

# Unequal Opportunities for Indigenous Peoples and African Descendants

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## → Unequal opportunities for indigenous peoples and African descendants

The indigenous peoples and African descendants in Latin America and the Caribbean are far behind the rest of the population in terms of access to education, health services, and financial services, something that is reflected in poor labor outcomes and high poverty rates<sup>[1]</sup>. Indigenous peoples and African descendants achieve lower levels of education in their lifetime. In recent decades, the region has narrowed the years-of-education gap between the indigenous peoples and the non-indigenous population, but the differences are still large<sup>[2]</sup>. The gaps in access to health services are clear in the [maternal and infant mortality rates](#), which are higher for the indigenous peoples compared to the non-indigenous population, as well as in the [deteriorated health indicators for children](#) under the age of five. The labor situation is no better, with the indigenous peoples holding jobs in [low-skilled occupations](#) to a larger extent than the non-indigenous population. The poverty rates are alarming. In total, 43% of the region's indigenous persons and 25% of the African descendants are poor<sup>[3]</sup>, and with very few exceptions—such as African descendants in Panama, the poverty rates among African descendants and indigenous peoples [are more than twice the rate of the white population](#).



## → Gaps in access to education and health and in labor outcomes



**High poverty rates with high inter-generational persistence.** Indigenous peoples and African descendants have lower incomes and, consequently, higher poverty rates. Such is the case in Mexico, where indigenous and African descendant self-identification is associated with lower wealth on average (calculated as an index using a weighted basket of assets that includes durable goods and access to financial services such as a bank account and credit card), regardless of skin color. Self-identifying as an African descendant [translates into a decline](#) of 4.5 percentiles in the wealth distribution and 2.2 percentiles for indigenous peo-

ples. Additionally, the evidence in Mexico indicates that poverty is inherited, and the transmission of inter-generational wealth is low among indigenous peoples and African descendants. The comparison of household wealth at the age of 14 with that as an adult reveals that the lack of mobility from the first wealth quintile is greater for indigenous peoples and African descendants compared to the rest of the population. At the other extreme, persistence in the highest wealth quintile is lower among indigenous persons and African descendants than for the rest of the population.

**Low educational outcomes.** The case of Mexico also illustrates the wide inequalities in the educational outcomes of indigenous peoples and African descendants compared to the rest of the population. On average, [these vulnerable groups complete lower levels of education than the rest of the population](#). For example, among individuals between the ages of 25 and 64, 60% of African descendants and 72% of indigenous persons have secondary school as their highest level of education compared to 55% for the rest of the population. These inequalities in educational results also manifest inter-generationally. Close to 70% of indigenous persons or African descendants whose parents were in the bottom quintile in terms of number of years of schooling completed remain in the same quintile. For the rest of the population, this percentage barely rises above 50%. At the oth-

er extreme, persistence in the highest education quintile is lower among indigenous persons and African descendants compared to the rest of the population.

**Low access to and use of reproductive health services.** Gaps in maternal and infant health between the indigenous peoples and the rest of the population are wide. In the indigenous districts of Panama, maternal and neonatal morbidity and mortality [are very high compared to the national average](#). The infant mortality rate stands at around twice the national rate, while the maternal mortality rate stands at between three and seven times higher than the national average depending on the indigenous district considered. Use of prenatal services is low among women in indigenous districts. On average, they attend 3.5 checkups, whereas the recommendation is seven. Distance to the health center and lack of money to pay for transportation and travel expenses are the main barriers to using such services that these women face. Among the women who live in indigenous districts, only 54% gave birth in a medical institution, a figure that declines to 37% for those living far from a health-care center.

**High infant malnutrition.** Proper food and nutrition from the beginning of a pregnancy until the age of two are crucial for optimal human growth and development. However, in Panama, the prevalence of malnutrition among children younger than five [stands at 19% nationally](#), and in indigenous districts, it can reach 62%. Malnutrition can be even worse for children in indigenous districts who live far from health centers and are poor. The situation in Guatemala is even more severe, with the national malnutrition rate among children younger than five

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reaching 47% and [rising even higher](#) in areas with larger shares of indigenous peoples.

**Lack of access to credit and low financial inclusion rates.** In Brazil, most low-income micro-entrepreneurs do not have access to productive credit, especially [when they are African descendants](#), who seek smaller loans compared to whites or *mestizos* and receive loans that are smaller than requested. Thirty-seven percent of African descendants have their requests for loans denied, while the rates among whites and *mestizos* stand at 29% and 23%, respectively. When African descendants do obtain loans, they pay higher interest rates. Mexico also has a financial inclusion gap, with only 21% of indigenous peoples and 21% of African descendants [using banking services](#). This figure is approximately half the financial inclusion rate for the population identifying as white or *mestizo*.

**Participation in poorly paid and low-quality jobs.** In Mexico, close to 50% of employed people

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**Low sensitivity to the economic cycle.** The [evidence in the case of Brazil](#) indicates that during recessions, labor force participation and employment rates for white men and women decline faster than for their non-white peers (African descendants and *mestizos*). This greater decline in labor force participation for white workers could be explained by their higher income level, which enables them to remain out of the labor force during a crisis. In contrast, the lower sensitivity to economic recessions of the non-white's employment rate may be the result of their greater need for income to support their households during a crisis.

between the ages of 25 and 64 who self-identify as indigenous [work in low-skilled occupations](#), such as agriculture, arts and crafts, and provision of basic services (such as domestic labor, street sales, washing vehicles) compared to 37% of African descendants and 33% of the rest of the population. At the other extreme, only 16% of indigenous persons had access to leadership positions or professional jobs compared to almost 25% of both African descendants and the rest of the population. The types of occupations in which indigenous peoples and African descendants are employed lead to lower incomes. The evidence from Mexico shows that the median labor income is lower in states where these groups account for a higher percentage of the population in comparison to other states.



## → Actions to close the gaps

According to GDLab investigations, some actions taken to close these gaps stand out. It should be noted that the evidence on the effectiveness of these interventions remains very limited and is central to the agenda for the coming years.

**Impact of fiscal policy on inequality and poverty.** [One study conducted for five countries of the region](#) (Bolivia, Brazil, Guatemala, Mexico, and Uruguay) finds that almost all direct cash transfers—especially conditional cash transfers—are progressive from an ethnic-racial perspective; that is, the share of the benefits from these programs that indigenous peoples and African descendants receive is greater than its share of the national income. In many cases, the share of the programs' benefits exceeds the share of these groups in the national population. However, direct transfers and taxes have heterogeneous effects among different ethnic-racial groups in terms of reducing poverty. For example, in Guatemala, the impact of direct transfers and taxes in terms of the probability of escaping poverty is greater for the indigenous peoples than for the non-indigenous population although it is low for both groups. In contrast, in Brazil, the white population is more likely to escape poverty as a result of direct transfers and taxes than African descendants.



**Programs to address unequal access to prenatal and early childhood healthcare.** To close the gaps in maternal and infant health in Panama's indigenous districts, the country is implementing a [Community Support Program](#). This program, which is currently under evaluation, provides information and monetary incentives conditional on the use of health services by pregnant women living in the country's indigenous districts. The aim of the economic support is to promote early care during pregnancy, provide good-quality prenatal checkups, ensure they give birth in healthcare institutions, and provide postpartum checkups and checkups for newborns. To reduce childhood health inequalities, particularly malnutrition rates among children who live in Panama's indigenous districts, the country has implemented the [Nutrividias initiative](#), which consists of an educational communications program to change behavior around food during pregnancy and during the first two years of children's lives. The program operates by offering individualized coun-



selling and includes monitoring activities. These types of strategies have also been developed in other countries, but no rigorous evaluations have yet been conducted on their effectiveness in the region.

**Access to productive resources.** To improve agricultural productivity, the provincial government in Chimborazo, Ecuador, implemented a [rural investment program](#). The main economic activity in this province, which is mostly rural and 65% indigenous, is agriculture, and productivity tends to be low. First, 99% of farmers do not have any formal education on producing high-value marketable crops, and 90% have only between one and five hectares under production. Second, their productivity has been limited by the area's poor irrigation infrastructure. Thus, a comprehensive intervention was carried out to improve the irrigation infrastructure and offer technical support to increase access to water, optimize farmers' ability to manage irrigation systems, and fine-tune agricultural practices. The findings of the impact evaluation indicate that access to irrigation increased by 10 percentage points, while the use of aspersion sprinkles irrigation—a more efficient technology—increased by 18 percentage points. Likewise, agricultural productivity improved (measured as the value of the harvest per square meter planted) as did the food security of beneficiary families.

## → How can we move forward?

If we can't measure it, it doesn't exist. The economic and health crisis brought on by the COVID-19 pandemic has the potential to widen existing opportunity gaps. It should therefore be a priority to enhance efforts to collect statistics disaggregated by race and ethnicity in order to monitor these gaps and focus both interventions and public policies on vulnerable groups.

The region still has a long way to go in expanding knowledge on the effectiveness of public policies aiming to address these inequities. In this regard, the inequalities of opportunities and patterns of poverty within these groups should not be left to perpetuate. Public policies focused on closing the gaps faced by the region's racial and ethnic groups can play a key role in fostering change, especially by taking a multidimensional approach that considers the multiple gaps these populations face.

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