents. The report further states that “3DP is opening the door for new companies to enter the production and trade realm, not least small and medium-size enterprises. Private individuals can also turn into producers”. Thus, new suppliers enter the market: designers, online platforms, producers of printing material or ink, and specialized printing centers.

A report issued by ING insurance company (“3D Printing: A Threat to Global Trade”) indicates that this production model may enhance corporate revenues by reducing labor costs, the consumption of raw materials, as well as inventory, prototyping and transport costs. The report further states that 3D printing will lead to the reshoring of production to developed countries and, hence, diminish imports. “With the adoption of 3D printing, geographical differences in labor costs therefore become less important when deciding on the location of production of various product parts. Labor costs have been the main driver for companies to unbundle their production process and set up global value chains”.

When asked about their willingness to travel in a robot-driven vehicle, only 23 % of Latin Americans were amenable to the idea. The dispersion in the responses provided by the different countries is noteworthy. The strongest acceptance was found in Chile (43%), considerably above the second place (Paraguay with 29%). At the other extreme, only 14% of respondents from Nicaragua and Ecuador expressed their willingness in such regard (Figure 22). These data are consistent with the above-mentioned research on Argentine millennials, which revealed that 26% of young persons in that country would travel in a robot-driven vehicle. A better disposition is found in men, younger people and citizens with better economic status. The study conducted in the U.S.A. indicates that Americans’ willingness to ride in a driverless vehicle reaches 44%, even though the reluctance to test these technologies prevails. Men, citizens aged less than 35 and medium- and high-income persons showed the highest willingness (Figures 19, 20 and 21), the same sociodemographic group identified by the Pew Research Center.

Figure 18
Thinking about the future, would you be willing to travel in a robot-driven vehicle?

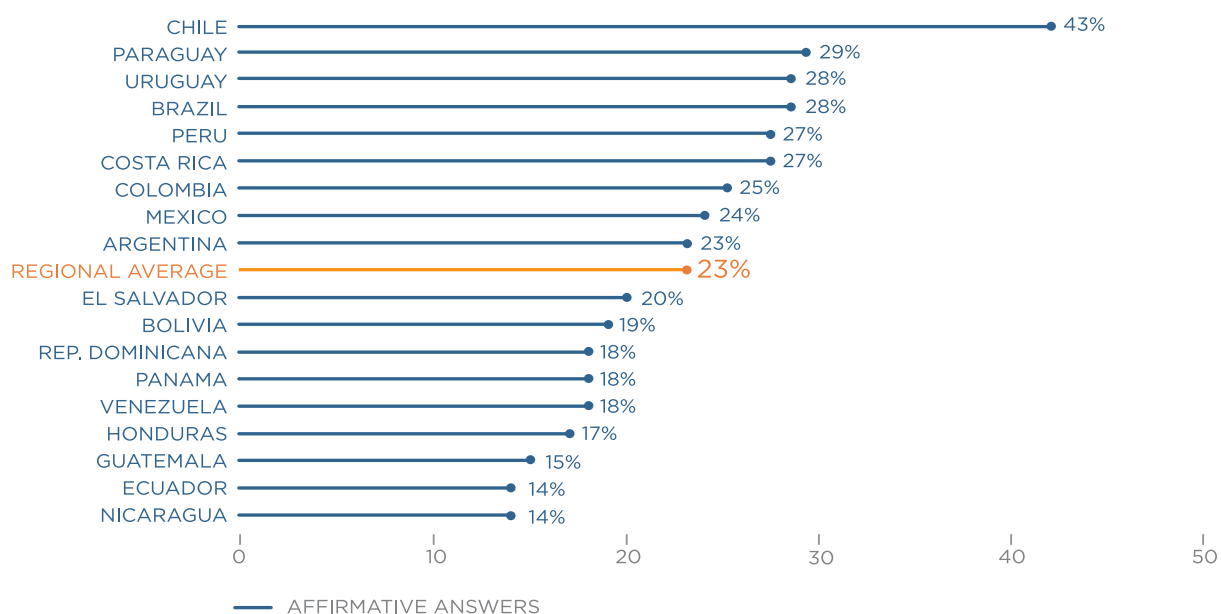
Figures 19, 20, 21



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 22

Willingness to travel in a robot-driven vehicle (by country)

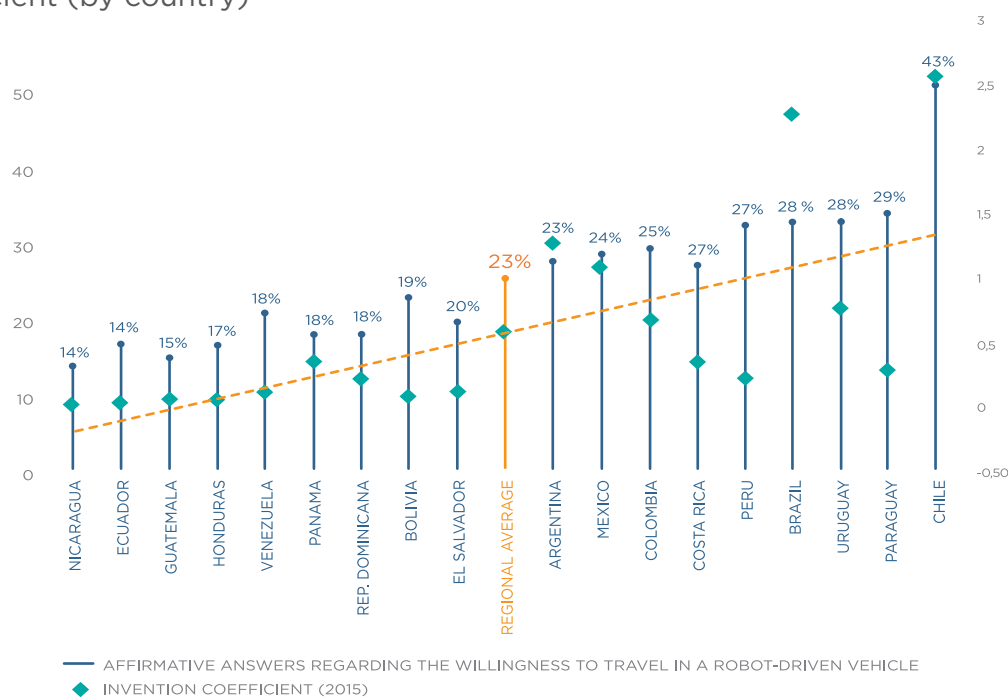


Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Despite the high general level of rejection, we can find indicators that enable us to pinpoint the structural characteristics or features in each country that favor the adoption of these technologies. Social acceptance for the introduction of disruptive technologies in the field of transportation is related to the countries' invention coefficient¹⁸ (0.78) (Figure 23), the percentage of internet users (0.6), the number of researchers per million inhabitants (0.59) and GDP per capita (0.57).

Figure 23

Relationship between the willingness to travel in a robot-driven vehicle and the invention coefficient (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

¹⁸ It refers to patents requested by residents per 100,000 inhabitants. It is an indicator devised by the Ibero-American and Interamerican Network for Science and Technology Indicators (RICYT)

CHANGES IN THE PRODUCTIVE SPACE. THE AUTOMOTIVE CASE

Desde Since 2010, industrial robots have grown at rate of 17%, while 75% of them are concentrated in just five countries. What is the impact of automated applications used in manufacturing processes on global value chains and the new international trade patterns?

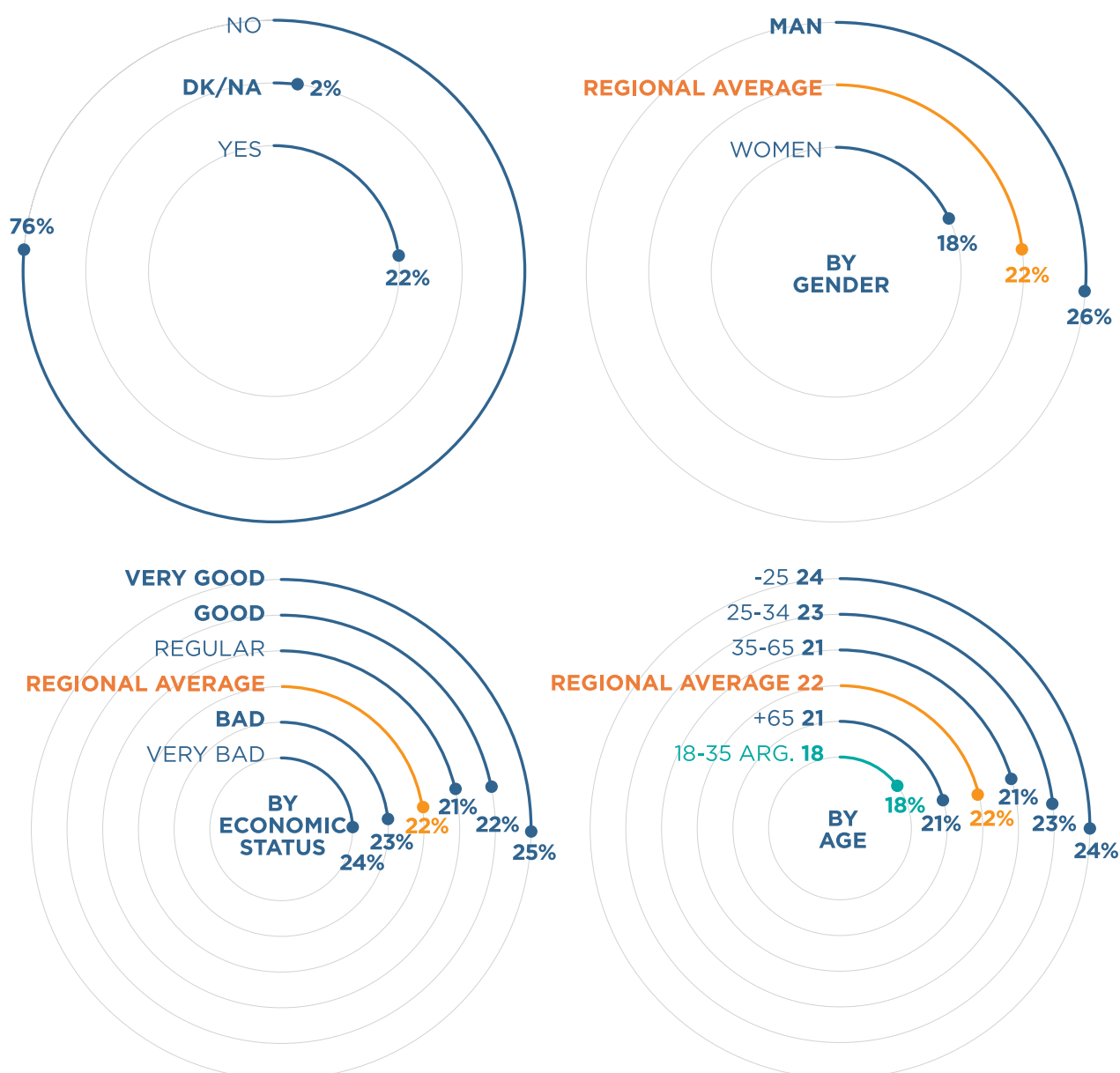
According to the Robotlution report, in some productive sectors, the incorporation of robotics by countries leading the use of industrial technology has brought forth the substitution of intermediate inputs imported from their main trade partners. In some cases, there might be a phenomenon called reshoring, whereby the countries with the largest stock of industrial robots are increasingly reincorporating formerly offshored productive segments of global value chains. The competitive advantages of wage costs in developing countries —with abundant low-skilled labor— would be thus eroded.

However, according to a case study explained in IDB-INTAL report, this potential reshoring has not had a significant impact on the trade in automobile parts. Indeed, during the 2006-2015 period, this process did not take place and the industrial robot contribution to bilateral trade was positive. Thus, the main purpose of the introduction of industrial robotics was not the substitution of offshored intermediate inputs by means of a local automated production. On the contrary, research findings indicate that the introduction of robotics to the automotive sector is associated with higher production volumes; therefore, far from being a replacement of imported intermediate goods, robotics acts as a supplement, deepening the bilateral trade among the surveyed countries (Germany, France, Italy, Spain, Japan, U.S.A., Korea, China, Mexico, Thailand and India) even further.

The findings regarding the willingness to undergo remote surgery are similar to the results gathered in relation to the application of disruptive technologies to transportation.

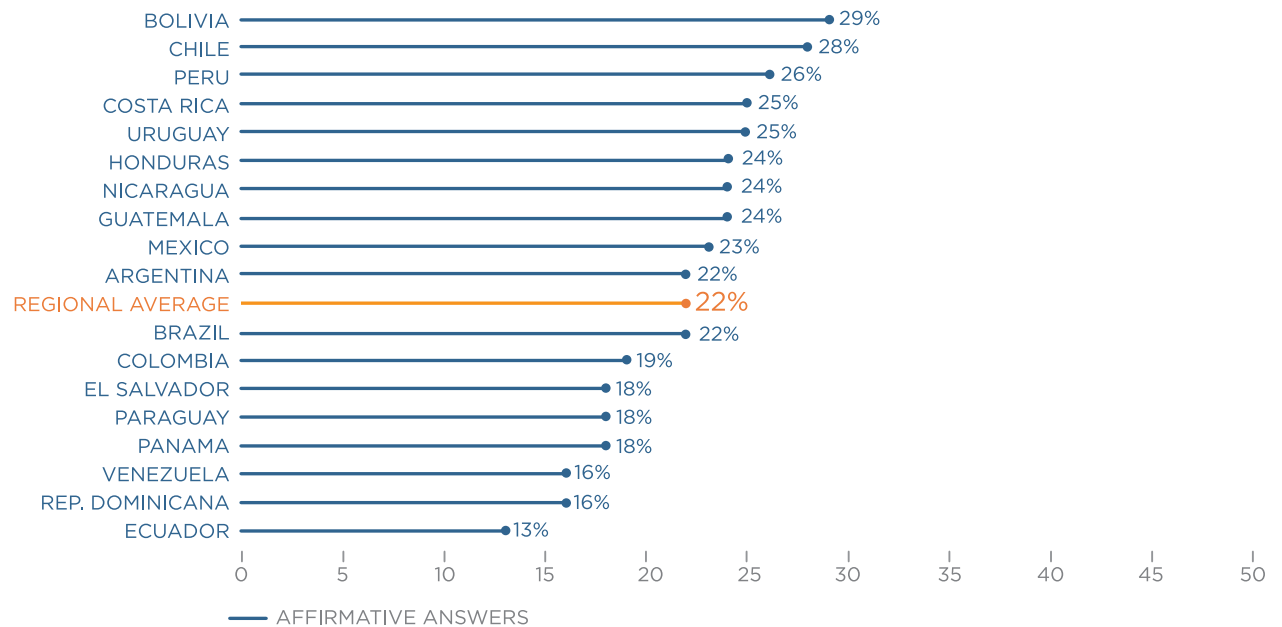
About 22% of Latin Americans would agree to undergo remote surgery. Respondents in favor include men, people aged below 35 and citizens with “very good” and “very bad” socioeconomic status; their willingness is above the average percentage (Figures 24, 25, 26 and 27). The highest degree of willingness was noted in Bolivia (29%) and Chile (28%), and the lowest in Ecuador (13%) (Figure 28). These values are similar to the ones gathered by the research work on Argentine millennials, as in this case about 18% of young people would be willing to undergo remote surgery.

Figure 24
Thinking about the future, would you be willing to undergo remote surgery?
Figures 25, 26, 27



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 28
Willingness to undergo remote surgery (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Even though they display a higher acceptance level in relation to the previous year, disruptive technologies applied to the food industry are the most resisted. When asked about their willingness to eat cultured meat, 10% of respondents were in favor, against the 8% reported in 2016 (Figure 29). Once more, men seem to be the most amenable to the idea. The analysis of affirmative responses by age and socioeconomic status reveals a shift toward the younger group surveyed (below 25 years of age) and low-income citizens. The maximum level of acceptance was reported in Chile (16%) and the minimum in Ecuador (5%) (Figure 33). As for Argentine millennials, this value is slightly above 16% and —again— younger people, citizens with the best economic status and men seem to be the most amenable to the idea of eating cultured meat.

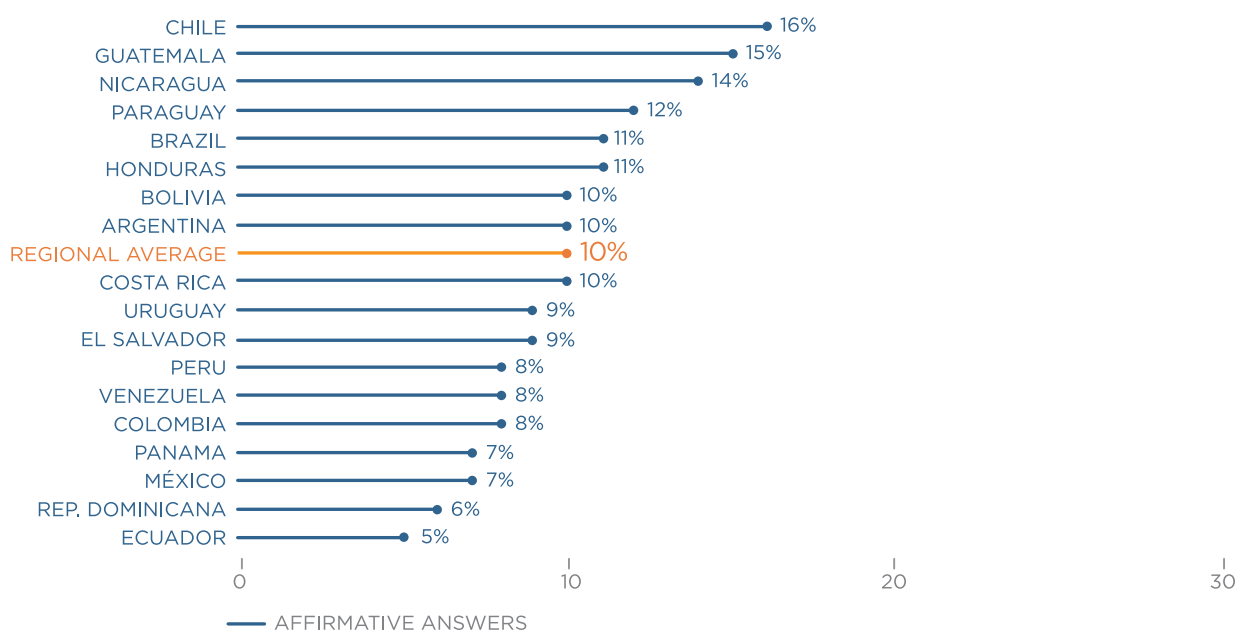
Figure 29
Thinking about the future, would you be willing to eat cultured meat?
Figures 30, 31, 32



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 33
Willingness to eat cultured meat (by country)

Respondents willing to eat lab-grown meat



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

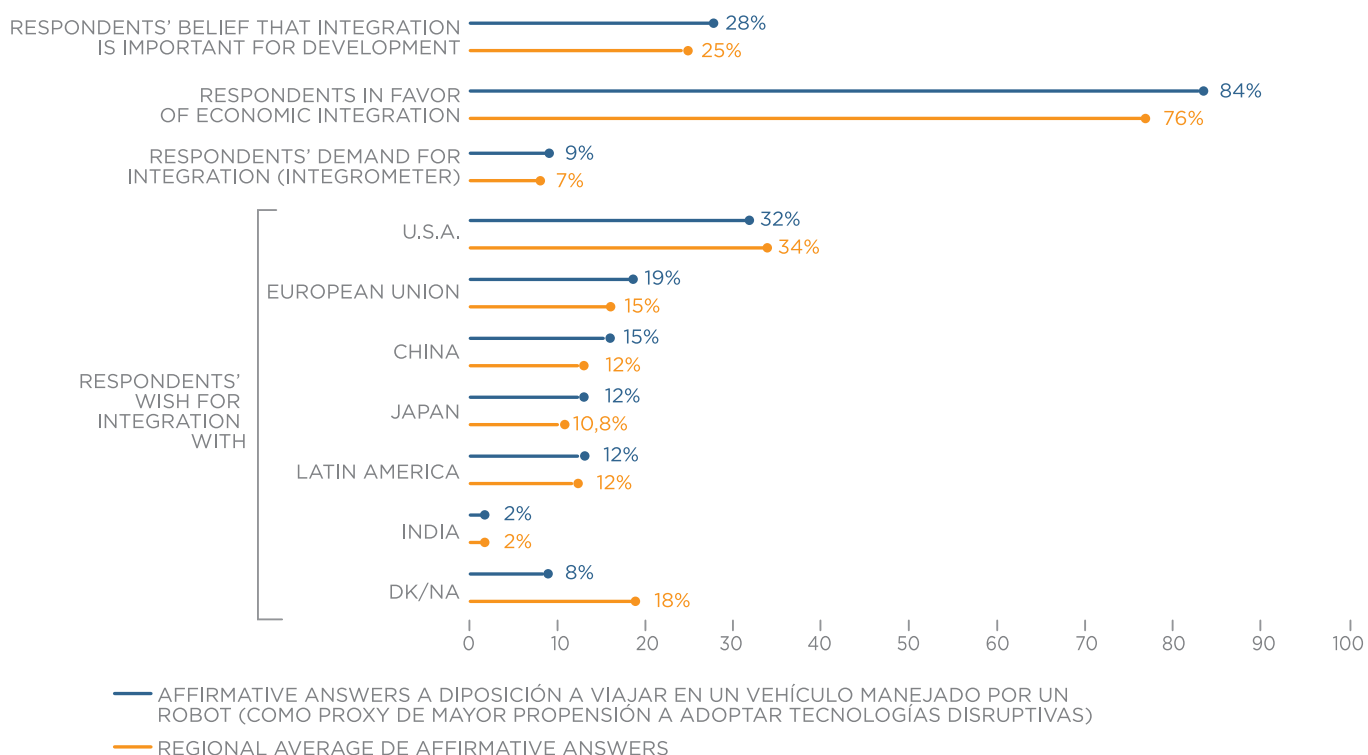
Despite the high percentage of rejection to test or incorporate these new technologies in respondents' daily practices, the majority are used to the Information and Communication Technologies (ITCs): 71% are network users and more than 90% are technology users (they own a computer, a mobile phone or a smartphone) and, specifically, over 44% of respondents have a smartphone.

WHAT ARE LATIN AMERICANS LIKE? ARE THEY MORE PRONE TO ADOPT DISRUPTIVE TECHNOLOGIES?

On the one hand, the sociodemographic profile is clearly marked: in general, they are men, young people aged below 35 and citizens with a good socioeconomic status. But, what can we say about integration? Figure 4 shows that this population segment is the most supportive of integration in all dimensions: on average, said segment believes that integration is very important for development (27.8 % vs the regional average of 24.6%), is much more in favor of economic integration (83.9% vs 76.5%) and evidences the highest demand for integration (8.6% vs 7.3%). It is also noteworthy that the above-mentioned population segment is the one that best identifies the preferred countries or blocs for integration purposes (the percentage of DK/NA responses is of 8.1% against the regional average of 13.2%) and which proportionally tends to favor the European Union, China, Japan and Latin America (more than the average) rather than the United States of America.

Figure 34

Relationship between respondents' higher inclination to adopt exponential technologies and their appraisal of integration



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

A VIEW ON THE TECHNOLOGICAL GAP

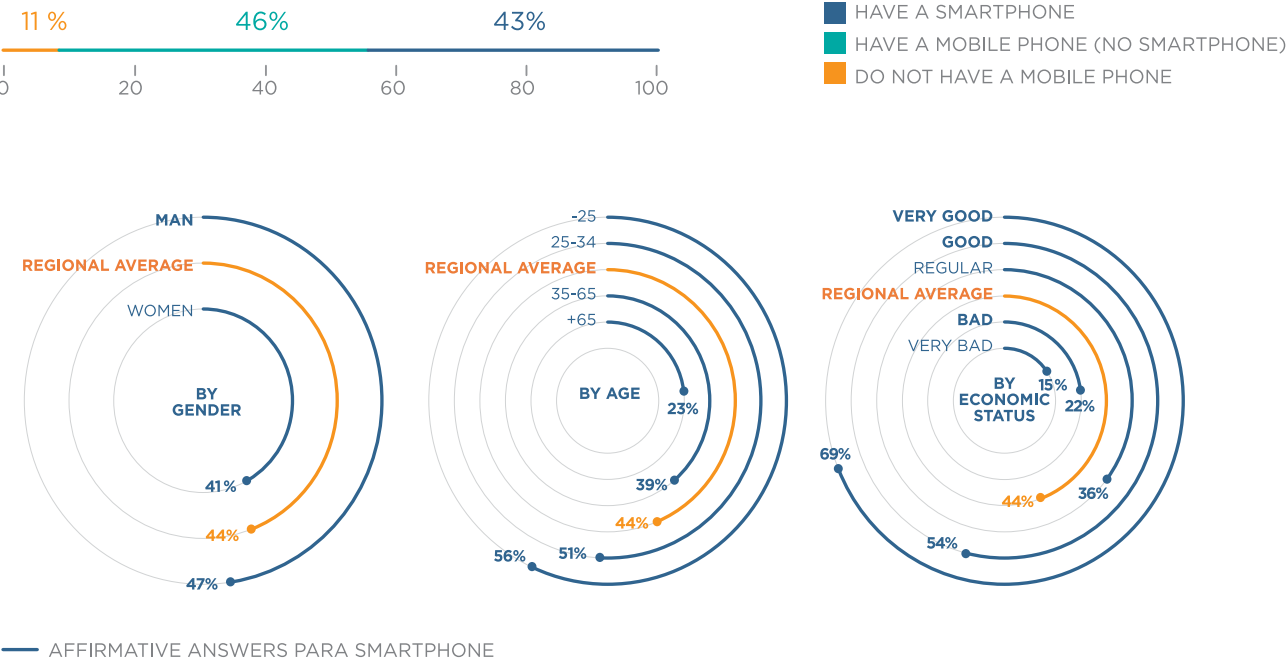
According to World Bank data of 2016, there are 117 mobile phones per 100 inhabitants on average¹⁹ (more than one mobile phone per person) in Latin America. According to this survey, almost 9 out of 10 Latin Americans have one mobile phone but only 44% have a Smartphone (Figure 35).

When the focus is on the kind of Smartphone owners, we note that this technology is more frequent in men rather than women (47% and 41% respectively). But the most significant differences are noted with regard to the age and economic status: smartphones are twice more frequent in people aged below 25 than in adults aged over 65 (56% vs 23%), while they are four and a half more times frequent in high-income sectors than in less privileged ones (69% vs 15%) (Figure 38). Thirty one percent (31%) of Smartphone owners claim that their monthly income is insufficient, while 16% state that they have lacked sufficient food for themselves or their families on a regular basis ("often" or "sometimes" responses).

¹⁹ Indicator: Mobile cellular subscriptions (per 100 people). In: [Mobile cellular subscriptions \(per 100 people\)](#). International Telecommunication Union. Retrieved in October 2017. And in: [Mobile cellular subscriptions \(per 100 people\)](#). World Bank. Retrieved in October 2017.

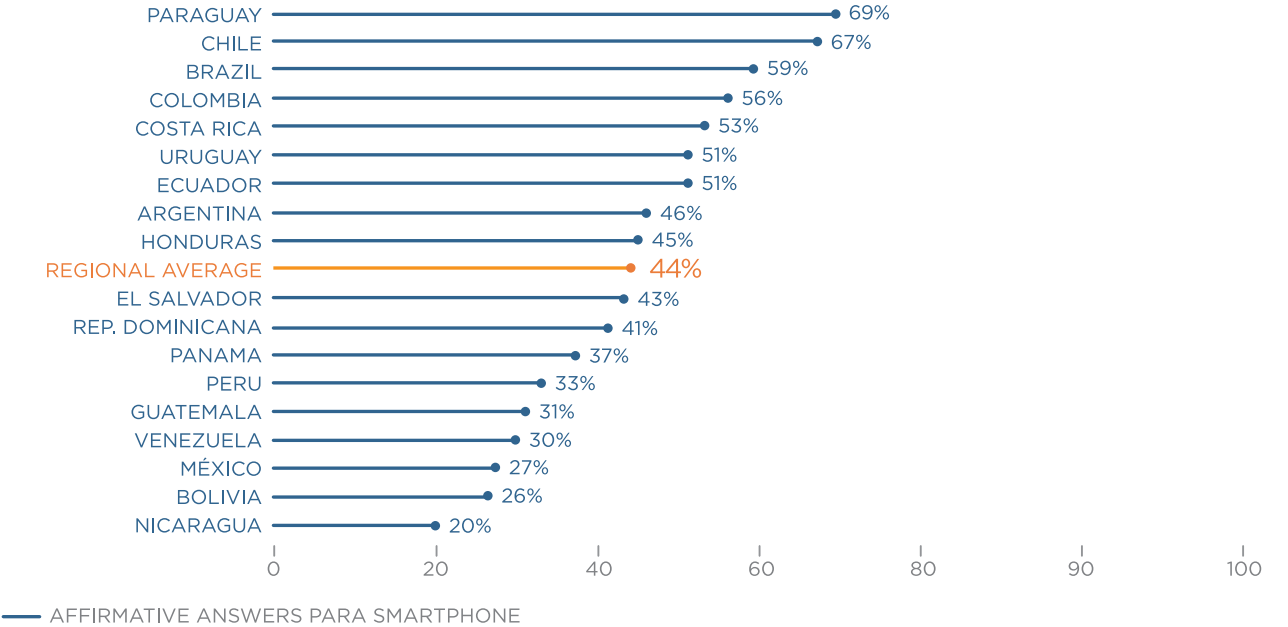
Furthermore, remarkable differences are noted across the region. In Paraguay, Chile or Brazil, the share of Smartphone owners reaches 60%, while in other countries such as Nicaragua, Bolivia or Mexico, it is below 30% (Figure 39).

Figure 35
Mobile phone owners



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 39
Smartphone owners by country



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

A WORLD WITHOUT SMARTPHONES

How would Latin Americans’ perception about science, technology and innovation change if there were no smartphones? And if, on the contrary, everybody had one? We contrasted the opinions about the following issues: the importance of science and technology on the development agenda; the impact of technological advances on employment; the importance attached to internet, and technological habits. In almost all cases, there were significant differences between the answers provided by Smartphone users and non-users (Figures 40 to 44).

Figure 40
Relationship between smartphone ownership and perception of the importance of innovation

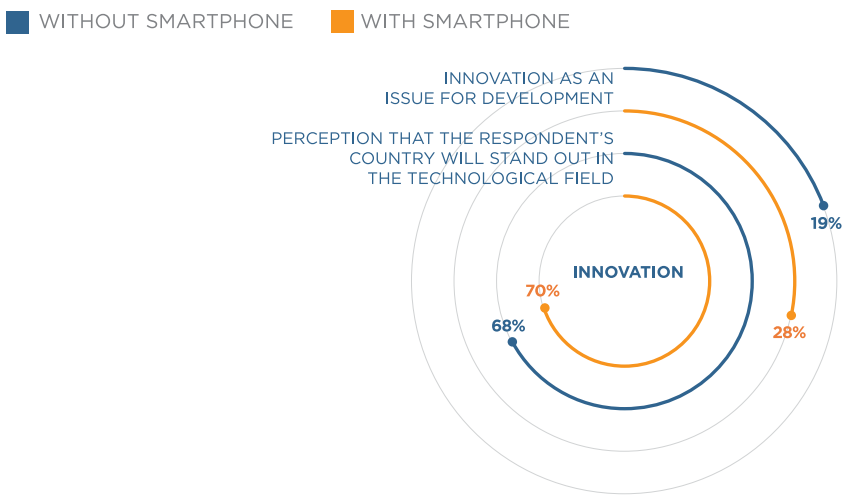


Figure 41
Relationship between smartphone ownership and perception of exponential technologies as a threat to employment

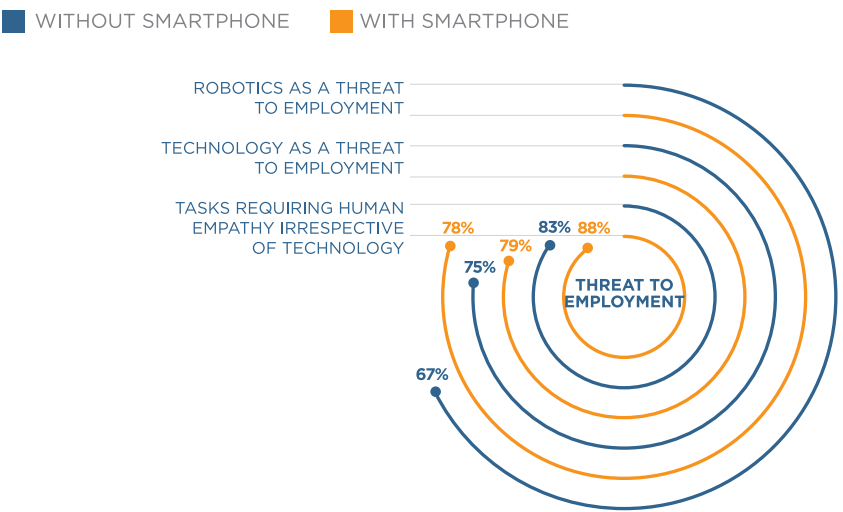


Figure 42
Relationship between smartphone ownership and importance of internet

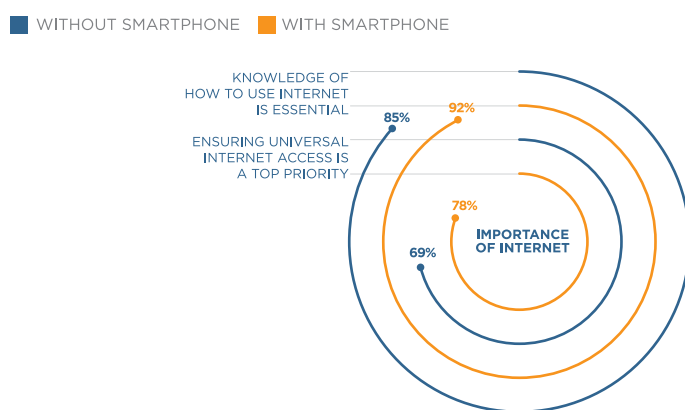


Figure 43
Relationship between smartphone ownership and willingness to make an internet purchase and participate in sharing economy

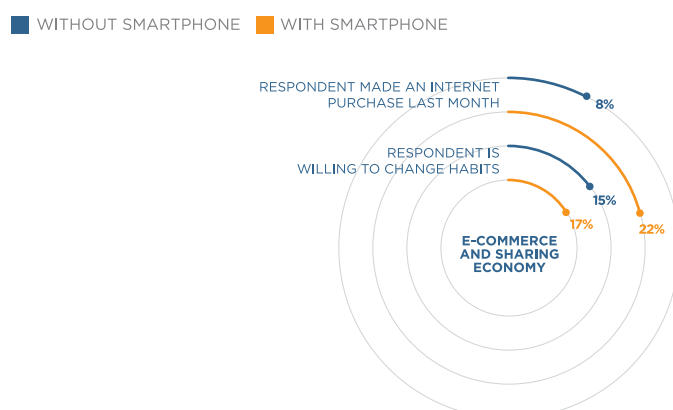
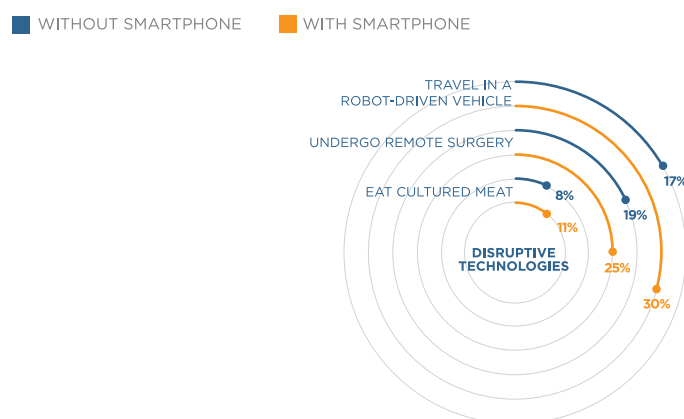


Figure 44
Relationship between smartphone ownership and willingness to adopt disruptive technologies



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

In a world without Smartphones, the inclusion of innovation on the development agenda would have less relevance. Internet would be less valued for its impact on daily life and, consequently, there would be a lower demand for ensuring its universal access. There would be less people willing to change their consumption habits by purchasing less and renting more, and a very low share of the population would make internet purchases. The willingness to accept disruptive technologies would be severely affected. However, access to a Smartphone (or its absence) does not seem to exert any influence in Latin Americans' perception about the potential negative impact of technological progress on employment.

CONCLUSION

Innovation has not gained prominence as a key issue on the current development agenda (it ranks tenth among 11 options). Nonetheless, 7 out of 10 respondents believe that their country will be recognized in the next ten years for its technological developments. This denotes that Latin Americans acknowledge the importance of innovation for development, but it is associated with a strategic matter for the future rather than the present. A higher investment in science and technology might contribute in this regard, even if supported by awareness-raising policies to reduce the widespread fear that the technological scientific progress may pose a threat to employment; four out of five Latin Americans believe that employment is endangered and only 24% trust that artificial intelligence and robotics will create rather than displace more jobs. Latin Americans' perception of technological progress in some specific niches such as caretaking is different: 85% believe that, even in a robotized future, human caregivers of older adults and children will be still required.

In the region, mobile phones have gained full coverage (117 users per 100 inhabitants), but only half of Latin Americans are internet users (49%) and 44% own a smartphone, with significant differences between the countries. Among the respondents with a smartphone, 31% are unable to meet their basic needs with their current monthly income, and 16% lack access to sufficient food on a regular basis. Nonetheless, 88% of Latin Americans believe that knowledge of how to use internet is essential to get by in the modern world and 77% of respondents argue that universal internet access cannot be postponed any longer. Internet users show a higher inclination to assimilate new technologies (27% vs 14% of non-users) and are the most supportive of regional integration (81% against 65% of non-users).

Sharing economy strategies and the possibility of performing manifold operations through digital platforms have substantially changed our way of living, communicating, working and spending. None of this would be possible without internet access; some new habits would be unthinkable if there were no smartphones. However, e-commerce penetration in the region is still very low (14% of Latin Americans made internet purchases in the previous month) and is segmented among young people and high-income citizens. Moreover, in the face of phenomena such as circular or sharing economy, only 1 out of 5 Latin Americans are willing to change their consumption habits, renting more and purchasing less.

On another scale, 3D printing, drones, robotics, Internet of Things, virtual reality, artificial intelligence and big data are revolutionizing the production of goods and services, overcoming former obstacles posed by global economy productivity. In particular, the automation in manufacturing and the new international trade patterns are rendering cheap-labor and low-skill countries less attractive. But in Latin America, the disruptive technologies applied to transportation, food industry and health evidence very high social resistance levels. Barely a 23% of Latin Americans would be willing to travel in a robot-driven vehicle, 22% would agree to undergo remote surgery and 10% would be amenable to the idea of eating cultured meat. Creativity, problem-solving capacity, digital literacy and leadership competences will become requisite qualifications to get involved in the labor market. In this regard, Latin America faces a double challenge to reconvert its production matrix, in order to be able to participate in the new global value chains and, at the same time, support these changes by ensuring the population's increasing access to the new technologies.

An abstract graphic in the top right corner featuring concentric circles and arcs in various shades of teal and brown, set against a background of a fine white dot pattern on a teal field.

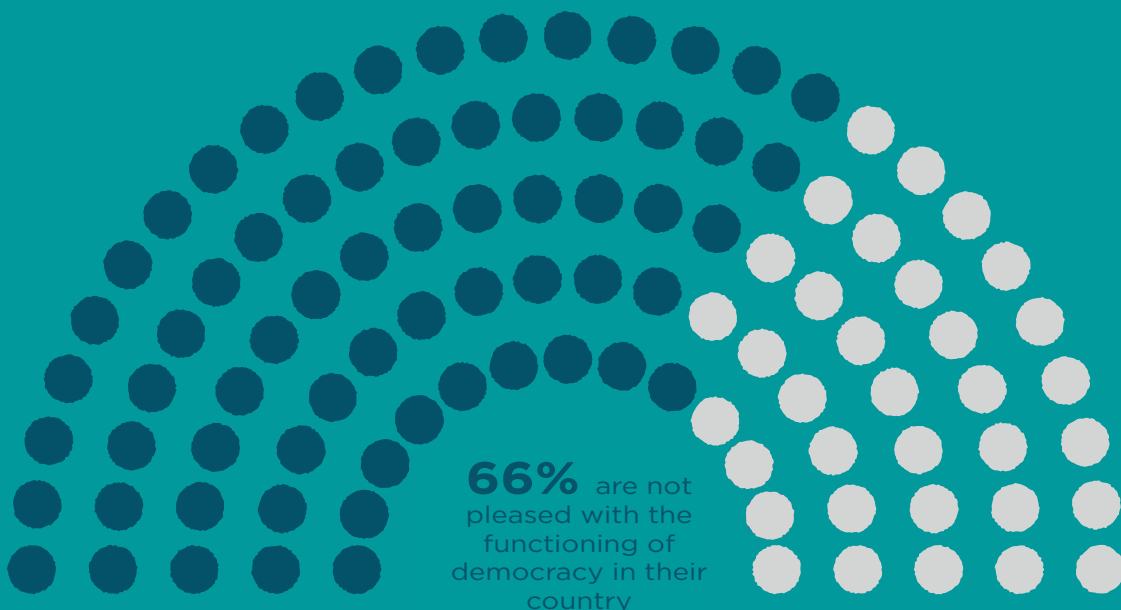
POLITICS INTEGRATION AND NEW DEMOCRACY

CHAPTER 3

The DNA of regional integration



6 out of **10** are in favor of Latin American political integration



7 out of **10** agree with the democratization of justice which is a highly distrusted institution



Almost half of them support the election of parliamentarians by drawing lots



Countries with a larger number of internet users are most in favor of democracy as the best form of government

POLITICS INTEGRATION AND NEW DEMOCRACY

DEMOCRACY IS THE FOUNDATION FOR THE POLITICAL INTEGRATION OF THE REGION. INTEGRATION IMPLIES COORDINATION EFFORTS AMONG INSTITUTIONS OF THE DIFFERENT COUNTRIES. IN WHAT CONDITION ARE OUR INSTITUTIONS? WHAT INSTITUTIONS DO WE TRUST THE MOST? AND, THE LEAST? ARE WE SATISFIED WITH DEMOCRACY? HOW MUCH DOES CORRUPTION AFFECT THE FOUNDATIONS OF DEMOCRACY? AND, THE FUNCTIONING OF INSTITUTIONS AT TECHNOLOGICAL LEVEL? THERE IS AN INCREASING GLOBAL TENDENCY TO INCORPORATE SYSTEMS AND DIGITAL PLATFORMS FOR CITIZEN PARTICIPATION IN THE GOVERNMENT DECISION-MAKING PROCESS. CAN INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICTS) BROADEN THE BASIS OF DEMOCRACY IN LATIN AMERICA?

Political Integration

What do we understand by regional integration? It has been mentioned that most Latin Americans perceive the integration option in its economic dimension, and as such, “free trade” emerges as the most concrete dimension of regional integration. However, the “political dialogue” arises as the second most selected option with 47% of responses (regional average).

To what extent are Latin Americans in favor of political integration? 62% are in favor (17% “very much in favor” and 45% are “somewhat in favor”), 29% are against (10% “very much against” and 19% are “somewhat against”) (see Figure 1).

Population in favor of political integration....

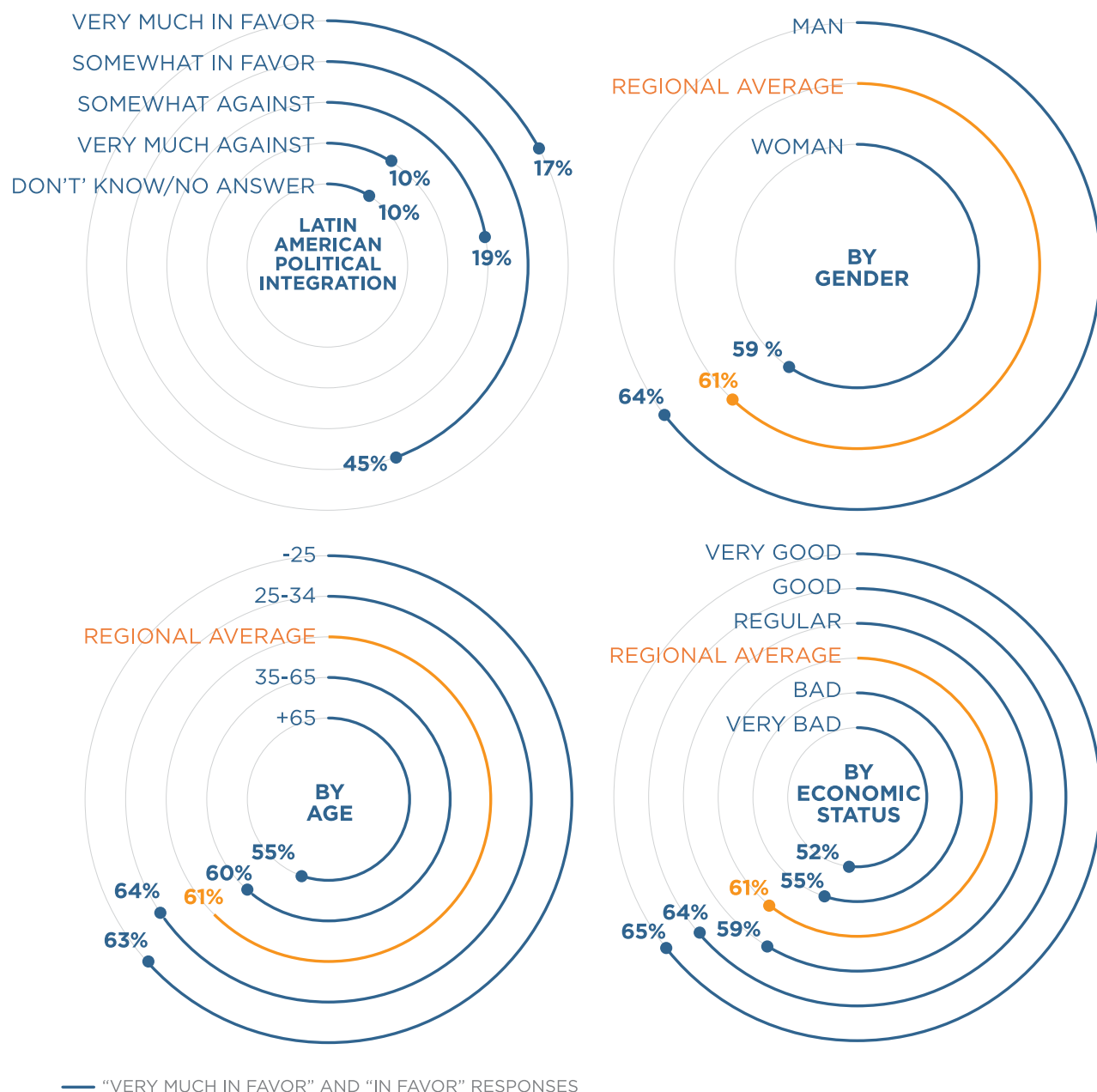
... as regards gender, they are men;

... as regards age, they are under 35 years of age;

... as regards their economic status, it is good and very good;

Figure 1
Are you in favor of Latin American political integration?

Figures 2, 3, 4



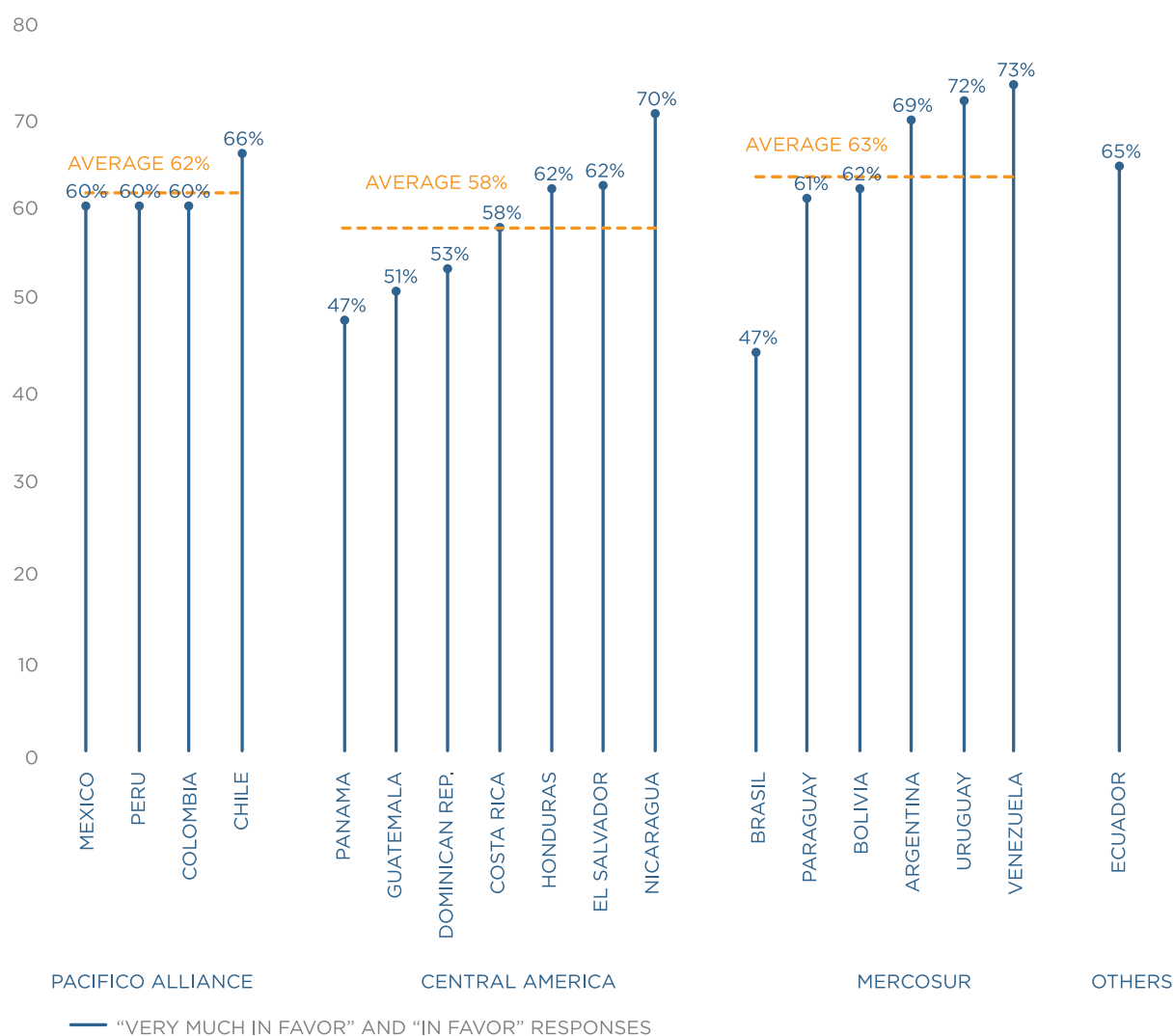
Source: Own compilation based on INTAL-Latinobarómetro 2017 data

An analysis by country shows that Venezuela, Uruguay and Nicaragua are the most supportive countries of political integration with more than 70% of favorable responses. At the opposite end of the spectrum, we find the main economy of the region, Brazil, with 44%. In terms of regional blocs (see Figure 5), the greater support can be found in MERCOSUR (average support of 63%), where the low support of Brazil is an exception within

the bloc. The following one is the Pacific Alliance group, with an average support of 62% and high level of homogeneity. Finally, Central America shows an average support of 58%, with a maximum of 70% in Nicaragua, and a minimum of 47% in Panamá. On the other hand, apparently, the support to the political integration is related to the identification of the “political dialogue” as one of the dimensions of the regional integration (the correlation between both variables delivers 0.60) (see Figure 6).

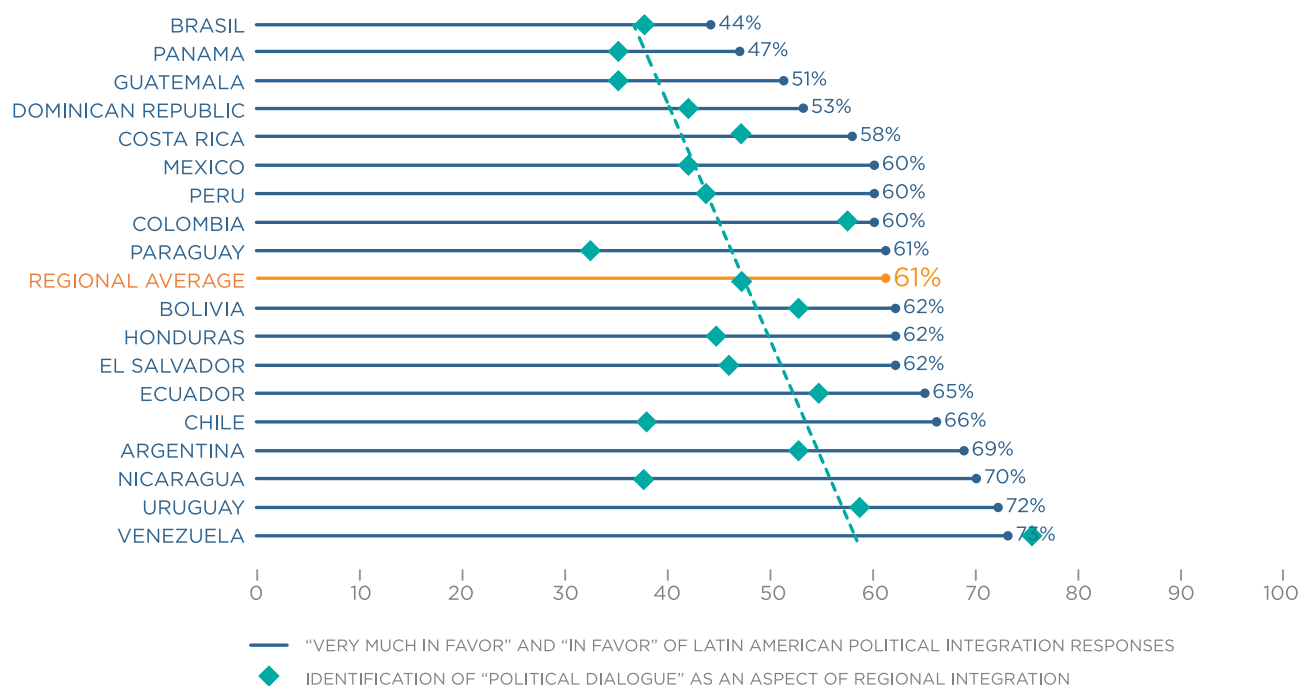
Figure 5

Support to the Latin American integration by country and bloc.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Figure 6
Relationship between the support to Latin American political integration and political dialogue.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

THE TIME OF REGIONAL INTEGRATION: CONVERGENCE AND PRAGMATISM

The weakening of international trade after the 2008-2009 financial crisis¹ and the challenges being faced by the process of globalization are providing a scenario to reconsider and strengthen regional integration. An IDB recent document, *Routes to Growth in a New Trade World*, draws attention to the fact that uncertainty and a probable negative environment for global trade agreements combine reasons to deal with the advanced, though incomplete, regional integration process. This work brings out an evaluation from the existing initiatives in their strictly commercial aspect. There are 33 preferential trade agreements among countries of Latin America and the Caribbean, a system that covers nearly 80% of the exchange value within the region. Tariff reductions' processes provided for in these agreements are nearly completed.

However, there are also important portions of the exchange that are not included in these agreements yet; particularly agricultural products and certain manufacturing industries. Moreover, the existing agreements between the largest economies in the region, Brazil and Mexico, are very limited. There is a missing link in the regional integration that would connect Mesoamerica and South America. Completing this architecture could be a very complex task. This is just a general objective to which tasks of apparent less ambition can contribute; many of them have widely remained behind the scene of the region negotiating tradition. However, carrying out these actions is an essential part of the scenario in which tangible benefits from integration are obtained.

¹ The time of the regional integration: convergence and pragmatism. Giordano, Paolo, coord. and Ramos Martínez, Alejandro. Trade and Integration Monitor 2015 and Trade and Integration Monitor 2016. Washington: IDB; INTAL IDB.

In this direction, the approach mode undertaken by MERCOSUR and the Pacific Alliance is worth mentioning. In April 2017, at the Ministerial Meeting of both blocs held in Buenos Aires a Road Map was drafted. This Road Map provided a set of targeted and pragmatic objectives which combined actions to favor the productive development and improve the trade regulation. It also included the organization of the “MERCOSUR-Pacific Alliance Seminar: A Positive Agenda for Integration”, thus inaugurating a bi-regional mechanism for reflection with key stakeholders from the public and private sectors, the academia and civil society. The knowledge generation and dialogue arise as main requirements for integration strategies that cannot only be created by government agencies.

This Seminar was held in Mendoza, Argentina, on July 19, 2017, and involved a high participation of public authorities, experts and representatives of the private sector. It was highlighted that MERCOSUR and the Pacific Alliance have a real opportunity to proceed with a realistic agenda, based on the main idea of aligning already existing local objectives with regional aims. This would lead to a positive feedback between the two levels, and would give strength to an enlarged regional area that may deal better with the challenges of a scenario in which isolated actors have less possibilities of improving their global integration.

To strengthen regional value chains, on the one hand, it is recommended to establish a regulation of origin that allows for linking existing agreements, working in the regulatory convergence and the standardization of technical standards, creating a bi-regional entrepreneur and technological joint fund and identifying relevant physical connectivity projects for regional logistics. To proceed with trade facilitation, on the other hand, it was proposed to create a Road Map to implement the provisions of the Trade Facilitation Agreement, coordinate efforts toward the interoperability of single window facilities for Foreign Trade, adopt the Digital Certificate of Origin between both blocs in a comprehensive manner and generalize the implementation and mutual acknowledgment of the Authorized Economic Operator.

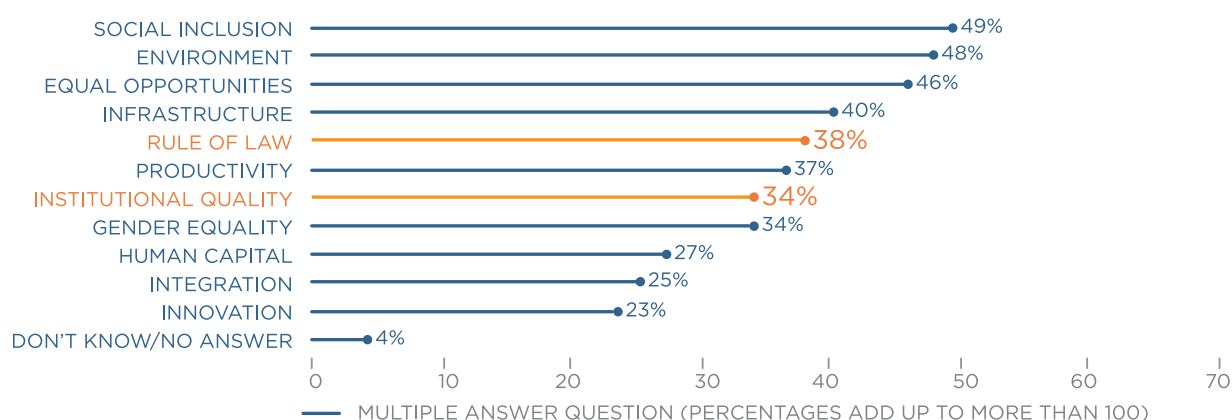
The important elements of the Positive Agenda go in two different directions. They aim to strengthen the regional economic space to promote the creation of regional value chains, which are able to take advantage of specialization benefits and operate in innovation and diversification areas, all of them being policy goals shared by all countries. This involves proceedings with connection mechanisms between the already existing agreements that are focused on regulatory convergence, and which aim to facilitate the identification of products “of origin” generated in one agreement also in the other agreement. A bi-regional fund of business and technological articulation would boost projects of greater risk and ambition for innovation. Naturally, the Seminar underlined the need to address, in a collaborative manner, the serious deficiencies of the region physical connectivity. On the other hand, the Trade Facilitation Agenda had its origin in the 2003 Bali Agreement and is part of the commercial strategy of all countries. Converging at regional level would give impetus to their fulfillment, including specific aspects such as the interoperability of Single Window facilities for Trade and other elements of trade regulation. The bi-regional effort would involve better coordination mechanisms and economy of resources.

Development and Institutions

Latin Americans have very little confidence in institutions. However, neither the “rule of law” nor the “quality of public institutions” are perceived as a priority among the problems for the countries’ development.

To address questions posed on main impediments for the development of countries in the region, the “Rule of Law and Law enforcement” response was selected by 38% of respondents and the “Quality of Public Institutions” answer by 34%, ranking them in the fifth and seventh positions, respectively, out of 11 options (see Figure 7).

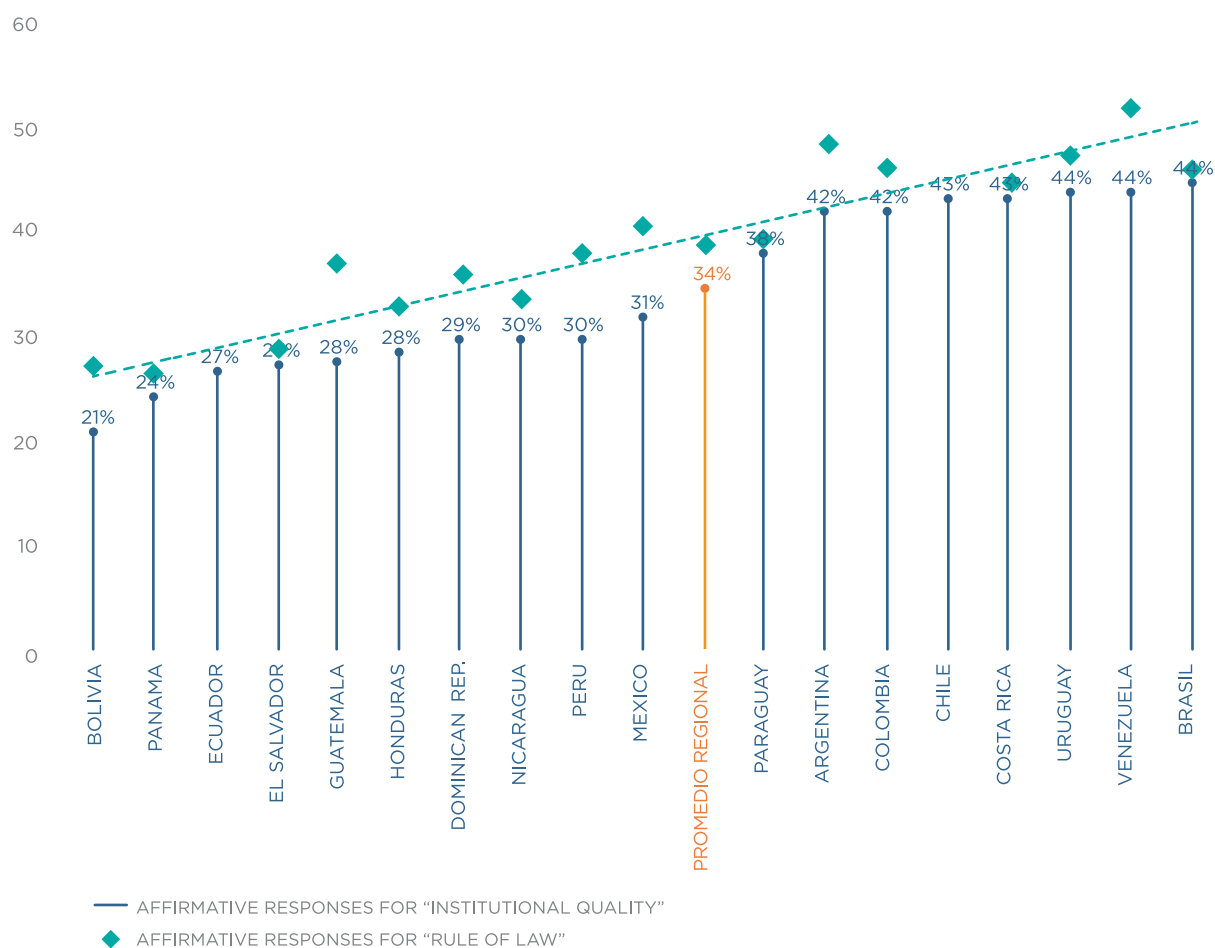
Figure 7
Important topics for development.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The “quality of public institutions” reached its highest level in Brazil (44%), though it was also put forward as a priority in the development agenda of Venezuela and Uruguay (43.8% and 43.6%, respectively). Bolivia is the country which has assigned less importance to this subject in their development agenda (21%) (see Figure 8). While, the “Rule of Law and Law enforcement” were priority subjects in the development agendas of Venezuela and Argentina (52% and 48% of mentions, respectively), they showed low priority for Ecuador (25% of mentions). Besides, a highly positive correlation (0.91) is found among the responses in countries that consider both variables most important. That is to say, countries that attached more relative importance to the quality of institutions in the development agenda also identified the “Rule of Law and Law Enforcement” as a relevant topic in that agenda (see Figure 8).

Figure 8
Relationship between Institutional Quality and Rule of Law as important topics for development.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

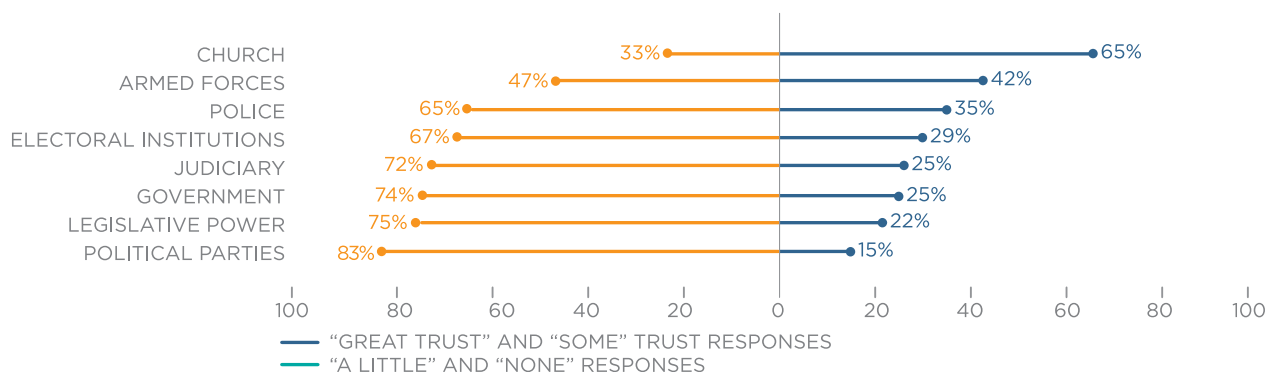
Tell me whom you trust, and I will tell you who you are

Institutions are the key players for the organization and regulation of life in society. In democratic systems, institutions have an important role in the distribution of power, avoiding its concentration in a sole institutional actor. We wonder what institutions Latin Americans have more confidence in.

How much confidence do we have in congress, justice and the executive power? Do we trust political parties? And law enforcement bodies?

For Latin Americans, the Church is the most reliable institution (with 65% of “some” trust and “great trust” responses). In the second position, the armed forces with 42% of trust, and in the third position, police with 35% (see Figure 9). Political parties are highly discredited with only 15% of trust, though confidence in the electoral institution is greater than in the judiciary, government and congress.

Figure 9
Level of confidence in Institutions.
How much do you trust the following Institutions?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The following conclusions emerged from an analysis by country

- Venezuelans trust congress the most (37%), and Paraguayans, the least (87% do not trust).
- Nicaraguans trust their government the most (42%), and Brazilians, the least (91% do not trust).
- Costa Ricans trust the judiciary the most (43%), and Paraguayans, the least (92% do not trust)
- Venezuelans trust political parties the most (30%), and Brazilians, the least (92% do not trust)
- Uruguayans trust the electoral institution the most (51%), and Salvadorans, the least (80% do not trust)
- Ecuadorians trust armed forces the most (65%), and Venezuelans, the least (65% do not trust)
- Uruguayans trust police the most (59%), and Mexicans, the least (79% do not trust)
- Hondurans trust the Church the most (78%), and Chileans, the least (61% do not trust)

Considering these results, it is worth analyzing whether low confidence some institutions generate affects the support of society to democracy as a form of government. How much support does the democratic system in Latin America have? How does it impact on the political integration of the region?

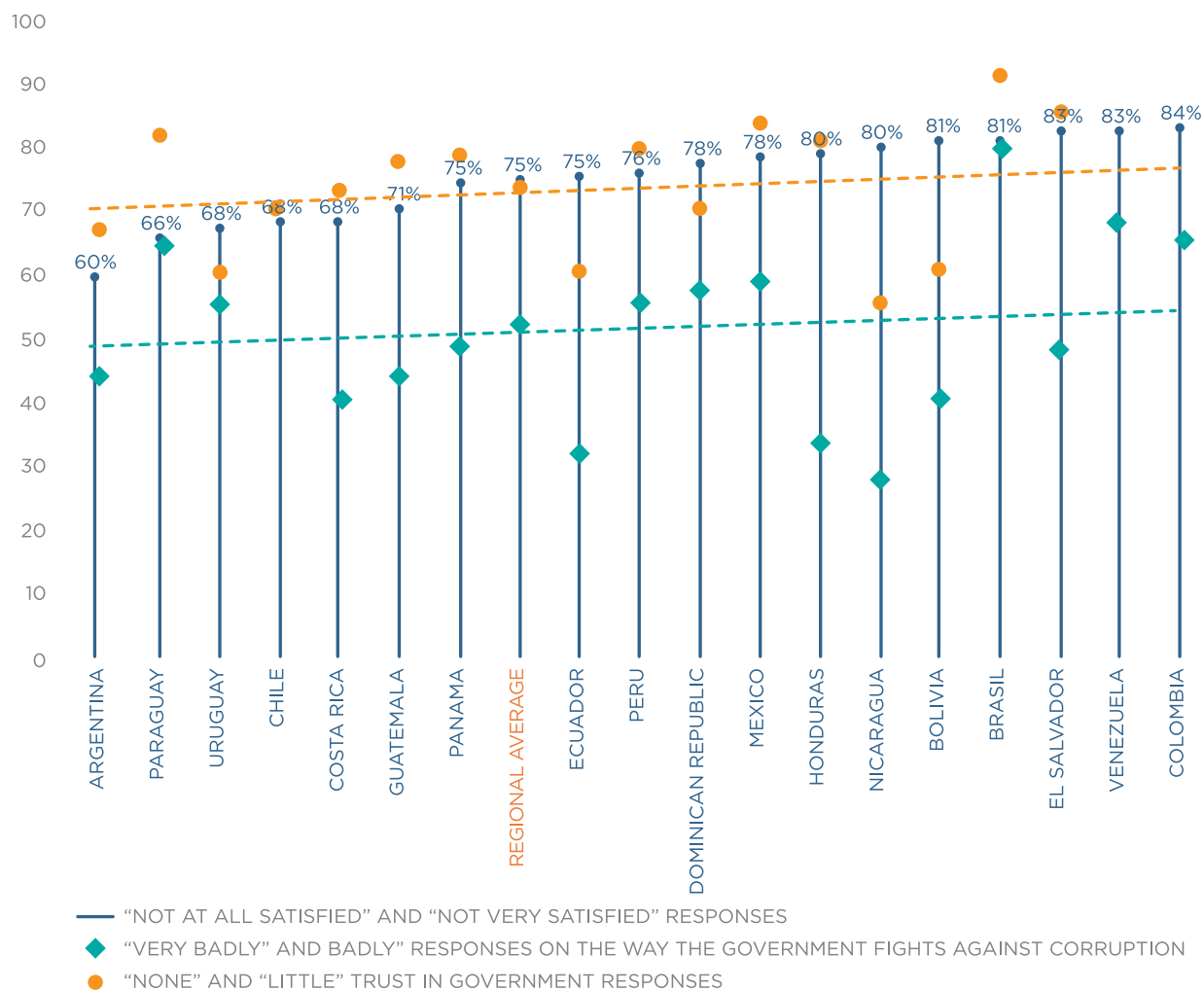
Latin Americans showed a considerably strong support to democracy, even though satisfaction level about its functioning was low. 70% supported democracy, considered that "though democracy may have many flaws and problems, it is the best form of government". This idea was widely supported among internet and social networks' users (0.56 and 0.70 correlations).

In addition, 66% of Latin Americans stated they were not satisfied with the functioning of democracy in their country (30% were satisfied and the responses of 5% were "Don't know/No answer"). Dissatisfaction related to the functioning of democracy was related to distrust in institutions and the perception that the government had done "little" or "very little" to fight against corruption.²⁰ (see Figure 10).

²⁰Very significant correlation with distrust in: government (0.9), justice (0.75), political parties (0.72), congress (0.71). Significant and negative correlation of -0.65 for government fight against corruption

Figure 10

Relationship among dissatisfaction with democracy, the fight against corruption and distrust in government, by country.

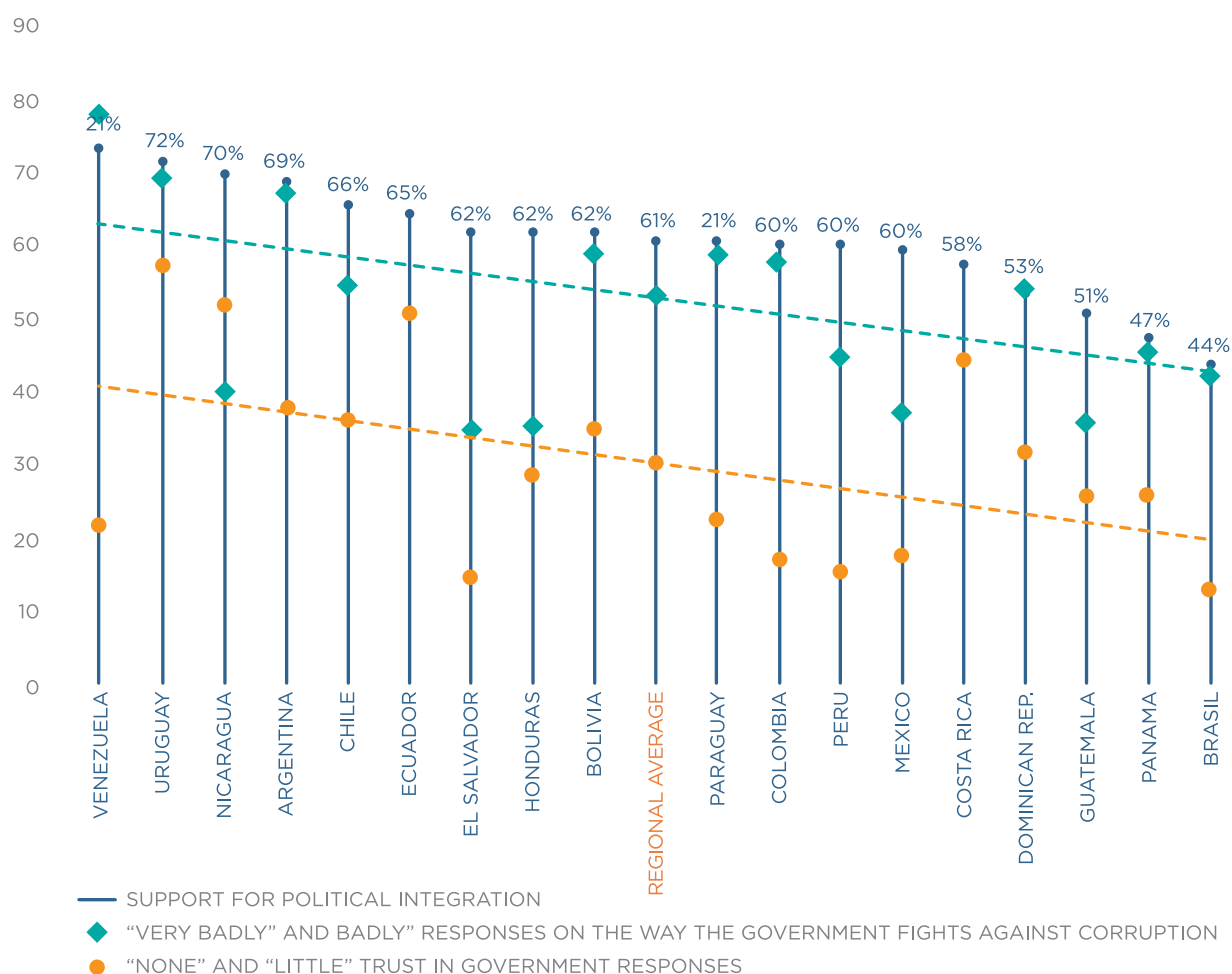


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Countries with a greater "support to democracy"²¹ are the ones that support political integration of the region the most (correlation of 0.77). The dissatisfaction levels with the functioning of democracy are positively associated to the support to political integration, but with less strength (correlation of 0.32) (see Figure 11).

²¹ Consider that "Democracy may have its flaws and problems, but this is the best form of government"

Figure 11
Willingness to integrate politically and satisfaction and attachment to democracy.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

When the interviewees were asked whether they considered democracy was preferable to any other form of government, 53% of Latin Americans responded affirmatively, which means that the support level is 8 points lower than the one registered in 2010. The percentage of the indifferent grew from 16% to 25%. The dissatisfaction level with the “democratic quality” grew from 52% to 65% during the same period. However, as regards the statement “democracy may have flaws and problems, but this is the best form of government”, 70% of Latin Americans were in favor of it. Consequently, it was concluded that, although it is declining, the attachment to democracy as a system of government remains strong, and therefore it positively contributes to support the political integration in the region. The high disagreement with regard to the functioning of institutions of democracy does not undermine the support to the political integration of Latin America.

On corruption

2017 Latinobarómetro asked several questions to characterize the positioning of Latin Americans with regard to corruption. The analysis of these answers goes beyond the aim of this work, but there are some conclusions which are worth highlighting: Reporting corruption: 87% supported the assertion “If I witnessed an incidence of corruption, I would feel obliged to report it”.

Tolerance for corruption: 53% supported the assertion: “The price for certain level of corruption can be paid, provided that the problems of the country are solved”.²²

NEW DEMOCRACY

Latin American society shows low confidence in the general functioning of institutions, in the three powers of the democratic system (executive, legislative and judicial). Corruption and the frequency, with which political turmoil of different seriousness is taken to court, are probably the main triggers of the debate on the role of justice and parliament in the Rule of Law. The revision of the election mechanisms of parliamentary representatives and the democratization in the selection of judges play a key part in this debate.

Democratization of justice

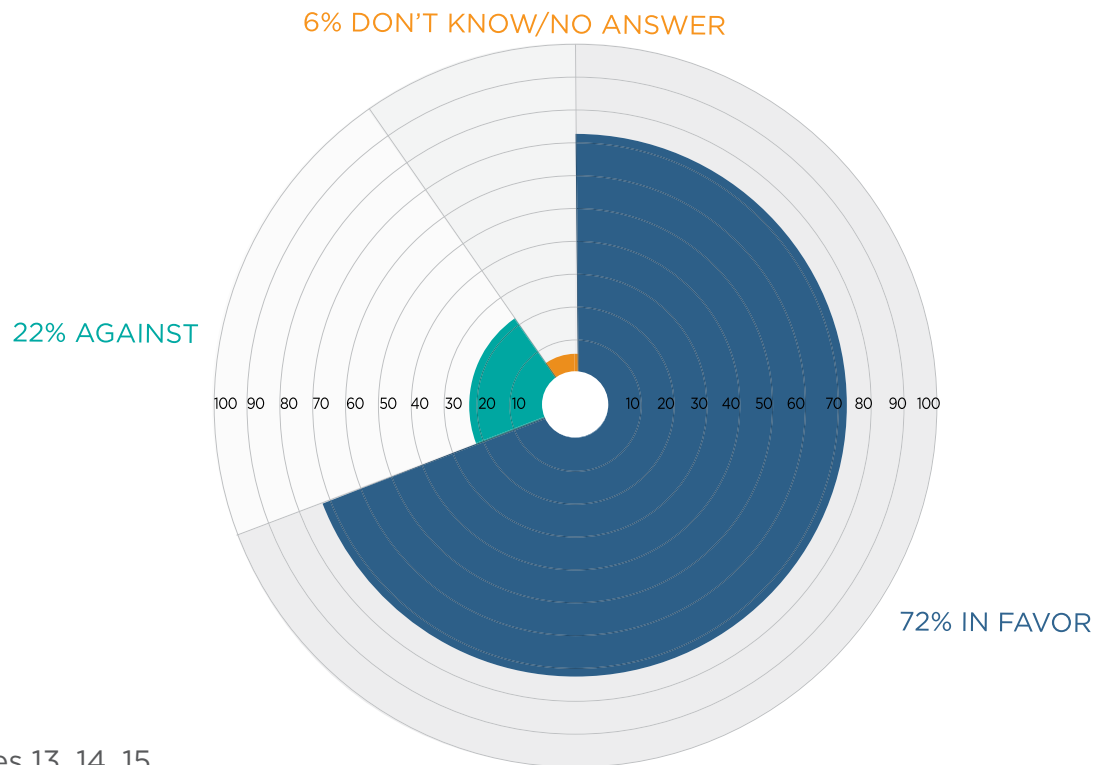
On this matter, we wonder what Latin Americans think of the election of judges and prosecutors by popular vote. Do you agree with greater involvement of civil society in justice? How should juries be composed of?

Consulted on the possibility of judges and prosecutors being elected by popular vote, 72% of respondents were in favor, and 22% against (See Figure 12). In particular, men and persons with better socioeconomic status strongly supported this possibility.

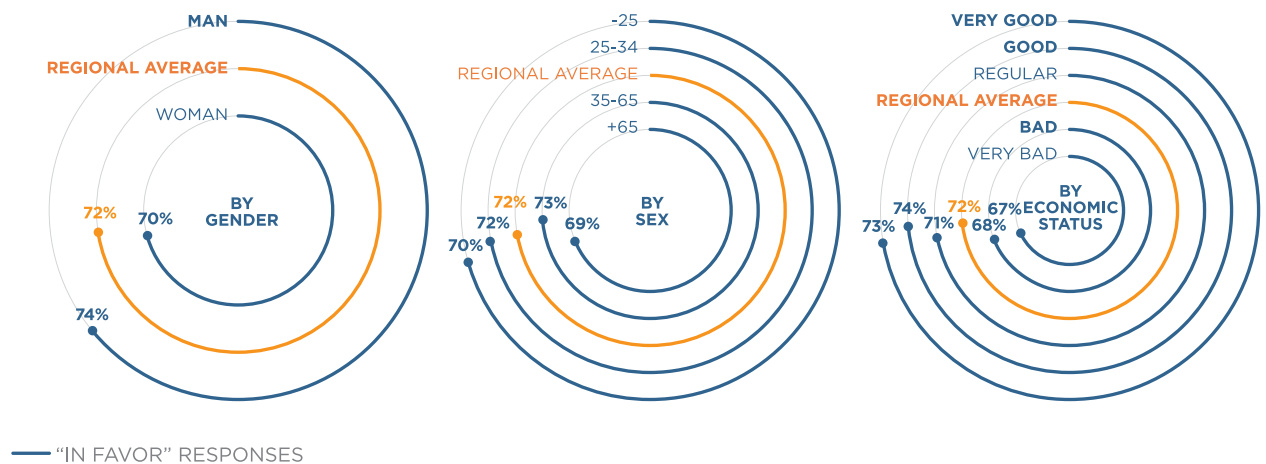
When analyzing the responses by country, we found the maximum support in Venezuela with 90% of persons “In favor” and “Very much in favor”. At the other end of the spectrum, the countries that supported this idea the least were Guatemala and Chile (59% and 60% of positive responses, respectively) (see Figure 20).

²²In a study conducted by INTAL in Argentina on the 18-34 age-group, it was found that the tolerance for corruption among Argentine young people was of 34%. For further information, please refer to: Basco, Ana Inés and Carballo, Marita. 2017. “Millennial Beats: Generation Y in the Age of Integration 4.0”. Buenos Aires: INTAL BID.

Figure 12
Election of judges and prosecutors by vote.



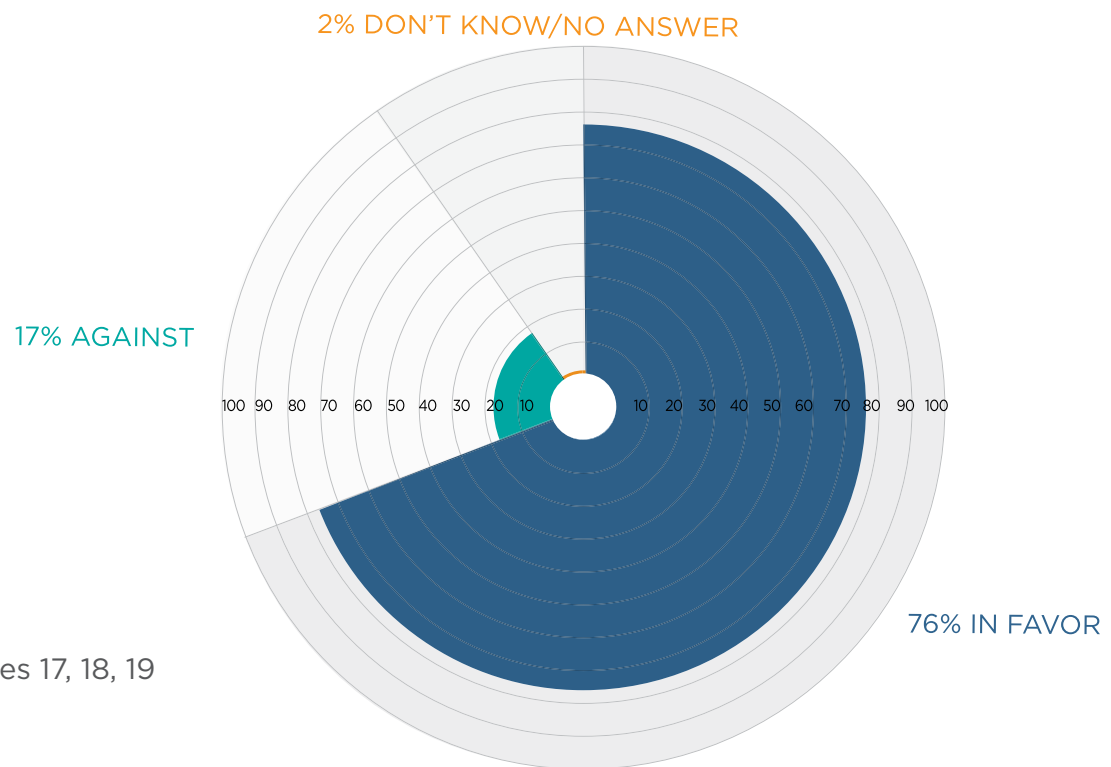
Figures 13, 14, 15



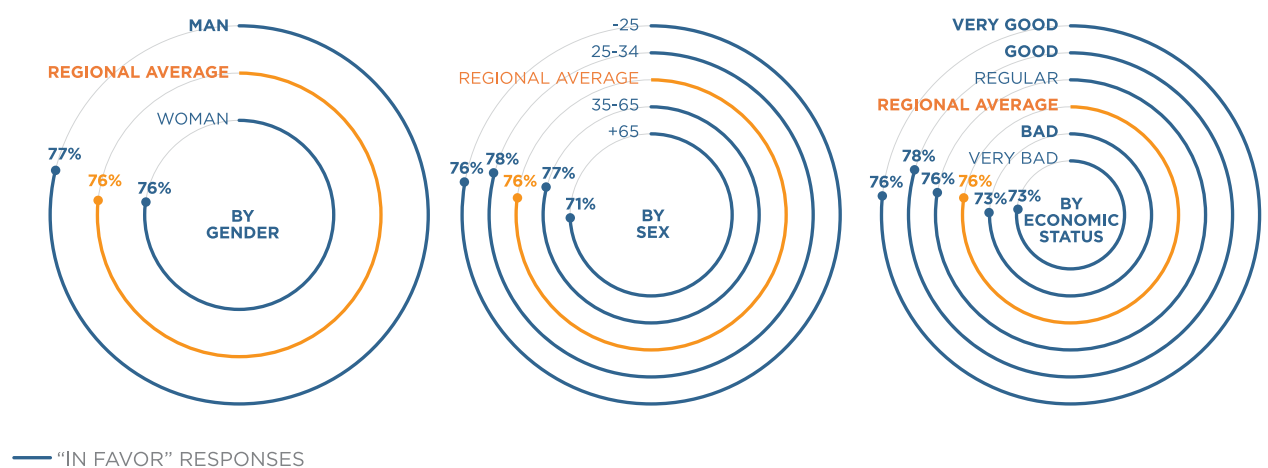
Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Interviewees were also consulted about the possibility of juries being composed of ordinary citizens. 76% of Latin Americans responded in favor and 17% against (see Figure 16). In this case, the question of gender did not appear to influence responses. But it has to be highlighted that older adults and persons with a “Bad” and “Very bad” socioeconomic status supported the least this proposal. When analyzing the answers by country, we found that the maximum support was registered in Colombia with 84% of persons in favor, and the minimum level was found in Paraguay with 66% of positive responses (see Figure 21).

Figure 16
Juries composed of ordinary citizens.

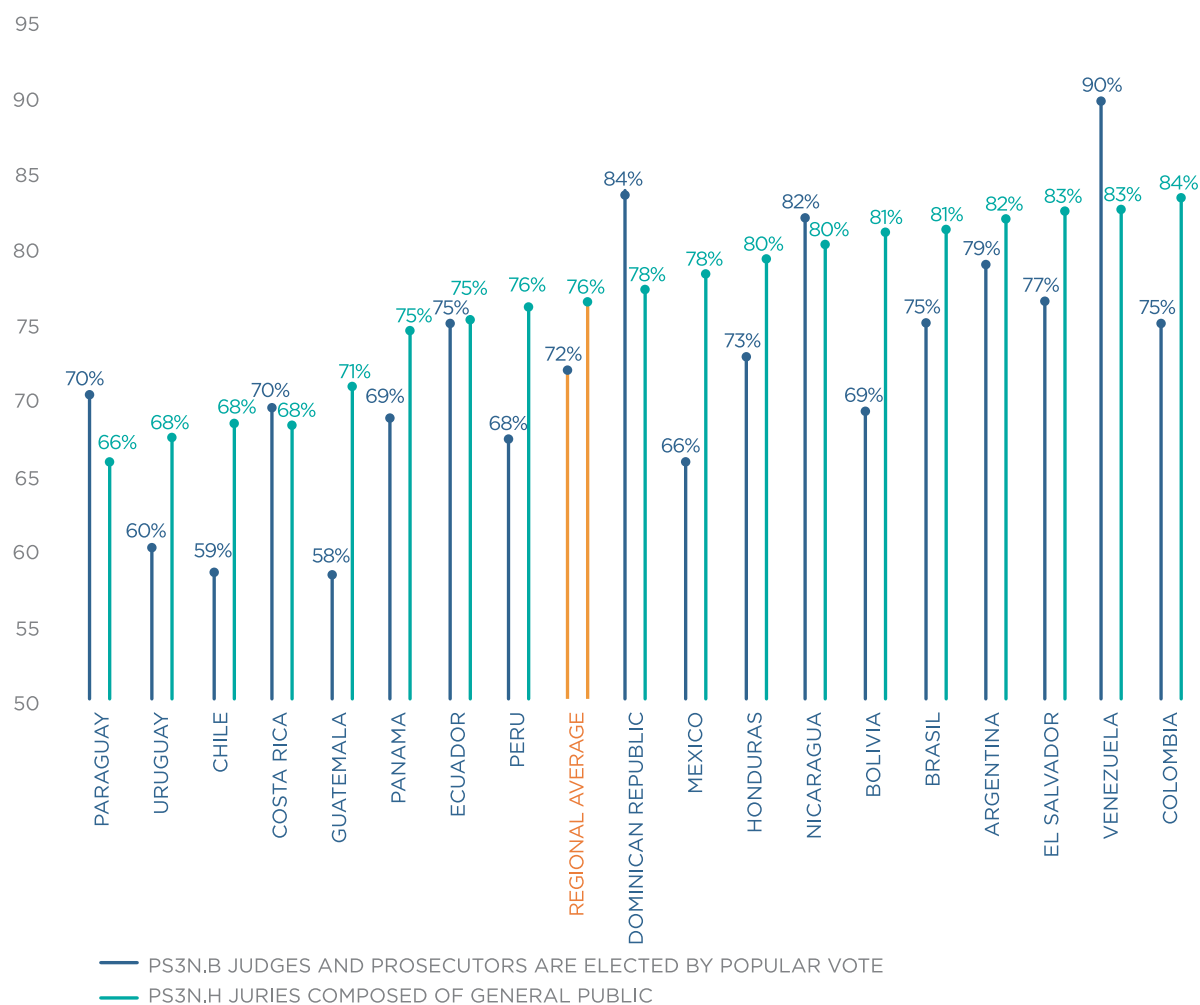


Figures 17, 18, 19



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Figure 20
Democratization of justice.

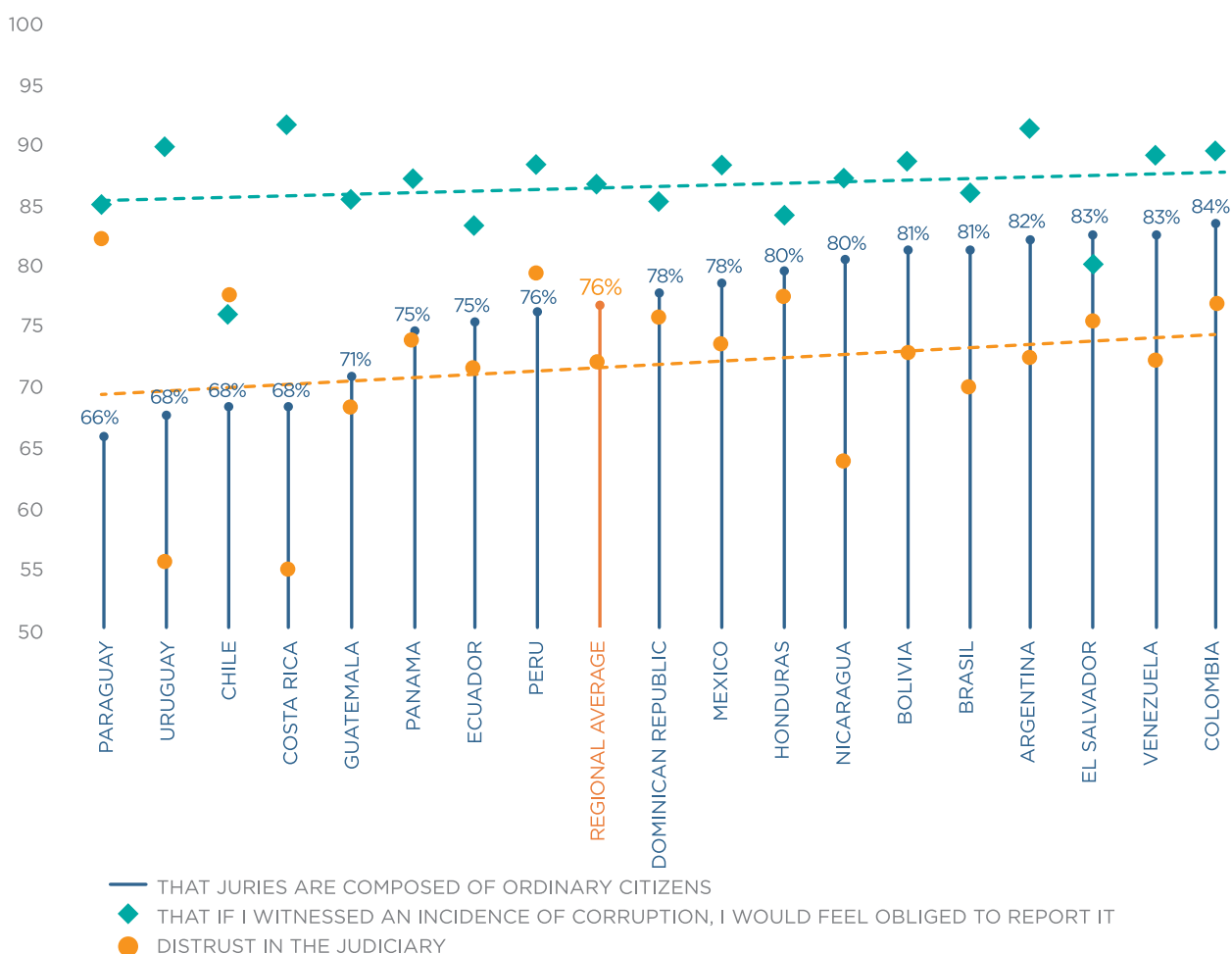


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The support to democratization of justice would be related to persons' low tolerance for corruption and with the distrust in the judiciary. The countries that support the most that "Judges and prosecutors are elected by popular vote" and that "Juries are composed of ordinary citizens" show correlations of 0.59 and 0.75, respectively with the answer "If I witnessed an incidence of corruption, I would feel obliged to report it" and of 0.49 and 0.65, respectively with the distrust in justice (see Figure 21).

Figure 21

Relationship between the support to juries composed of common citizens, mistrust in the judiciary and willingness to report a corruption incidence, by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

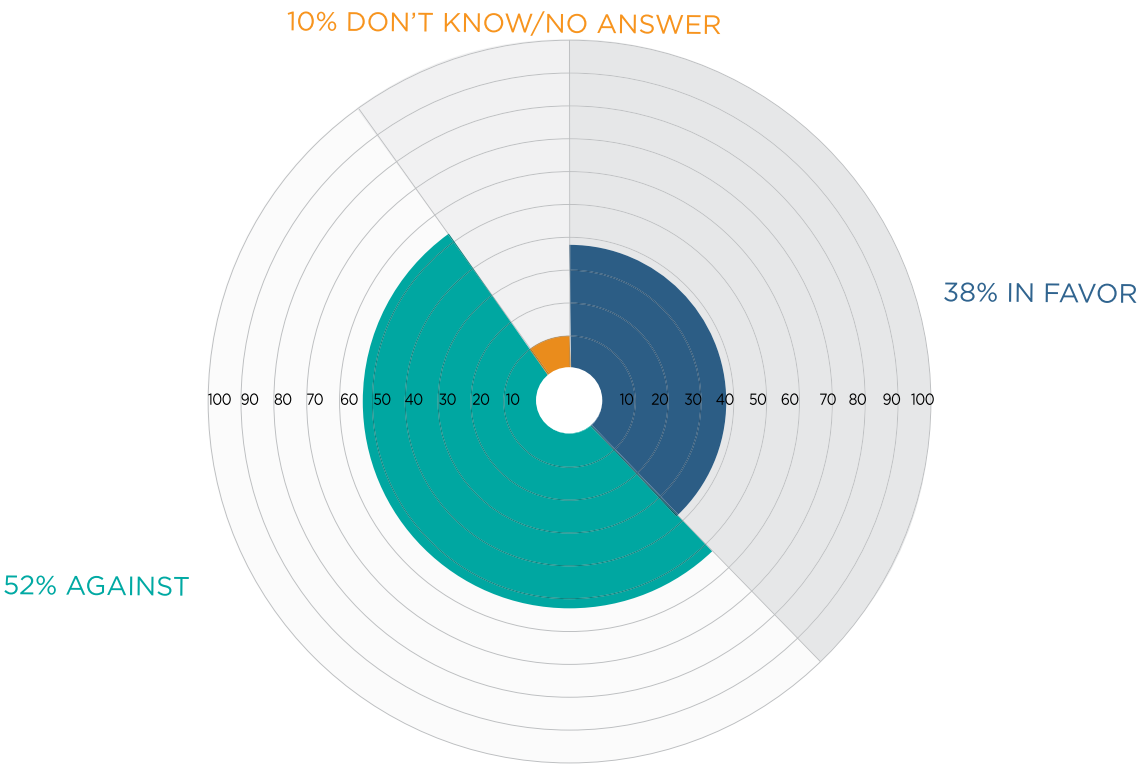
PARLIAMENT IN ANCIENT GREECE

When consulting about the confidence levels in the different institutions of the democratic system, we found that only 22% of Latin Americans trusted Congress while other 75% did not trust it. In this regard, we wonder whether the representative democracy is being questioned in the region. Do most Latin Americans prefer a direct democracy like in ancient times?

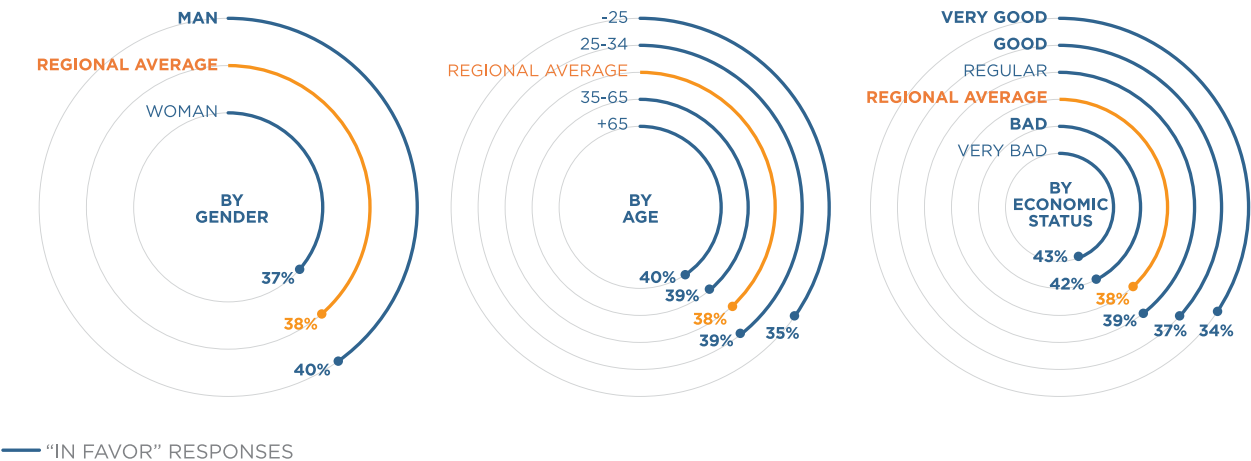
In Ancient Greece, parliamentarians were chosen at random. We consulted on this matter, and found that more than half of the population was in favor of this method (52%) and 38% against. A noticeable high number of “Don’t Know/No answer” responses (10%)

(see Figure 22). An analysis by gender shows that men are slightly more in agreement that women with the random selection of representatives. When analyzing the responses by age, we saw that when the adult population is older, the higher the percentage in favor of a direct democracy. Also, it is observed that when the socioeconomic status of persons is most unfavorable, greater is the agreement. Then, an analysis by country showed that Dominican Republic is the country which supports the most the selection of parliamentarians by drawing lots (58% of “in favor” answers) and Uruguay is the country which agrees the least with this idea (24% of answers in favor) (see Figure 26).

Figure 22
Election of parliamentarians by drawing lots

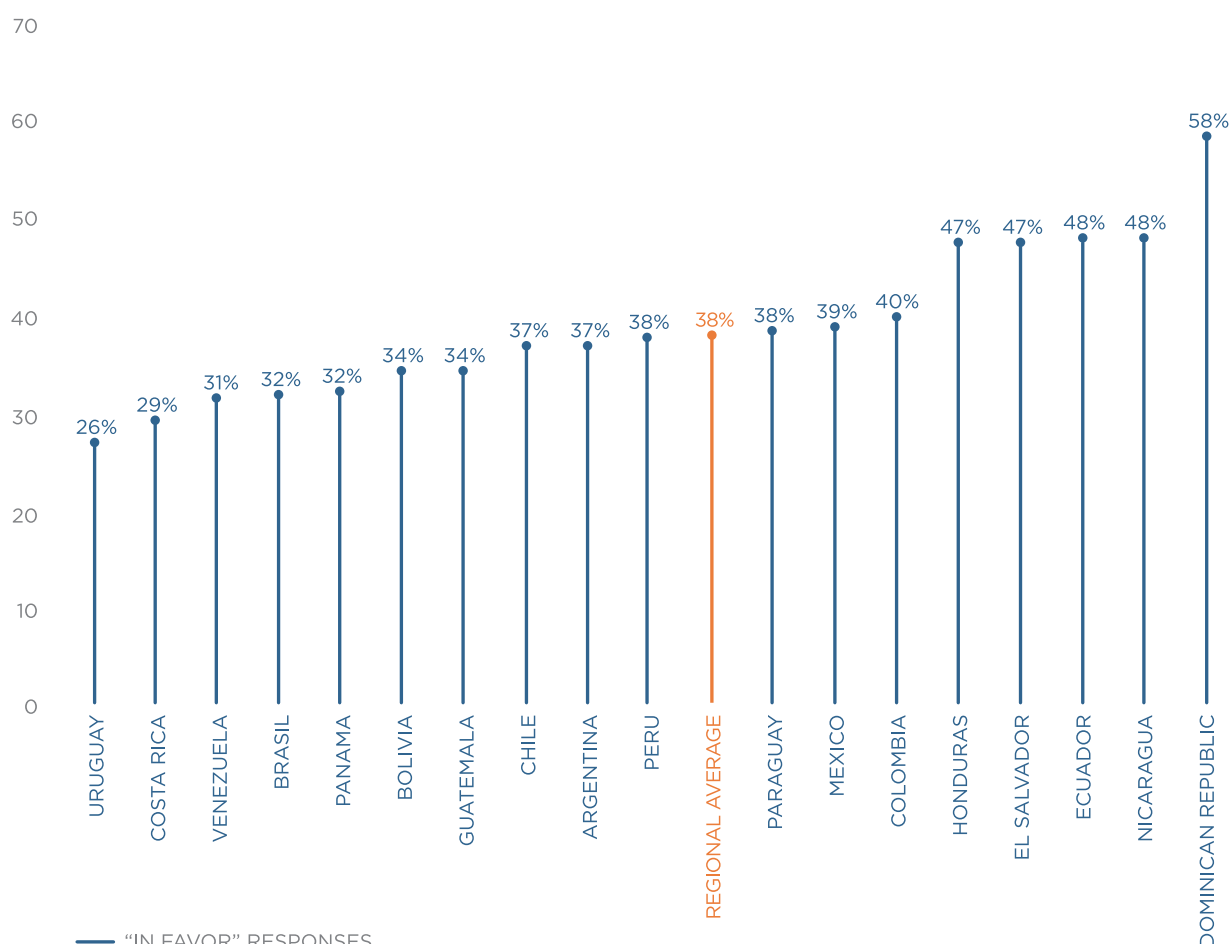


Figures 23, 24, 25



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Figure 26
Election of parliamentarians by drawing lots.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The support to the election of parliamentarians by drawing lots shows a positive correlation of 0.65 with tolerance for corruption (responses according to the phrase: “The price for certain level of corruption can be paid, provided that the problems of the country are solved”).

TECHNOLOGY AND DEMOCRACY

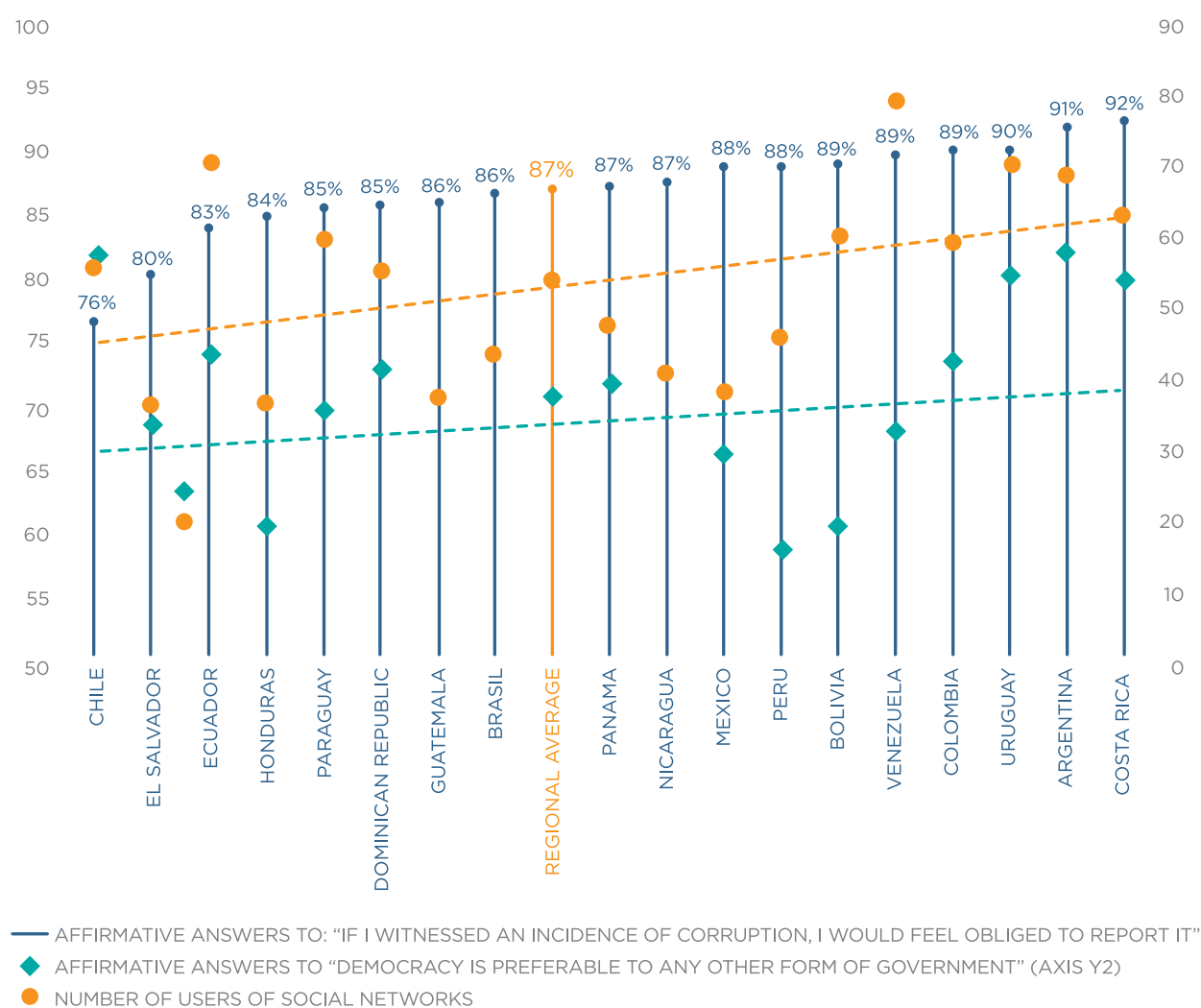
The Information and Communication Technologies facilitate communications between government and citizens, allowing for new forms of participation that have an impact on decision making, in particular for public matters. ICTs offer new channels so that citizens become involved with government, to complete formalities on-line, express their opinions, and make their claims effective, among a wide range of possibilities. At the same time, most frequently, we see that political parties and their candidates use text messaging systems of mobile telephony and social networks to reach voters.

May ICTs broaden the foundations of democracy in Latin America? Comparing the results with other new forms of democratic participation and the development of the electronic government of each country may be interesting.

The internet and social networks emerge as important factors for the support to democracy and reporting for corruption incidences. Correlations of 0.71 and 0.73 were found among internet and social networks' users with regard to the belief that "Democracy is preferable to any other form of government". Besides, correlations of 0.56 and 0.70 among internet and social networks' users as regards those who recognize that "Democracy may have its flaws and problems, but it is the best form of government", and of 0.62 among those who said that "If I witnessed an incidence of corruption, I would feel obliged to report it" (see Figure 27).

Figure 27

Relationship between preference for democracy and willingness to report a corruption incidence, and social networks' users, by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The possession of a smartphone shows the same tendency as with the internet on the support to democracy, though less strongly²³, but it appears more related to lack of confidence in institutions. Countries having more penetration of smartphones are the ones which show more distrust in justice, in political parties and in congress (correlation of 0.65, 0.51 and 0.46, respectively).

The resistance to choose parliamentarians by drawing lots is noticed in countries with greater development of electronic government and higher index of human development. A positive correlation of 0.55 is registered among countries which oppose the most to the selection of parliamentarians' positions by drawing lots and the InDex of Development of the Electronic Government²⁴ prepared by United Nations, and of 0.45 with regard to the index of human development. The development of the electronic government is positively related to less tolerance of the society for corruption incidences and with a higher level of incidences reporting (correlation of 0.57) (see Figure 28).

Figure 28
Relationship between electronic government, tolerance for corruption and social networks' users, by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

²³ Correlation of 0.42 with "democracy is preferable to any other form of government", of 0.52 among those who recognize that "democracy may have problems, but this is the best form of government"

²⁴ The Index of Development of the Electronic Government presents the state of Development of the Electronic Government of the United Nations Member States. Together with an evaluation of patterns of development of web sites in a country, the index incorporates the access categories, such as infrastructure and educational levels, to reflect how a country is using information technologies to promote the access and inclusion of their people. The index is a measure of three important dimensions of electronic government, as follows: the provision of online services, connectivity of telecommunications and human capacity. Index of Development of Electronic Government. 2016. New York: UN.

The responses regarding the level of corruption in law courts show a negative correlation with the governmental efficiency indicators (-0.65) and the E-Government Development Index (-0.49). This could suggest that the objective indicators of institutional quality are effectively reflected in the corruption perceived by the population.

The development of Electronic Government is other aspect that strengthens the foundations of the representative democracy, the countries with a highest E-Government Development Index are strongly against the “selection of parliamentarians by drawing lots like in Ancient Greece” (correlation of 0.55) and show a lower tolerance for corruption (correlation of 0.57).

CONCLUSION

Political integration is very well considered by Latin Americans (62%), who associate it to free trade and mainly to political dialogue among countries (49% of mentions). On one side, the support to democracy (70%) is well established in Latin America, even though satisfaction for the functioning of democracy and institutions is low (30%). The dissatisfaction with the functioning of democracy is related to distrust in institutions, corruption and inequity in the income distribution (only 18% of Latin Americans think that the distribution of income is fair).

Political parties were the institution with the worst reputation (83%) and the Church was the most trusted one (65%). Corruption and lack of trust in the Judiciary explain the high support to the “democratization of justice” (72% supported that judges were elected by popular vote and 76% that the juries were composed of common citizens). Instead, the election of parliamentarians by drawing lots like in Ancient Greece is a little more resisted (56%), though supported by 4 out of 10 persons.

The positive correlations among TICs users and the support to democracy, and less tolerance for corruption incidences, suggest that TICs have a huge potential for the expansion of democracy foundations. Countries with the highest Index of Development of Electronic Government are the ones in stronger disagreement with the “selection of parliamentarians by drawing lots like in Ancient Greece (correlation of 0.55), and they are the ones that show less tolerance for corruption incidences (correlation of 0.57). But, as in Latin America there still are significant inequalities in the access and in the capacity for the use of these technologies, ITCs democratization force has to be contextualized under current settings of unequal opportunities in the region.

An abstract graphic in the upper right corner of the page. It features several concentric circular arcs in various shades of teal and blue. To the left of these arcs are two overlapping, semi-circular shapes in a brownish-gold color. The entire background of the upper half of the page is covered in a fine, light-colored dot pattern.

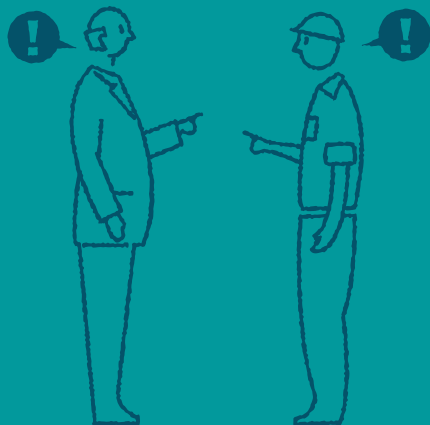
SOCIAL INTEGRATION AND EQUITY

CHAPTER 4

The DNA of regional integration



Social policies, inclusion and poverty are the main concerns on the development agenda for half of Latin Americans.



The greater awareness of tension between workers and employers, and between rich and poor inhabitants, the greater concern about equal opportunities.



72%

respondents agree that women should hold 50% of court and parliamentary offices.



9 out of 10

respondents are in favor that people work freely in any country.



The countries with the highest Gross Domestic Product (GDP) per capita and Human Development Index (HDI) are the most concerned about equity issues.

SOCIAL INTEGRATION AND EQUITY

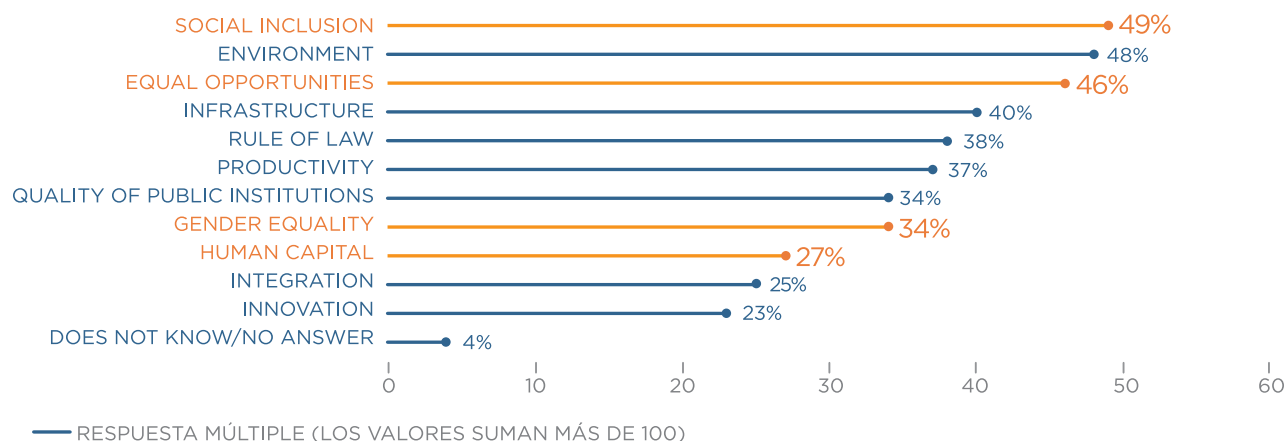
LATIN AMERICA IS CHARACTERIZED BY CONSIDERABLY HIGH LEVELS OF INEQUALITY IN INCOME DISTRIBUTION AND OPPORTUNITIES. THESE INEQUALITIES ARE MORE MARKED BETWEEN THE URBAN AND RURAL POPULATION, YOUNG PERSONS AND OLDER ADULTS, MEN AND WOMEN, WORKERS AND EMPLOYERS, AND AMONG DIFFERENT ETHNIC GROUPS. THE LATIN AMERICAN ECONOMIC STRUCTURE, CHARACTERIZED BY THE CONCURRENCE OF ECONOMIC ACTIVITY SECTORS WITH CONSIDERABLY HETEROGENEOUS PRODUCTIVITY LEVELS AND INFORMAL WORK, REPRODUCES UNEQUAL INCOME DISTRIBUTION PATTERNS, THUS INCREASING POVERTY LEVELS. IN THE PAST FEW YEARS, MOST REGIONAL GOVERNMENTS HAVE IMPLEMENTED SOCIAL POLICIES THAT SUBSTANTIALLY IMPROVED MANY LATIN AMERICANS' LIVING CONDITIONS. THE PURSUIT OF A SOCIALLY SUSTAINABLE REGIONAL INTEGRATION COMPELS US TO REVIEW LATIN AMERICANS' PREVAILING SOCIAL CONDITIONS, THE DIFFERENCES AMONG COUNTRIES AND THE MULTIPLE DIMENSIONS OF INEQUALITY IN LATIN AMERICA.

DEVELOPMENT AND EQUITY

Latin America is the most unequal region in the world. Are we, Latin Americans, indifferent to inequality? To what extent are we actually concerned about equity and inclusion? Clearly, attaining development in conjunction with social equity is a major concern for us.

Our survey on the main issues for development revealed that “social policies, social inclusion and poverty” ranked first among 11 options with 49% of mentions. “Equal opportunities for all” ranked third, with 46% of responses. Issues such as “gender equality” and “human capital” lagged behind in the seventh and eighth positions, with 34% and 27% of mentions, respectively (Figure 1). The maximum and minimum values for “equal opportunities for all” were found in Colombia (61%) and Nicaragua (34%), respectively.

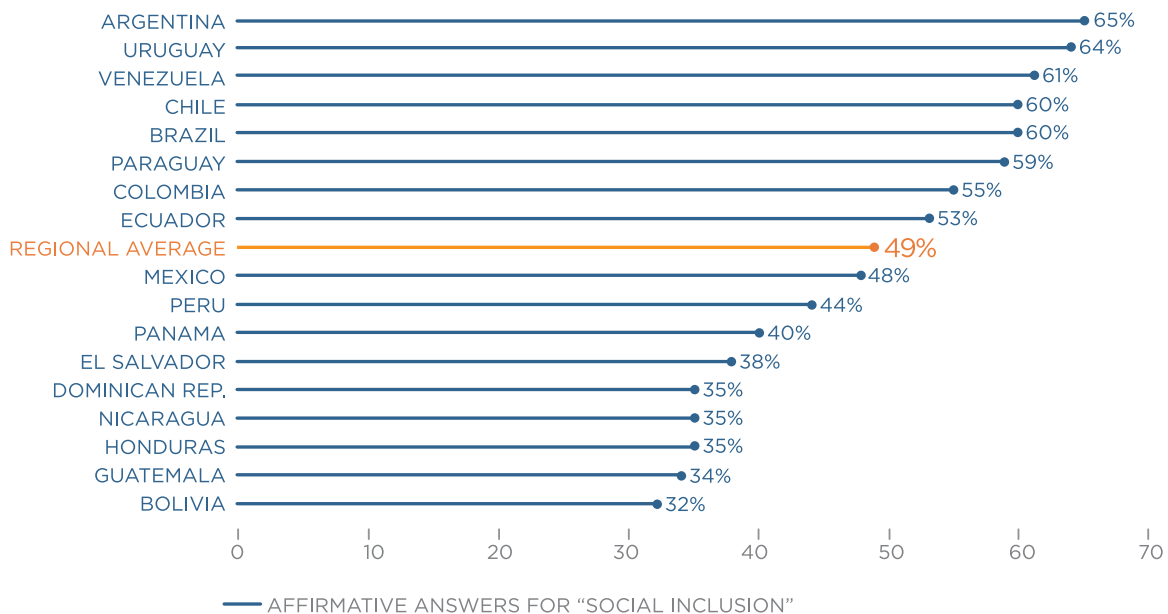
Figure 1
Key developmental issues



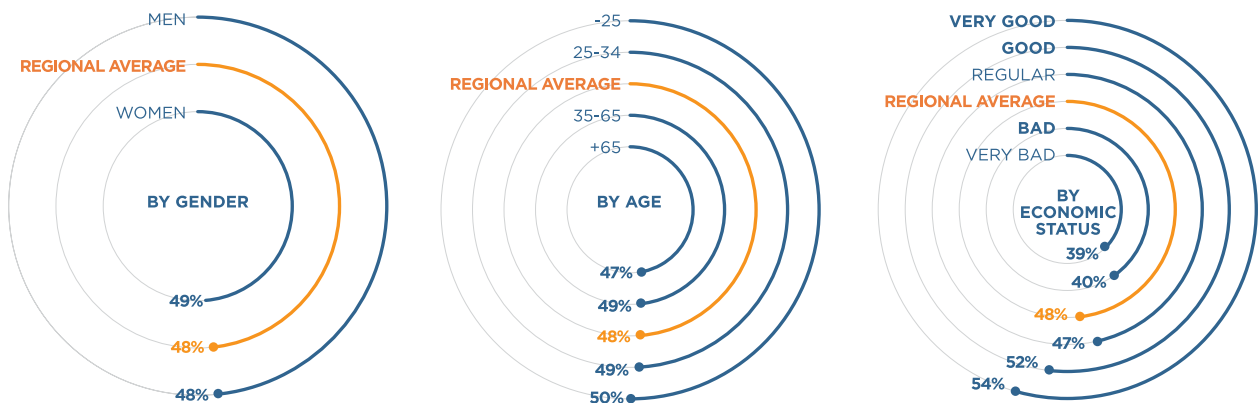
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The concern about “social policies, social inclusion and poverty” reached the maximum record in Argentina with 65% of mentions, and the minimum in Bolivia (32%). Gender does not seem to exert any influence on the responses. However, young people (aged below 25) and citizens with a good and very good socioeconomic status are the most concerned about this issue (Figures 2, 3, 4 and 5).

Figure 2
Is equity a key issue for development?



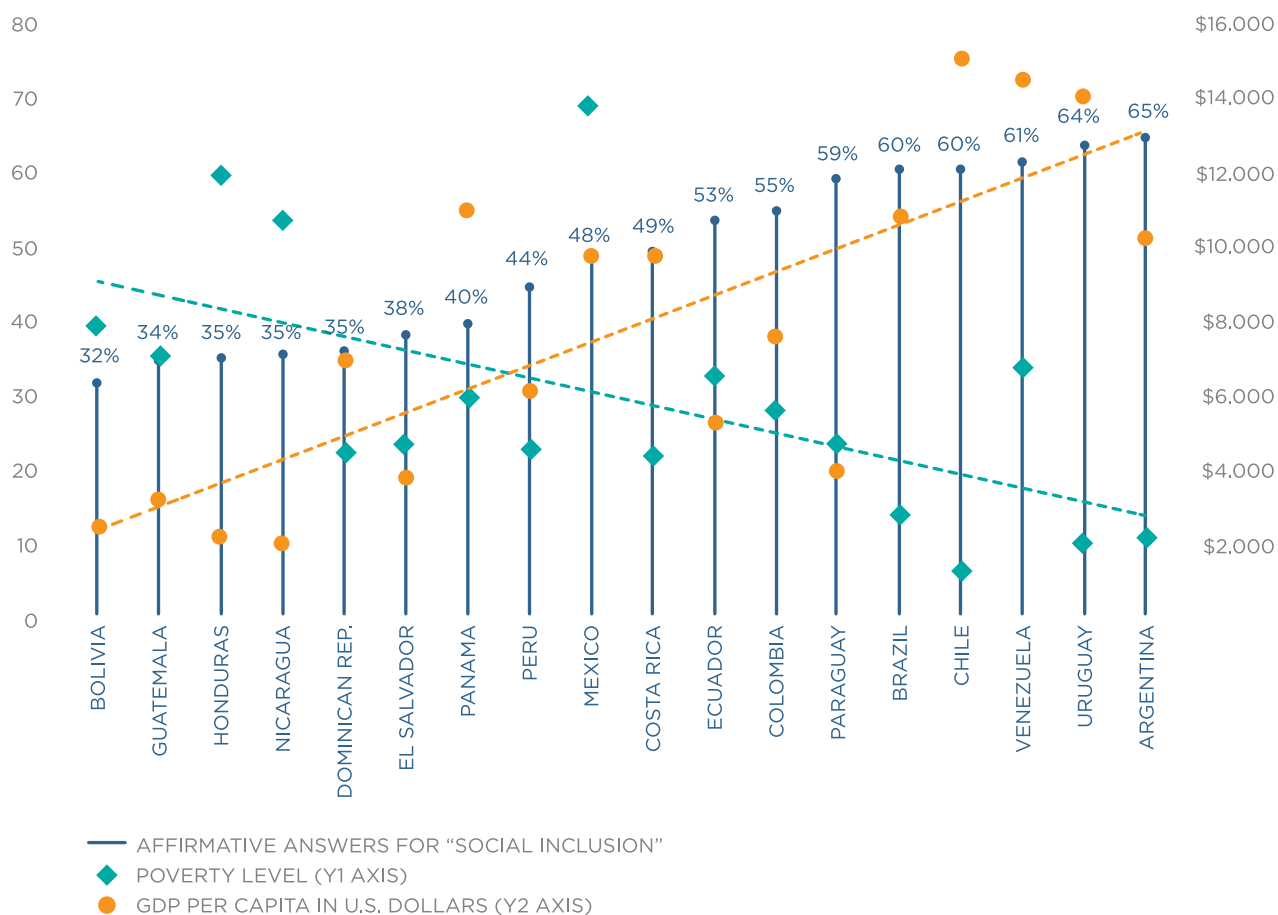
Figures 3, 4, 5



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The countries where “social policies, social inclusion and poverty” is considered to be a key issue also register the highest GDP per capita (a positive correlation of 0.67), human development index (+ 0.69) and number of internet users (+ 0.77). In contrast, the countries with scant concern about these issues are precisely those with the largest number of poor people (-0.55) (Figure 6).

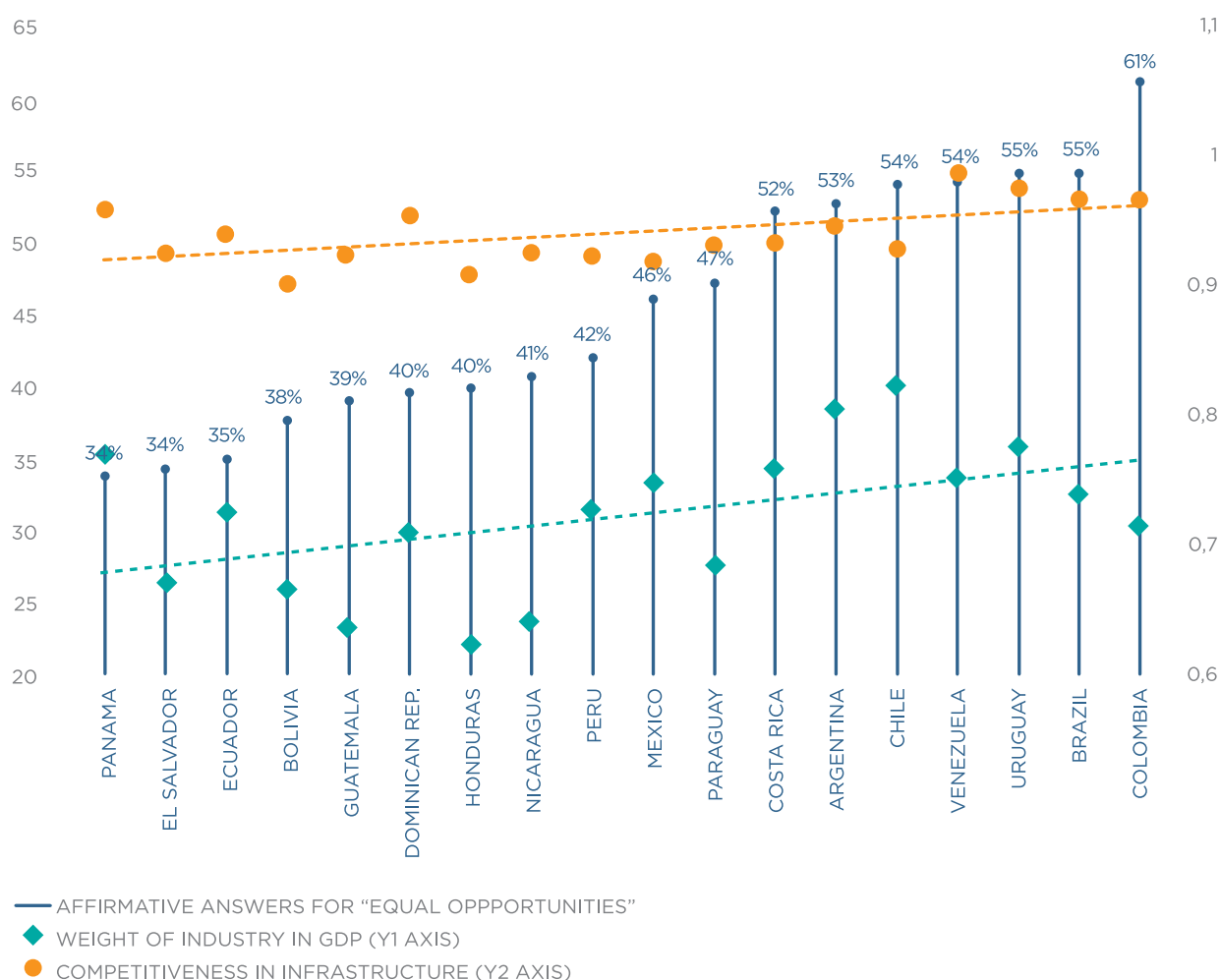
Figure 6
Relationship between equity-related issues, poverty level and income (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The concern about "equal opportunities for all" reached the maximum record in Colombia (61% of mentions) and the minimum in Panama and El Salvador (34% each). Again, the countries with the highest concern about this issue are the ones with the highest GDP per capita (a positive correlation of 0.64), human development index (+ 0.57) and gender development index (+ 0.52) (Figure 7).

Figure 7
Relationship between equal opportunities, human development and gender development (by country)



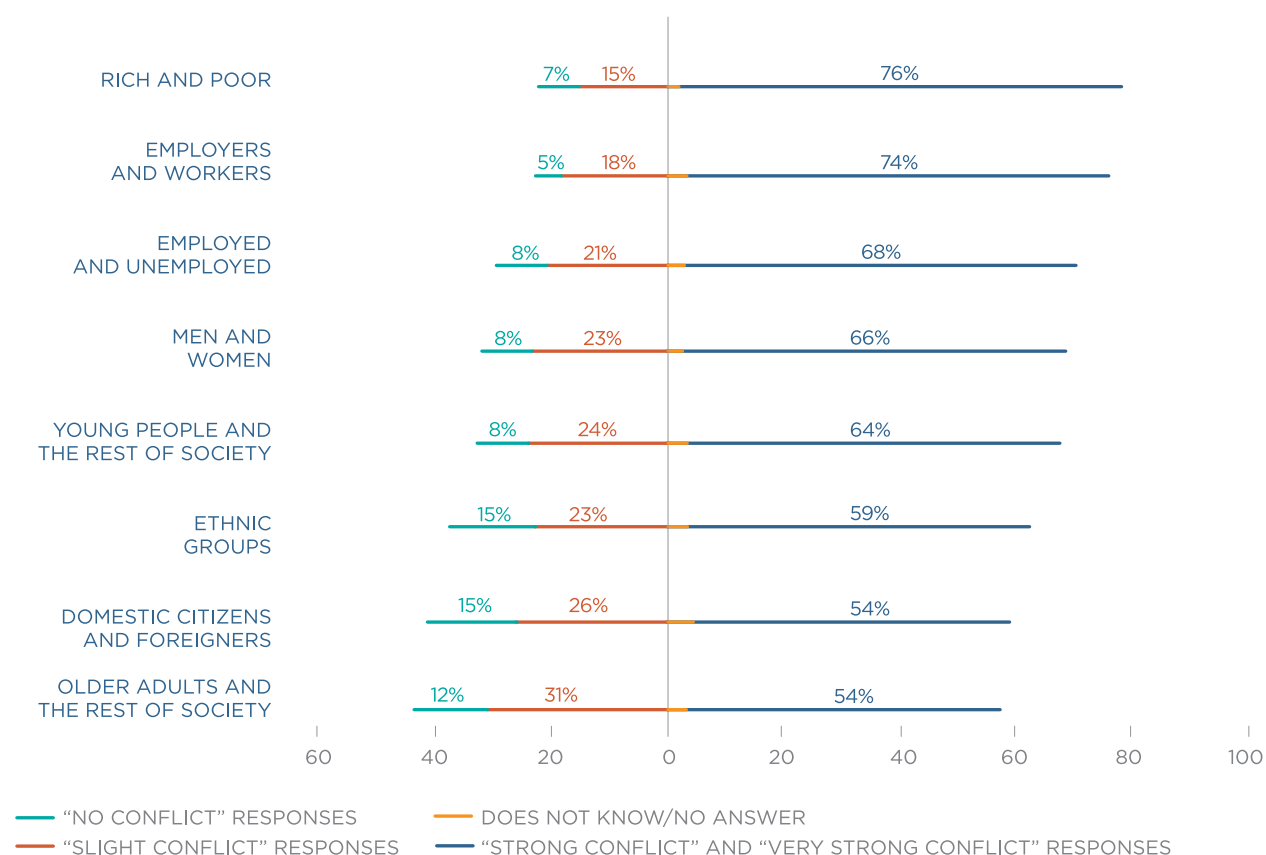
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Is there any other subjective factor accounting for the differences in responses by country?

Based on the assumption that there are conflicts between different social groups in all countries, we find that in countries where the conflict is best recognized, respondents attach more importance to equity and equality of opportunity on the development agendas. In particular, a positive correlation was found between the importance of "social policies, social inclusion and poverty" and the countries acknowledging a "strong or very strong" conflict between "employers and workers" (0.78), even higher than the correlation noted when contrasting the number of respondents recognizing a conflict between "rich and poor people" (0.64). The same applies to the comparison of these responses with the identification of "equal opportunities for all", where the highest correlation was noted in relation to the recognition of conflict between "employers and workers" (0.93).

For the regional average, the most visible conflict is between “rich and poor people” (76% of respondents acknowledge strong or very strong tension), while the least visible conflict is between “older adults and society” (54% of respondents identifying a strong or very strong conflict) (Figure 8).

Figure 8
Level of conflict between social groups



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Social Integration

From the economic viewpoint, Latin America’s scanty diversified production structure and its insertion in international trade as supplier of natural resources account for the concurrence of economic sectors with varying degrees of productivity. Nonetheless, low-productivity sectors are equally important sources of employment. Consequently, this imbalance in terms of productivity is offset by means of significant wage differences, dependent upon not only workers’ skills but also the economic sector involved.

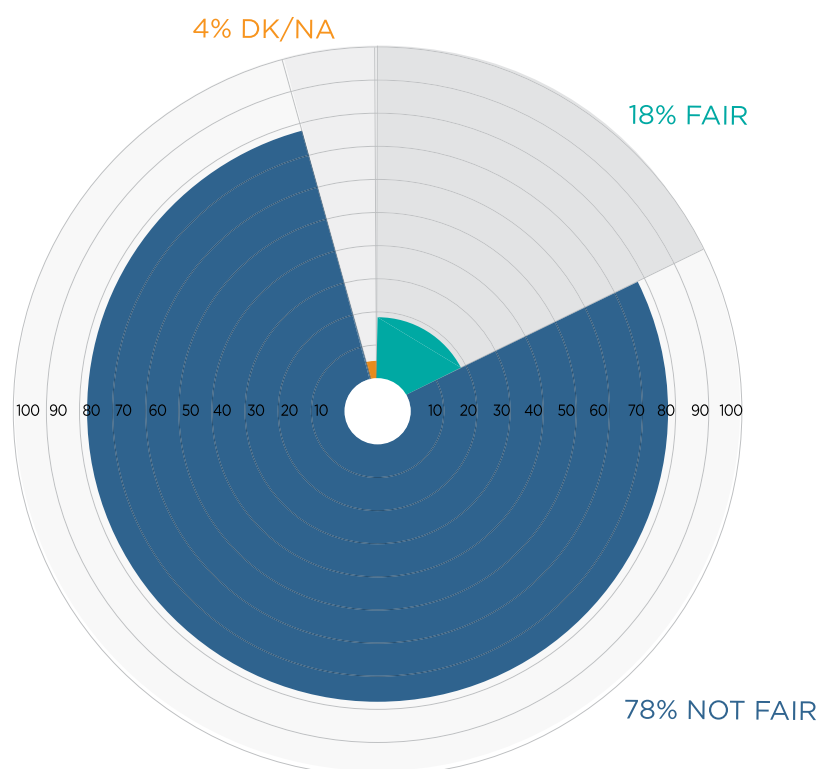
Informal work is another determining factor in Latin America's income inequality.

What perception do we have of income distribution? What is our opinion about free mobility of workers? Are we capable of socially integrating a worker from another country?

Income distribution

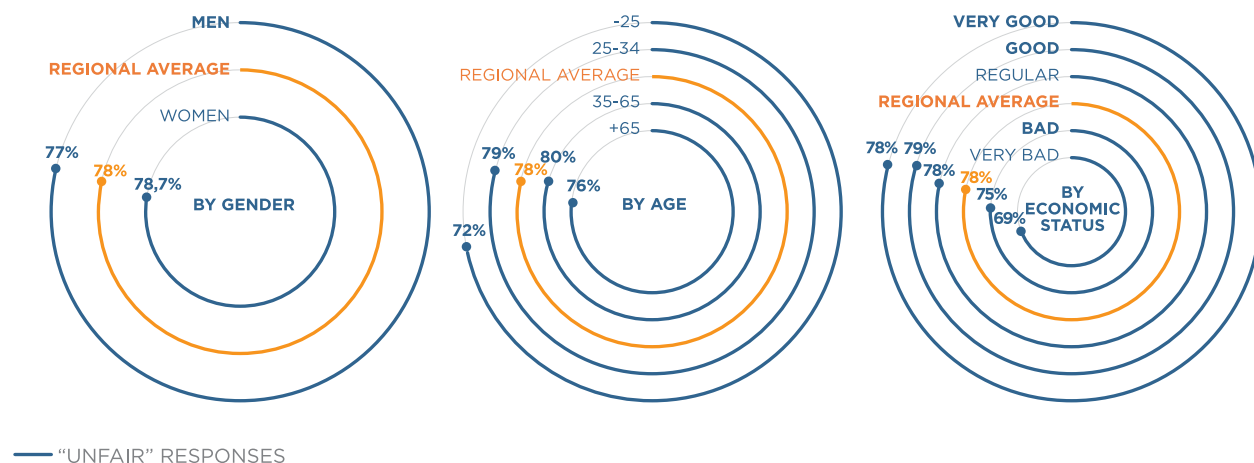
Almost 8 out of 10 Latin Americans believe that income distribution in their respective countries is “unfair”. This perception is less shared by young people (aged below 25) and citizens with a bad and very bad socioeconomic status. That is, the population with the lowest socioeconomic status is the one that least perceives that income distribution is unfair (Figures, 9, 10, 11 and 12).

Figure 9
Is income distribution in your country fair?



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

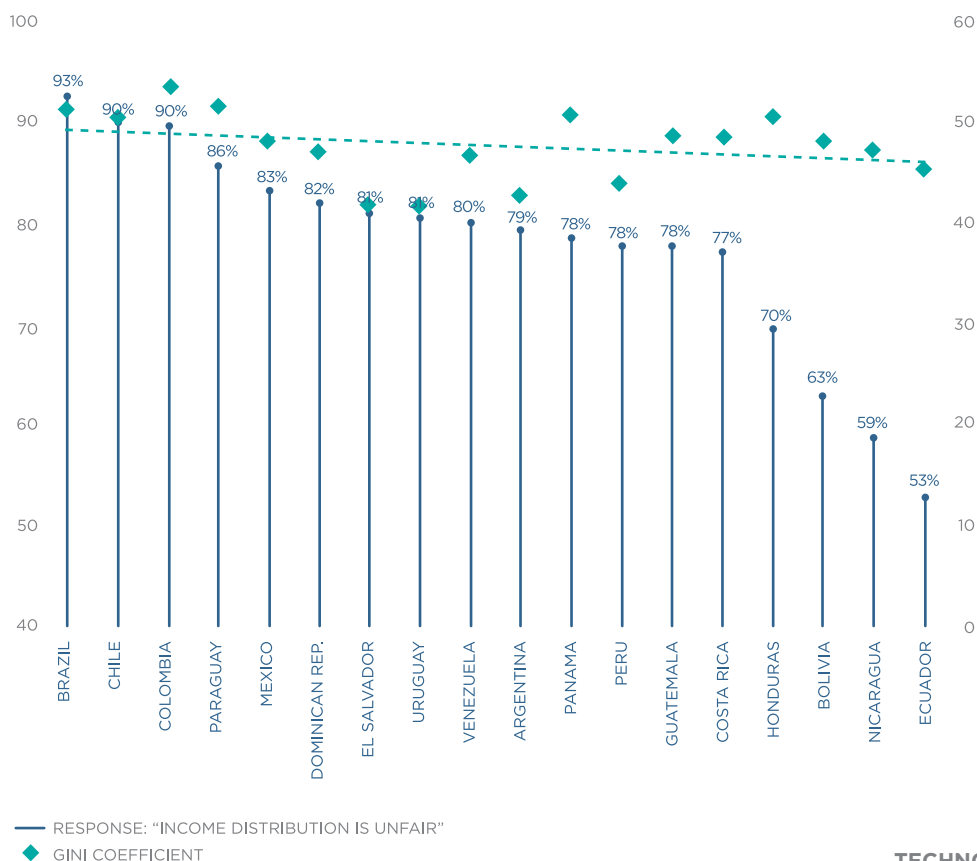
Figures 10, 11, 12



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The answers by country illustrate that the perception of greater unfairness is noted in Brazil, Chile and Colombia (all above 90%). In the opposite extreme, Ecuador is the country that least regards income distribution as "unfair" (53% of respondents) (Figure 13). The comparison of these responses with the Gini coefficient corresponding to each country revealed a positive but low correlation (0.28). This would suggest that the perception of "fairness" or "unfairness" in income distribution would be attributable to subjective rather than objective data. Furthermore, when we analyze the countries' perception below the regional average (78%), i.e. where the perception of "unfairness" is not significant, we note that said countries display high Gini coefficients. Once more, we conclude that the countries with more exposure to inequality are the ones that do not recognize it as their own. Again, internet arises as a key factor to enable visualization of these problems; the perception of unfairness in income distribution shows a positive correlation of 0.51 with the percentage of internet users over the total population in each country.

Figure 13
Relationship between perception and distribution of income (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

BALANCE OF EQUITY

In the last decade, Latin America has experienced a significant progress in terms of poverty reduction and equity. According to “Social Pulse in Latin America and the Caribbean 2016”, an IDB’s publication, middle class expansion was one of the main landmarks: people with a daily income per capita between US\$12.4 and US\$ 62—who nearly doubled in number (from 99 to 186 million)—represented the social group undergoing the greatest changes in absolute numbers from 2002 to 2014. The number of poor inhabitants in the region diminished by almost one third, dropping by 67 million (from 224 to 157 million) and the number of vulnerable people rose by 57 million (from 170 to 227 million). “Prior to the international financial crisis in 2008, Latin America abandoned its status as a region dominated by poor majorities and since then, the vulnerable population became the preponderant group”, warns the document.

“Between 2002 and 2014, for each percentage point of growth of per capita GDP, the poverty rate was reduced by 0.86%, the size of the middle class increased by 0.88% and that of the vulnerable group rose by only 0.22%”. But the benefits of the economic growth witnessed by all countries as from the year 2000 were not capitalized in a uniform way. Some of the countries reporting a low growth rate were—precisely—the ones with the lowest income per capita, while the countries evidencing major accomplishments registered the highest income per capita. The study further states that “the income gaps between countries widened”.

The book “Has Latin American Inequality Changed Direction?”, published by IDB-INTAL, shares this view. “In the last fifteen years, income inequality has shown a significant decrease. This decline in inequality derives from higher income growth at lower income percentiles in the region”, states the publication. It further notes that “if we turn into inequality by country, in all countries in the region, with the exception of Costa Rica, Dominican Republic and Guatemala, household surveys report a decrease in the Gini coefficient of household per capita income between 2002 and 2013”.

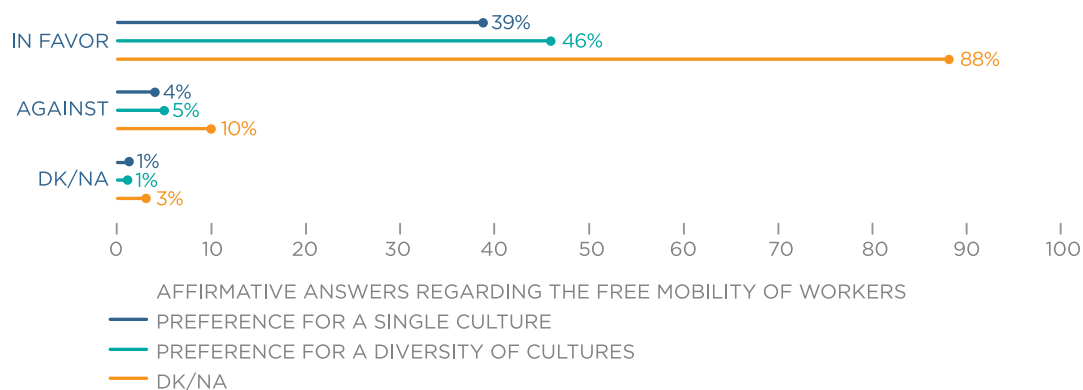
INTEGRATION OF WORKERS

With reference to work, 9 out of 10 Latin Americans side with the idea that people may work freely in any country (60% of “agree” and 26% of “strongly agree” responses). At the same time, when asked if they prefer a heterogenous society (with a diversity of nationalities, cultures and religions) or a homogeneous society, there is slight inclination toward the first option (Figure 14). That is, 9 out of 10 Latin Americans appear to show a marked flexibility in relation to the idea that foreign residents may work in respondents’ own country, but only 5 out of 10 would be willing to socially integrate foreign residents (they want a heterogeneous society). The preference for living in a heterogeneous society is more marked among internet users rather than non-users (58% vs 38%).

Subsequently, among the people in favor of the free mobility of workers, we asked if they recognize any conflicts between the domestic and foreign population, and between people from different cultures and religions. Even though the opinions were considerably divided, most people recognize the existence of these conflicts (52% acknowledge that there are conflicts among different cultures and religions, while 48% identify conflicts between domestic citizens and foreigners) (Figures 15 and 16).

Figure 14

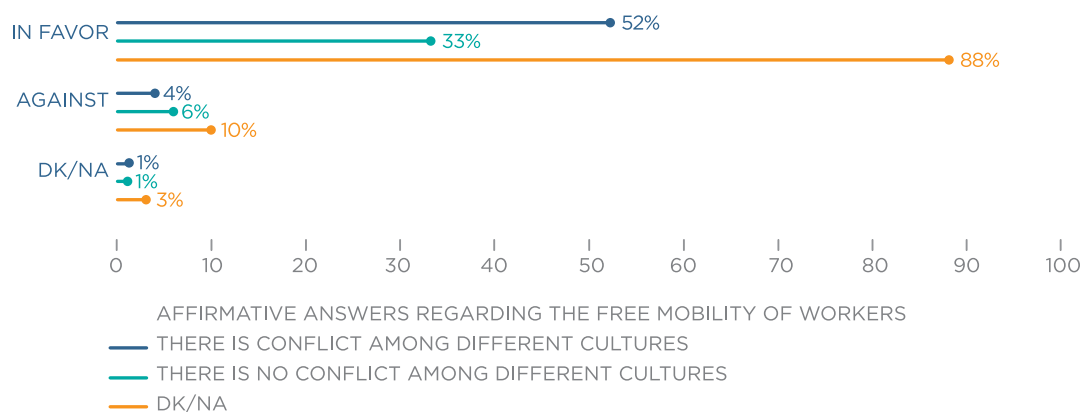
Relationship between the mobility of workers and the preference for a more diverse society



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 15

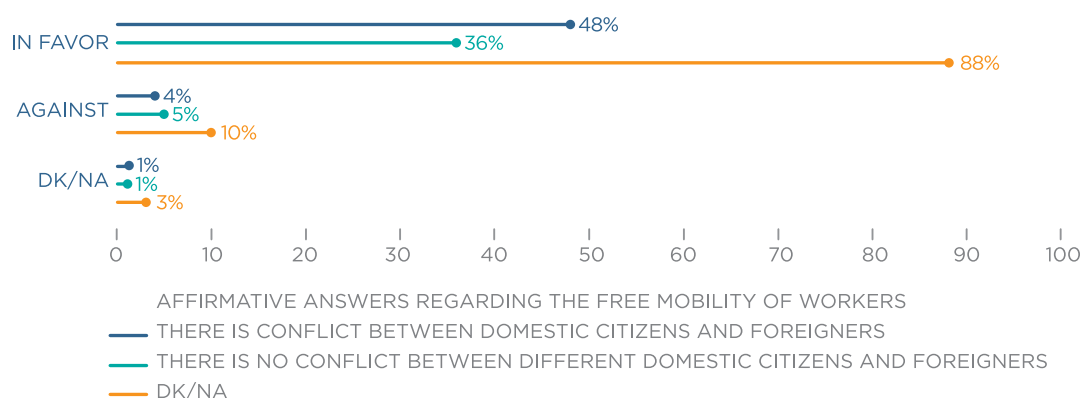
Relationship between the mobility of workers and the existence of conflict among different cultures



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 16

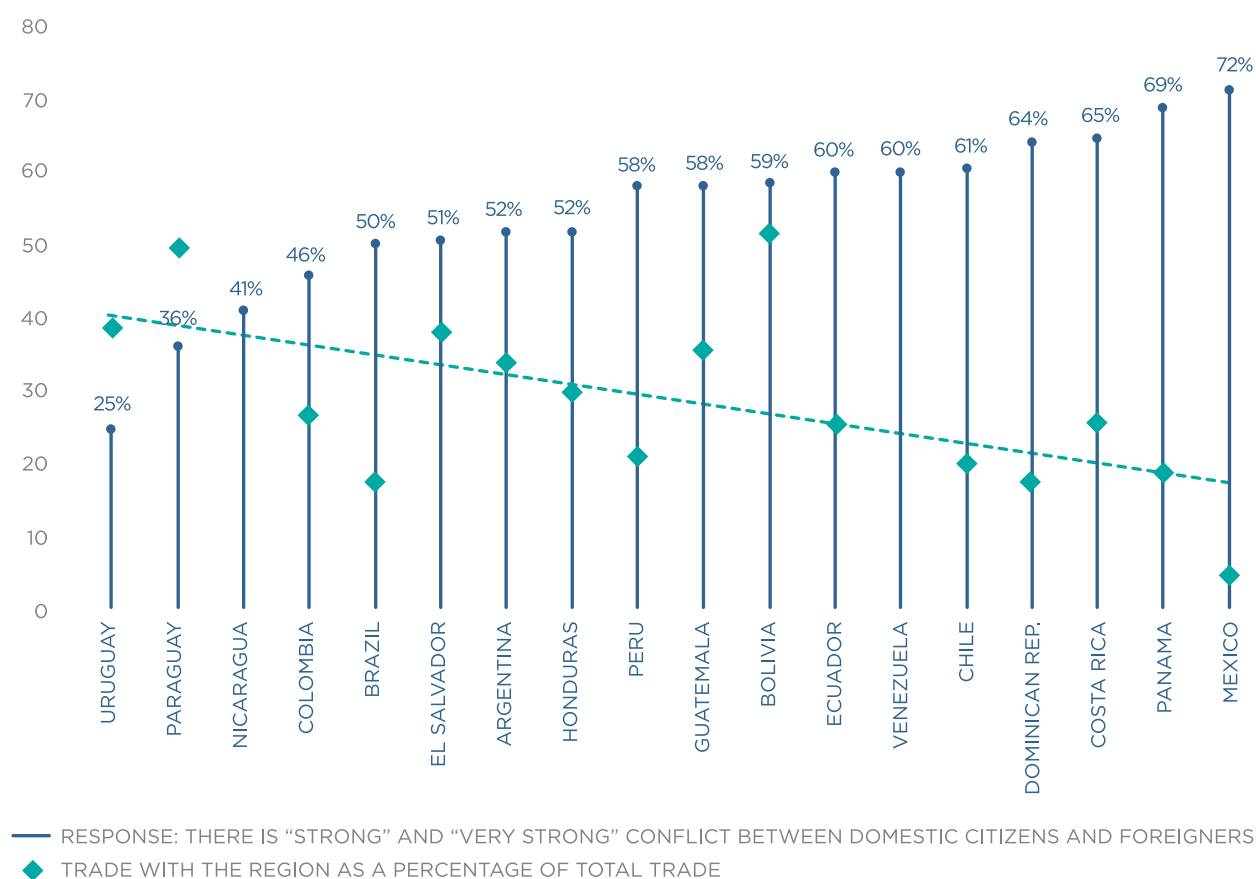
Relationship between the mobility of workers and the existence of conflict among different nationalities



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Furthermore, there are objective factors that enable us to understand the perception of levels of conflict in the countries. When we asked Latin Americans about the degree of conflict between domestic citizens and foreigners, we noted that aside from the significant dispersion among the countries (the maximum percentage in Mexico [72%] and the minimum in Uruguay [only 25%]), the “strong” and “very strong” responses show a negative correlation (-0.6) with their country’s trade volume with other countries in the region (Figure 17).

Figure 17
Relationship between the perception of conflict between domestic citizens and foreigners and the country’s trade with the region



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

When contrasting the data corresponding to the support for the free mobility of workers by country with the index of restrictions on the mobility of capital and people (negative correlation of -0.8), we confirmed that the countries with greater restrictions on the mobility of capital and people tend to be more in favor that workers can work freely in any country (Figure 18). This might be an indication that the considerable support for the free mobility of workers across countries seems to be more related to people’s need to expand their work horizons than to their own disposition to receive and socially integrate foreign workers.

Figure 18
Relationship between perception and restrictions on the mobility of workers



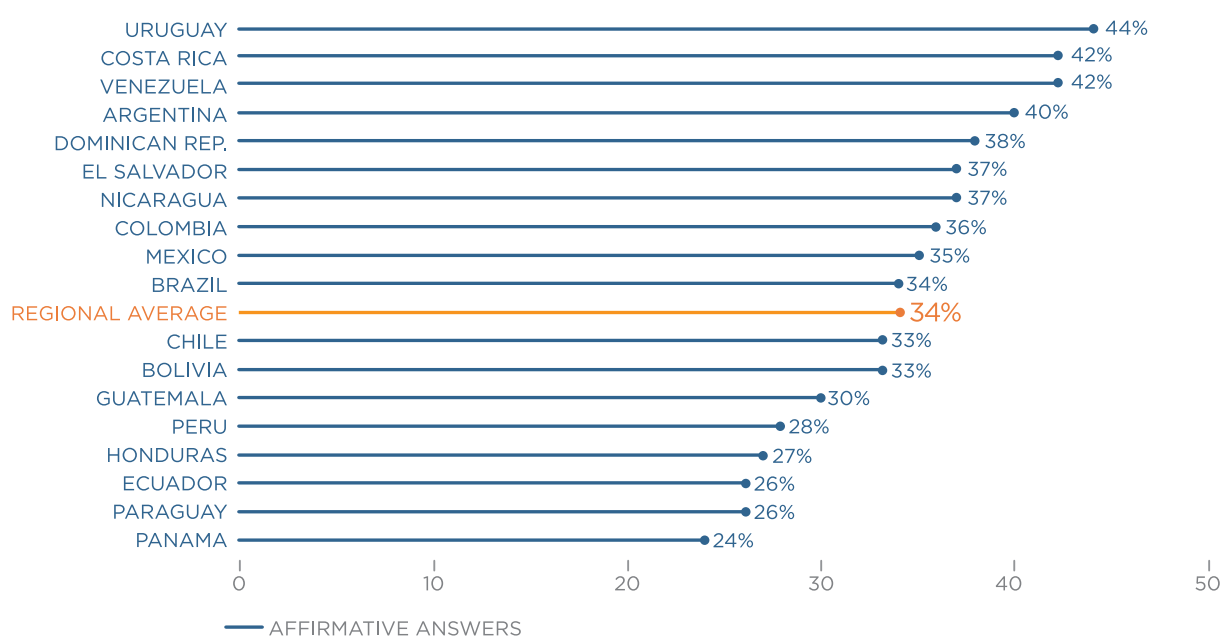
Gender equality

At global level, gender inequality has earned a prominent place on the countries' development agenda. The 193 United Nations (UN) Member States agreed on the inclusion of a stand-alone goal for gender equality and women's empowerment in the Millennium Development Goals (MDGs). It is increasingly acknowledged that women do not enjoy the same opportunities as men. World statistics indicate that in every country of residence, women receive a lower income, have lower-paid jobs, are more exposed to high unemployment rates and are poorer than men. In addition, they spend more hours a day in unpaid work (domestic service and care for other people such as children, parents, relatives, etc.).

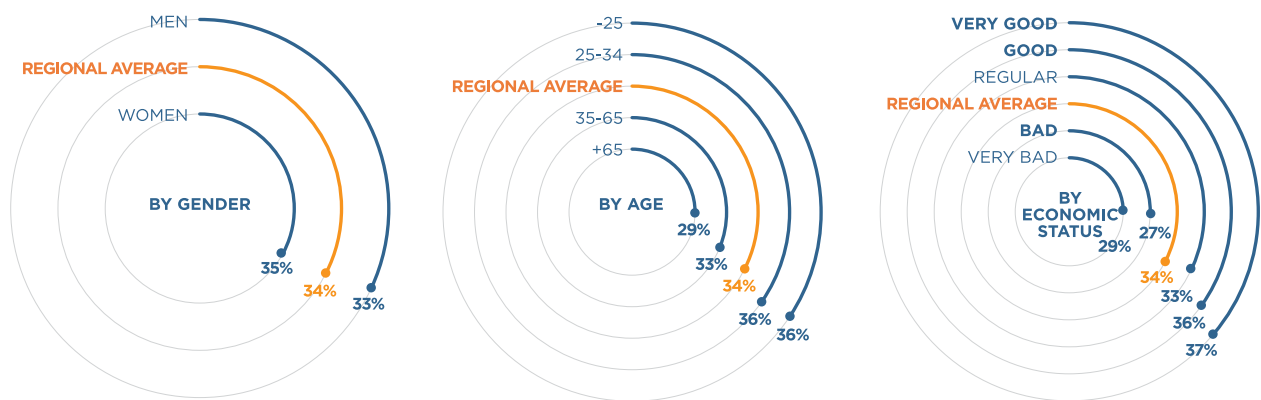
What is the importance attached by Latin Americans to gender equality? Are inequalities recognized? Is there a perception of conflict between men and women in Latin America?

The equality of opportunity for men and women is an issue that ranks eighth on the development agenda, with 34% of mentions. Uruguay is the most concerned over this issue, with 44% of positive responses, and Panama is the least concerned with 24% (Figure 19).

Figure 19
Is gender equality a key issue for development?



Figures 20, 21, 22



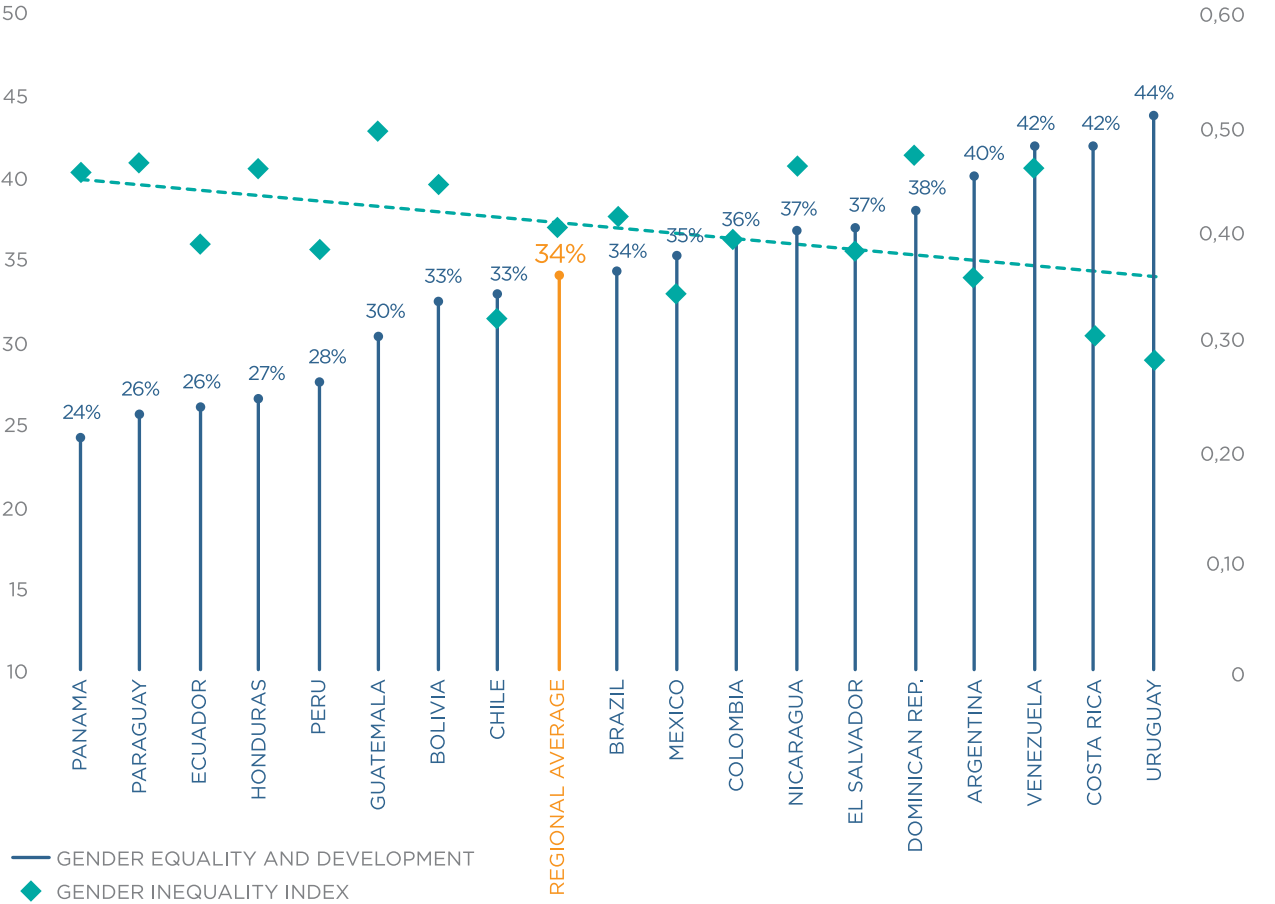
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

It has been noted that inequality, particularly in relation to income distribution and poverty, is least recognized by those undergoing such predicament. It seems that the notions of “fairness” or “unfairness” are determined by individual subjective components. However, social inequality is a complex phenomenon, with reproduction laws that merely dig inequality roots even further. In this framework, it is important to become aware of Latin American women’s opinion about gender equality. Do women actually perceive the inequality of opportunities faced by them?

The importance of gender equality on the countries’ development agenda is slightly more manifest in women (1 percentage point above the average), in younger generations and in citizens with higher socioeconomic status (Figure 22).

The comparison of responses by country with the gender inequality index reveals that where inequality is higher (index close to 1), the perception of its importance for the development agenda decreases (Figure 23). At the same time, the countries with higher GDP per capita and higher Gender Development Index best identify gender equality as a key issue for development (positive correlations of 0.60 and 0.51, respectively).

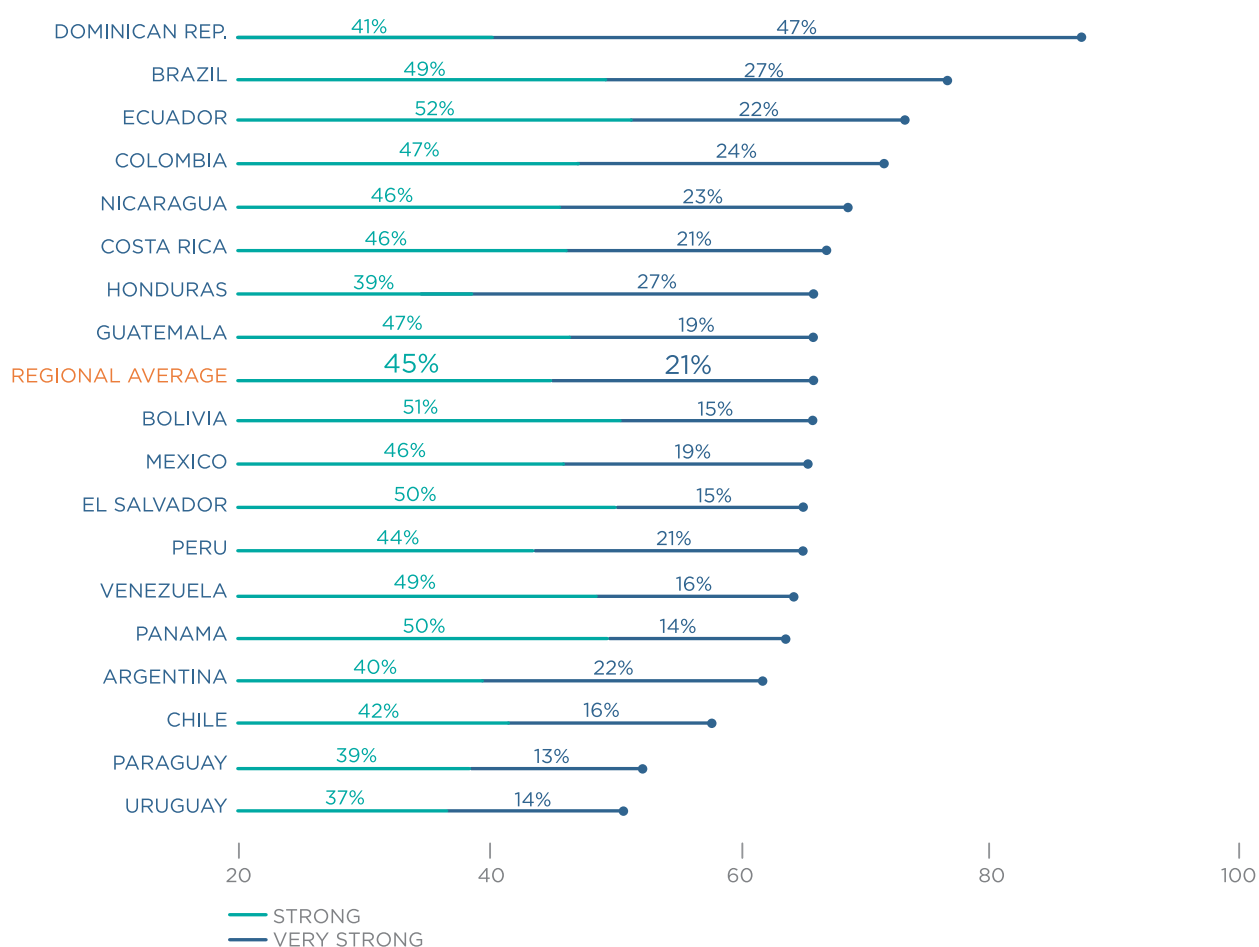
Figure 23
Relationship between gender equality as a key issue for development and the gender inequality index



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

We also wondered to what extent the tensions or conflicts between men and women were visible by Latin Americans. The average recognition of conflict is 66% (45% of respondents acknowledge that it is “strong” and 21% state that it is “very strong”). The analysis of responses by country reveals that the maximum percentage is in Dominican Republic (88%) and the minimum in Uruguay (51%) (Figure 24).

Figure 24
Perception of conflict between men and women (by country)

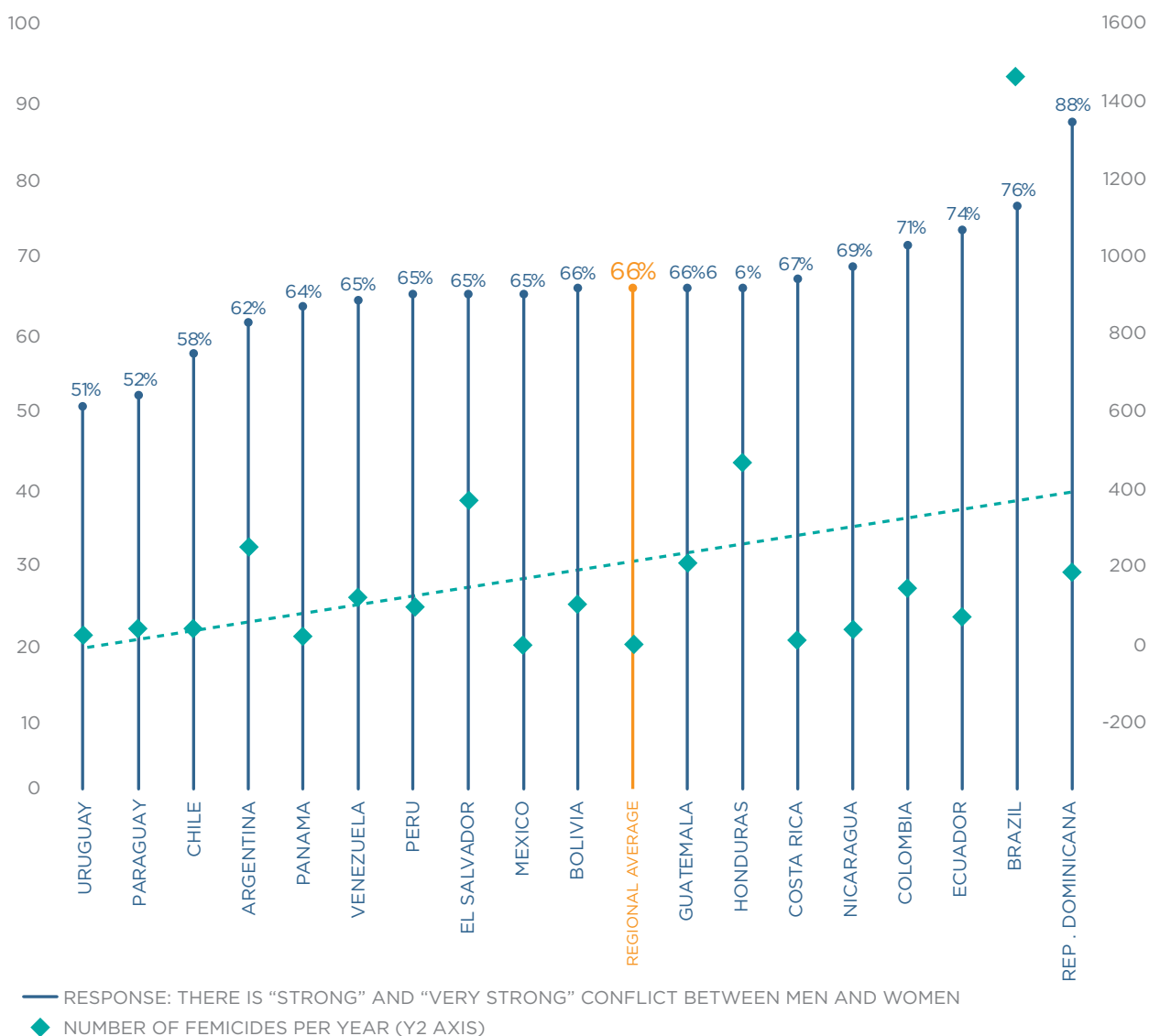


Source: Own compilation based on INTAL/Latinobarómetro 2017 data

From 2010 to 2017, the recognition of conflicts between men and women has increased by 10 points (from 46% to 56%). The comparison of these data with the actual violence levels noted in these countries (number of femicides) exhibits a positive correlation (0.44). That is, the countries with the highest number of femicides best perceive the existence of conflicts between women and men (Figure 25).

Figure 25

Relationship between the perception of conflict between genders and the number of femicides (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

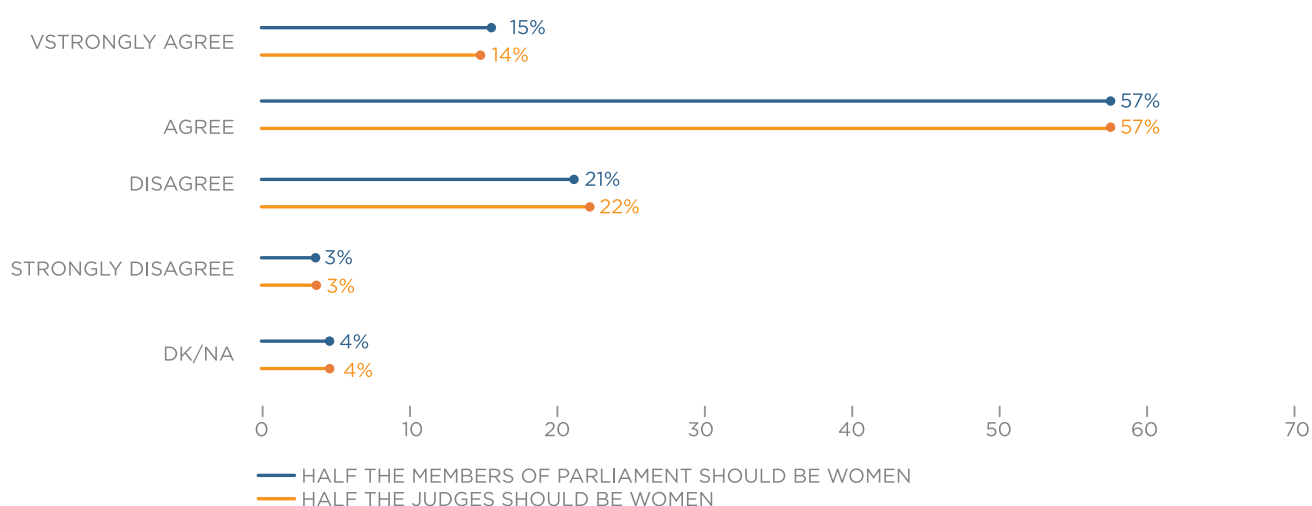
POWER AND GENDER QUOTAS

Latin America has a total population of approximately 604 million people (49% men and 51% women). This natural composition is far from the way high public offices and top-level positions are distributed among men and women in the region. For example, only 28% of parliamentary offices in Latin America are held by women (regional average for 2016). Female participation in the Supreme Courts is about 28.3% (regional average for 2014). Offices in the executive branch of government are held by only 22.5% of women (regional average for 2016); however, significant differences are noted among countries (57% of women in ministerial positions in Nicaragua and only 12% in Guatemala).

Do Latin Americans agree with setting quotas to ensure an equal gender representation in all branches of government?

The survey on Latin Americans' opinion about an equitable distribution of parliamentary and judicial offices indicates that almost seven out of ten respondents are in favor of such proposal ("strongly agree" and "agree" responses range from 71% to 72%) (Figure 26).

Figure 26
Support for gender equality in public offices



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

In both cases, responses in favor of an equal gender representation in Parliament and in the Judiciary are more frequent among women than men. People aged below 25 and older adults are the least supportive of this idea. The socioeconomic status does not seem to exert any influence on the responses (Figures 27, 28, 29, 30, 31, 32).

Figure 27
Support for gender equality in Parliament (by gender)

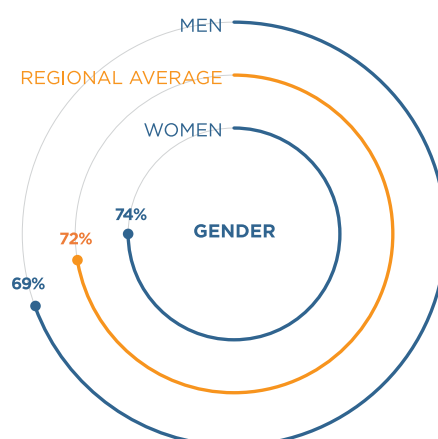


Figure 28
Support for gender equality in Parliament (by age)

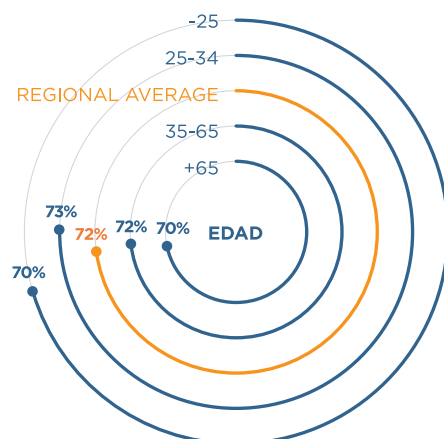


Figure 29
Support for gender equality in Parliament (by socioeconomic status)

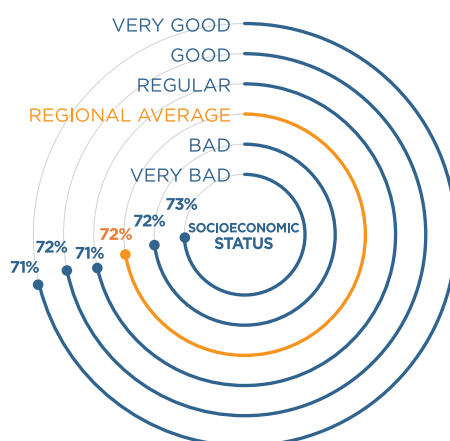


Figure 30
Support for gender equality in the Judiciary (by gender)

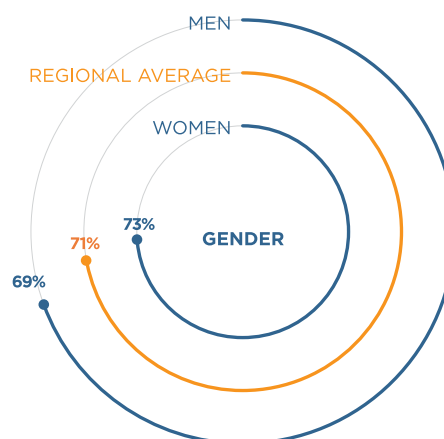


Figure 31
Support for gender equality in the Judiciary (by age)

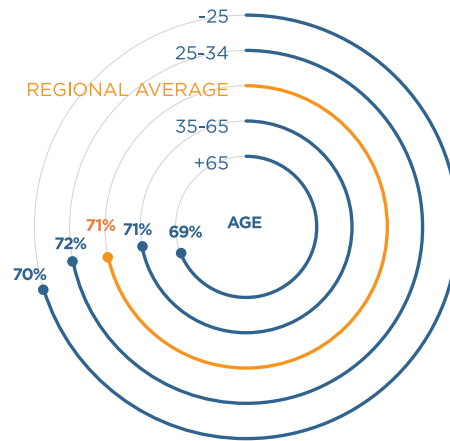
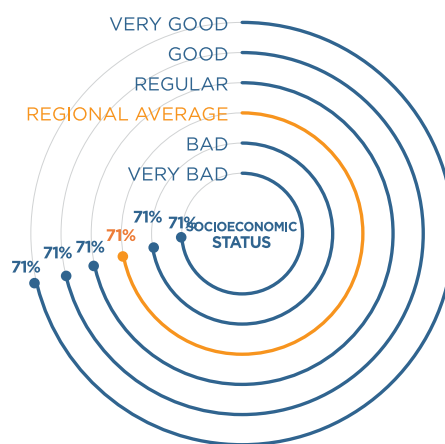


Figure 32
Support for gender equality in the Judiciary (by socioeconomic status)

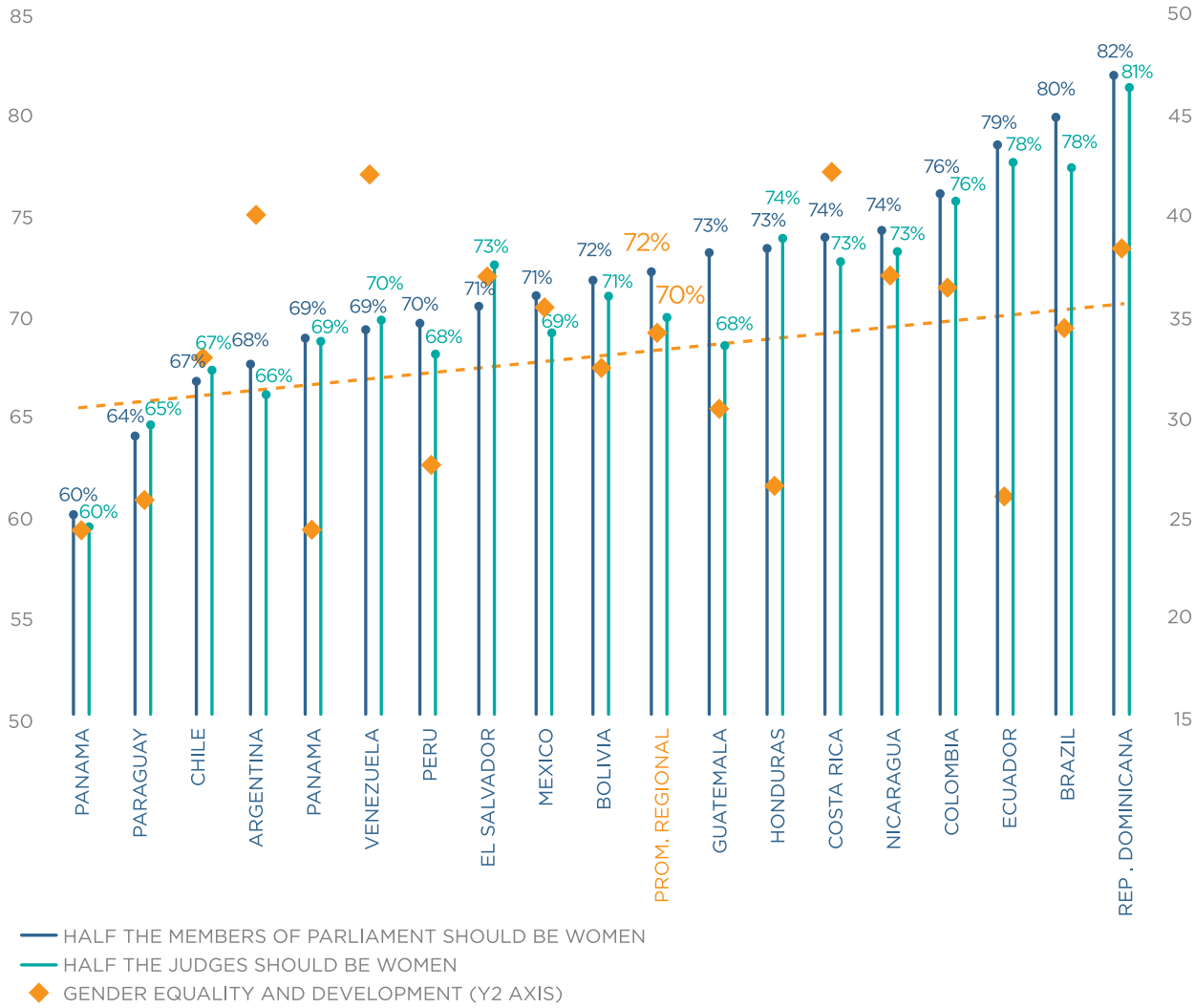


Source: Own compilation based on INTAL/Latinobarómetro 2017 data

The analysis of the answers by country illustrates that over 80% of Dominican Republic and Brazilian respondents agree with equal gender representation in Parliament. The weakest support is found in Panama (60%) and Paraguay (64%) (Figure 33). Within each country, no significant differences were noted between the support for gender equality in Parliament and in the Judiciary (the variation was 1 percentage point on average, with the exception of Guatemala where the preference for equality in Parliament was 5 percentage points above equality in the Judiciary). Thus, the strongest support for equality in the Judiciary was registered —again— in Dominican Republic (81%) and the weakest in Panama (60%).

The support garnered by equal distribution of parliamentary and judicial offices would be related to principles such as “equal opportunities for all” and “gender equality” on the countries’ development agenda, rather than to the perception of conflict between men and women (Figure 33).

Figure 33
 Relationship between the support for gender equality in public offices and relevance for development (by country).



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

With regard to parliamentary representation, it should be noted that most countries in the region establish quotas or another legal arrangement to promote a more equitable distribution of offices. In 1991, Argentina was the first Latin American country to set a gender quota for the legislative branch of government. At present, there are several concurrent electoral and gender representation systems; while some set a minimum statutory quota, others require an equitable representation (50%) for each gender. However, in many cases, female participation in Parliament fails to reach the minimum statutory quota (Figure 34). It seems that neither gender quotas nor the number of women effectively holding parliamentary offices account for the high social support for equitable distribution of parliamentary offices in Latin America.

Figure 34

Relationship between the support for gender equality in Parliament, number of female legislators and female quota (by country)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

POVERTY HAS A GENDER AND HAS A WOMAN'S FACE

The insertion of women and men in the labor market is unequal. Consequently, women earn less income and are more vulnerable to poverty than men. According to the International Labor Organization (ILO), in 2015, about 49.5% of women participated in the labor market in contrast to 76.1% of men (i.e. 1.53 times more than women). In Latin America, the participation of both genders in the labor market is slightly above the world average: 52.2% women and 79.7% men, although the gap is virtually the same (1.52 times in favor of men). As for the unemployment rate, it is 8.5% for women and 5.7% for men.

The higher insertion of women in the informal market is replicated in several regions worldwide. According to UN Women's data, more than 80% of women have informal non-farm jobs in Southern Asia; in Sub-Saharan Africa this figure reaches 74%. In Latin America and the Caribbean, 54% of women and 49% of men are informally employed; this represents a gap of 5 percentage points between both genders.

Even though data are not available for all countries in the region, it may be stated that women spend more hours a day in non-paid jobs than men (4.8 hours vs. 1.5 hours). This means that Latin American women spend —on average— 3 hours and 23 minutes more than men in tasks such as cleaning, cooking, washing and ironing clothes, caretaking of children, older adults and other relatives and many other non-paid tasks. The income gap between genders is also a global fact; women earn between 60% and 75% of the wage received by men (world average). In Latin America and the Caribbean, even though this difference was narrowed by 12 points from 1990 to 2014, women earn —on average— 83% of men's income, reaching minimum values of 75.4% in the gender comparison between people with the same number of years of study.

Latin American women are integrated into less productive sectors with lower wages. Agriculture, trade and services stand out among these sectors. Thus, 1 out of 10 Latin American women work in the agricultural sector and 4 out of 10 in domestic service. While 78.1% of women in the region work in low-productivity sectors, 14.2% are engaged in medium-productivity sectors (construction, manufacturing industry, communications and transport) and only 7.7% work in high-productivity sectors (energy generation, petrochemical industry and finance).

Summing up, Latin American women have a lower share in the workforce, face higher unemployment rates, spend more hours in non-paid jobs and tend to be integrated into the economic informal sector or less productive segments to a larger extent than men; as a result, they are prone to a higher work instability, have access to a lower social security protection and earn less income. Women are thus more exposed to poverty conditions.

ANOTHER APPROACH TO GENDER INEQUALITIES: “DOES NOT KNOW/NO ANSWER” RESPONSES

An analysis was made of the survey findings by gender, examining the frequency and distribution of “Does not know” and “No answer” responses (or their equivalent depending on the question made), in order to understand if there is any systematic behavior.

The results are conclusive: of a total of DK/NA responses, 59% corresponds to women and 41% to men (Figure 35). Thus, women on average provide such reply in 12.5% of cases, while men do so in 9.6% of cases. Moreover, of the 172 questions in relation to which the DK/NA responses were analyzed, in 157 (91%) women provide that answer to a greater extent than men, which implies a generalized situation, regardless of the topic surveyed. The analysis of this situation by country indicates that the highest percentage of DK/NA responses is noted in Guatemala (16.5%) and Nicaragua (15.2%), while the lowest percentage is found in Venezuela (10.4%) and Ecuador (8.9%) (Figure 37).

Figure 35
Distribution of DK/NA responses by gender

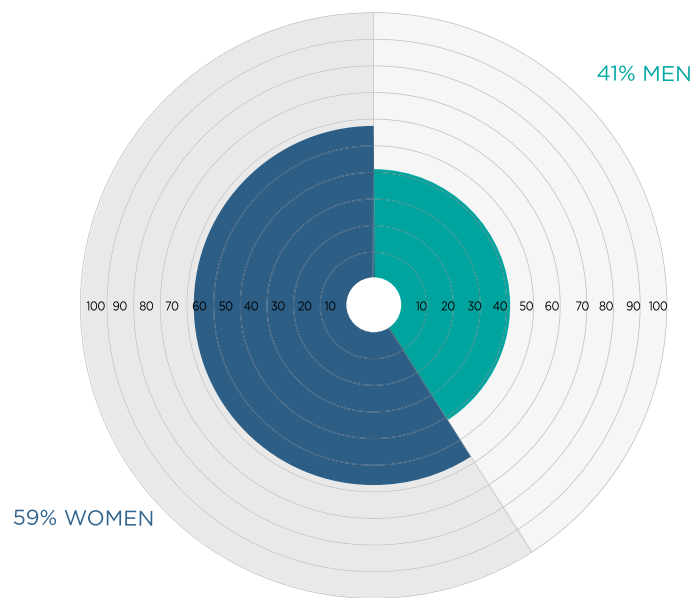
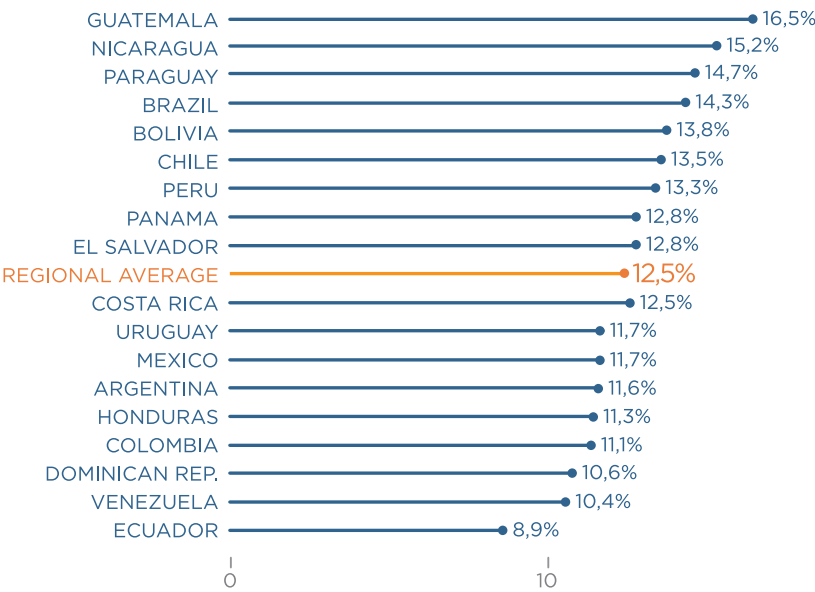


Figure 36
Frequency of DK/NA responses with higher percentage among women

91% - 157 DK/NA responses with predominance of women 172 questions

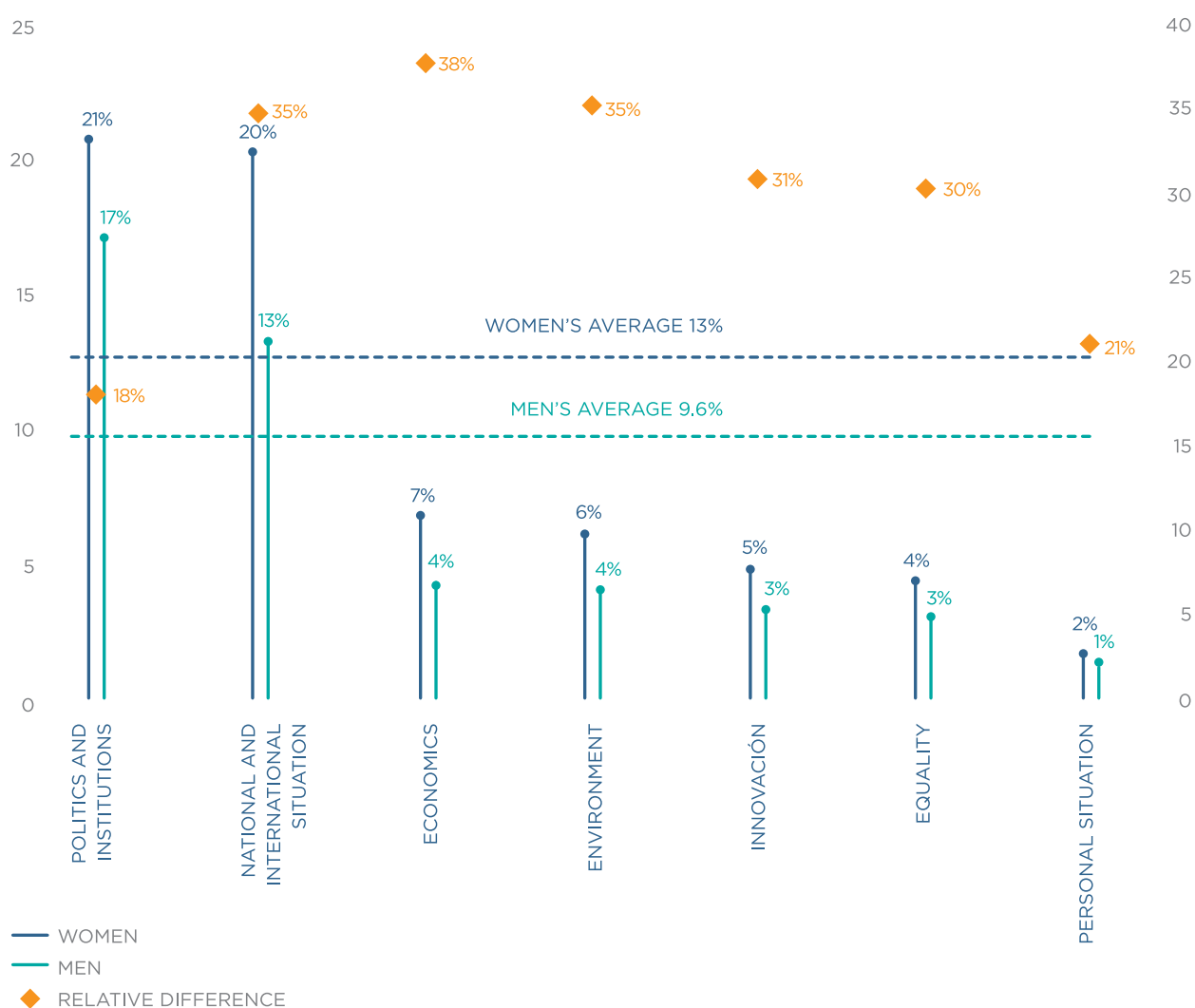
Source: Own compilation based on INTAL/Latinobarómetro 2017 data

Figure 37
Frequency of DK/NA responses of women (by country)



The analysis based on the topic of the question reveals that women provide more DK/NA responses than men in all fields (Figure 38). The differences regarding the percentage of responses (23.6% on average) are particularly higher in connection with Economics, National and International Situation, and Environment, in which cases the DK/NA responses were 38% more frequent in women than in men.

Figure 38
Average of DK/NA responses (by gender and topic)



Source: Own compilation based on INTAL/Latinobarómetro 2017 data

What is the explanation for these differences? Are Latin American women more uninformed? Do they lack sufficient contact with reality? Are they not interested in what is going on around them? As mentioned above, regional statistics show that, even though Latin American women have attained a higher educational level, they hold top-level positions to a lesser degree, spend more hours in non-paid jobs, earn less income, face higher unemployment rates and are poorer than men. These might act as conditioning factors for the formation of opinions and views about integration and development.

CONCLUSION

Latin America exhibits an accumulation of innumerable inequalities that have not gone unnoticed by the population; most Latin Americans perceive the inequitable income distribution and unequal opportunities faced by inhabitants. This explains the urge to regard social policies, poverty, inclusion and equal opportunities as key issues on the countries' development agenda.

Fortunately, in the past few years Latin American governments have made considerable efforts to implement the pertinent policies and programs; a positive contribution to the reduction of some critical indicators, providing for more food, education, health and access to technology to the most vulnerable population. Nonetheless, inequality seemingly responds to patterns emerging from the countries' own economic structure, generating substantial differences in their population's income and, in particular, among workers according to their formal/informal work status and the productivity of the sector where said workers are employed. Indeed, in countries displaying the best results in terms of human development and GDP per capita, there is a higher degree of responsiveness to these issues, a clear indication that progress promotes awareness of these problems. On the contrary, the dissemination of poverty becomes an obstacle for its recognition by the society as a hurdle for development. Where there is a higher perception of tension between workers and employers and between rich and poor people, there is also a higher concern about social policies and equal opportunities.

There is a strong social support for the free mobility of workers between countries (9 out of 10 Latin Americans). This support is even stronger in countries with more restrictions on the mobility of people and capital. However, rejection of the unknown is still high: 44% of Latin Americans believe that society would be better if composed of people of the same nationality, and 54% think that there is strong or very strong conflict between nationals and foreigners.

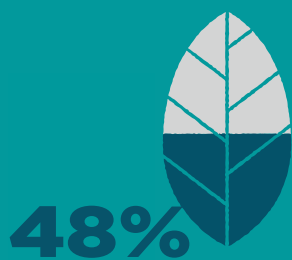
Gender inequality in terms of opportunities is strongly marked: the concentration of Does Not Know/No Answer responses provided by surveyed women attests to this fact. Nonetheless, even though gender equality is not a top priority on the countries' development agenda, most people (66%) acknowledge the existence of conflict between men and women, and 72% are in favor of an equitable distribution of offices/positions in Parliament and in the Judiciary. It should be noted that the perception of conflict between men and women rose 10 points from 2010 to 2017.

In all cases, the Information and Communication Technologies (ITCs) arise as a strategic ally for a higher recognition of social problems. The perception of an unfair income distribution, of inequitable opportunities for the population, of poverty, of conflict between workers and employers, rich and poor people, men and women is always higher among users of internet and social networks.

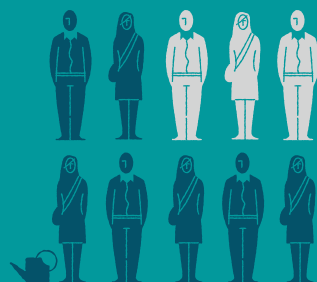
An abstract graphic in the upper right corner of the page. It features several concentric circular segments in various shades of teal and blue. To the left of these circles are two overlapping, semi-circular shapes in a brownish-gold color. The entire background of the upper half of the page is covered in a fine, light-colored dotted pattern.

ENVIRONMENT AND ECO- INTEGRATION

CHAPTER 5



Identify the environment and the climate change as the development central topic.



7 out of **10** believe that the climate change is to be tackled even at the expense of the economic growth



The most vulnerable countries to the climate change are less aware of it as a problem.

62%

consider that the climate change is a real, urgent and man-made problem.



ENVIRONMENT AND ECO-INTEGRATION

LATIN AMERICA CONCENTRATES 40% OF THE PLANET BIODIVERSITY. ITS NATURAL RESOURCES ARE AN IMPORTANT SOURCE OF WEALTH WHICH, BOOSTED BY LABOR FORCE AND TECHNOLOGICAL ADVANCES, OFFER UNPARALLELED OPPORTUNITIES FOR ITS INSERTION IN THE GLOBAL ECONOMY. THE REGIONAL INTEGRATION WITHIN THE FRAMEWORK OF A SUSTAINABLE DEVELOPMENT STRATEGY OF COUNTRIES REQUIRES SHARED EFFORTS, AS WELL AS POLICIES WHICH PROMOTE THE RESPONSIBLE USE OF RESOURCES AND ENVIRONMENT PROTECTION. THE ENVIRONMENTAL SOCIAL AWARENESSEMERGESASA FUNDAMENTAL CAPITAL TO ORGANIZE EFFORTS REGARDING MITIGATION AND ADAPTATION TO THE CLIMATE CHANGE, GIVING RISE TO ENVIRONMENTAL GOVERNANCE IN THE REGION.

Are we able to block the sun light with our hands?

Although droughts, extreme flood events and sea level increase are more frequent in the world due to ice melting in the poles, the debate on the existence of global warming and climate change is not closed. Among those who reject the climate change issue, it is argued that warming exists, but it has already taken place in many other moments of the planet history. That is to say, warming is part of a “natural cycle” of the planet which triggers itself independently from human activities. At political level, a few months ago, U.S.A. decided to abandon the Paris Climate Agreement, by means of which it had committed, together with other world powers, to take measures so as to stop global warming.

At present, Latin-American countries are exposed to multiple climate-related risks, such as tropical cyclones, floods, droughts and heat waves. But, are these facts perceived as a consequence of the climate change? Or, on the contrary, are these facts natural events that have always affected the planet with greater or lesser frequency?

What is the Latin-Americans’ opinion regarding this issue? In connection with the statement “The climate change problem does not exist”, 6 out of 10 persons disagree or strongly disagree. That is to say, 62% consider that the problem exists, 32% deny its existence and 6% do not give any opinion on this matter.

Comparing the answers by country, we see that Uruguay is the country where more persons consider that the problem exists (87%); at the other end, in Ecuador only 42% of the respondents recognize its existence. Paradoxically, when contrasting the responses with the vulnerability index to climate change, a negative correlation (-0.57) is observed. This indicates that countries more exposed to the climate change issue are less aware of the problem; Dominican Republic (46%), Guatemala (50%), Nicaragua (50%), El Salvador (51%), and vice versa (see Figures 1 and 2).

Figure 1
Does the climate change exist?

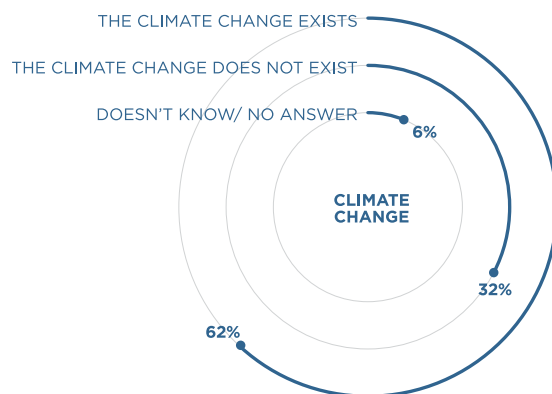


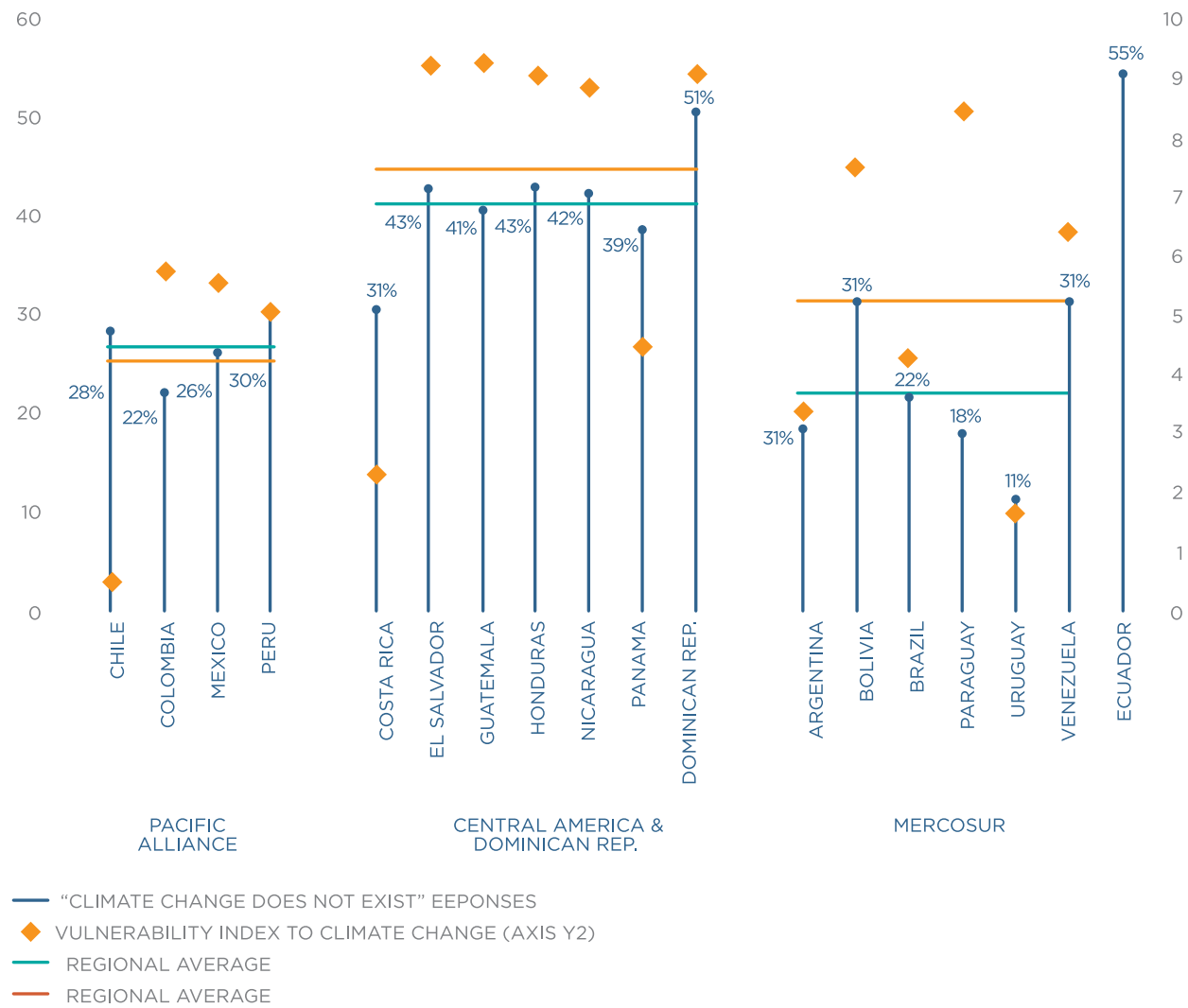
Figure 2
Relationship between the existence of climate change and vulnerability by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

In a per-bloc analysis, when zooming on those denying the existence of the problem, we confirmed that among Central American countries, where the exposure to climate change is higher (average of 6.8), the greater number of responses were recorded “In favor” or “Very much in favor” regarding the expression “Climate change does not exist” (average of 41%) (see Figure 3).

Figure 3
Relationship between the existence of climate change and by-bloc vulnerability.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

SUSTAINABLE VISION OF INTEGRATION AGREEMENTS

In the last twenty years, a growing number of free trade agreements (FTA) and economic integration agreements (EIA) began to include environmental issues in their texts, or a section on this issue was attached, within the recognition framework of interaction between international trade and sustainability. The objective was to protect the environment, determine cooperation channels among countries and protect incentives to be implemented and enforce the strictest regulations so as to reduce environmental damage.

Based on representative environmental indicators of air quality and global warming, the main empirical studies developed on this issue concluded that the FTAs with environmental provisions seem to contribute to reduce the environmental contamination and degradation of the signatory countries.

According to the Eco-integration of Latin America report by Intal-BID, since the mid-1990s more than 250 FTAs were signed in the world and the number of more inclusive agreements has grown, particularly, as of 2005.

In fact, 25% of the FTAs signed until 2014 include provisions related to the environment.

Between 1995 and 2015, Latin American countries subscribed 37 FTAs including environmental provisions. For the region which concentrates 40% of the world biodiversity, the demand to comply with environmental standards in trade involves the challenge of incorporating technologies adapted to far more demanding global value chains.

On the other hand, when asking about human beings' responsibility on this issue and as regards who would be the most affected by its effects, there exists a high level of consensus on the statement "Human beings are mainly responsible for climate change" (83% of the responses were "Agree" and "Strongly agree") (see Figure 4). This outcome is independent from the gender, age or socio-economic level of the surveyed. When analyzing the replies by country, on one end we have Uruguay and Costa Rica with 91% of affirmative responses, and, in the opposite end, Dominican Republic and Guatemala with 73% and 75% of affirmative responses, respectively.

Figure 4

Is climate change mainly the responsibility of human beings?

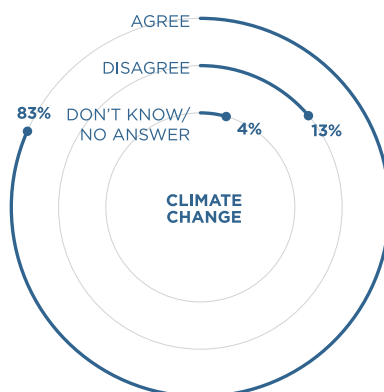
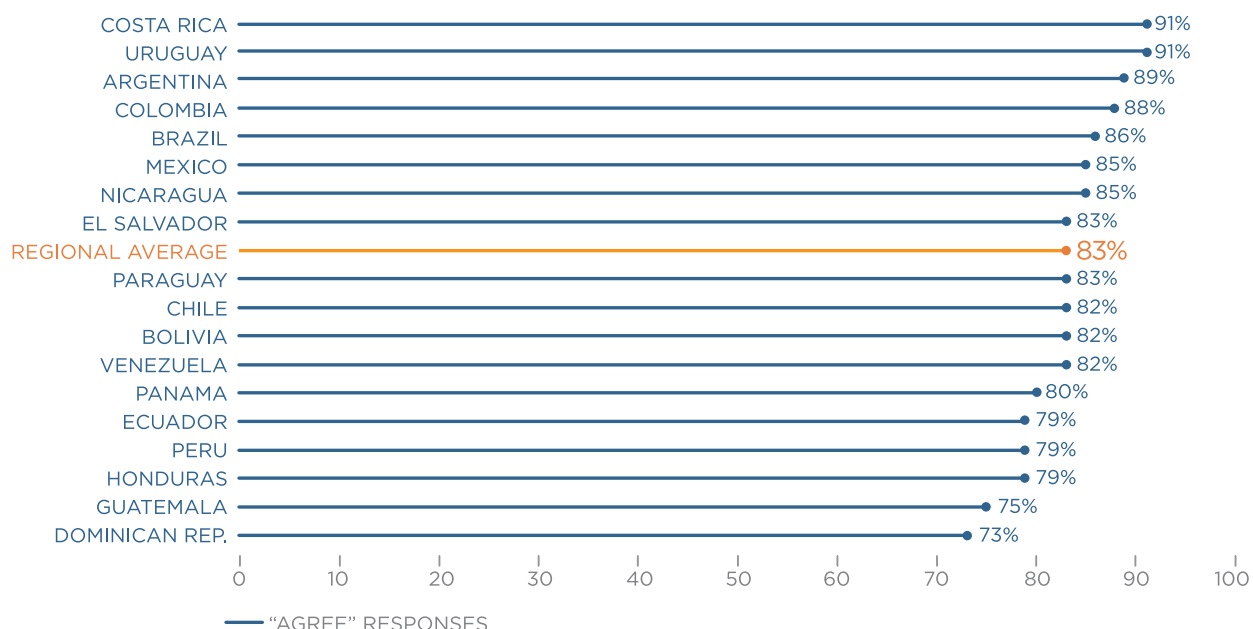


Figure 5

Human beings are mainly responsible for climate change, by country.

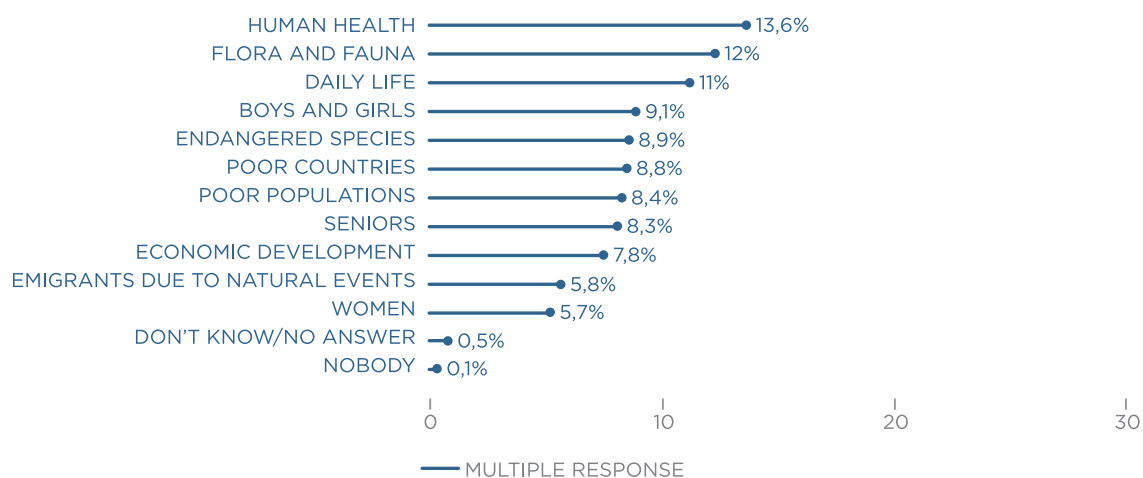


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

With regard to the impact of climate change, Latin Americans acknowledge the consequences on human health (14%), in the first place; on flora and fauna (12%), in the second place; and on daily life (11%), in the third place (see Figure 6). These responses are steady and quickly confirmed by countries, since not really different maximums or minimums are observed when contrasting them with average responses.

Figure 6

In what area does climate change impact?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Environmental awareness and climate change

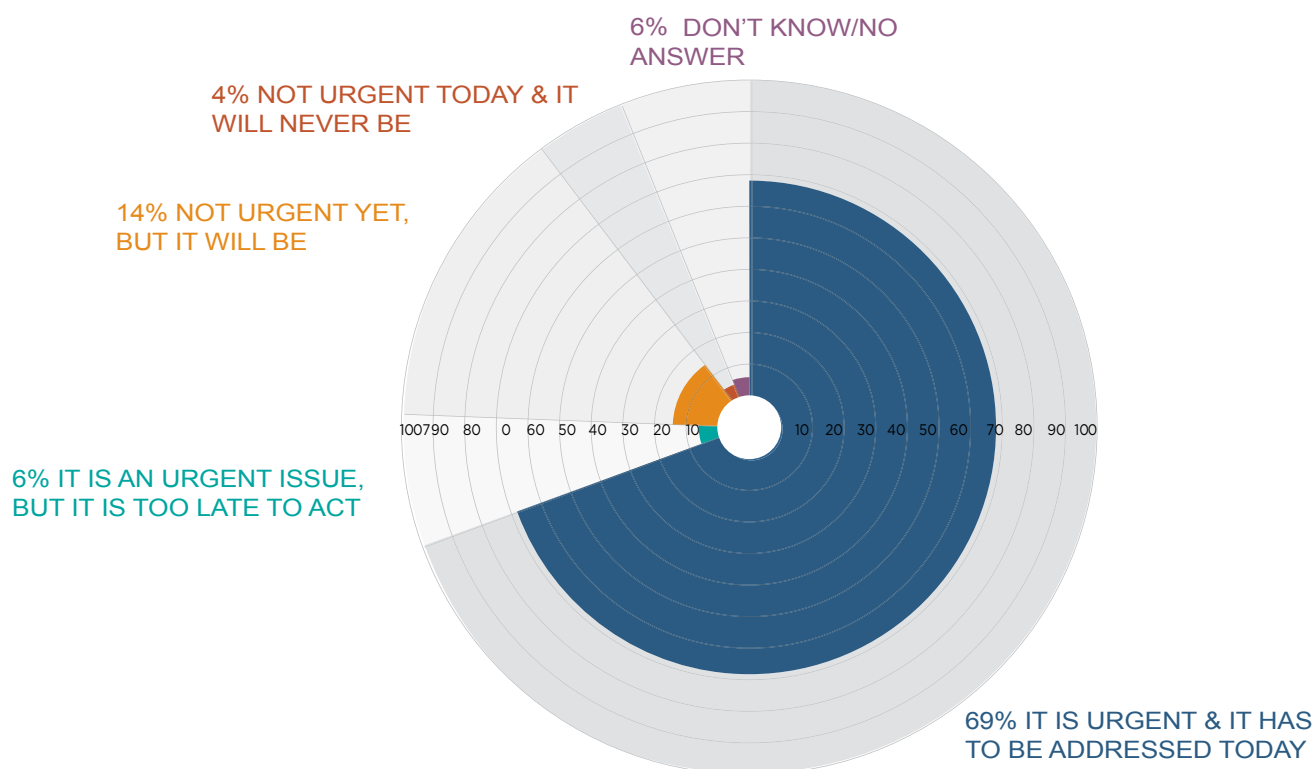
To the extent that the climate change problem is acknowledged, we could assume that the countries' efforts to implement adaptive strategies would be greater. The adaptive policies design as regards the climate change compels to review the capacities of institutions so as to provide a response to the problem (environmental governance), while the application of these policies requires an active participation of citizens. Thus, social awareness regarding the environment and the climate change becomes the fundamental starting point in the countries' adaptive strategy.

Is the climate change visualized as an urgent issue we should solve?

Does it make any sense to deal with the problem now? When asking about the “urgency” level that Latin Americans assign to the resolution of the climate change problem, it is confirmed that for 75% this is an urgent issue, with the difference that 69% of them consider that “We have to deal with it today” and 6% of them consider that, though it is an urgent problem: “There is no way out, it is too late to act” (see Figure 7). Only 14% of the persons downplay the climate change problem and prefer to postpone the efforts to face it. Finally, 4% of them believe that it is not and it will never be a problem we should worry about.

Figure 7

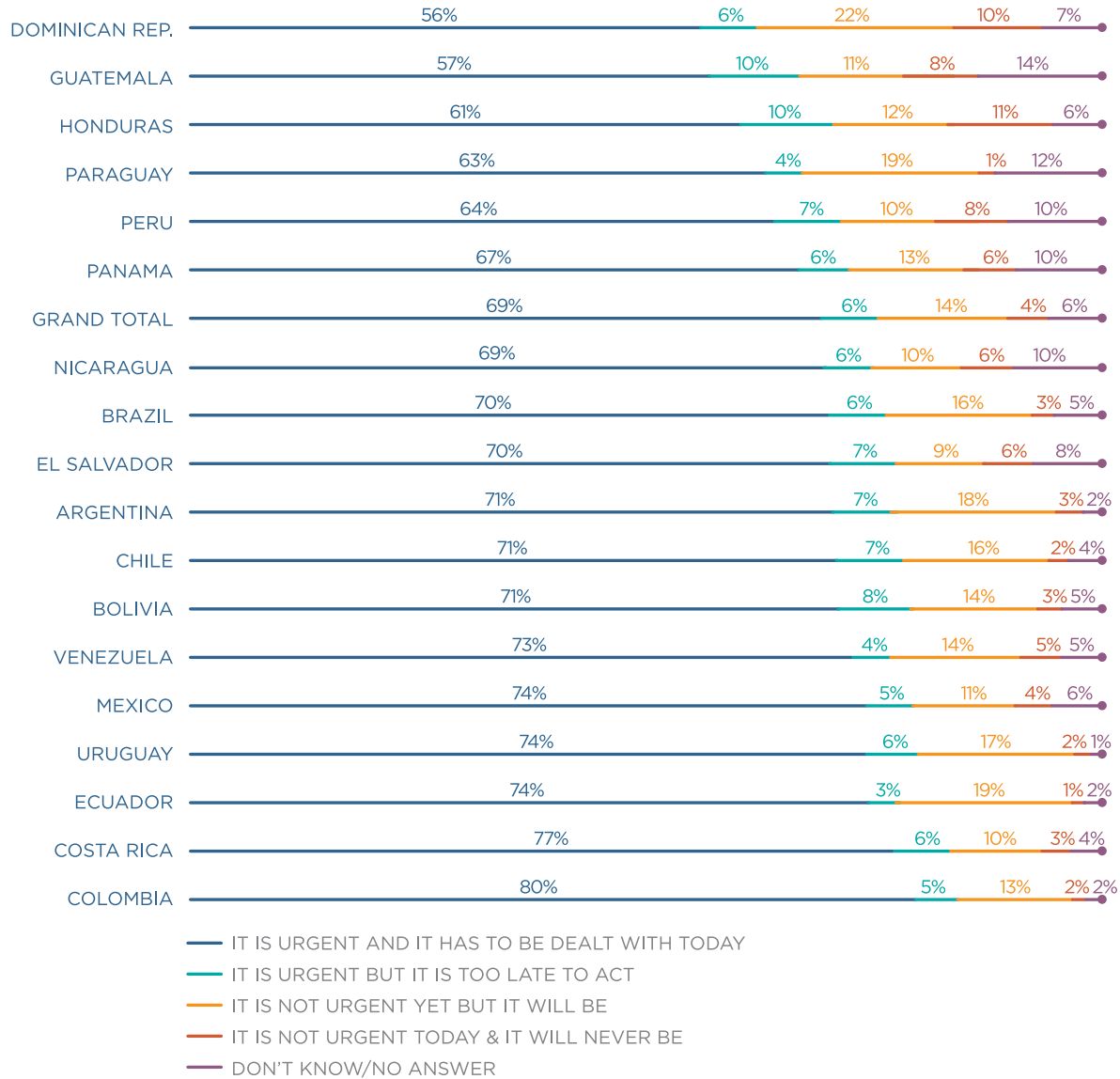
Is climate change an urgent issue?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Colombia and Costa Rica are the most concerned countries with climate change and which are urged to solve it (80% and 79%, respectively) (see Figure 8). While for 22% of Dominicans it is “Not an urgent problem yet, but it will be in the future”, and for 11% of Hondurans “It will never be a problem that we will have to deal with”.

Figure 8
Urgency of the climate change problem, by country.

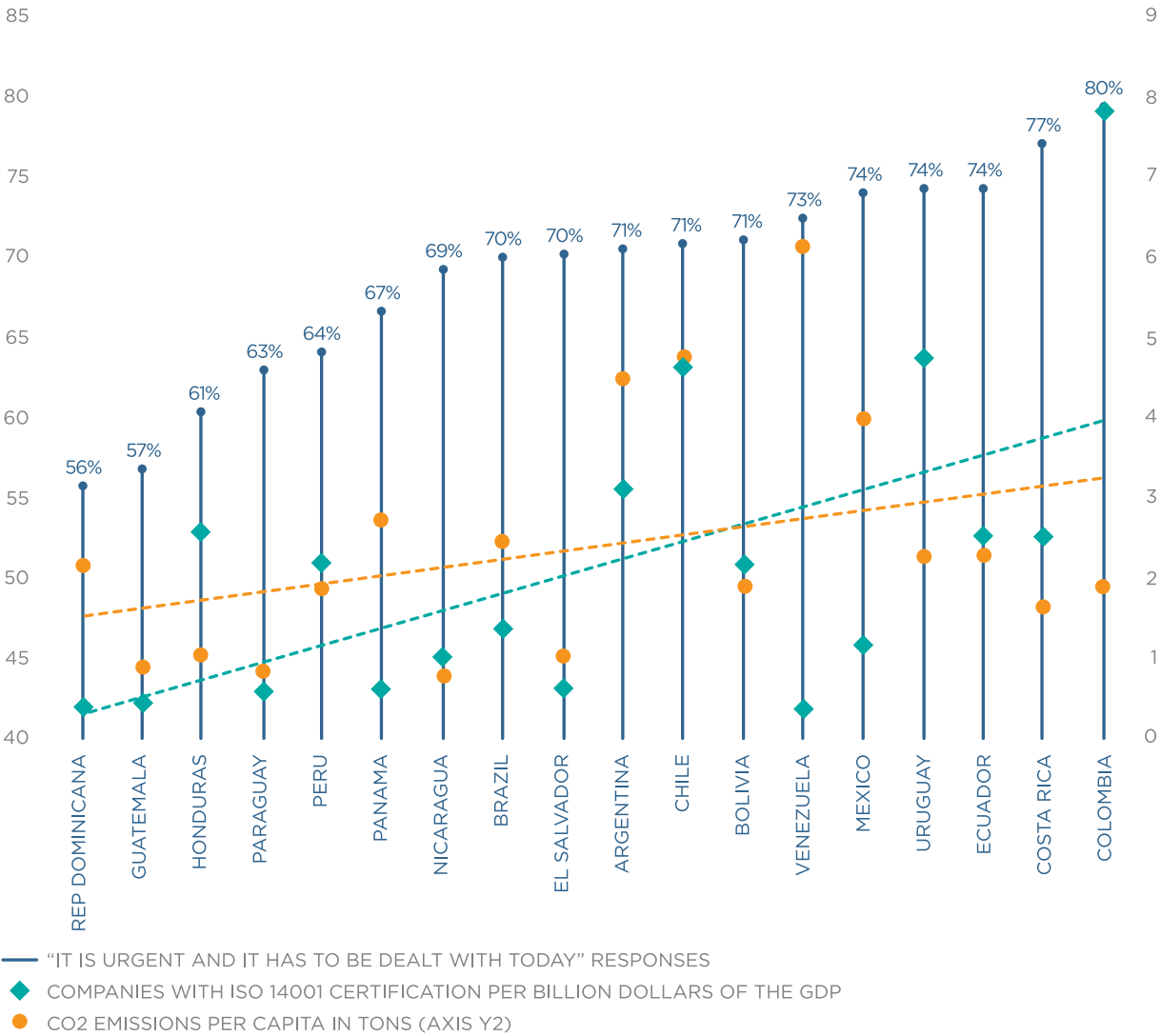


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The region countries which acknowledge the climate change problem as an “Urgent issue that has to be dealt with today” are, at the same time, those which have the greatest number of companies with environmental certification (ISO 14001/ per one billion

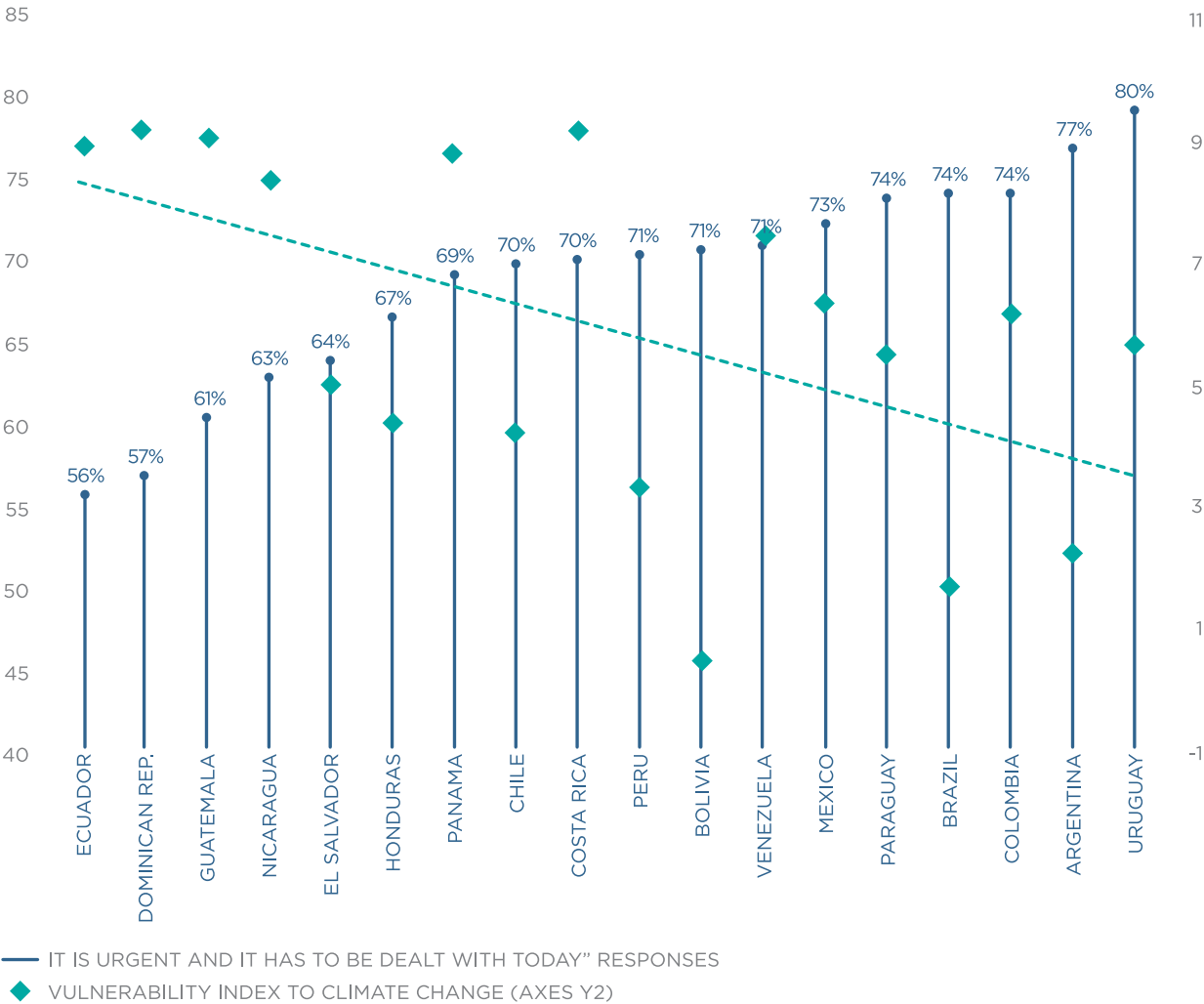
dollars of GDP), showing a positive correlation of 0.58 (see Figure 9 and Figure 10). This suggests that the visualization of the problem is necessary for the implementation of standards aiming at reducing the environmental impact, and at the same time that the mitigation policies contribute to the generation of an environmental social awareness. Likewise, a positive correlation of 0.50 is found between these countries and CO2 emissions per capita, what could indicate that when the effects against pollution are more visible, population worried about the climate change, and ready to take measures to reduce its impact, is larger.

Figure 9
Relationship among environmental awareness, companies with environmental certification and polluting gases emissions, by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Figure 10
Relationship between environmental awareness and vulnerability, by country.



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

At the same time, in the countries where the climate change problem is NOT acknowledged as an urgent problem, but it is recognized that “It will be a problem in the future”, a negative correlation (-0.60) is found in relation to the “Production of electricity from renewable sources, excluding the hydroelectric energy (% of the total)”. That is to say, in those countries with less development regarding renewable energies (therefore, most of the electric power is produced from traditional sources or it is hydroelectric power), and consequently they count with an energy matrix of greater impact on the environment, if the climate change problem is recognized, the same tends to be associated to a situation to be solved in the future. This reinforces the idea on the need of society to acknowledge the climate change problem as urgent, for the implementation of mitigation and adaptation policies and standards.

TOWARDS SUSTAINABLE AGRICULTURE

The agriculture represents, as the case may be, between 3% and 13% of GDP of countries in the region, and it has a high economic, social and cultural impact since said activity involves a large number of persons and companies. According to the Eco-Integration of Latin America report, by Intal-BID, this sector is largely responsible for greenhouse gas emissions; but, at the same time, it is particularly vulnerable to the climate change.

Agriculture produces 17% of emissions worldwide, a figure which grows up to 24% and 34% if the land clearance for exploitation is considered. According to the World Resources Institute, almost half of greenhouse gas emissions in Latin America come from the change in the use of land, silviculture and agriculture.

The climate change is also affecting the competitiveness of agricultural exports. The promotion of a form of agriculture that protects the quality of the environment may contribute to revert this problem: the increase in demand for trade and sustainable products, due to a greater awareness of consumers on environmental matters, has generated a growing range of sustainability voluntary practices and standards that may be valuable at the time of promoting more ecological supply chains. For example, the lands which fulfill this type of standards have expanded: between 2008 and 2014, the areas approved by the Rainforest Alliance/Sustainable Agriculture Network multiplied by more than nine times, while between 2010 and 2014 the UTZ certificate area (sustainable agriculture) grew 6.5 times.

However, these standards may be difficult to fulfill for SMEs, the cooperatives and small farmers, so the transparency in the access to information, public policies and training to implement practices resilient to climate change are some of the key points to meet this challenge.

SUSTAINABLE DEVELOPMENT IN THE DEVELOPMENT AGENDA

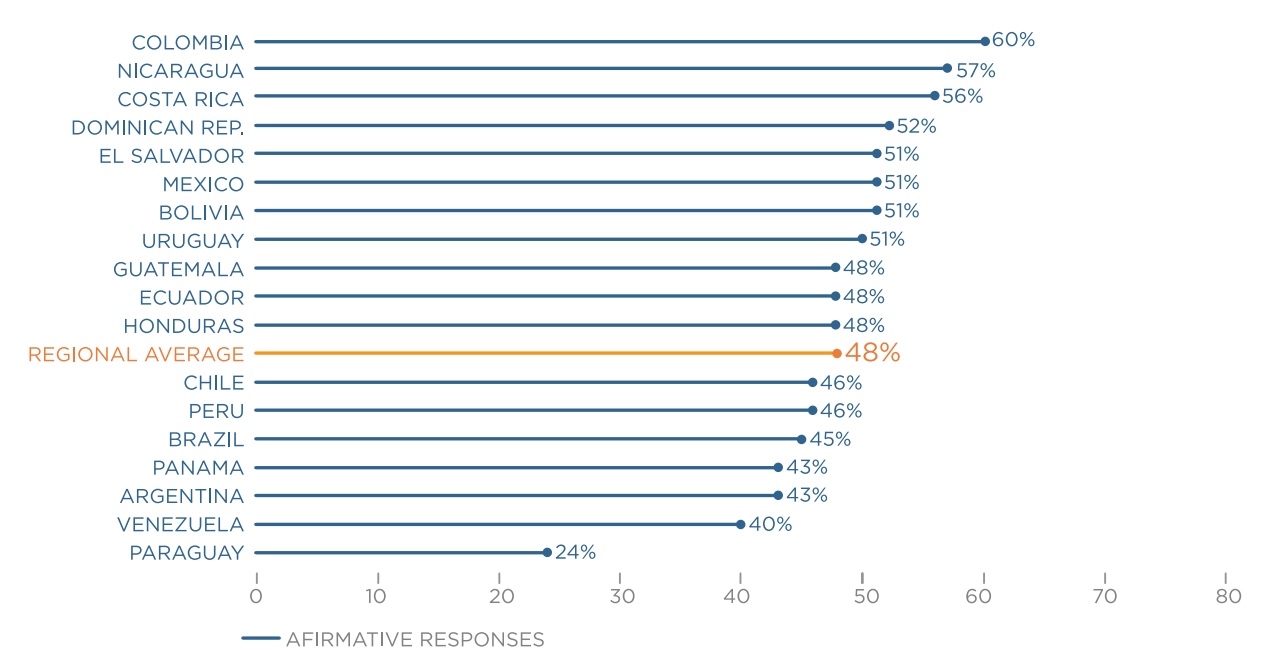
The productive specialization of Latin American countries, based on the exploitation of natural resources, requires aligning the economic growth objective with the responsible use of resources. In developed countries, an important change in the way the society values the environmental care is increasingly observed. This is translated into the development and dissemination of technologies for a cleaner production, into greater environmental quality controls on the production of goods and services, as well as into the emergence of new consumers (“eco-friendly”) with the capacity of paying “less convenient” prices for sustainable products in social and environmental terms.

What do we Latin Americans understand by Sustainable Development? In what place are the environmental care and climate change in the development agenda of countries? Are we prepared to sacrifice the economic growth for the environmental sustainability?

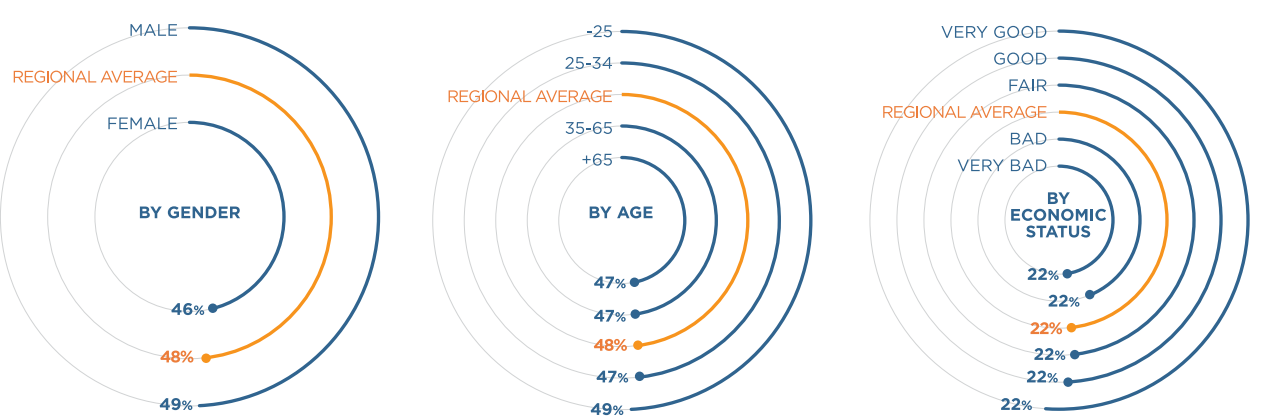
48% of Latin Americans identify the environment and climate change as central topics in the development agenda. For a second consecutive year, the environmental issue was in the second position among the topics’ priority rank, only surpassed by “Social policies in connection with inclusion and poverty” which got 49% of the mentioned options. Except

for Paraguay (24%), in all the countries of the region, the environment and climate change exceeded 40% of mentions. This issue shows a particular interest in countries such as Colombia (60%), Nicaragua (57%) and Costa Rica (56%) (see Figure 11).

Figure 11
Is the environment a relevant issue for development?



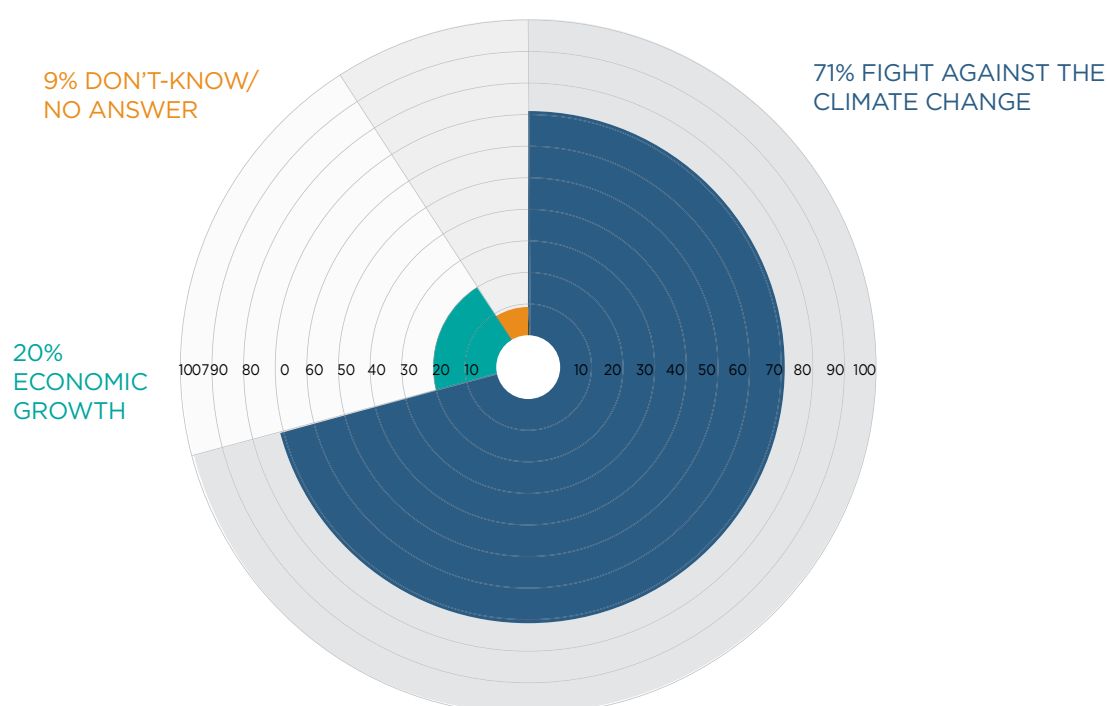
Figures 12, 13, 14



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Is this a matter of priorities? The privileged position awarded to these issues in the development agenda is confirmed even when a question is formulated on the economic growth objective. 71% of the respondents are worried about the climate change and prioritize the fight to revert it, even at the expense of the economic growth. Only 1 out of 5 considers that the economic growth is more important than the climate change (see Figure 15).

Figure 15
Which is the priority: the fight against the climate change or the economic growth?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

The analysis of replies by gender and age reveal interesting results compared to the mean value of the total sample. Men are more prepared than women to sacrifice economic growth in favor of the fight against the consequences of the climate change (2 points above their share in the total sample). Among those who prioritize the economic growth, there are 10% more women than men. Women are more “uninformed” on this issue (62% of the “Don’t know/NO ANSWER” responses correspond to women, 10 points above their share in the total sample, (see Figure 16). Young persons (under 25 and between 25-35 years old) tend to be more representative in the favorable replies regarding economic growth, and persons older than 65 are prone to respond “DON’T KNOW” (see Figure 17).

Figure 16

Priority of the fight against the climate change against the economic growth, by gender.

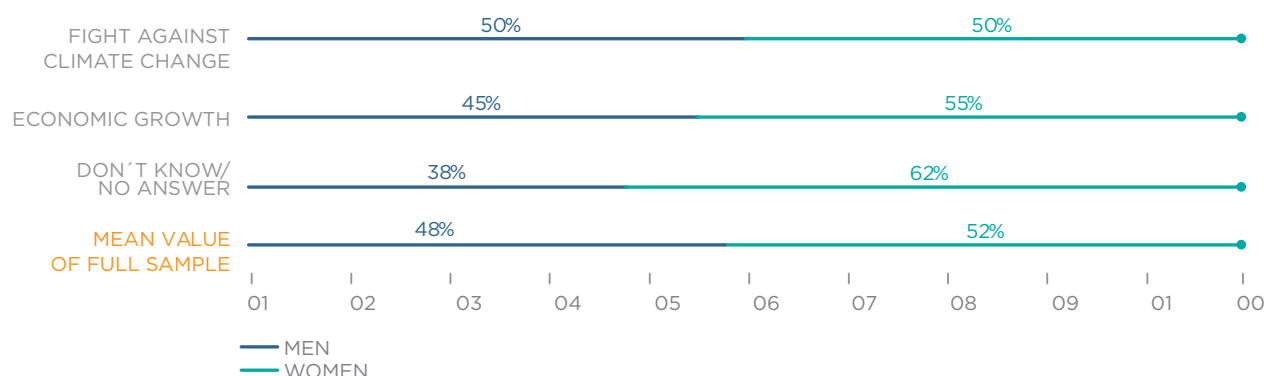
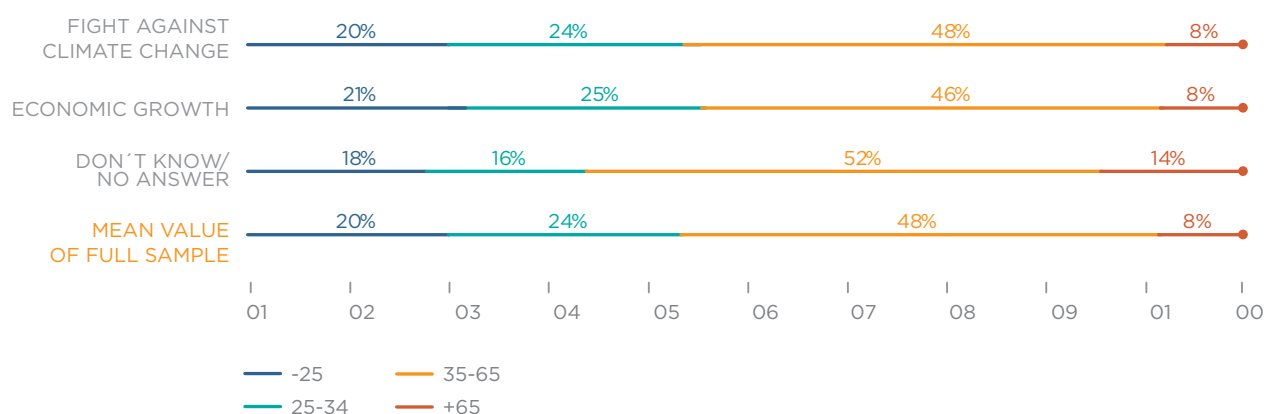


Figure 17

Priority of the fight against the climate change or the economic growth, by age.

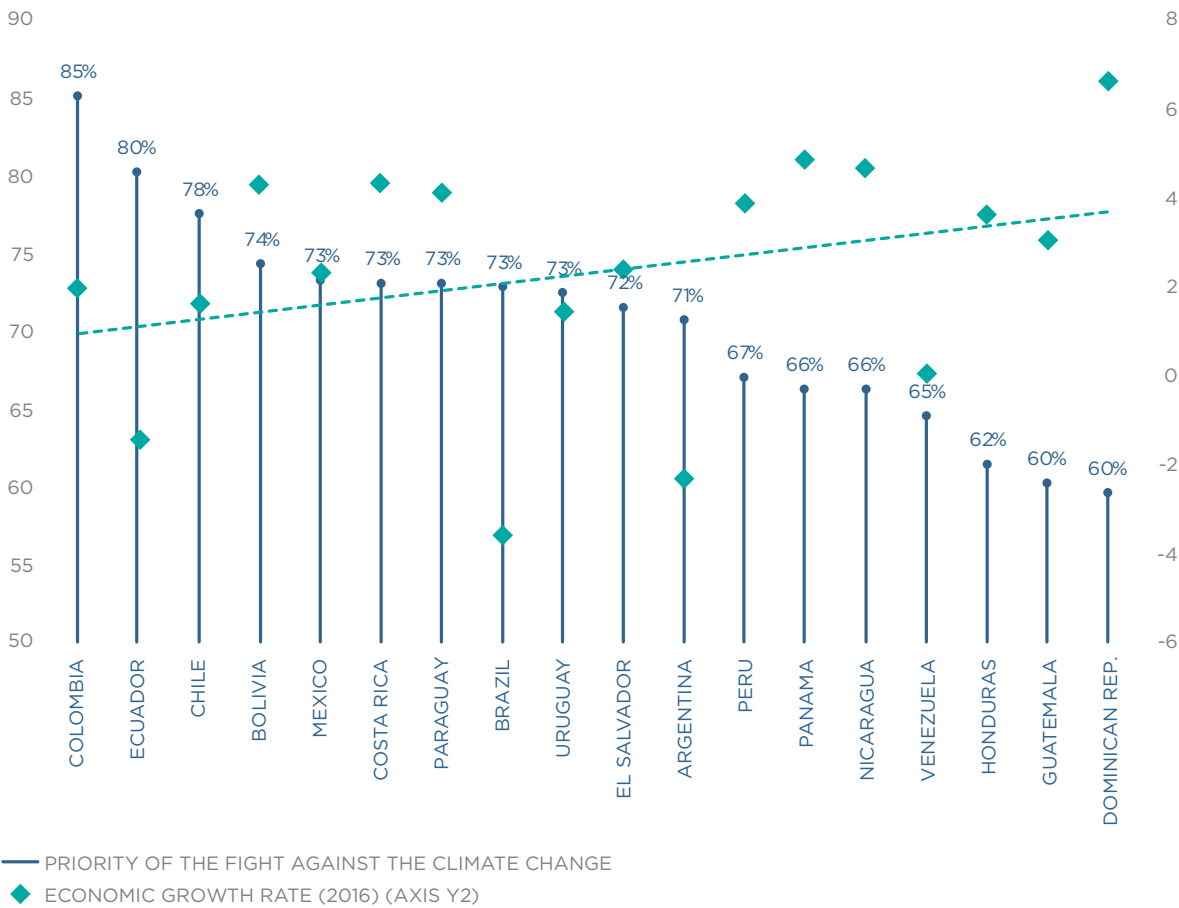


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

In an analysis conducted by country, we found that Colombia (85%) and Ecuador (80%) are among the countries which prioritize the most the fight against the climate change over economic growth. In the opposite end, we note Guatemala (60%), Dominican Republic (60%) and Honduras (62%) (see Figure 18).

Additionally, a positive correlation of 0.63 is observed with regard to companies which count with ISO 14001 certificate (per one billion dollars of GDP), what would be indicating that when the regulatory requirements of the countries for the environment care are greater, the awareness on the impact of the climate change is greater. At the same time, there is a negative correlation of -0.55 regarding the economic growth rate of 2016 and of -0.53 regarding the growth average in the last three years (see Figure 18). This would suggest that in Latin America, differently from what has been observed in the developed world, countries with greater growth prioritize the fight against the climate change to a lesser extent.

Figure 18
 Relationship between the fight against the climate change and economic growth, by country.

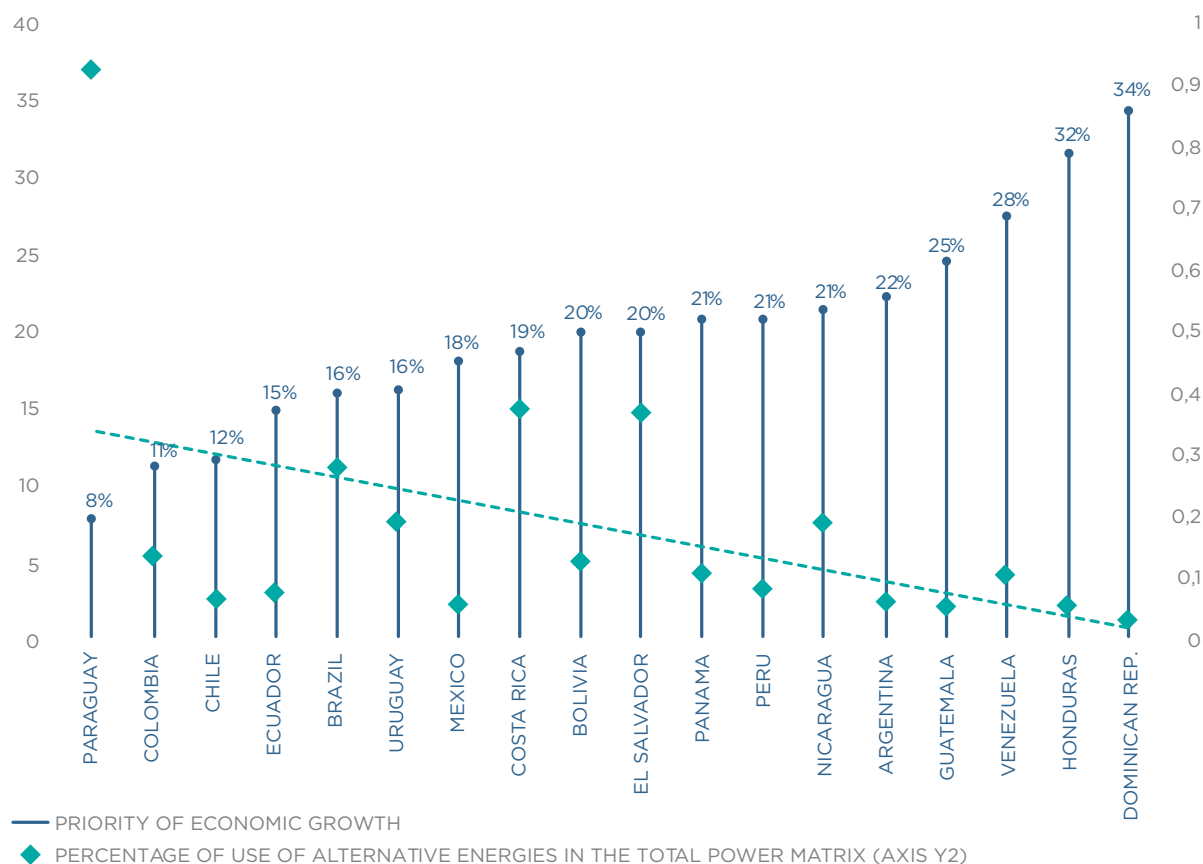


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

When analyzing the responses in favor of the economic growth by country, we found that Dominican Republic, Honduras and Venezuela (34%, 32% and 28%, respectively) were in the first three positions. In the opposite end, we found Paraguay (only 8%), Colombia (11%) and Chile (12%) (see Figure 19). The countries with energy matrixes counting with a greater percentage of alternative sources (including nuclear energy) were the ones which less prioritized the economic growth over the fight against climate change (negative correlation of -0.55). Once again, it is confirmed that when the countries' effort in favor of the environment care is greater; the environmental awareness of their citizens is also greater.

Figure 19

Relationship between the priority of the economic growth and the use of alternative energies, by country.

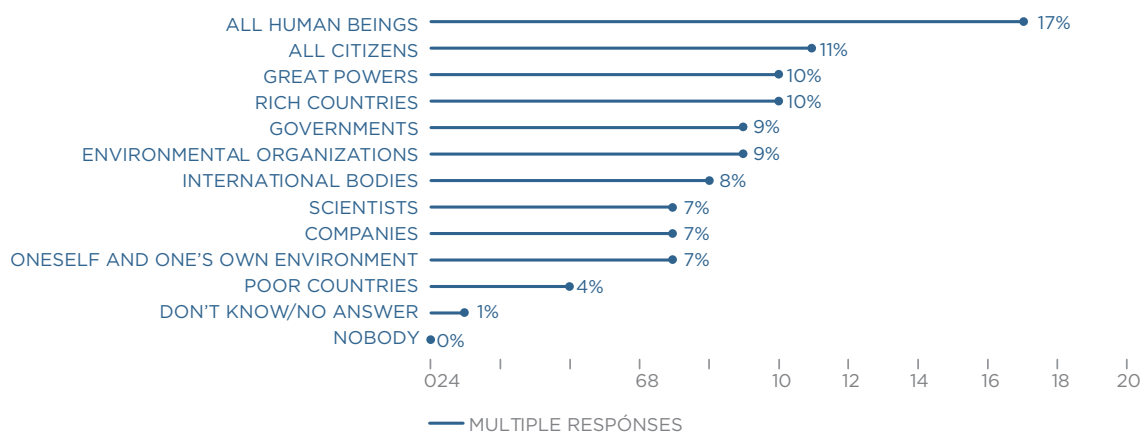


Source: Own compilation based on INTAL-Latinobarómetro 2017 data

When we asked Latin Americans who the actors responsible for fighting against the climate change were, the reply: “All” was the mostly chosen one (17%), followed by “All the citizens” (see Figure 20). The rest of the options are located below 10%. However, when grouping the replies, we see that 20% think that “Worldwide powers” and “Developed countries” are the responsible actors.

Figure 20

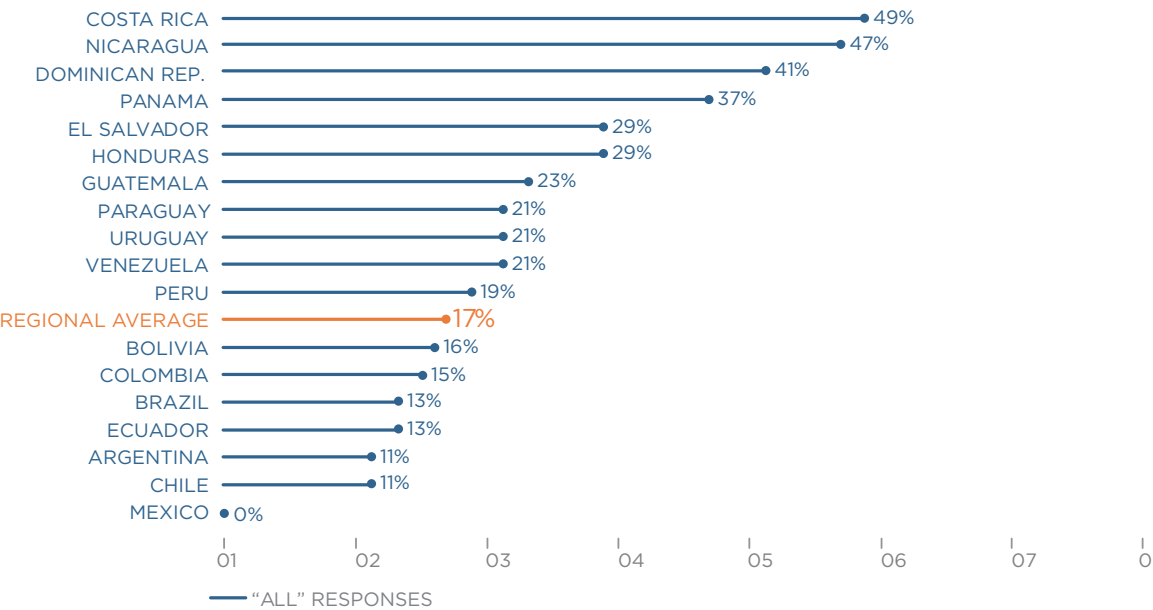
Who must fight against the climate change?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

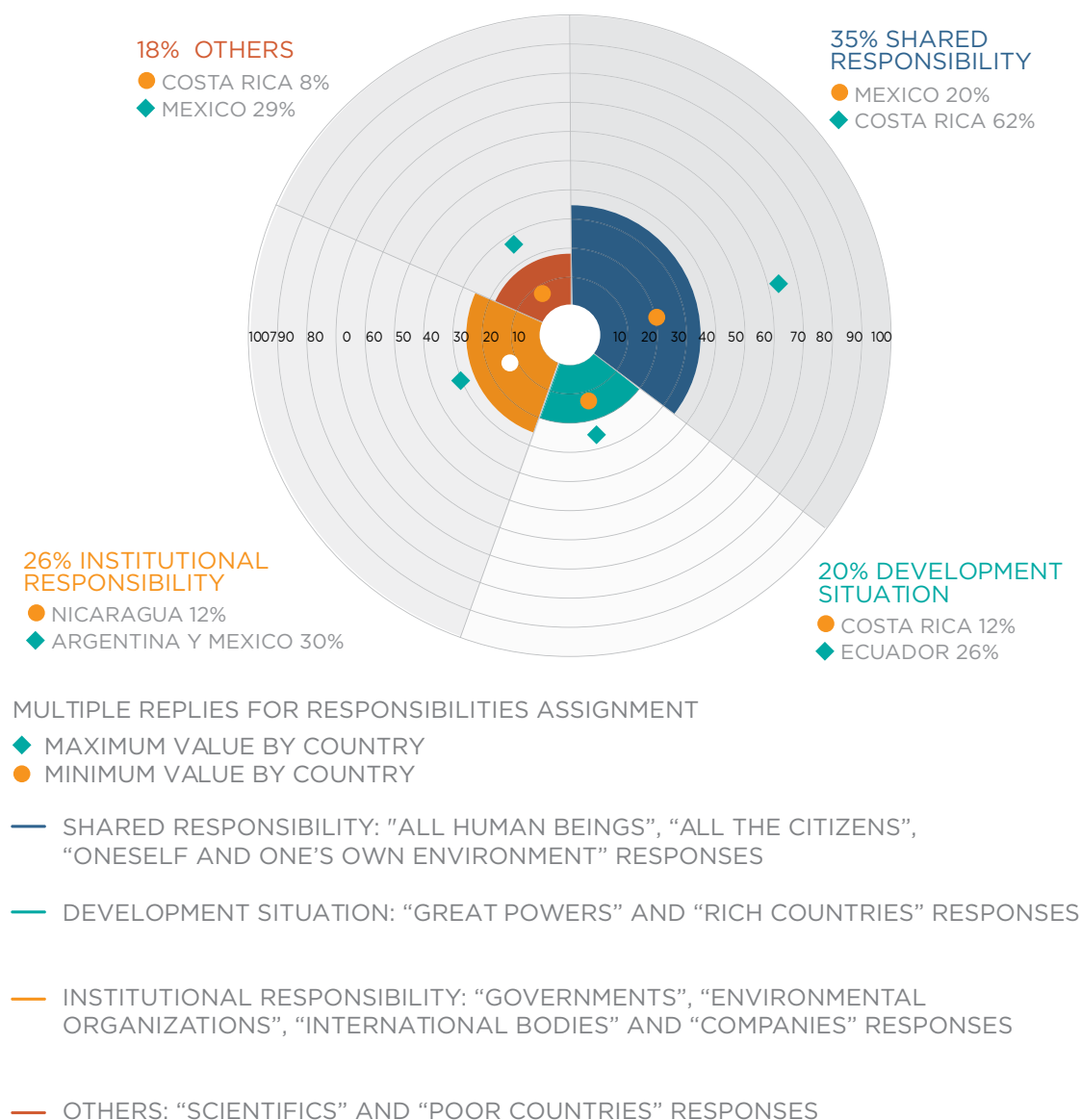
In an analysis by country regarding the main option chosen (“All”), particularly high values are observed in Costa Rica (49%), Nicaragua (47%), Panama (37%) and Dominican Republic (41%) (see Figure 21). In the opposite end, just a few Mexicans chose the option “All”, but 11% chose the option “All the citizens” (see Figure 21).

Figure 21
“Everybody has to fight against the climate change”, by country.



When grouping the replies in three categories of analysis (according to the type of actor responsible for fighting the climate change), we confirmed that all Latin Americans perceived that it is a joint-responsibility problem so all the social actors should take part in its resolution. Likewise, the responsibility the Latin Americans assign to the institutions (32%) and to the countries which generate (or generated) the greatest greenhouse effect (20%) should not be overlooked (see Figure 22).

Figure 22
Who has to fight climate change?



Source: Own compilation based on INTAL-Latinobarómetro 2017 data

Categories of analysis:

- Associated to Shared Responsibility": 35% of responses. It included the options "All", "All the citizens", and "I, my family and my friends". The minimum level for this category was registered in Mexico (20%) and the maximum in Costa Rica (62%).
- Associated to the "Present development situation of countries": 20% of the responses. It included the options "Worldwide powers" and "Rich countries". The minimum was registered in Costa Rica (12%) and the maximum in Ecuador (26%).

- Associated to an “Institutional responsibility”: 32% of the responses. It included the options “Environmental organizations”, “Governments”, “International bodies” and “Companies”. The minimum for this category was registered in Nicaragua (12%) and the maximum in Argentina and Mexico (30%).
- Others: 11% of the responses. It included the options “Scientists”, “Poor countries”. The minimum was registered in Nicaragua (8%) and the maximum in Mexico (29%).

CONCLUSION

The environmental deterioration and the climate change impact on the economy and the life of persons in different manners which go from the loss of crops’ productivity due to droughts or floods, to the impact on health and unnecessary health system spending on preventable diseases, and the reconstruction of the infrastructure system caused by the increasingly frequent “natural catastrophes”. A great portion of the Latin American society (75%) was aware of problems generated by the deterioration of the environment and climate change, and a large majority (83%) considered that the same had been man-made. However, this awareness presented some particular patterns when it was analyzed by country: in those countries with a greater exposure to climate change (such as the Dominican Republic, Guatemala, Nicaragua) on average we observed a decreased awareness of the environmental problem, while the opposite occurred in countries with greater environmental pollution (CO₂ emissions per capita) and more companies with environmental certification. At the same time, internet and social networks users were the ones who visualized more the environmental and climate change problems (72% vs. 61%).

The resolution of the climate change problem was prioritized above many other existing problems in Latin American societies, even in detriment of economic growth (71% of the surveyed). Are the efforts individually performed by countries to fight climate change sufficient? The integration of Latin America to the global economy requires the revision of environmental governance aspects, particularly in a context where Latin Americans acknowledged that not only all the social actors (35% of the replies), but also the specifically relevant institutions (Governments, NGOs, international bodies, companies, with 32% of the replies) had to be at the forefront of this issue. Fortunately, a strong environmental-social awareness was noted which placed this topic in the second position of the ranking of problems within the countries’ development agenda, which was mentioned in all the cases (except for Paraguay) by at least 40% of the respondents. This represents a good starting point for the implementation of mitigation and adapting policies to the climate change.



FINAL THOUGHTS

Final Thoughts

Through this survey, 20,200 Latin Americans in 18 countries were consulted on integration, democracy, equity, environment, technology and innovation issues. Their responses were first analyzed in an isolated manner, later they were cross-checked, and, finally, contrasted with objective information from different statistical sources; producing interesting results. Without explaining causality, the relations of different degree of correspondence and significance were identified, which enabled us to describe the DNA of the Regional Integration.

We are witnessing a new industrial revolution; the technological advance and diffusion of new technologies are modifying the way we communicate, produce and exchange goods and services. These changes undoubtedly create tensions and generate challenges in the areas of employment, social inclusion and environmental impact. In contrast to what happens in other parts of the world where protectionist, nationalist and separatist positions prevail, Latin Americans identify themselves as integrationist and open; in other words, they are in favor of integration and globalization processes. In a regional context characterized by deep social inequalities, crises of confidence in institutions and unwanted effects caused by climate change, the Information and Communications Technologies (ICTs) appear as a strategic ally to achieve sustainable regional integration in political, economic, social and environmental terms.

The DNA of Economic Integration shows us that globalization is understood as an opportunity for the economic growth, and the direct foreign investment counts with a substantial social support. Regional integration is mainly associated to free trade and political dialogue, especially in countries with a high concentration of exports and a lower income of Direct Foreign Investment. The support for free trade is lower in countries which have signed a larger number of Free Trade Agreements. An important support for the free mobility of workers, which seems to be associated to persons' need to broaden their labor horizons rather than their desire to live in a heterogeneous society formed by people of different cultures and ethnicities, is observed. Countries which mostly agree with the free mobility of people and workers are those with more restrictions on the movement of people and capital. However, integrationism is not necessarily "Latin Americanist". U.S.A., European Union and China are the favorite partners to forge closer links with, while Latin America has been relegated to a fourth position. Mercosur countries are most willing to integrate with other Latin American countries. The preference to integrate with U.S.A. and China is associated to bilateral trading volumes, while the choice to integrate with the European Union is more connected to the population's favorable opinion on the bloc. Great support for the economic integration, in contrast with the feeling of many Latin Americans on the meager efforts made by their countries to integrate with the rest of the world and the region, are expressed through our "Integrometer" which quantifies the "unsatisfied demand" to achieve greater economic integration. This demand is larger in men, from 35 to 65

years of age, and it reaches its maximum at the extreme income values (persons with “Very good” or “Very bad” socioeconomic status). It is also higher in persons who are afraid of losing their jobs and/or intend to migrate.

The DNA of Innovation and New Technologies shows that some technologies such as mobile telephony and the internet benefit from broad dissemination and wide acceptance. In Latin America, mobile telephony coverage is virtually full, while half the population uses the internet or owns a smartphone, though there are important differences among countries. Internet is conceived as a public good indispensable to move in today’s world, and ensuring universal access to the internet is recognized as a priority, even over the development of basic infrastructure such as highways. By contrast, new technologies such as robotics and artificial intelligence are strongly resisted. Very few Latin Americans are willing to travel in a robot-driven vehicle, undergo long-distance robotic surgery, or eat cultured meat. Besides, they fear human work will be replaced by artificial intelligence. Through this study, the importance of ICTs and, particularly of the internet as a strategic partner for integration is shown; countries with a higher percentage of internet users support the most the regional integration process and more clearly acknowledge environment and climate change problems. Also, they are more open to incorporate new technologies. In the same direction, Latin Americans’ perception is analyzed depending on whether they have a smartphone or not. We concluded that in a world without smartphones, the perception of the importance of innovation in the development agenda would be reduced, the internet would be less valued for its impact on daily life and there would be fewer persons willing to modify their consumer habits by buying less and renting more.

The DNA of Political Integration and New Democracy shows that Latin Americans are strongly attached to democracy as a system of government, they call for a greater commitment of their governments in the fight against corruption, and they are open to new forms of governance. The support for regional political integration is firm, even in the current context characterized by a widespread disagreement with the functioning of democracy and its institutions. The Church emerges as the most reliable institution generating more confidence than the Congress, Judiciary and Parliament, while political parties are identified as the least reliable institutions of the democratic system. The efforts undertaken by governments to fight corruption are perceived to be inadequate by society, and new forms of governance, such as judges elected by popular vote, juries composed by ordinary citizens and, to a lesser extent, the selection of parliamentarians by drawing lots, emerge as alternatives with a high level of social support. However, “The Institutional Quality” and “The Rule of Law” are not perceived as priorities among the problems for the countries’ development. The countries with a higher percentage of internet and social networks’ users show a greater support for democracy as a form of government. Besides, the countries with the highest Electronic Government Development Index show less tolerance for corruption, and they are the least


pleased with the random selection of parliamentarians.

The DNA of Social Integration and Equity shows a widespread concern about social inequality and a shared vision of an unjust distribution of income. Social policies, inclusion and poverty are identified as the main problems in the countries' development agenda. Latin Americans request to move at will and work in any country, but they prefer to live in a homogeneous society, mainly made up of people of their own culture and ethnicity. Countries more concerned about equity and social inclusion are the ones with the largest GDP per capita and the highest rate of human development. Countries more affected by poverty identify these issues to a lesser extent as limiting factors for development. When society is more aware of tensions between workers and employers, and the rich and poor, greater is the concern about social policies, inclusion, poverty and equal opportunities for all. Gender equality is not a matter of particular concern, but a large part of society acknowledges that there are conflicts between men and women and supports an equal representation of men and women in the Parliament and the Judiciary. However, it should be mentioned that through this survey, most "Does not Know/ No Answer" responses are given by women, whatever country the survey was conducted in.

The DNA of Environment and Climate Change shows a strong concern and commitment of Latin Americans about these matters which were in the second position within the ranking of main problems for development. There is a high degree of consensus on the perception that the climate change exists, and also that this is an urgent man-made problem. Besides, Latin Americans prioritize fight against climate change, even at the expense of economic growth. Throughout the study, it has been pointed out that the awareness of the climate change problem is minor in countries with more exposure and vulnerability to climate change. On the other hand, countries with an energy matrix have a relatively high proportion of alternative sources (including nuclear energy), and they are more involved with this problem. By contrast, countries with the highest growth in the last three years prioritize economic growth to the fight against climate change.

Therefore, in a world where globalization is being heavily questioned, particularly among developed countries, it is clear that Latin Americans are strongly committed to regional integration. The integration progress is challenged by complexity involving a heterogeneous regional structure with important differences among countries and toward the countries' interior regions. There are many differences ranging from the income distribution, the productive specialization, the size of their economies in the regional GDP, the fact of being a member of different trade blocs, the preference for certain partners at the time of strengthening links, the exposure and vulnerability to climate change, to the penetration level of ICTs. However, throughout this study, there is a common agenda to be taken care of,

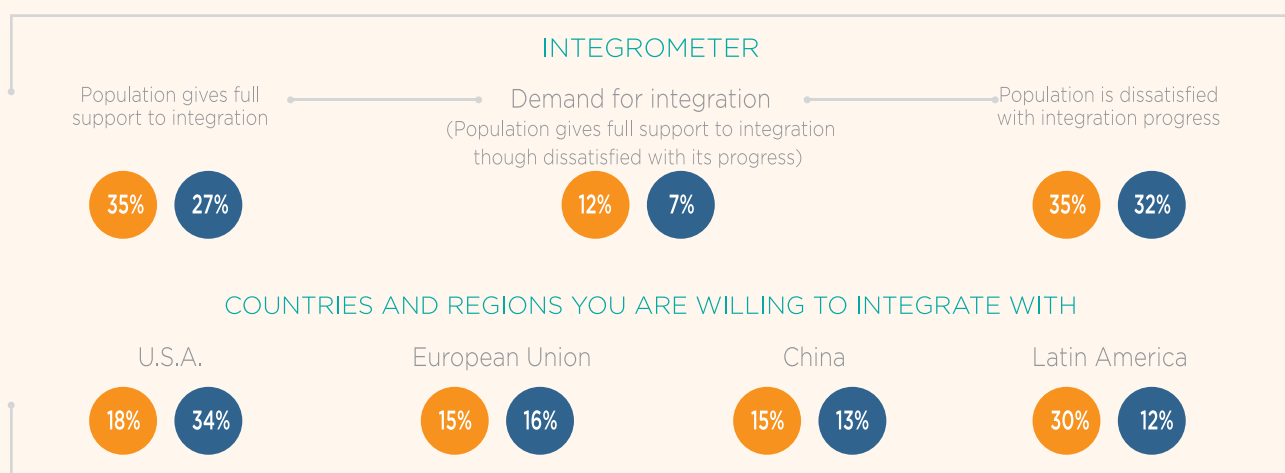
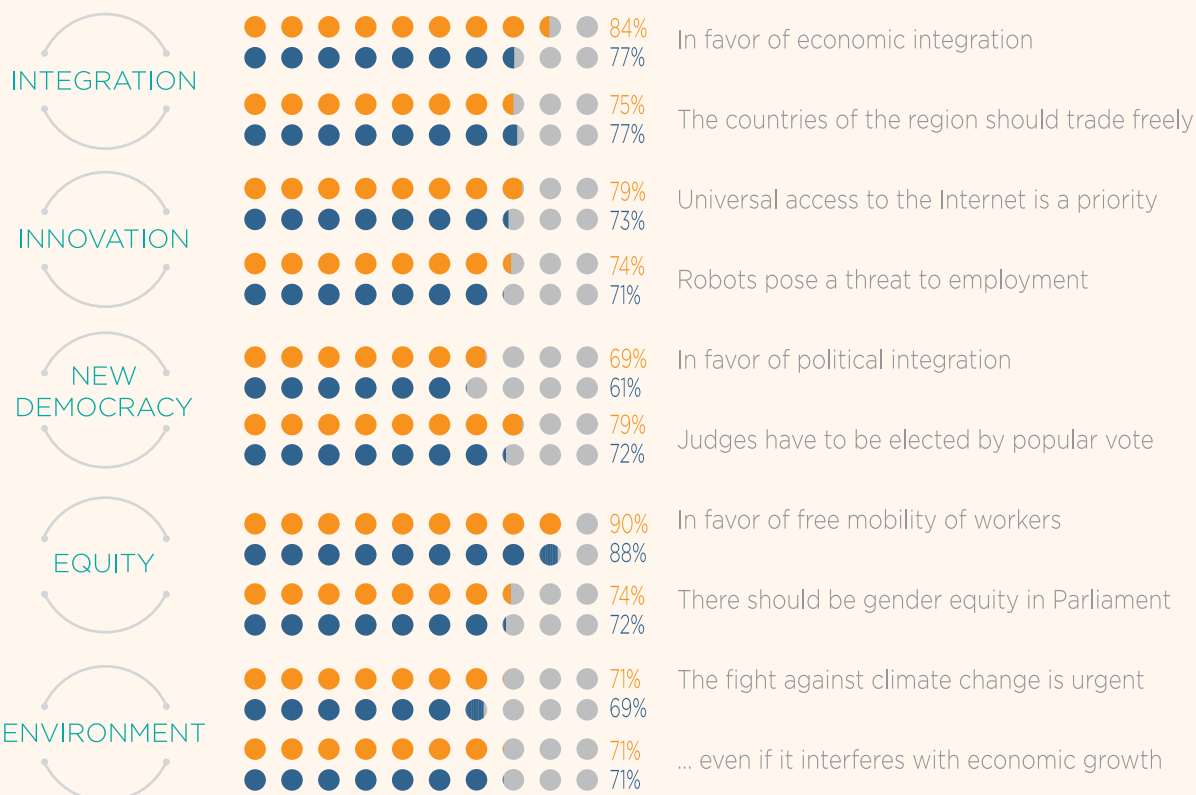
and which can set the pace of regional integration. Social convergence is not only noted in the high support for regional integration and the existence of an unmet demand for integration, but also in the persons' willingness to live in a more equitable society responsible for the use of their natural resources and committed to the fight against climate change, with freedom in the mobility of people, connected through ICTs and with universal access to the internet, with a better quality in the functioning of institutions of democracy, and with a larger participation of citizenship in government and judicial decision-making. This being the agenda for development and regional integration, the opportunity which ICTs provide should not be overlooked in terms of the creation of subjects with critical awareness capable of visualizing the problems they experience, as well as their powerful potential to reinforce trade links among countries, strengthen democracy and enhance the development of the region.

An abstract graphic in the upper right corner of the page. It features several concentric circular arcs in various shades of teal and blue. Overlaid on these is a smaller, semi-circular shape composed of three concentric arcs in shades of brown and olive green. The entire background of the page is covered in a fine, light-colored dot pattern.

NATION VERSUS REGION



ARGENTINA | LATIN AMERICA



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	43%	48%	VULNERABILITY TO CLIMATE CHANGE	3,3	16°
SOCIAL INCLUSION	65%	49%	POVERTY	10,8%	17°
BASIC INFRASTRUCTURE	45%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,7	11°
INSTITUTIONAL QUALITY	42%	34%	GOVERNMENT EFFICIENCY	-0,1	7°
RULE OF LAW	48%	38%	STRENGTH OF LEGAL RIGHTS	2	12°
GENDER EQUALITY	40%	34%	GENDER DEVELOPMENT	0,98	7°
EQUAL OPPORTUNITIES	53%	46%	HUMAN DEVELOPMENT	0,83	2°
INTEGRATION	30%	25%	FREE TRADE AGREEMENTS	1	14°
INNOVATION	22%	23%	INVENTION COEFFICIENT	1,3	3°
PRODUCTIVITY	49%	37%	GDP PPP (constant 2011 \$'000)	21,8 mil US\$	13°
HUMAN CAPITAL	27%	27%	AVERAGE OF FULL SCHOOL YEARS	11,5	2°

● Country data

● Regional average data



BOLIVIA | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

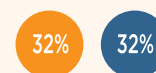
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

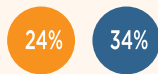


Population is dissatisfied with integration progress

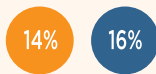


COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

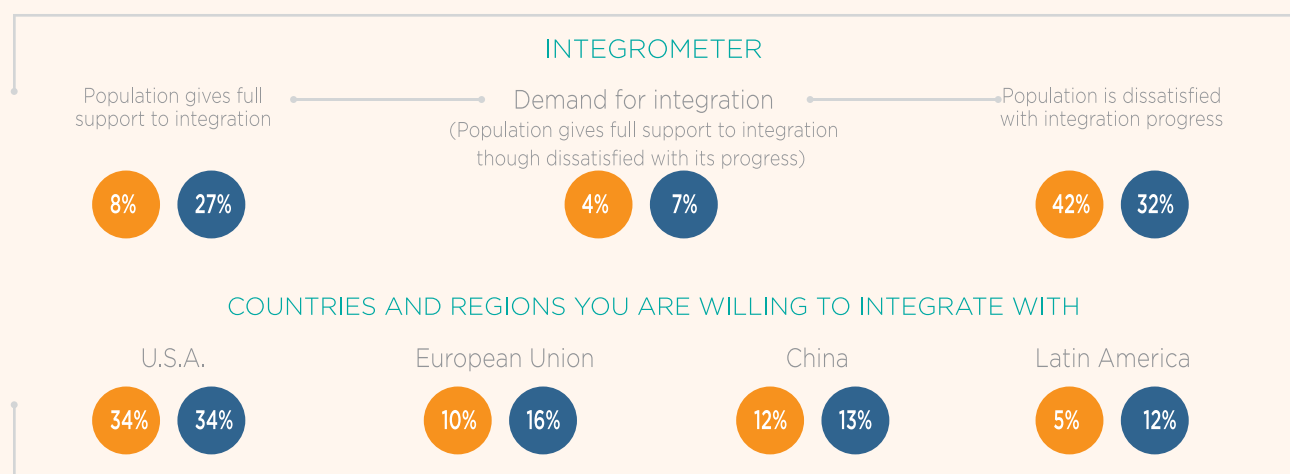
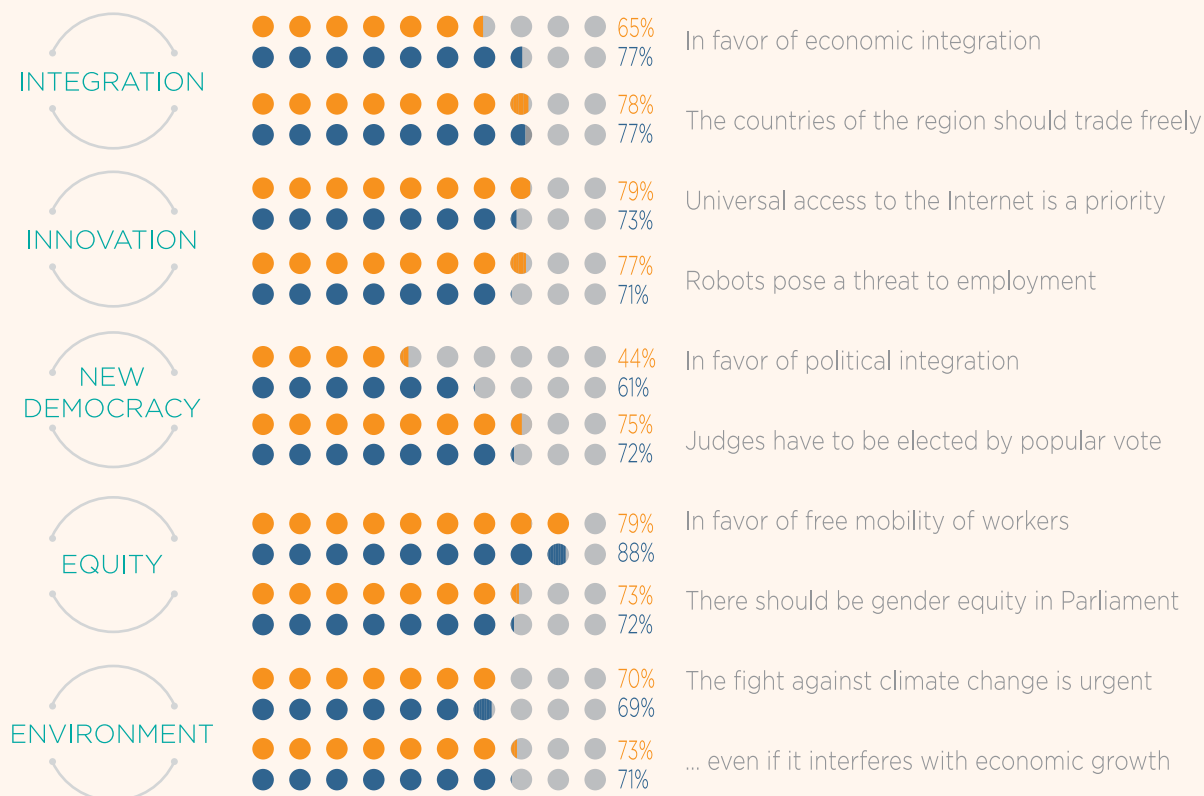
	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	51%	48%	VULNERABILITY TO CLIMATE CHANGE	7,5	7°
SOCIAL INCLUSION	32%	49%	POVERTY	38,6%	4°
BASIC INFRASTRUCTURE	33%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,2	15°
INSTITUTIONAL QUALITY	21%	34%	GOVERNMENT EFFICIENCY	-0,7	14°
RULE OF LAW	27%	38%	STRENGTH OF LEGAL RIGHTS	0	19°
GENDER EQUALITY	33%	34%	GENDER DEVELOPMENT	0,93	19°
EQUAL OPPORTUNITIES	38%	46%	HUMAN DEVELOPMENT	0,67	16°
INTEGRATION	21%	25%	FREE TRADE AGREEMENTS	0	18°
INNOVATION	14%	23%	INVENTION COEFFICIENT	0,1	15°
PRODUCTIVITY	32%	37%	GDP PPP (constant 2011 \$'000)	13,9 mil US\$	17°
HUMAN CAPITAL	21%	27%	AVERAGE OF FULL SCHOOL YEARS	9,8	8°

● Country data

● Regional average data



BRASIL | LATIN AMERICA



RELEVANT ISSUES FOR DEVELOPMENT

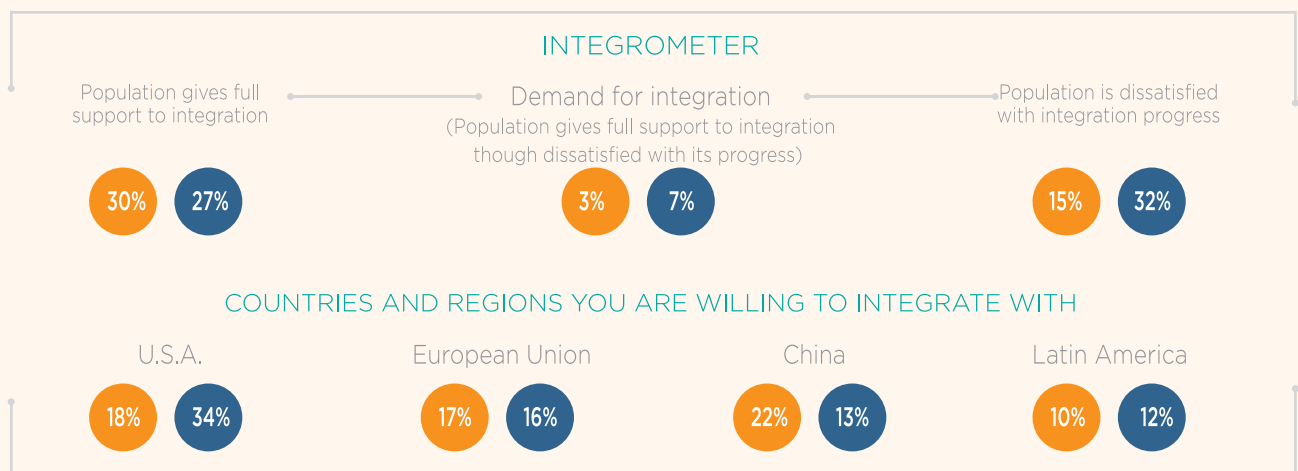
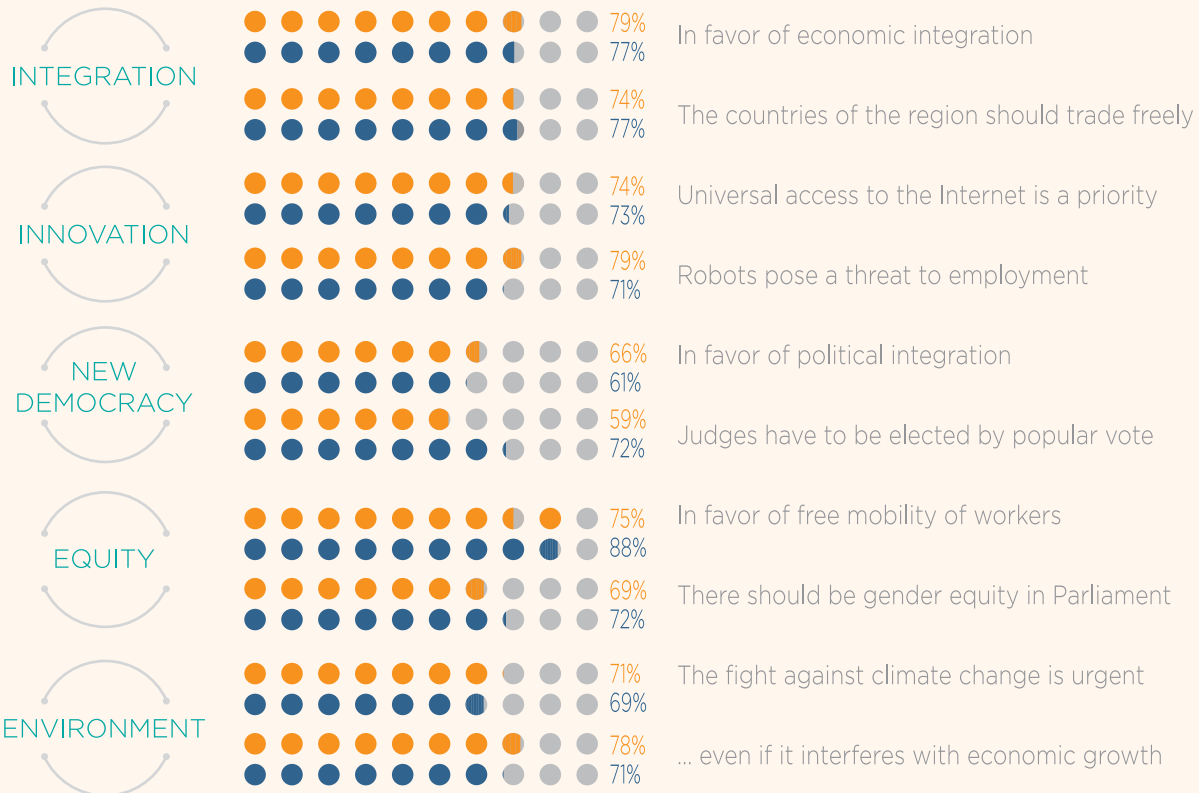
	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	45%	47%	VULNERABILITY TO CLIMATE CHANGE	4,2	15°
SOCIAL INCLUSION	60%	48%	POVERTY	13,3%	16°
BASIC INFRASTRUCTURE	52%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4	6°
INSTITUTIONAL QUALITY	44%	34%	GOVERNMENT EFFICIENCY	-0,2	8°
RULE OF LAW	45%	38%	STRENGTH OF LEGAL RIGHTS	2	12°
GENDER EQUALITY	34%	34%	GENDER DEVELOPMENT	1,01	3°
EQUAL OPPORTUNITIES	55%	46%	HUMAN DEVELOPMENT	0,75	8°
INTEGRATION	30%	25%	FREE TRADE AGREEMENTS	1	14°
INNOVATION	35%	23%	INVENTION COEFFICIENT	2,3	2°
PRODUCTIVITY	39%	37%	GDP PPP (constant 2011 \$'000)	30,2 mil US\$	8°
HUMAN CAPITAL	23%	27%	AVERAGE OF FULL SCHOOL YEARS	9,4	12°

● Country data

● Regional average data



CHILE | LATIN AMERICA



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	46%	47%	VULNERABILITY TO CLIMATE CHANGE	0,5	19°
SOCIAL INCLUSION	60%	48%	POVERTY	6,3%	19°
BASIC INFRASTRUCTURE	42%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4,7	2°
INSTITUTIONAL QUALITY	43%	34%	GOVERNMENT EFFICIENCY	1,1	1°
RULE OF LAW	43%	38%	STRENGTH OF LEGAL RIGHTS	4	10°
GENDER EQUALITY	33%	34%	GENDER DEVELOPMENT	0,97	11°
EQUAL OPPORTUNITIES	54%	46%	HUMAN DEVELOPMENT	0,85	1°
INTEGRATION	25%	25%	FREE TRADE AGREEMENTS	19	1°
INNOVATION	20%	23%	INVENTION COEFFICIENT	25	1°
PRODUCTIVITY	30%	37%	GDP PPP (constant 2011 \$'000)	47,9 mil US\$	1°
HUMAN CAPITAL	19%	27%	AVERAGE OF FULL SCHOOL YEARS	11,8	1°

● Country data

● Regional average data



COLOMBIA | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration

32%

27%

Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

5%

7%

Population is dissatisfied with integration progress

24%

32%

COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.

39%

34%

European Union

21%

16%

China

8%

13%

Latin America

14%

12%

RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	60%	47%	VULNERABILITY TO CLIMATE CHANGE	5,7	11°
SOCIAL INCLUSION	55%	48%	POVERTY	27,8%	10°
BASIC INFRASTRUCTURE	51%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,7	11°
INSTITUTIONAL QUALITY	42%	34%	GOVERNMENT EFFICIENCY	0	6°
RULE OF LAW	46%	38%	STRENGTH OF LEGAL RIGHTS	12	1°
GENDER EQUALITY	36%	34%	GENDER DEVELOPMENT	1	4°
EQUAL OPPORTUNITIES	61%	46%	HUMAN DEVELOPMENT	0,73	12°
INTEGRATION	28%	25%	FREE TRADE AGREEMENTS	7	9°
INNOVATION	29%	23%	INVENTION COEFFICIENT	0,7	6°
PRODUCTIVITY	41%	37%	GDP PPP (constant 2011 \$'000)	28 mil US\$	9°
HUMAN CAPITAL	36%	27%	AVERAGE OF FULL SCHOOL YEARS	9,2	15°

● Country data

● Regional average data



COSTA RICA | LATIN AMERICA

INTEGRATION



In favor of economic integration

The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority

Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration

Judges have to be elected by popular vote

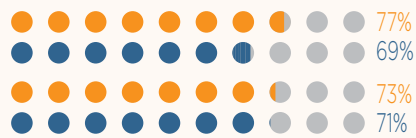
EQUIDAD



In favor of free mobility of workers

There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent

... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration

Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

Population is dissatisfied with integration progress

24%

27%

5%

7%

26%

32%

COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.

31%

34%

European Union

21%

16%

China

16%

13%

Latin America

10%

12%

RELEVANT ISSUES FOR DEVELOPMENT

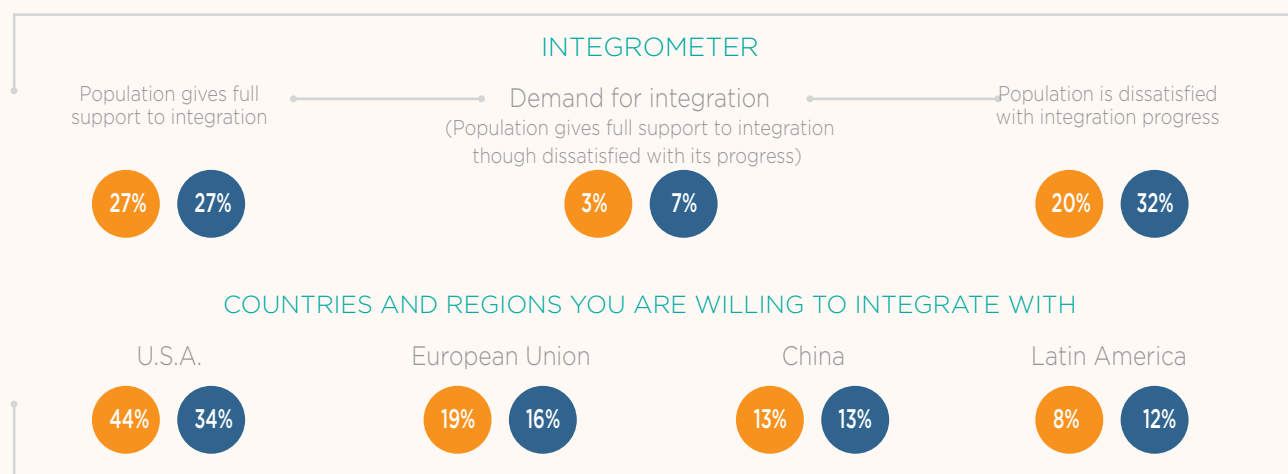
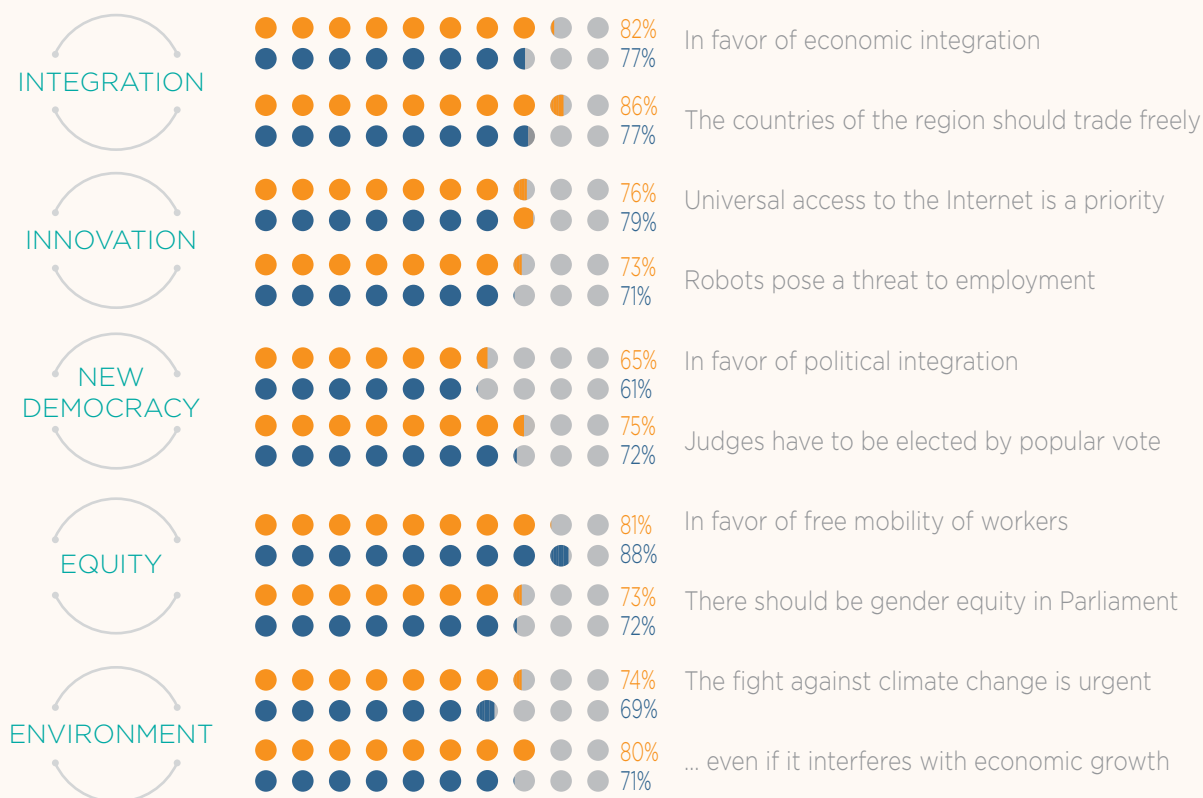
	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	56%	48%	VULNERABILITY TO CLIMATE CHANGE	2,3	17°
SOCIAL INCLUSION	49%	49%	POVERTY	21,7%	15°
BASIC INFRASTRUCTURE	49%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4,1	5°
INSTITUTIONAL QUALITY	43%	34%	GOVERNMENT EFFICIENCY	0,4	3°
RULE OF LAW	44%	38%	STRENGTH OF LEGAL RIGHTS	10	2°
GENDER EQUALITY	42%	34%	GENDER DEVELOPMENT	0,97	10°
EQUAL OPPORTUNITIES	52%	46%	HUMAN DEVELOPMENT	0,78	5°
INTEGRATION	28%	25%	FREE TRADE AGREEMENTS	11	4°
INNOVATION	34%	23%	INVENTION COEFFICIENT	0,4	8°
PRODUCTIVITY	40%	37%	GDP PPP (constant 2011 \$'000)	34,4 mil US\$	6°
HUMAN CAPITAL	35%	27%	AVERAGE OF FULL SCHOOL YEARS	9,4	12°

● Country data

● Regional average data



ECUADOR | LATIN AMERICA



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	48%	48%	VULNERABILITY TO CLIMATE CHANGE	6,2	9°
SOCIAL INCLUSION	53%	49%	POVERTY	32,1%	7°
BASIC INFRASTRUCTURE	36%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4	6°
INSTITUTIONAL QUALITY	27%	34%	GOVERNMENT EFFICIENCY	-0,4	13°
RULE OF LAW	25%	38%	STRENGTH OF LEGAL RIGHTS	1	15°
GENDER EQUALITY	26%	34%	GENDER DEVELOPMENT	0,98	8°
EQUAL OPPORTUNITIES	35%	46%	HUMAN DEVELOPMENT	0,74	10°
INTEGRATION	22%	25%	FREE TRADE AGREEMENTS	0	18°
INNOVATION	22%	23%	INVENTION COEFFICIENT	0	18°
PRODUCTIVITY	32%	37%	GDP PPP (constant 2011 \$'000)	23,8 mil US\$	11°
HUMAN CAPITAL	21%	27%	AVERAGE OF FULL SCHOOL YEARS	9,7	9°

● Country data

● Regional average data



EL SALVADOR | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



The countries of the region should trade freely

NEW DEMOCRACY



Universal access to the Internet is a priority



Robots pose a threat to employment

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

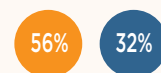
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress



COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	51%	48%	VULNERABILITY TO CLIMATE CHANGE	9,2	2°
SOCIAL INCLUSION	38%	49%	POVERTY	23,3%	11°
BASIC INFRASTRUCTURE	25%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4	6°
INSTITUTIONAL QUALITY	27%	34%	GOVERNMENT EFFICIENCY	-0,2	10°
RULE OF LAW	28%	38%	STRENGTH OF LEGAL RIGHTS	9	4°
GENDER EQUALITY	37%	34%	GENDER DEVELOPMENT	0,96	16°
EQUAL OPPORTUNITIES	34%	46%	HUMAN DEVELOPMENT	0,68	15°
INTEGRATION	15%	25%	FREE TRADE AGREEMENTS	8	8°
INNOVATION	18%	23%	INVENTION COEFFICIENT	0,1	14°
PRODUCTIVITY	30%	37%	GDP PPP (constant 2011 \$'000)	19,2 mil US\$	15°
HUMAN CAPITAL	27%	27%	AVERAGE OF FULL SCHOOL YEARS	8,2	16°

● Country data

● Regional average data



GUATEMALA | LATIN AMERICA

INTEGRATION



In favor of economic integration

The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority

Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration

Judges have to be elected by popular vote

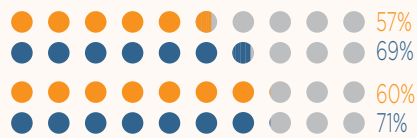
EQUITY



In favor of free mobility of workers

There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent

... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration

Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

Population is dissatisfied with integration progress

15%

27%

7%

7%

48%

32%

COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.

European Union

China

Latin America

41%

34%

13%

16%

8%

13%

7%

12%

RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	48%	48%	VULNERABILITY TO CLIMATE CHANGE	9,3	1°
SOCIAL INCLUSION	34%	49%	POVERTY	34,8%	5°
BASIC INFRASTRUCTURE	38%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,8	9°
INSTITUTIONAL QUALITY	28%	34%	GOVERNMENT EFFICIENCY	-0,7	15°
RULE OF LAW	37%	38%	STRENGTH OF LEGAL RIGHTS	9	4°
GENDER EQUALITY	30%	34%	GENDER DEVELOPMENT	0,96	14°
EQUAL OPPORTUNITIES	39%	46%	HUMAN DEVELOPMENT	0,64	18°
INTEGRATION	19%	25%	FREE TRADE AGREEMENTS	9	5°
INNOVATION	16%	23%	INVENTION COEFFICIENT	0	17°
PRODUCTIVITY	29%	37%	GDP PPP (constant 2011 \$'000)	19,2 mil US\$	14°
HUMAN CAPITAL	21%	27%	AVERAGE OF FULL SCHOOL YEARS	7,7	17°

● Country data

● Regional average data



HONDURAS | LATIN AMERICA

INTEGRATION



In favor of economic integration

The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority

Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration

Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers

There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent

... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration

30%

27%

Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

10%

7%

Population is dissatisfied with integration progress

37%

32%

COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.

49%

34%

European Union

19%

16%

China

8%

13%

Latin America

5%

12%

RELEVANT ISSUES FOR DEVELOPMENT

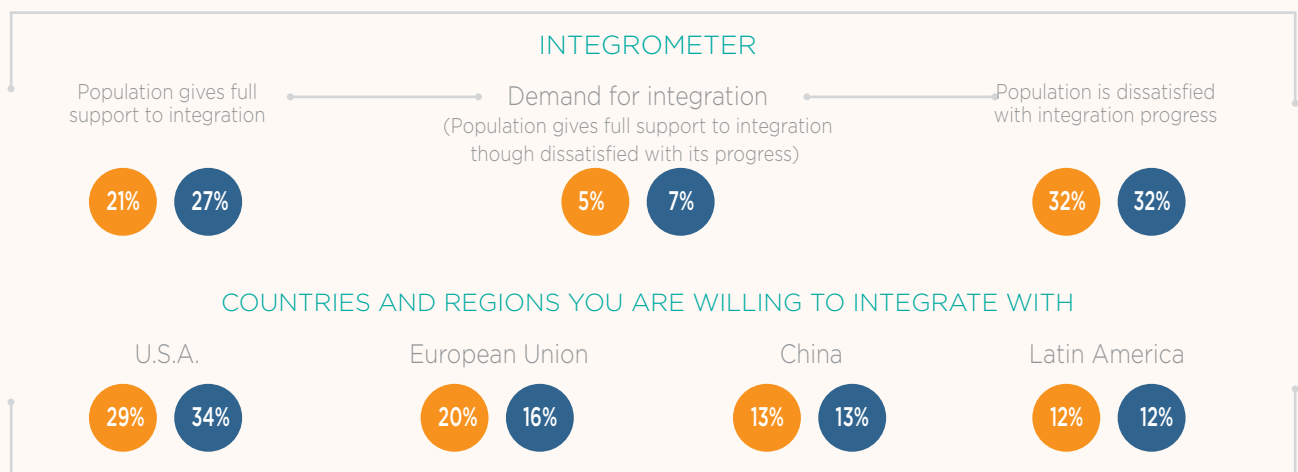
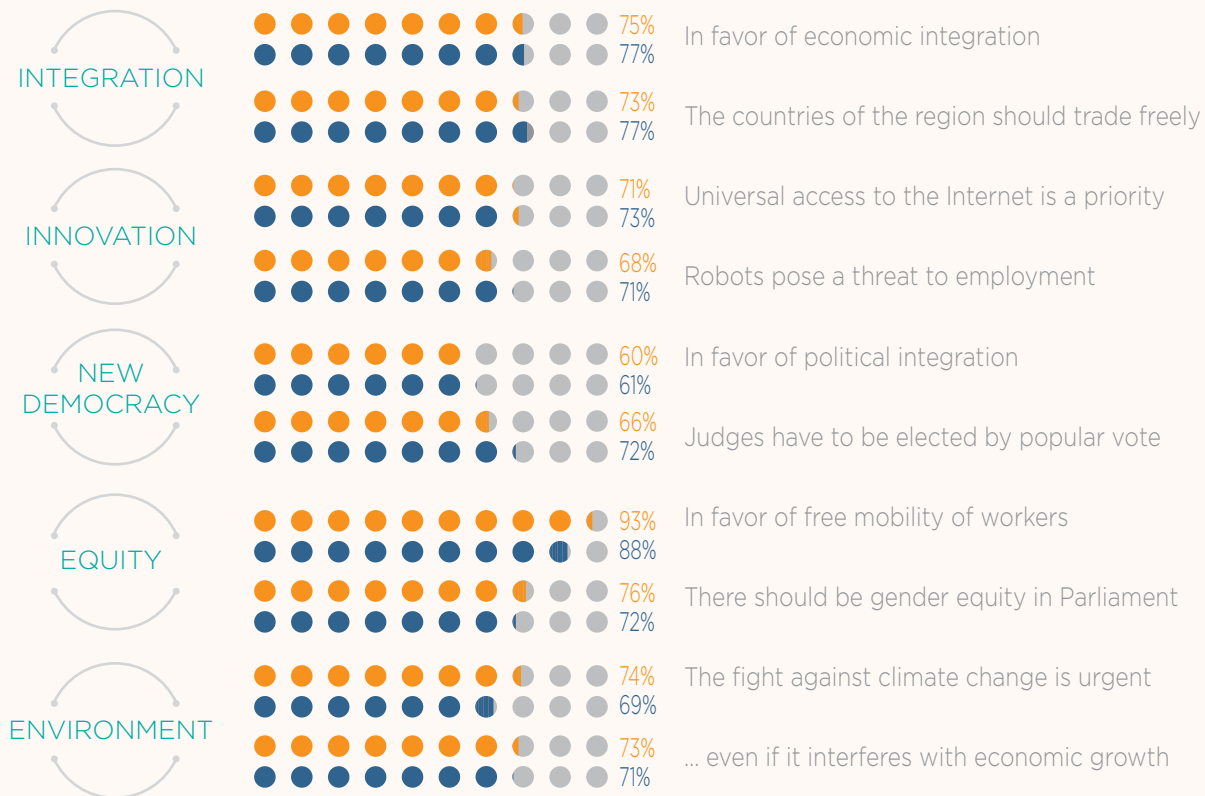
	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	48%	48%	VULNERABILITY TO CLIMATE CHANGE	9,1	3°
SOCIAL INCLUSION	35%	49%	POVERTY	59,3%	2°
BASIC INFRASTRUCTURE	38%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,3	14°
INSTITUTIONAL QUALITY	28%	34%	GOVERNMENT EFFICIENCY	-0,8	17°
RULE OF LAW	33%	38%	STRENGTH OF LEGAL RIGHTS	9	4°
GENDER EQUALITY	27%	34%	GENDER DEVELOPMENT	0,94	18°
EQUAL OPPORTUNITIES	40%	46%	HUMAN DEVELOPMENT	0,63	19°
INTEGRATION	18%	25%	FREE TRADE AGREEMENTS	9	5°
INNOVATION	19%	23%	INVENTION COEFFICIENT	0	16°
PRODUCTIVITY	33%	37%	GDP PPP (constant 2011 \$'000)	11,5 mil US\$	19°
HUMAN CAPITAL	27%	27%	AVERAGE OF FULL SCHOOL YEARS	7,3	19°

● Country data

● Regional average data



MÉXICO | LATIN AMERICA



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	51%	48%	VULNERABILITY TO CLIMATE CHANGE	5,5	12°
SOCIAL INCLUSION	48%	49%	POVERTY	68,7%	1°
BASIC INFRASTRUCTURE	40%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4,3	4°
INSTITUTIONAL QUALITY	31%	34%	GOVERNMENT EFFICIENCY	0,2	5°
RULE OF LAW	40%	38%	STRENGTH OF LEGAL RIGHTS	10	2°
GENDER EQUALITY	35%	34%	GENDER DEVELOPMENT	0,95	17°
EQUAL OPPORTUNITIES	46%	46%	HUMAN DEVELOPMENT	0,76	7°
INTEGRATION	18%	25%	FREE TRADE AGREEMENTS	14	2°
INNOVATION	22%	23%	INVENTION COEFFICIENT	1,1	4°
PRODUCTIVITY	37%	37%	GDP PPP (constant 2011 \$'000)	38,2 mil US\$	4°
HUMAN CAPITAL	24%	27%	AVERAGE OF FULL SCHOOL YEARS	9,6	10°

● Country data ● Regional average data



NICARAGUA | LATIN AMERICA

INTEGRATION



In favor of economic integration



The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration

31%

27%

Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

8%

7%

Population is dissatisfied with integration progress

28%

32%

COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.

41%

34%

European Union

10%

16%

China

10%

13%

Latin America

7%

12%

RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	57%	48%	VULNERABILITY TO CLIMATE CHANGE	8,8	5°
SOCIAL INCLUSION	35%	49%	POVERTY	53,2%	3°
BASIC INFRASTRUCTURE	38%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,2	15°
INSTITUTIONAL QUALITY	30%	34%	GOVERNMENT EFFICIENCY	-0,8	16°
RULE OF LAW	34%	38%	STRENGTH OF LEGAL RIGHTS	1	15°
GENDER EQUALITY	37%	34%	GENDER DEVELOPMENT	0,96	13°
EQUAL OPPORTUNITIES	41%	46%	HUMAN DEVELOPMENT	0,65	17°
INTEGRATION	27%	25%	FREE TRADE AGREEMENTS	7	9°
INNOVATION	25%	23%	INVENTION COEFFICIENT	0	19°
PRODUCTIVITY	31%	37%	GDP PPP (constant 2011 \$'000)	11,8 mil US\$	18°
HUMAN CAPITAL	32%	27%	AVERAGE OF FULL SCHOOL YEARS	7,6	18°

● Country data

● Regional average data



PANAMÁ | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



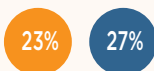
The fight against climate change is urgent



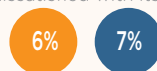
... even if it interferes with economic growth

INTEGROMETER

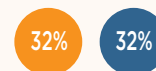
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress



COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



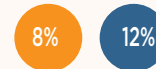
European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	43%	48%	VULNERABILITY TO CLIMATE CHANGE	4,4	14°
SOCIAL INCLUSION	40%	49%	POVERTY	29,6%	8°
BASIC INFRASTRUCTURE	35%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4,9	1°
INSTITUTIONAL QUALITY	24%	34%	GOVERNMENT EFFICIENCY	0,3	4°
RULE OF LAW	26%	38%	STRENGTH OF LEGAL RIGHTS	7	8°
GENDER EQUALITY	24%	34%	GENDER DEVELOPMENT	1	5°
EQUAL OPPORTUNITIES	34%	46%	HUMAN DEVELOPMENT	0,79	4°
INTEGRATION	15%	25%	FREE TRADE AGREEMENTS	9	5°
INNOVATION	15%	23%	INVENTION COEFFICIENT	0,4	9°
PRODUCTIVITY	21%	37%	GDP PPP (constant 2011 \$'000)	47,7 mil US\$	2°
HUMAN CAPITAL	20%	27%	AVERAGE OF FULL SCHOOL YEARS	10,7	3°

● Country data

● Regional average data



PARAGUAY | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



The countries of the region should trade freely

NEW DEMOCRACY



Universal access to the Internet is a priority



Robots pose a threat to employment

EQUITY



In favor of political integration



Judges have to be elected by popular vote

ENVIRONMENT



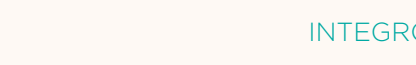
In favor of free mobility of workers



There should be gender equity in Parliament



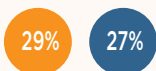
The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

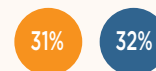
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress

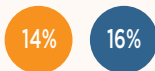


COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



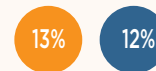
European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	24%	48%	VULNERABILITY TO CLIMATE CHANGE	8,4	6°
SOCIAL INCLUSION	59%	49%	POVERTY	22,3%	12°
BASIC INFRASTRUCTURE	36%	40%	COMPETITIVENESS IN INFRASTRUCTURE	2,6	18°
INSTITUTIONAL QUALITY	38%	34%	GOVERNMENT EFFICIENCY	-1	18°
RULE OF LAW	40%	38%	STRENGTH OF LEGAL RIGHTS	2	12°
GENDER EQUALITY	26%	34%	GENDER DEVELOPMENT	0,97	11°
EQUAL OPPORTUNITIES	47%	46%	HUMAN DEVELOPMENT	0,69	14°
INTEGRATION	20%	25%	FREE TRADE AGREEMENTS	1	14°
INNOVATION	13%	23%	INVENTION COEFFICIENT	0,3	10°
PRODUCTIVITY	30%	37%	GDP PPP (constant 2011 \$'000)	18,6 mil US\$	16°
HUMAN CAPITAL	23%	27%	AVERAGE OF FULL SCHOOL YEARS	9,9	6°

● Country data

● Regional average data



PERU | LATIN AMERICA

INTEGRATION



In favor of economic integration



The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



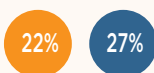
The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

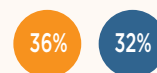
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress

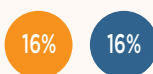


COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



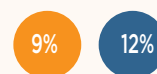
European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	46%	48%	VULNERABILITY TO CLIMATE CHANGE	5	13°
SOCIAL INCLUSION	44%	49%	POVERTY	22,2%	13°
BASIC INFRASTRUCTURE	35%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,6	13°
INSTITUTIONAL QUALITY	30%	34%	GOVERNMENT EFFICIENCY	-0,3	11°
RULE OF LAW	38%	38%	STRENGTH OF LEGAL RIGHTS	8	7°
GENDER EQUALITY	28%	34%	GENDER DEVELOPMENT	0,96	14°
EQUAL OPPORTUNITIES	42%	46%	HUMAN DEVELOPMENT	0,74	9°
INTEGRATION	21%	25%	FREE TRADE AGREEMENTS	12	3°
INNOVATION	22%	23%	INVENTION COEFFICIENT	0,2	11°
PRODUCTIVITY	36%	37%	GDP PPP (constant 2011 \$'000)	23,4 mi US\$	12°
HUMAN CAPITAL	24%	27%	AVERAGE OF FULL SCHOOL YEARS	10,1	5°

● Country data

● Regional average data



REPÚBLICA DOMINICANA | LATIN AMERICA

INTEGRATION



In favor of economic integration



The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



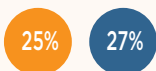
The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

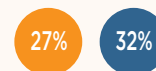
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)

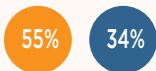


Population is dissatisfied with integration progress

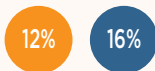


COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



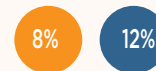
European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	52%	48%	VULNERABILITY TO CLIMATE CHANGE	9	4°
SOCIAL INCLUSION	35%	49%	POVERTY	21,8%	14°
BASIC INFRASTRUCTURE	37%	40%	COMPETITIVENESS IN INFRASTRUCTURE	3,2	15°
INSTITUTIONAL QUALITY	29%	34%	GOVERNMENT EFFICIENCY	-0,3	12°
RULE OF LAW	36%	38%	STRENGTH OF LEGAL RIGHTS	1	15°
GENDER EQUALITY	38%	34%	GENDER DEVELOPMENT	0,99	6°
EQUAL OPPORTUNITIES	40%	46%	HUMAN DEVELOPMENT	0,72	13°
INTEGRATION	26%	25%	FREE TRADE AGREEMENTS	3	12°
INNOVATION	24%	23%	INVENTION COEFFICIENT	0,2	12°
PRODUCTIVITY	30%	37%	GDP PPP (constant 2011 \$'000)	35,6 mil US\$	5°
HUMAN CAPITAL	30%	27%	AVERAGE OF FULL SCHOOL YEARS	9,4	12°

● Country data

● Regional average data



URUGUAY | LATIN AMERICA

INTEGRATION



In favor of economic integration

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



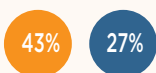
The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress

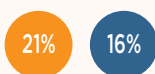


COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION	INDICADOR OBJETIVO	OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	50%	48%	VULNERABILITY TO CLIMATE CHANGE	1,7	18°
SOCIAL INCLUSION	64%	49%	POVERTY	9,7%	18°
BASIC INFRASTRUCTURE	47%	40%	COMPETITIVENESS IN INFRASTRUCTURE	4,5	3°
INSTITUTIONAL QUALITY	44%	34%	GOVERNMENT EFFICIENCY	0,5	2°
RULE OF LAW	47%	38%	STRENGTH OF LEGAL RIGHTS	4	10°
GENDER EQUALITY	44%	34%	GENDER DEVELOPMENT	1,02	2°
EQUAL OPPORTUNITIES	55%	46%	HUMAN DEVELOPMENT	0,8	3°
INTEGRATION	40%	25%	FREE TRADE AGREEMENTS	1	14°
INNOVATION	34%	23%	INVENTION COEFFICIENT	0,8	5°
PRODUCTIVITY	48%	37%	GDP PPP (constant 2011 \$'000)	42,3 mil US\$	3°
HUMAN CAPITAL	41%	27%	AVERAGE OF FULL SCHOOL YEARS	9,9	6°

● Country data

● Regional average data



VENEZUELA | LATIN AMERICA

INTEGRATION



In favor of economic integration



The countries of the region should trade freely

INNOVATION



Universal access to the Internet is a priority



Robots pose a threat to employment

NEW DEMOCRACY



In favor of political integration



Judges have to be elected by popular vote

EQUITY



In favor of free mobility of workers



There should be gender equity in Parliament

ENVIRONMENT



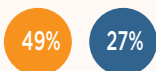
The fight against climate change is urgent



... even if it interferes with economic growth

INTEGROMETER

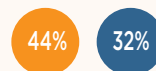
Population gives full support to integration



Demand for integration
(Population gives full support to integration though dissatisfied with its progress)



Population is dissatisfied with integration progress



COUNTRIES AND REGIONS YOU ARE WILLING TO INTEGRATE WITH

U.S.A.



European Union



China



Latin America



RELEVANT ISSUES FOR DEVELOPMENT

	COUNTRY	REGION		OBJECTIVE INDICATOR	REGIONAL POSITION
ENVIRONMENT	40%	48%	VULNERABILITY TO CLIMATE CHANGE	6,4	8°
SOCIAL INCLUSION	61%	49%	POVERTY	33,1%	6°
BASIC INFRASTRUCTURE	41%	40%	COMPETITIVENESS IN INFRASTRUCTURE	2,6	18°
INSTITUTIONAL QUALITY	44%	34%	GOVERNMENT EFFICIENCY	-1,2	19°
RULE OF LAW	52%	38%	STRENGTH OF LEGAL RIGHTS	1	15°
GENDER EQUALITY	42%	34%	GENDER DEVELOPMENT	1,03	1°
EQUAL OPPORTUNITIES	54%	46%	HUMAN DEVELOPMENT	0,77	6°
INTEGRATION	35%	25%	FREE TRADE AGREEMENTS	2	13°
INNOVATION	32%	23%	INVENTION COEFFICIENT	0,1	13°
PRODUCTIVITY	67%	37%	GDP PPP (constant 2011 \$'000)	31,6 mil US\$	7°
HUMAN CAPITAL	38%	27%	AVERAGE OF FULL SCHOOL YEARS	10,3	4°

● Country data

● Regional average data



METHODOLOGICAL ANNEX

DATA SHEET:

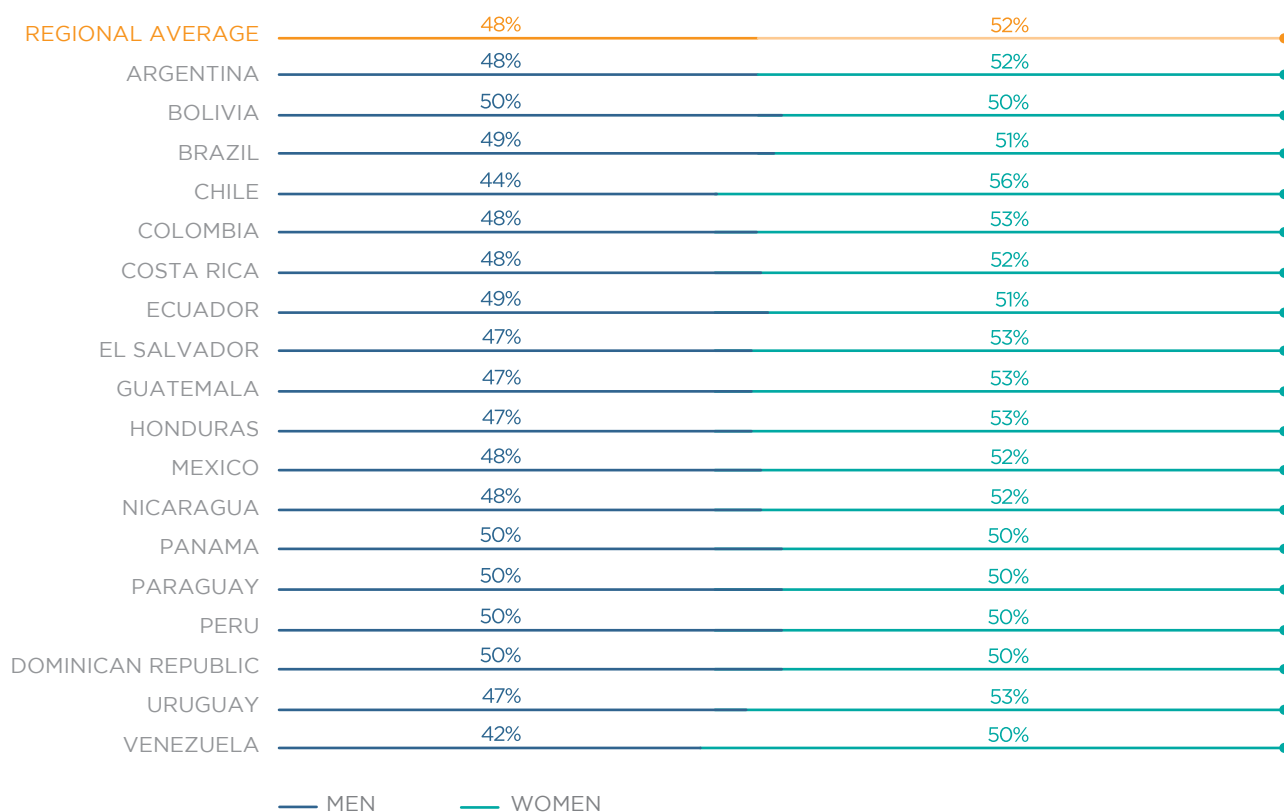
20,200 face to face surveys were conducted in 18 countries from June 22 to August 28, 2017, with representative samples of 100% domestic population in each country; a sampling of 1,000 and 1,200 cases per country, with an error margin around 3% in the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela.

DESCRIPTION OF SURVEYED POPULATION (SOCIO-DEMOGRAPHIC INDICATORS)

The survey was conducted among a sample of 20,200 persons, in 18 countries of Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela). 1,200 persons were surveyed in each country, except for Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Dominican Republic where 1,000 were interviewed.

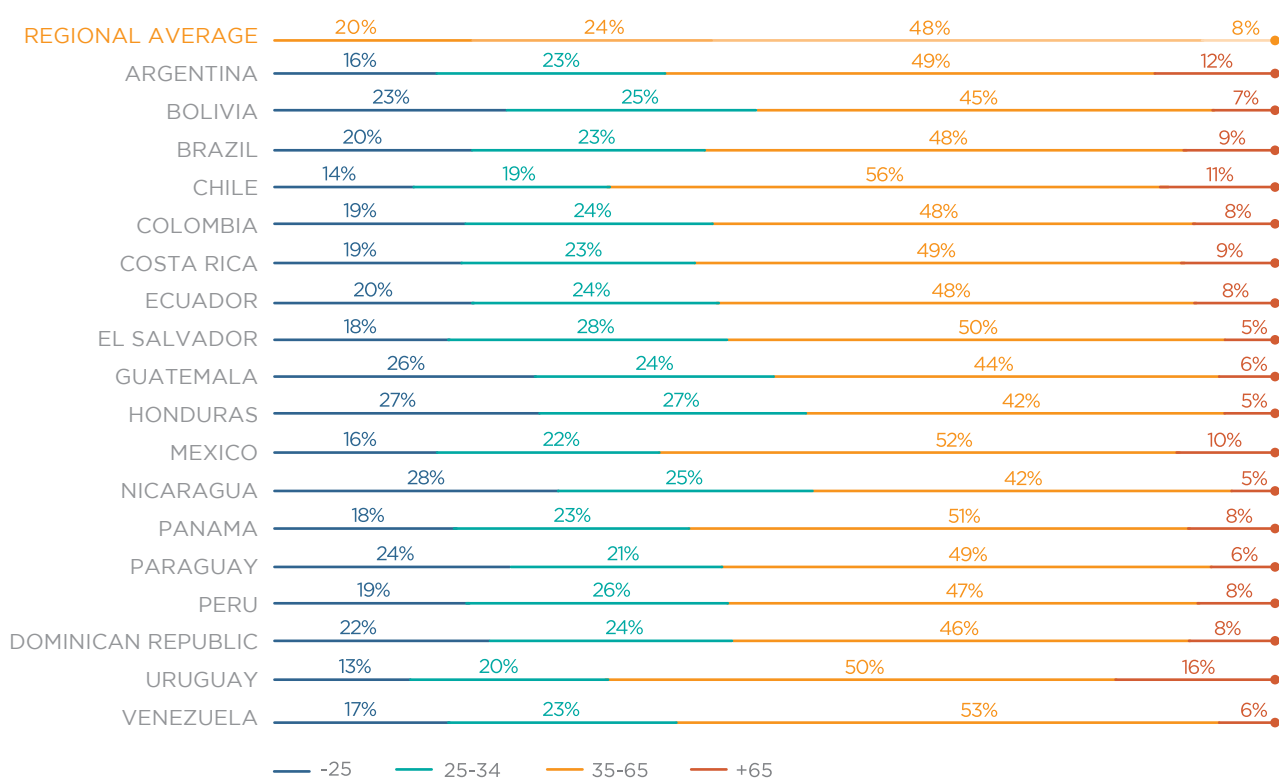
In terms of gender, women slightly outnumbered men (52% vs. 48%, respectively). This majority proportion remains stable in all countries we have analyzed, reaching its maximum in Venezuela and Chile, where women represent 58% and 56%, respectively (refer to Figure 1).

Figure 1
Gender of survey respondents, detailed data by country



Analyzing data by age group, on average 44% corresponded to the Millennial generation (under 35), with a slightly majority representation of the 25-34 age group above the 16-24 group (Figure 2). The majority group was made up of adults between 35 and 65 (48%), and an eight percent minority consisting of older adults (over 65). In a per-country analysis, the percentage of Millennials was higher in Guatemala, Honduras and Nicaragua, where they reached or exceeded 50%. On the other hand, the group of older adults showed its highest percentages in Uruguay (16%) and Argentina (12%).

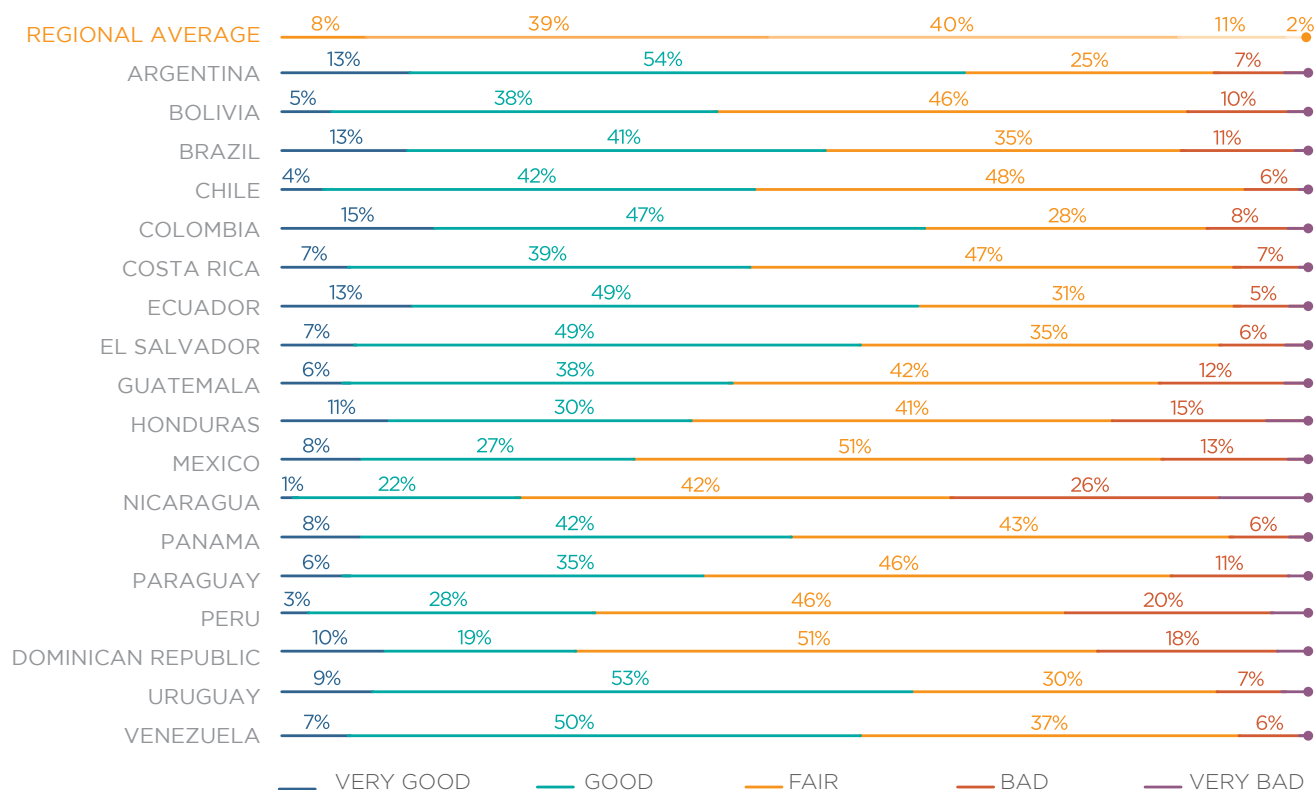
Figure 2
Age groups of survey respondents, detailed data by country



When analyzing data of age groups according to gender composition (Figure 4), attention is drawn to the fact that women have a larger representation in 25 and 54 age groups (1 percentage point higher in each case), while men have larger representation in groups under 25 and older than 65.

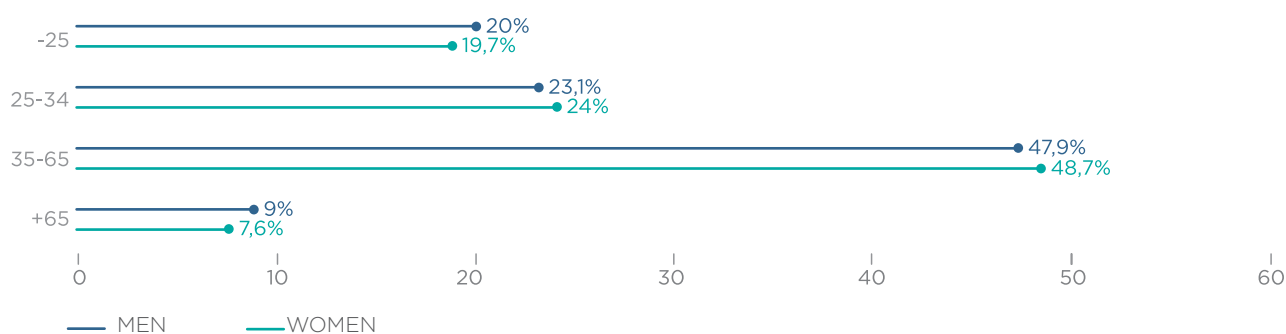
When analyzing the same data by gender, but considering the economic status of the surveyed person (Figure 5), we noted that, on average, women were under-represented in Very Good and Good socio-economic strata, while they had a larger representation in the Fair, Bad and Very Bad layers.

Figure 3
Socio-economic condition of survey respondents, detailed information by country



In reviewing the distribution of age groups according to the economic status (Figure 4), we noticed a very even distribution, with a slight predominance of older adults in the minority economic groups (Very Good and Very Bad).

Figure 4
Age groups of survey respondents according to gender, regional average



Additionally, survey respondents were consulted on their political identification (In politics, we normally speak of “left” and “right”. On a scale where “0” is “left” and “10” is “right”, where do you place yourself?). Thus, cross checking information between the political identification, gender and age group, and the economic condition of the surveyed respondent (refer to Figures 7, 8 and 9) we found that:

On average, women tend to be less representative of all categories (Left, Center-left, Center, and Center-right), and more strongly representative of the Right segment (6 percentage points above men).

Within each category, young people (under the age of 35) predominantly identify with the Left, Center-left and Center blocs. On the other hand, people over 35, and especially those over 65, identify with the Right segments (where there is a 15 percentage points distance between persons over 65 and those under 35).

We can notice that the worst economic sectors (Bad and Very Bad) are proportionally predominant at both ends of the political spectrum (Left and Right), while those in Very Good and Good economic situation prevail in the Center and Center-right orientation.

Figure 5
Economic situation of surveyed respondents by gender, regional average

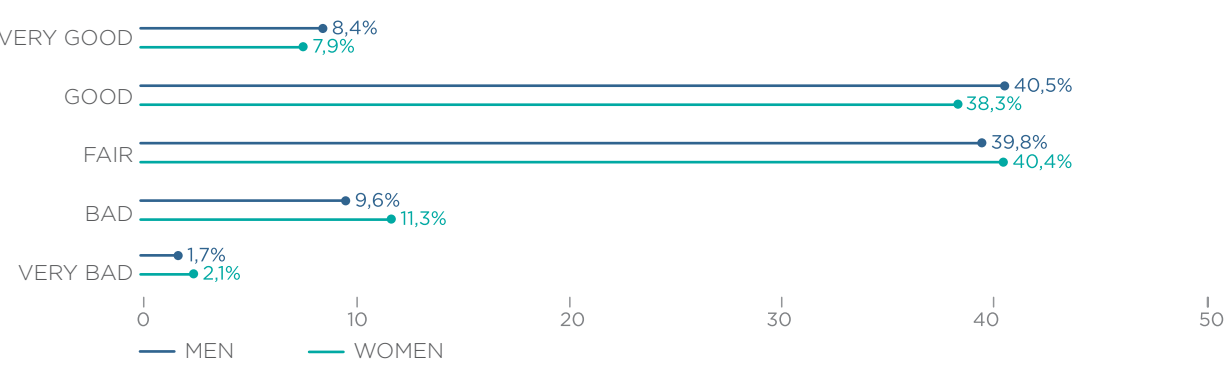


Figure 6
Economic situation of the surveyed respondents by age group, regional average

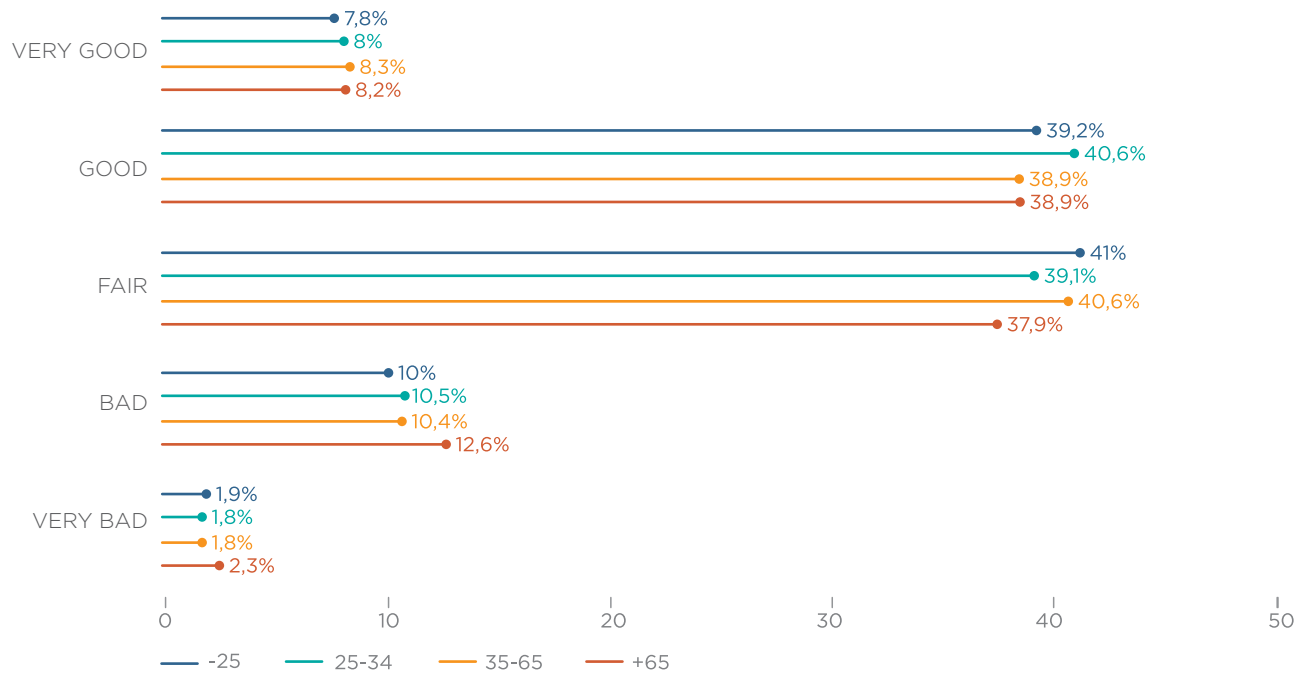


Figure 7
Political identification of surveyed respondents by gender, regional average

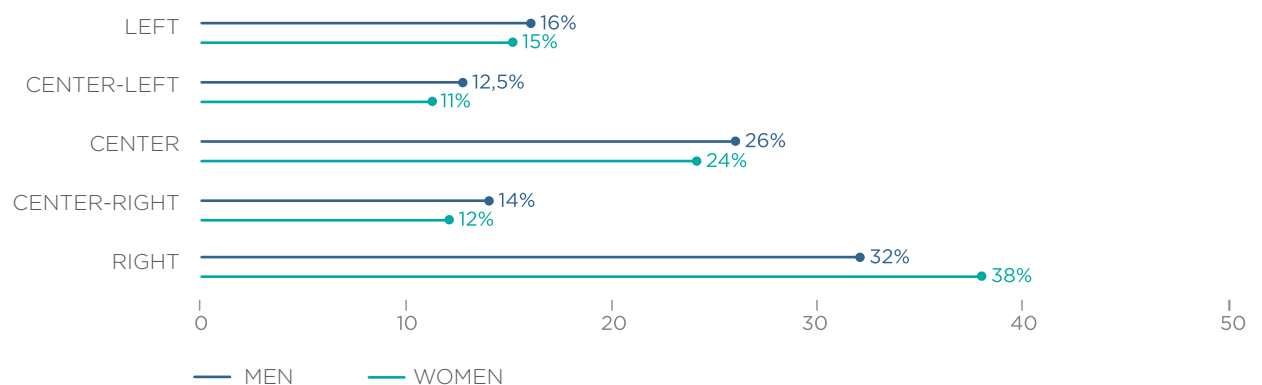


Figure 8
Political identification of surveyed respondents by age group, regional average

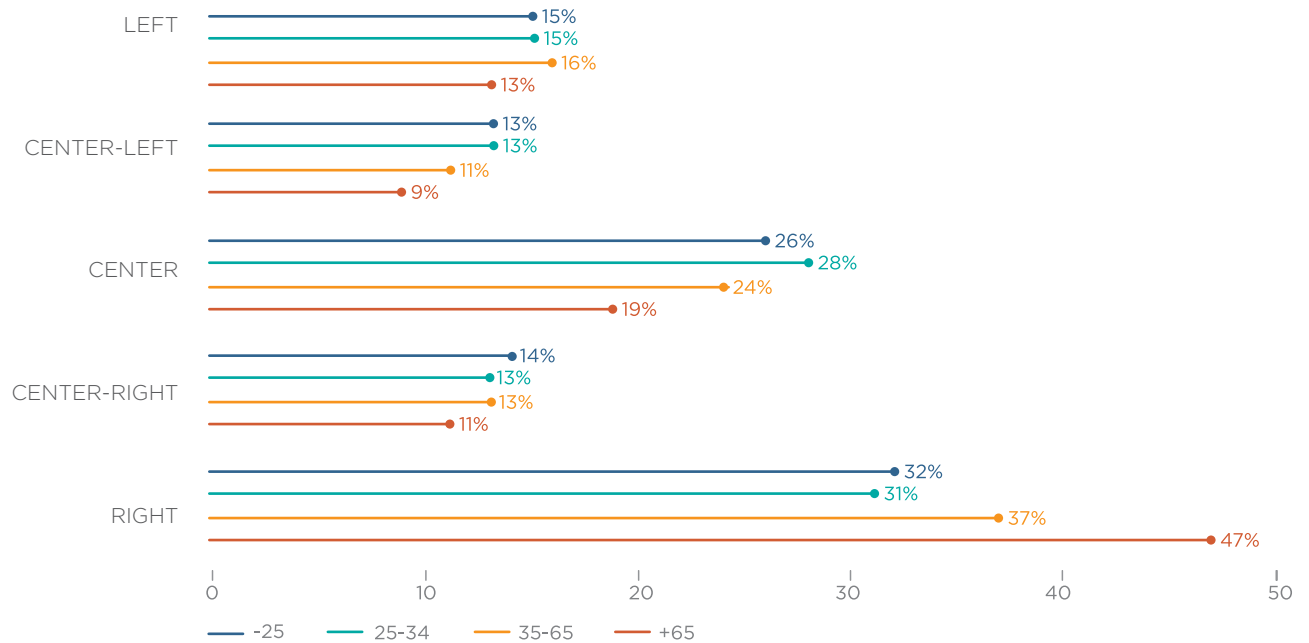
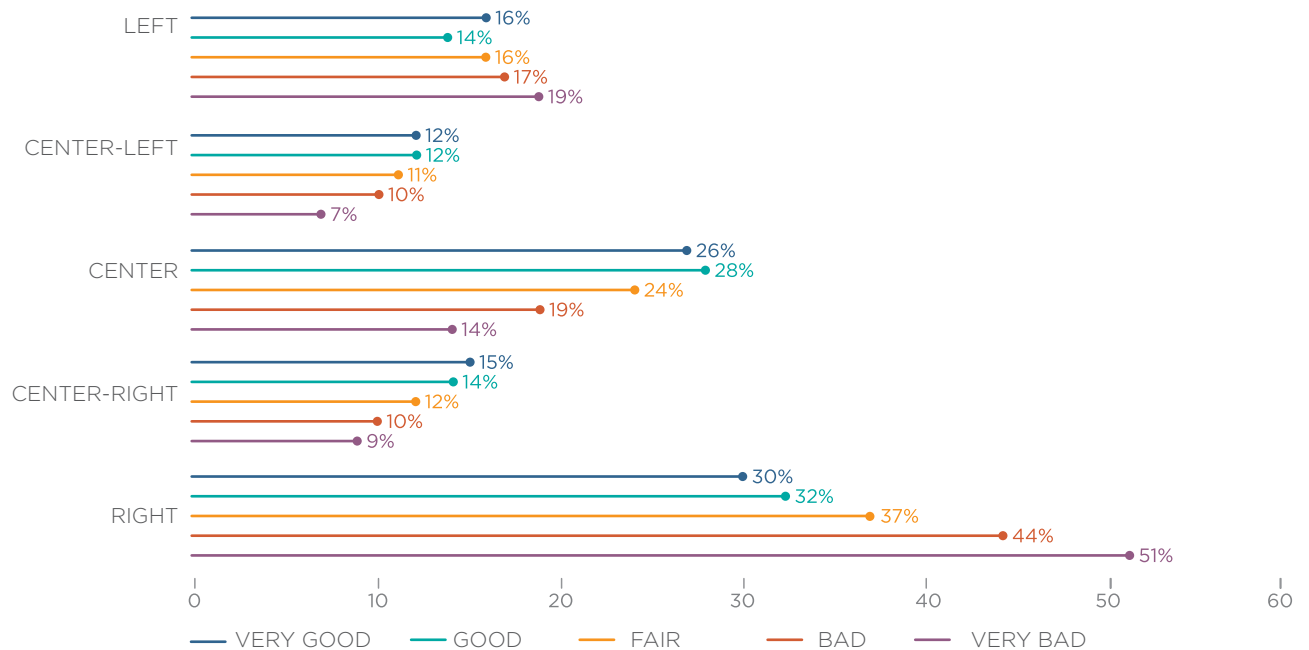


Figure 9
Political identification of survey respondents by economic status, regional average



SCOPE	SUBJECT	INDICATOR	SOURCE
Integration	FACTORS TO ACHIEVE INTEGRATION (FREE TRADE)	EXPORT CONCENTRATION HERFINDAHL-HIRSCHMAN INDEX('HHI')	INTRADE 2015. EXCEPT FOR NICARAGUA (2014 DATA); AND VENEZUELA AND DOMINICAN REPUBLIC WITHOUT DATA IN INTRADE.
	FACTORS TO ACHIEVE INTEGRATION (POLITICAL DIALOGUE)	EXPORT CONCENTRATION HERFINDAHL-HIRSCHMAN INDEX('HHI')	INTRADE 2015. EXCEPT FOR NICARAGUA (2014 DATA); AND VENEZUELA AND DOMINICAN REPUBLIC WITHOUT DATA IN INTRADE.
	FACTORS TO ACHIEVE INTEGRATION (FREE TRADE)	FOREIGN DIRECT INVESTMENT INCOME	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	FACTORS TO ACHIEVE INTEGRATION (POLITICAL DIALOGUE)	FOREIGN DIRECT INVESTMENT INCOME	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	FACTORS TO ACHIEVE INTEGRATION (MOBILITY OF PEOPLE AND WORKERS)	CONTROL INDEX OF MOBILITY OF PEOPLE AND CAPITAL	YEAR 2014 DATA COLLECTED FOR THE REPORT: ECONOMIC FREEDOM OF THE WORLD 2016 FROM FRASER INSTITUTE.
	FACTORS TO ACHIEVE INTEGRATION (SCIENTIFIC EXCHANGE)	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	FACTORS TO ACHIEVE INTEGRATION (LATIN AMERICAN POLITICAL UNITY OPPOSED TO WORLD POWERS)	ECONOMIC OPENING INDEX SIGNED FREE TRADE AGREEMENTS	OWN CALCULATION BASED ON WORLD BANK
	SUPPORT TO FREE TRADE	INDUSTRIAL PRODUCT AS PERCENTAGE OF GDP	INTRADE. DATA DID NOT CHANGE EXCEPT FOR PANAMA AND MEXICO, EACH COUNTRY ADDED 1 (ONE) AGREEMENT.
	SUPPORT TO MOBILITY OF WORKERS	COMPETITIVENESS RANKING OF INFRASTRUCTURE	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	SUPPORT TO MOBILITY OF WORKERS	ECONOMIC OPENING INDEX	THE GLOBAL COMPETITIVENESS REPORT 2016-2017 PUBLISHED BY WEF
	DETRIMENTAL FOREIGN INVESTMENT	GDP PER CAPITA	OWN CALCULATION BASED ON WORLD BANK
	FOREIGN INVESTMENT ON AUTOMOTIVE INDUSTRY	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	FOREIGN INVESTMENT ON ELECTRONIC INDUSTRY	EXPORTS PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	FOREIGN INVESTMENT ON AUTOMOTIVE INDUSTRY	EXPORT CONCENTRATION HERFINDAHL-HIRSCHMAN INDEX('HHI')	OWN CALCULATION BASED ON WORLD BANK
	FOREIGN INVESTMENT ON CHEMICAL INDUSTRY	EXPORT CONCENTRATION HERFINDAHL-HIRSCHMAN INDEX('HHI')	INTRADE 2015. EXCEPT FOR NICARAGUA (2014 DATA); AND VENEZUELA AND DOMINICAN REPUBLIC WITHOUT DATA IN INTRADE.
	FOREIGN INVESTMENT ON FINANCIAL SERVICES (GENERAL DESCRIPTION OF LATIN AMERICAN EXPORTS)	TECHNOLOGY CONTENT OF EXPORTS	INTRADE 2015. EXCEPT FOR NICARAGUA (2014 DATA); AND VENEZUELA AND DOMINICAN REPUBLIC WITHOUT DATA IN INTRADE.
	WILLINGNESS TO STRENGTHEN TRADE RELATIONS AND INTERNATIONAL LINKS (DESCRIPTION OF RESULTS INTEGROMETER)	TOTAL VOLUME OF BILATERAL TRADE (AS % OF TOTAL TRADE)	INTRADE IDB
		GDP IN CONSTANT PRICES	INTRADE IDB
			WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	DEMAND FOR INTEGRATION (INTEGROMETER)	TOTAL VOLUME OF BILATERAL TRADE WITH LA (AS % OF TOTAL TRADE)	INTRADE IDB
	DEMAND FOR INTEGRATION (INTEGROMETER)	EXPORT CONCENTRATION HERFINDAHL-HIRSCHMAN INDEX('HHI')	INTRADE 2015. EXCEPT FOR NICARAGUA (2014 DATA); AND VENEZUELA AND DOMINICAN REPUBLIC WITHOUT DATA IN INTRADE.
	DEMAND FOR INTEGRATION (INTEGROMETER)	SERVICE PRODUCT AS PERCENTAGE OF GDP	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	DEMAND FOR INTEGRATION (INTEGROMETER)	COMPETITIVENESS RANKING OF INFRASTRUCTURE	THE GLOBAL COMPETITIVENESS REPORT 2016-2017 PUBLISHED BY WEF
	DEMAND FOR INTEGRATION (INTEGROMETER)	CONTROL INDEX OF MOBILITY OF PEOPLE AND CAPITAL	2014 DATA COLLECTED FOR THE REPORT: "ECONOMIC FREEDOM OF THE WORLD 2016" FROM FRASER INSTITUTE.
	DEMAND FOR INTEGRATION (INTEGROMETER)	GOVERNMENT EFFICIENCY	WORLDWIDE GOVERNANCE INDICATORS, FROM WORLD BANK
	IMPORTANT ISSUES FOR DEVELOPMENT (INNOVATION)	BUDGET FOR SCIENCE AND TECHNOLOGY AS PERCENTAGE OF GDP	WORLD BANK DATA BASE

DIMENTION	SUBJECT	INDICATOR	SOURCE
Integration	IMPORTANT ISSUES FOR DEVELOPMENT(INNOVATION)	NUMBER OF RESEARCHERS PER ONE MILLION INHABITANTS	WORLD BANK DATA BASE
	IMPORTANT ISSUES FOR DEVELOPMENT(INNOVATION)	BROADBAND INTERNET SUBSCRIBERS PER 100 PERSONS	WORLD BANK DATA BASE
	YOUR COUNTRY WILL STAND OUT IN THE FUTURE FOR ITS TECHNOLOGICAL DEVELOPMENT (DESCRIPTION OF ICT'S STATE IN LA)	BUDGET FOR SCIENCE AND TECHNOLOGY AS PERCENTAGE OF GDP	WORLD BANK DATA BASE
	INTERNET IS ESSENTIAL TO MOVE IN TODAY'S WORLD	MOBILE CELLULAR SUBSCRIPTIONS (PER 100 PEOPLE)	INTERNATIONAL TELECOMMUNICATION UNION, WORLD TELECOMMUNICATION/ICT DEVELOPMENT REPORT AND DATABASE. OPEN DATA WORLD BANK
	INTERNET IS ESSENTIAL TO MOVE IN TODAY'S WORLD	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	INTERNET IS ESSENTIAL TO MOVE IN TODAY'S WORLD	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	UNIVERSAL ACCESS TO THE INTERNET IS A PRIORITY, EVEN OVER OTHER TYPE OF INFRASTRUCTURE	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	UNIVERSAL ACCESS TO THE INTERNET IS A PRIORITY, EVEN OVER OTHER TYPE OF INFRASTRUCTURE	BUDGET FOR SCIENCE AND TECHNOLOGY AS PERCENTAGE OF GDP	WORLD BANK DATA BASE
	UNIVERSAL ACCESS TO THE INTERNET IS A PRIORITY, EVEN OVER OTHER TYPE OF INFRASTRUCTURE	INVENTION COEFFICIENT (PATENTS REQUESTED PER 100,000 INHABITANTS)	OWN CALCULATION BASED ON WORLD BANK
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	E-COMMERCE PENETRATION INDEX	UNCTAD B2C E-COMMERCE INDEX 2016
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	INVENTION COEFFICIENT (PATENTS REQUESTED PER 100,000 INHABITANTS)	OWN CALCULATION BASED ON WORLD BANK
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	BUDGET FOR SCIENCE AND TECHNOLOGY AS PERCENTAGE OF GDP	WORLD BANK DATA BASE
	PURCHASED OVER THE INTERNET DURING THE LAST MONTH	NUMBER OF RESEARCHERS PER ONE MILLION INHABITANTS	WORLD BANK DATA BASE
	WILLINGNESS TO CHANGE CONSUMER HABITS (BUY LESS AND RENT MORE)	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	WILLINGNESS TO TRAVEL IN A ROBOT-DRIVEN VEHICLE	INVENTION COEFFICIENT (PATENTS REQUESTED PER 100,000 INHABITANTS)	OWN CALCULATION BASED ON WORLD BANK
	WILLINGNESS TO TRAVEL IN A ROBOT-DRIVEN VEHICLE	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	WILLINGNESS TO TRAVEL IN A ROBOT-DRIVEN VEHICLE	NUMBER OF RESEARCHERS PER ONE MILLION INHABITANTS	WORLD BANK DATA BASE
	WILLINGNESS TO TRAVEL IN A ROBOT-DRIVEN VEHICLE	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT(PRODUCTIVITY)	GDP PPP (CONSTANT 2011 USD\$'000)	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT (HUMAN CAPITAL)	AVERAGE OF FULL SCHOOL YEARS	INTER-AMERICAN DEVELOPMENT BANK

DIMENTION	SUBJECT	INDICATOR	SOURCE
New Democracy	DEMOCRACY IS PREFERABLE TO ANY OTHER FORM OF GOVERNMENT	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	DEMOCRACY MAY HAVE ITS SHORTCOMINGS, BUT IT IS THE BEST FORM GOVERNMENT	INTERNET USERS (% OF TOTAL POPULATION)	WORLD BANK DATA BASE
	OPPOSITION TO CHOOSE BY LOT PARLIAMENTARY POSTS	DEVELOPMENT INDEX OF ELECTRONIC GOVERNMENT	E-GOVERNMENT SURVEY 2016, UNITED NATIONS
	OPPOSITION TO CHOOSE BY LOT PARLIAMENTARY POSTS	HUMAN DEVELOPMENT INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP
	TOLERANCE FOR CORRUPTION ("THE COSTS OF CERTAIN LEVEL OF CORRUPTION CAN BE BORN, PROVIDED THAT THE COUNTRY PROBLEMS ARE ADDRESSED")	DEVELOPMENT INDEX OF ELECTRONIC GOVERNMENT	E-GOVERNMENT SURVEY 2016, UNITED NATIONS
	REPORT WITNESSED CORRUPTION PRACTICES	DEVELOPMENT INDEX OF ELECTRONIC GOVERNMENT	E-GOVERNMENT SURVEY 2016, UNITED NATIONS
	LEVEL OF CORRUPTION IN COURTS OF JUSTICE	GOVERNMENT EFFICIENCY	WORLDWIDE GOVERNANCE INDICATORS, FROM WORLD BANK
	LEVEL OF CORRUPTION IN COURTS OF JUSTICE	DEVELOPMENT INDEX OF ELECTRONIC GOVERNMENT	E-GOVERNMENT SURVEY 2016, UNITED NATIONS
	IMPORTANT ISSUES FOR DEVELOPMENT (QUALITY OF PUBLIC INSTITUTIONS)	STRENGTH OF LEGAL RIGHTS INDEX (0 = WEAK TO 12 = STRONG)	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT (QUALITY OF PUBLIC INSTITUTIONS)	GOVERNMENT EFFICIENCY	WORLDWIDE GOVERNANCE INDICATORS, FROM WORLD BANK
Equity and Social Inclusion	IMPORTANT ISSUES FOR DEVELOPMENT (SOCIAL POLICIES, SOCIAL INCLUSION AND POVERTY)	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT (SOCIAL POLICIES, SOCIAL INCLUSION AND POVERTY)	HUMAN DEVELOPMENT INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP
	IMPORTANT ISSUES FOR DEVELOPMENT (SOCIAL POLICIES, SOCIAL INCLUSION AND POVERTY)	POVERTY INDEX	TOTAL POVERTY RATES IDB 2015 DATA EXCEPT FOR BRAZIL, HONDURAS, NICARAGUA AND PANAMA (2014). SOURCE OF DATA FROM ARGENTINA: HTTP://WWW.TELAM.COM.AR/NOTAS/201507/112795-BID-BANCO-MUNDIAL-ARGENTINA-POBREZA.HTML
	IMPORTANT ISSUES FOR DEVELOPMENT (EQUAL OPPORTUNITIES FOR ALL)	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT (EQUAL OPPORTUNITIES FOR ALL)	HUMAN DEVELOPMENT INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP
	IMPORTANT ISSUES FOR DEVELOPMENT (EQUAL OPPORTUNITIES FOR ALL)	GENDER DEVELOPMENT INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP
	DO YOU CONSIDER THAT INCOME DISTRIBUTION IS UNFAIR?	GINI COEFFICIENT	WORLD BANK DATA BASE
	DEGREE OF CONFLICT BETWEEN LOCALS AND FOREIGN RESIDENTS	TOTAL TRADE VOLUME WITH THE REST OF THE REGION (AS A % OF TOTAL TRADE)	INTRADE IDB
	SUPPORT TO MOBILITY OF WORKERS	CONTROL INDEX OF MOBILITY OF PEOPLE AND CAPITAL	YEAR 2014 DATA COLLECTED FOR THE REPORT: "ECONOMIC FREEDOM OF THE WORLD 2016" FROM FRASER INSTITUTE.
	IMPORTANT ISSUES FOR DEVELOPMENT (GENDER EQUALITY)	GENDER INEQUALITY INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP
	IMPORTANT ISSUES FOR DEVELOPMENT (GENDER EQUALITY)	GDP PER CAPITA	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	IMPORTANT ISSUES FOR DEVELOPMENT (GENDER EQUALITY)	GENDER DEVELOPMENT INDEX	HUMAN DEVELOPMENT REPORT 2016, UNDP

DIMENSION	SUBJECT	INDICATOR	SOURCE
Equity and Social Inclusion	DEGREE OF CONFLICT BETWEEN MEN AND WOMEN	FEMICIDES	GENDER EQUALITY OBSERVATORY FOR LATIN AMERICA AND THE CARIBBEAN. ECLAC
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	TOTAL POPULATION	WORLD BANK DATA BASE
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	PROPORTION OF SEATS HELD BY WOMEN IN NATIONAL PARLIAMENTS AND INTERPARLIAMENTARY UNION	IPU. WOMEN IN NATIONAL PARLIAMENTS (WORLD BANK DATA BASE)
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	WOMEN'S PARTICIPATION IN HIGHEST COURTS OF JUSTICE	GENDER EQUALITY OBSERVATORY FOR LATIN AMERICA AND THE CARIBBEAN. ECLAC
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	WOMEN'S PARTICIPATION IN EXECUTIVE BRANCH POSITIONS	GENDER EQUALITY OBSERVATORY FOR LATIN AMERICA AND THE CARIBBEAN. ECLAC
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	MINIMUM QUOTAS BY GENDER IN PARLIAMENTARY REPRESENTATION	GENDER EQUALITY OBSERVATORY FOR LATIN AMERICA AND THE CARIBBEAN. ECLAC
	(DESCRIPTION OF SITUATION AS REGARDS GENDER EQUALITY IN LA)	ACHIEVED EDUCATION LEVEL OF MEN VS. WOMEN	INSTITUTE OF STATISTICS OF UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION (UNESCO)
DIMENSIÓN			
Environment	EXISTENCE OF CLIMATE CHANGE	INDEX OF VULNERABILITY TO CLIMATE CHANGE	INTER-AMERICAN DEVELOPMENT BANK
	CLIMATE CHANGE AS AN "URGENT ISSUE WE HAVE TO ADDRESS AT PRESENT"	COMPANIES WITH ENVIRONMENTAL CERTIFICATION (ISO 14001/ PER ONE BILLION DOLLARS OF GDP) I	ECLAC
	CLIMATE CHANGE AS AN "URGENT ISSUE WE HAVE TO ADDRESS AT PRESENT"	CO ² EMISSIONS PER CAPITA	WORLD BANK
	CLIMATE CHANGE AS AN "URGENT ISSUE WE HAVE TO ADDRESS AT PRESENT"	INDEX OF VULNERABILITY TO CLIMATE CHANGE	INTER-AMERICAN DEVELOPMENT BANK
	CLIMATE CHANGE AS AN "URGENT ISSUE WE HAVE TO ADDRESS IN THE FUTURE"	ELECTRICITY GENERATION FROM RENEWABLE SOURCES, EXCLUDING HYDROELECTRIC POWER (% OF TOTAL)	WORLD BANK DATA BASE
	PRIORITIZE FIGHT AGAINST CLIMATE CHANGE OVER ECONOMIC GROWTH	COMPANIES WITH ENVIRONMENTAL CERTIFICATION (ISO 14001/ PER ONE BILLION DOLLARS OF GDP)	ECLAC
	PRIORITIZE FIGHT AGAINST CLIMATE CHANGE OVER ECONOMIC GROWTH	RATE OF ECONOMIC GROWTH 2016	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	PRIORITIZE FIGHT AGAINST CLIMATE CHANGE OVER ECONOMIC GROWTH	RATE OF ECONOMIC GROWTH 2014-2015-2016	WORLD DEVELOPMENT INDICATORS (WORLD BANK)
	PRIORITIZE THE ECONOMIC GROWTH OVER CLIMATE CHANGE	ELECTRICITY GENERATION FROM RENEWABLE SOURCES, EXCLUDING HYDROELECTRIC POWER (% OF TOTAL)	WORLD BANK DATA BASE



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