

Analysis of Multidimensional Inequalities in Central America and Dominican Republic, and a Strategy for Inequality Reduction

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Abstract: The region of Central America and the Dominican Republic (CARD) is experiencing political, social and economic turbulence. Inequality seems to be the root: gaps that bar most people’s access to development’s benefits. This report examines these gaps, identifying trends in the subregion, analysing causes and proposing solutions. Using the Oxfam and LSE Multidimensional Inequality Framework (MIF) and the capabilities approach, the research confirms there are horizontal and vertical inequalities in diverse areas. Two main structural drivers substantially explain these inequalities, while a subregional policy strategy with a new sustainable productive model, particularly for women and youth in areas of social exclusion, is suggested.

The report provides a snapshot of inequalities, using the most recent data available to measure them. *However, given the rapidly changing context in the subregion, the data in this report fails to capture the deteriorating situation of many of the dimensions analysed, as a result of serious social and political crises affecting the region and human rights.* This is particularly the case for Nicaragua, where most of the data available pre-dates the outbreak of the human rights crisis in April 2018.

Keywords: Inequality, multidimensional inequality, vertical inequality, horizontal inequalities, rural areas, social exclusion, Central America, Dominican Republic.

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SUMMARY

Central America and the Dominican Republic are living in turbulent political and social times and a challenging economic environment. Inequality appears to be at the root of this, with gaps in health and education and in economic and political power preventing a significant proportion of the population from accessing the benefits of development. This report seeks to shed light on these gaps, identifying common trends in the region, analysing causes and putting forward possible solutions.

Proposals for the analysis of poverty and development from a multidimensional perspective, going beyond purely economic aspects, have multiplied in recent years. These include the Agenda 2030 approach, the latest Human Development Report of the United Nations Development Programme (UNDP 2019) and the Multidimensional Welfare Studies of the Organisation for Economic Co-operation and Development (OECD), among others. Yet, despite the fact that they all seek to consider more than just the economic elements of development, a focus on inequality is missing in the analysis of the gaps or differences that hinder development and perpetuate poverty.

As a contribution to this challenge and as a result of a collaboration between Oxfam, the Centre for Analysis of Social Exclusion at the London School of Economics, and the School of Oriental and African Studies at the University of London, the Multidimensional Inequality Framework (MIF) was developed, focusing on the analysis of diverse inequalities, their causes, and possible solutions. This framework constitutes the methodological basis for the present study **Multidimensional Analysis of Inequalities in Central America and the Dominican Republic**.

The MIF relates to Agenda 2030 and the Sustainable Development Goals (SDGs) in that they share some common indicators, with SDG 10 directly addressing inequality. In relation to the concept of human development, the framework adopts as a theoretical basis the capabilities approach developed by Amartya Sen. In that sense, the MIF identifies seven areas or domains important for human life, through which to measure and analyse the differences in capabilities that people experience to reach their full development. This report pays special attention to inequalities related to life and health, personal and legal security, education, financial autonomy, dignified work and living conditions in the subregion comprised by Guatemala, Nicaragua, El Salvador, Honduras and the Dominican Republic (Central America and Dominican Republic, CARD in Spanish).

Inequalities are confirmed in different areas of development in Central America and the Dominican Republic

The existence of different horizontal inequalities (between groups of people) and vertical inequalities (between individuals by economic level) are confirmed in the main areas analysed.

Violence and inequality: a determining binomial in CARD

In relation to existing inequalities in the **ability to be alive and enjoy a safe life**, it is clear that exposure to violence, within a context of the high levels of generalised (and perceived) violence characteristic in the subregion, is a fundamental condition for closing gaps of socio-economic inequality, as well as an extreme effect of such inequalities.

The main groups affected by homicidal violence are adolescent and young adult men between the ages of 15 and 44, with a particularly high incidence in border and/or coastal transit areas (corridors) in the countries of the Northern Triangle (El Salvador, Guatemala and Honduras). In addition, and with respect to other non-homicidal violence, self-declared victimisation in all CARD countries is higher in urban areas than in rural areas and increases as progress is made at the educational level. Furthermore, analysis of existing inequalities in sexual violence against women shows that women with more children, women who are divorced, have a history of family violence or partners who consume alcohol and show macho attitudes, are the main victims of this form of violence in the countries studied.

Moreover, analysis of inequalities relating to access and enjoyment of physical and legal security indicates that, in CARD, people in the higher socioeconomic strata, with a higher level of education and living in urban areas, express less confidence in the police and the justice system than those in the lowest socioeconomic strata, who have lower levels of education and live in rural areas. In line with this, it appears that the higher the level of education of citizens, the greater their perception of fear of being a victim of a crime.

Education: progress, but not yet for all

The various indicators on access to education show that gender gaps¹ are closing in CARD countries as a whole. In fact, except for Guatemala, younger women, up to the age of 30, accumulate on average more years of schooling than men of the same age. However, other gaps remain, such as those associated with people's economic status. For example, the lower the average level of education in the country, the greater the gap in the number of years of schooling completed by adults from poorer households compared to those from richer households.

In addition, the area of residence, to the detriment of rural areas, the economic situation of households in favour of wealthier households and, in the case of Guatemala,² belonging to an indigenous population group, continue to strongly condition access to education and its role as a means for achieving the skills that allow access to a dignified life.

¹ This report assumes that the gender gap is biased against women, unless otherwise stated.

² The only country in the subregion where data disaggregated by ethnic status was available.

Gender bias characterises access to dignified work and responsibility for care work

Having your own income in CARD is less likely if you are a woman, if you are young, or if you live in a rural area. In addition, CARD's rural areas have a high level of labour informality, in a context of widespread and pronounced informality in the subregion, which translates into poor access to social protection systems.

Gender inequality persists in terms of labour participation, employment and occupation of the labour force in low-productivity sectors. In addition, a certain tendency is still identified for women to work in the informal sector to a greater extent than men. Except for the Dominican Republic and without considering Guatemala, women in the subregion are underrepresented in the salaried population as a whole. Instead, they are self-employed, domestic service workers or unpaid family workers, all types of employment formally and informally considered “vulnerable”. Furthermore, according to age, the information consulted points to a strong increase in job insecurity for young people (population aged 15 to 24).

Finally, and aligned with the global figures on this aspect, it is women in the subregion who take on a disproportionate share of unpaid care and domestic work.

Inequality lives and is experienced in the home

Households in rural areas and in the lower income quintiles have lower relative access to water and public network water services than households in urban areas and in the higher income quintiles. These same rural and lower-income households have little access to basic sanitation and public waste collection. In addition, serious qualitative housing deficiencies are also identified.



Identifying a number of structural causes of inequalities: the influence of “minimalist states” and the power of social norms

The marked gaps identified in the material conditions for a dignified life – such as water and sanitation services or adequate housing – which affect groups such as the rural, indigenous or lower-income population, are an expression, among others, of the reduced capacity of CARD States to adopt a structural and comprehensive approach to inequalities. The precarious productive structure that partly determines the low levels of economic development in the countries of the subregion, linked to low social investment, tax collection and institutional capacity, explains this structural weakness or “Gordian knot” of inequality in the subregion that this report refers to as “the minimalist CARD States”.

Furthermore, social institutions (norms, belief systems, cultural patterns, etc.) that model and regulate the interaction between people in societies also appear as a key cause behind some identified inequality gaps. These social institutions are fed by the requirements imposed by social stratification, which assigns positions and roles in the social hierarchy to certain “social groups”. The configuration of social groups based on certain characteristics, such as family wealth, race, ethnicity, gender or geographical area of residence, has profoundly influenced the dynamics of the allocation of public goods and services, as well as the accumulation of assets by the people within them. Thus, both in CARD and in the Latin American and Caribbean region in general, social stratification conditions the closing of inequality gaps. Given the influence of social institutions over other economic and political institutions, CARD's institutional framework as a whole carries in its DNA visions or belief systems that strongly reproduce patterns of exclusion and discrimination, some of which date back to colonial times.

Changing towards a more sustainable and inclusive production model with inclusive vocational training

In order to partly address these causes of inequality, this report proposes a strategy for the promotion of productive ecosystems in areas of social exclusion in the CARD countries in order to close gaps in the labour markets, targeting women and young people in particular as the population groups most affected by the inequalities analysed.

The productive sphere in CARD shows significant gaps: between asset holders and workers, between large companies and medium and small enterprises, and between workers such as those described in this report. The patterns of inequality in the subregion will not change unless there are profound changes in the development model and production strategy of the countries making up the subregion. This commitment to change, framed in a real pact for the reduction of inequalities and towards sustainable development, must address the lags that condition low productivity in the subregion: particularly in education, adoption of new technologies and the dynamics that promote the generation of knowledge and innovation, but also in social protection, health and labour rights.

In short, the aim would be to encourage the promotion of inclusive economic and social development, as an opportunity to strengthen and modernise public institutions for the benefit of equity in the countries of the subregion.

Recommendations

Considering the framework and actions of the different actors involved, the following recommendations are made:

1. The Central American Integration System (SICA) should:

- Make explicit its commitment and that of its member countries to reducing inequalities in the Plan for the Development of Central America and the Dominican Republic 2020-2040.
- Promote entrepreneurship of women and young people with a social focus, adapting the institutional framework, articulating efforts with the relevant national bodies and supporting the development of an adapted educational strategy.
- Incorporate the analysis of potential explicit or implicit discrimination against certain groups in all interventions.
- Explore possible synergies of the proposed strategy with other regional policies such as the Central American Strategy for Rural Territorial Development (ECADERT), the Regional Policy for Gender Equality and Equity (PRIEG) and the Central American Security Strategy (ESCA).

2. The Governments of the subregion should:

- Ensure enough public investment in areas of social exclusion to combat multidimensional inequality, while increasing tax collection and the progressiveness of tax systems.
- Promote and strengthen instances of participation in public policies, especially in areas of social exclusion.
- Commit to the development of local production systems in terms of environmentally sustainable and socially advanced value chains, within a policy framework for social entrepreneurship, and provide such systems with adequate resources and the capacity to generate more and better jobs.
- Propose measures for bridging the gap between technical vocational training and the wider formal education system.

3. International Development Agencies should:

- Maintain an explicit commitment to reducing inequalities in development and cooperation plans and initiatives in the region.
- Support social investment in areas of social exclusion.
- Strengthen support to States in order to improve tax collection and the progressiveness of tax systems in CARD.
- Set the stage for the development of innovative productive ecosystems in areas of social exclusion.
- Support a better understanding of inequalities, through research and technical assistance for the generation and analysis of national statistics.

Learning and challenges on multidimensional inequality with a subregional approach

The relatively infrequent subregional approach adopted in this research provides added value with respect to other national studies on poverty and/or inequality, given that it enables identification of characteristics common to various countries. However, this also entails certain sacrifices in terms of the depth of the analyses – necessarily, the greater the breadth and coverage, the lesser the detail – and the degree of development of the recommended policy proposals.

The multidimensional inequality framework and the capabilities approach, which comprise the methodological basis for the study, clearly provide a multifaceted lens for systematically studying the impact of inequality beyond income or wealth, i.e. beyond the exclusively economic approach that still prevails. It is a tool that has also made it possible to open and structure a process of dialogue, reflection and analysis between various actors with a common interest in eradicating poverty and inequality. However, the quantitative approach of the MIF is a challenge in contexts where the availability of statistical data is not always sufficiently robust. Furthermore, in order to better connect research and policy practice, it is necessary to balance the weight of the different pillars of the framework (assessment of inequalities, analysis of causes and proposals for solutions) to ensure maximum alignment and detail on what measures can be effective in reducing inequalities.

Cooperation between development agencies and civil society organizations in the research, with participation and consultation of other actors – the academic community, international intergovernmental organisations, policy makers, activists – at various stages of the process, has brought richness, diversity of knowledge and higher quality to this process.

INTRODUCTION

This report presents the main results identified by the research project “Analysis of multidimensional inequality in Central America (El Salvador, Honduras, Guatemala and Nicaragua) and the Dominican Republic³ (CARD)” using the Multidimensional Inequality Framework (MIF) developed by Oxfam, the Centre for Analysis of Social Exclusion at the London School of Economics, and the School of Oriental and African Studies at the University of London.

The results presented are structured on the basis of the following three aspects: the main expressions or manifestations of inequality (Section 1), a number of structural causes or Gordian knots (Section 2), and a proposal for a subregional approach to addressing such inequality (Section 3). In addition, Section 4 presents a message by way of conclusion and the main recommendations addressed to subregional organisations (the Central American Integration System), governments in the subregion and international development actors. The report ends with a number of annexes, including methodological considerations, and details of the bibliography consulted.

As a brief socioeconomic introduction to CARD countries, in this subregion countries can be considered lower-middle-income economies (El Salvador, Honduras and Nicaragua) and upper-middle-income economies (Guatemala and the Dominican Republic), according to the World Bank classification.⁴

In the period between 2010 and 2016, CARD countries showed a positive economic growth rate per capita (average economic growth per person measured by Gross Domestic Product, GDP). This favourable trend was in contrast with that shown by the average per capita GDP of Latin American

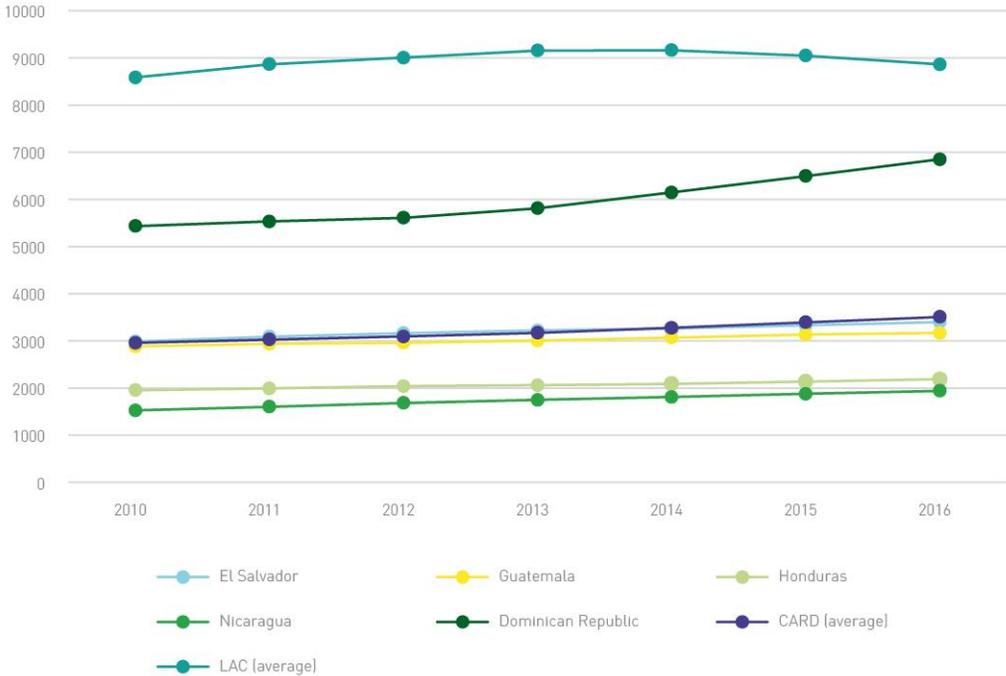
³ The Dominican Republic is included in this study, among other reasons, because it is part of the political sphere of the Central American Integration System (SICA), a subregional organisation par excellence considered in this project and approved by the project’s Steering Committee.

⁴ According to the classification established by the World Bank. For the definition of country categories see: <http://data.worldbank.org/about/country-and-lending-groups>

and Caribbean (LAC) countries as a whole for the same period (see the Figure 1). However, the data in Figure 1 also indicates two different rates of economic growth in the subregion:⁵ very modest growth in all four Central American (or CA-4) CARD countries, and another, much more dynamic, growth rate for Dominican Republic, where per capita GDP between 2010-2016 grew by nearly 24 percent (76 percent between 2000 and 2016).

Similarly, but with a broader perspective, the CA-4 countries have a medium level of human development, with Dominican Republic having a high level of human development, according to the UNDP’s 2018 Human Development Index (HDI).

Figure 1. GDP per capita in dollars at constant 2010 prices (CARD and LAC, 2010-2016)



Source: Prepared by the authors based on CEPALSTAT data.

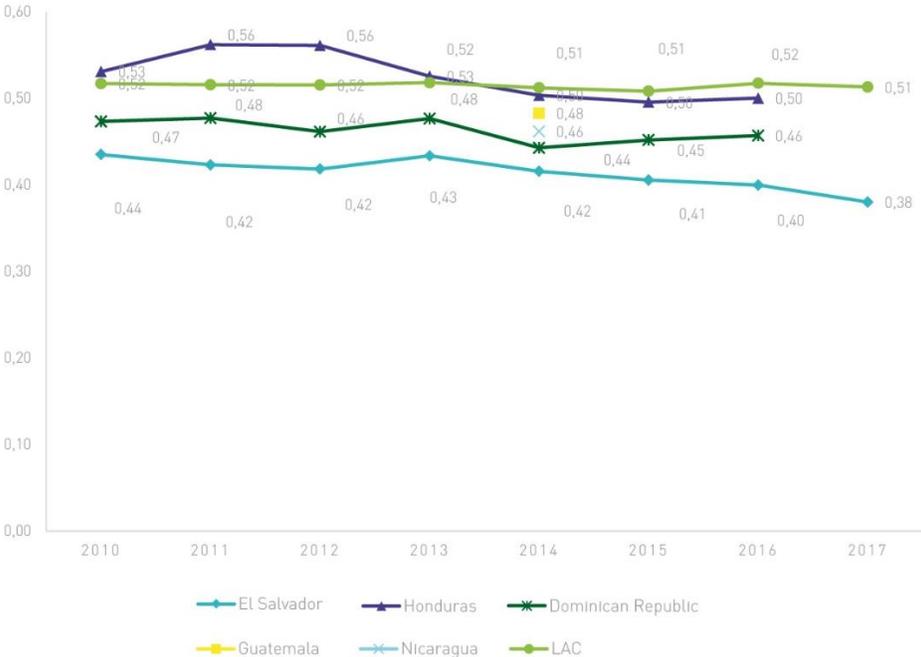
The countries of the subregion show differences in the incidence of monetary poverty, although the percentage of poor population in all CARD countries (except for the Dominican Republic) is higher than the average for LAC (irrespective of whether the international poverty line of USD 3.20 per person per day, adjusting for differences in the cost of living in each country according to Purchasing Power Parity [PPP] for lower-middle income countries, or of USD 5.50 per person per day, PPP, for upper middle-income countries is applied). Thus, at one extreme are Honduras and Guatemala where 31.6 percent and 24.2 percent of the population, respectively, live on less than USD 3.20 international dollars per day, and, at the other, the Dominican Republic, where economic growth has contributed to the reduction of poverty in the country in recent years, with 5.9 percent of the population classified as poor compared to the international monetary poverty line for lower middle-

⁵ In this report, “subregion” refers to CARD, while “region” refers to LAC.

income countries. However, when the analysis becomes more demanding and the monetary poverty line for upper-middle income countries is used, the figures rise significantly: Honduras and Guatemala show approximately 50 percent of their population in poverty, Nicaragua 34.8 percent, El Salvador 29 percent, and the Dominican Republic 19.9 percent.⁶

Regarding economic inequality data, CARD countries also reflect certain differences among them. On the one hand, the subregion is made up of countries like Honduras and Guatemala with economic inequalities (measured by the Gini Index) that place them in the top positions among the most unequal countries in LAC (which is in turn regarded as the most unequal region in the world). On the other hand, there is El Salvador, which in 2017 was the second least unequal country in the region after Uruguay.⁷

Figure 2. Evolution of Gini Coefficient in CARD and LAC (2010-2017)



Source: LAC Equity Lab tabulations with SEDLAC data (CEDLAS and The World Bank) and World Development Indicators

Analysis of the distribution of total household income among population deciles in each CARD country (see Table 1) gives a better picture of the magnitude of the economic gaps that still persist in some countries of the subregion, by allowing a comparison between highest and lowest income deciles. In Honduras, for example, the proportion of income accrued by the top decile of the population is more than 30 times that of the bottom decile. It should be mentioned that the data on economic inequality mentioned above, as well as that presented in Table 1, are merely indicative

⁶ Based on data from the World Bank’s Poverty and Equity Data Portal. Data from 2017 for Honduras and El Salvador, 2014 for Guatemala and Nicaragua, and 2016 for the Dominican Republic (last accessed November 2019).

⁷ Based on data from the World Bank’s Poverty and Equity Data Portal. See for LAC country ranking according to Gini Index; <http://bit.ly/37OUE1j> (last accessed November 2019).

since, in general, the information on income accumulated by the population groups in the highest socioeconomic strata is usually underreported.⁸

Table 1. CARD. Household income distribution,⁹ income ratio (decile 10/decile 1) and Gini index.

Country	Year	Proportion of total revenue per decile										Income ratio decile 10/ decile 1	Year	Gini
		1	2	3	4	5	6	7	8	9	10			
El Salvador	2016	2.5	3.9	5.0	6.1	7.2	8.5	10.0	12.1	15.5	29.3	11.7	2017	38
Guatemala	2014	1.9	3.1	4.1	5.1	6.3	7.6	9.1	11.4	15.4	36.0	19.4	2014	48
Honduras	2016	1.1	2.4	3.5	4.8	6.2	7.8	9.6	12.3	17.2	35.2	31.3	2017	50
Nicaragua	2014	2.1	3.4	4.3	5.4	6.4	7.7	9.1	11.1	14.7	35.7	16.9	2014	46
Dominican Republic	2016	2.1	3.3	4.3	5.3	6.4	7.8	9.4	11.7	15.8	33.9	16.4	2016	46

Source: Prepared by the authors based on data from SEDLAC (CEDLAS and The World Bank).

⁸ For a discussion of this, see ECLAC (2019), pages 48-51: <http://bit.ly/2SK1qBh>

⁹ All individuals are ranked according to their family income equivalent (i.e. total family income adjusted for demographic factors) and divided into 10 groups of equal size (each one with 10% of the population).

SECTION 1. Mapping of expressions of inequality in CARD

This report presents a subregional (CARD) approach to multidimensional inequality in a number of areas or domains which are important for human life. It provides a snapshot of the issue, using the most recent data available to measure its prevalence. It does not provide a trends analysis for the inequalities presented. Due to limitations in data availability in all the countries of the subregion and the differences between them, the results presented will **mention “CARD” when at least three of the countries studied show similar results** for the analyses carried out, stating which of them share the issue or subject under study. If only CARD is referred to, this means there is full coincidence within the subregion on all the issues or matters analysed according to the information source consulted.

Using terminology from the Multidimensional Inequality Framework (MIF)¹⁰ and as detailed in Annex 1 on methodological considerations, the **main expressions of inequality analysed** in this report relate to **domain 1** (*Life and health*), **domain 2** (*Personal and legal security*), **domain 4** (*Financial security and dignified work*) and **domain 5** (*Adequate living conditions*). Moreover, other relevant gaps are presented in relation to non-priority domains, such as **domain 3** on *Education and learning*, given its strong links to domain 4, among others. Domains not prioritised or covered in this report are **domain 6** (*Participation, influence and voice*) and **domain 7** (*Individual, family and social life*). Within the domains analysed, one or more subdomains or specific priority issues are addressed.

In relation to domains 1 and 2, and given the similarity of their themes, gaps on exposure to violence are presented jointly, with an analysis of homicide rates (an issue associated with subdomain 1B of the MIF, *Protection from being killed or murdered*) and other forms of violence (such as extortion, kidnapping, crimes against assets and sexual violence, amongst others) which are included under subdomain 2A (*Be free from violence, including sexual and gender-based violence, domestic violence and violence based on who you are*). Similarly, perceptions on public safety, relating to subdomain 2B (*Feel able to use public spaces safely and securely without fear*), are analysed next. In relation to domain 2, gaps in perceptions on the performance of the security forces (national police) and

¹⁰ For further information on the multidimensional inequality framework (MIF) go to: www.inequalitytoolkit.org

general justice systems (as relating to subdomain 2C *Know you will be treated with equality, fairness and non-discrimination before the law, both in the judicial and police systems and in the administrative system*) are presented.

In connection with domain 3, the gaps in access to education and links to educational performance (subdomain 3A *Attain the highest possible standard of knowledge, understanding and reasoning, through access to education and training*) are presented. Domain 4 analyses the gaps on availability of income (subdomain 4A *Achieve financial security and resilience against shocks*), access to employment (subdomain 4C *Have equal access to paid work, productive assets and markets*) and quality of employment (subdomain 4D *Enjoy good working relations and dignified and fair work conditions*), as well as the division of unpaid care work in the home (subdomain 4F *Enjoy equal division of care and unpaid domestic work*). Within domain 5, data showing inequalities in access to water and water, sanitation and waste management services, as well as access to a safe home (subdomain 5A *Enjoy secure access to food, clean water, clean air, sanitation and utilities* and subdomain 5B *Enjoy adequate housing quality and security*) are presented. At the end of the section, a number of inequalities associated with subdomain 2 on health are presented as these were considered important, although no detailed analysis thereon was carried out.

The selection of domains and subdomains comprising the focus of the analysis responded, in a first stage, to a priority ranking based on review of relevant literature and consultations with a number of experts through a survey (Annex 2) and/or interviews with a small number of such experts. Recent opinion surveys conducted within the Latin American Public Opinion Project (LAPOP)¹¹ were studied to cross-check the priorities highlighted by the experts. The opinions obtained through such surveys placed issues such as crime/violence and economy/unemployment/poverty high on the list of concerns of the population within CARD. These concerns are very much in line with the issues covered by domains 1, 2, 4 and 5, as prioritised by the experts consulted.

In a second stage, the selection of subdomains within each domain was based on an analysis of availability of data sources, indicators and basic or typical disaggregated variables such as age, sex, geographical area of residence, ethnicity or belonging to a specific race group and/or social and financial status (level of income, education or wealth, amongst others). However, combinations of such variables were also used, as was the inclusion of any other “atypical” variables such as would allow a more detailed analysis or comprehensive explanation of inequalities in CARD.¹²

The final selection of domains and subdomains was further informally validated by contributions from experts at a workshop carried out in La Antigua (Guatemala) in October 2019, as part of this research project.

The report will point out when the typical variables specified above were not relevant for a particular domain and/or subdomain. Where no specific mention is made, this means that for the relevant disaggregation variable, either no data was obtained for analysing the subregional perspective (i.e. for at least three of the five countries studied), or the data lacked the necessary quality or

¹¹ <https://www.vanderbilt.edu/lapop-espanol/>

¹² See Annex 1 for details on methodological criteria.

consistency. It should be pointed out that disaggregated data on the basis of belonging to a specific ethnic or racial group could only be obtained for certain indicators in the case of Guatemala and specifically in relation to indigenous peoples. The Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL) itself points out the significant limitations in availability of information and statistical data in the region in relation to indigenous and Afro-descendant populations and others (such as people with disabilities). This “statistical invisibility” evidences the high degree of exclusion that such population groups endure.^{13,14}

¹³ ECLAC (2016); pages 27 and 28; <https://repositorio.cepal.org/handle/11362/40668>

¹⁴ See “ECLAC calls for increased statistical visibility and full inclusion of persons with disabilities”, June 2017; <http://bit.ly/2v0f9ei>

Domains 1 and 2. Life and Health. Inequality in the capability to be alive and to live a healthy life - Inequality in the capability to live in personal and legal security

Domain 1 of the MIF, on **life and health**, addresses the inequalities that people may experience in their capability to be alive and live a healthy life. Domain 2 addresses issues of **personal and legal security**. Therefore, in order to guarantee a greater thematic and narrative logic, and as already mentioned above, priority aspects such as homicide, other forms of violence and sexual violence were analysed together.

Subdomain 1B. Be protected from being killed or murdered

Homicides

Central America remains one of the most violent regions in the world without war. Despite the fact that in recent years, and particularly since 2015, most countries have seen a decline in homicide rates, they are still higher than the average homicide rates both globally and in LAC, especially in the countries of the Northern Triangle (Guatemala, Honduras and El Salvador). Homicides (and non-homicidal violence) in this area are largely driven by organised crime, and particularly by the notorious criminal gangs known as *maras*.

Data on inequalities in homicidal violence in CARD measured by homicide rates could be disaggregated by sex and age. However, information at the national level was not only insufficient for understanding the dynamics of inequality in relation to homicidal violence in CARD (national level information on homicide rates disaggregated by rural and urban areas was not available),¹⁵ but also imprecise. Given that the patterns of homicide incidence are heterogeneous within countries,¹⁶ it seems more appropriate to study the inequalities of homicidal violence at subnational level. In this regard, basic correlations were calculated to detect possible relationships between the incidence of homicide at the subnational level (departments or provinces) in CARD countries and certain socioeconomic variables with data such as the Human Development Index (HDI), income index,¹⁷ inequality adjusted income index¹⁸ or education index,¹⁹ amongst others.²⁰ It should be pointed out that these correlations reflect the limitations associated with their very simplicity.²¹ Moreover, they could only be carried out for Guatemala, El Salvador and the Dominican Republic,

¹⁵ In this respect, the only finding was a 2018 UNDP report estimating that in El Salvador, 64.6% of all homicides in the country occur in rural areas, although there were no homicide rates for urban and rural areas, or even for the country as a whole.

¹⁶ A report from the State of the Region Programme supports this assertion. See <https://bit.ly/2P47Usn> (last accessed January 2020)

¹⁷ The income index refers to the income component used for measuring the HDI and being a subcomponent of such indicator.

¹⁸ Which, according to the UNDP report Human Development Indices and Indicators: 2018 Statistical Update (2018), page 33, is a component of the Human Development Index adjusted for inequality (IHDI). It is the HDI income index value adjusted for inequality in income distribution based on data from household surveys. The IHDI discounts or lowers the HDI "according to the extent of inequality" and can be interpreted as "the level of human development when inequality is accounted for" (Ibid, pages 1 and 19).

¹⁹ The education index refers to the education component included in the measurement of the HDI, constituting, like the income index, a subcomponent of this indicator.

²⁰ It should be clarified that the correlation being calculated is the homicide rate of the department or province with each of the selected variables also at the department or province level. Thus, for income level, for example, the correlation does not refer to whether a greater proportion of people from a specific income level were murdered in a subnational area, nor to the level of income of the perpetrators, but to whether higher income departments show higher or lower homicide rates than those with lower average incomes.

²¹ It was beyond the scope of this project to make estimates using larger data bases (to allow corroboration or ruling out of patterns of homicidal violence over time) or more sophisticated econometric models (to allow validation and breakdown of the significant correlations identified).

given that for all the other countries the information available at subnational level was very poor or excessively out of date. For these reasons, therefore, the findings, though valuable and thought-provoking, must be taken with caution and cannot be extrapolated to the entire subregion or even to a representative group within it.

The correlations which follow are those for which the correlation coefficient between the homicide rate by department or province and the respective indicator was equal to or greater than 0.60, where 1 implies a perfect relationship and 0 no relationship at all. They are therefore considered to show a relevant correlation. It should be noted that a positive relationship was identified between homicide rates and increased internal and external migration (an atypical variable) in two CARD countries. Although the limitations in data availability do not allow extrapolation of results to the entire subregion, it is an aspect that is highlighted in this report given the relevance that the issue has attained in LAC. There are currently strong migratory flows both within and between countries in the region, including countries of the subregion, with violence often a key driver of such flows. This has significant implications in terms of inequality for both the areas and countries that “take in” migrants and those that “expel” them.

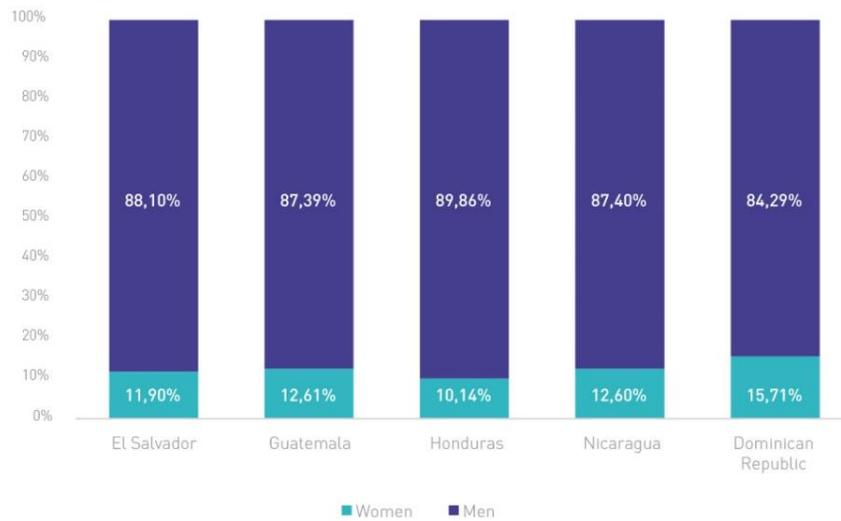
Indicator(s)	Homicide rate
Disaggregation variable(s)	Sex and age

All CARD countries show a strong homicidal bias against men. In fact, in El Salvador, homicides are one of the leading causes of death among men, well above ischaemic heart disease, cerebrovascular diseases, diabetes mellitus, road accidents and various types of cancer.²² The anti-male bias of homicidal violence is consistent over time (see Figures 3, 4 and 5). There are also inequalities in homicide rates against adolescents and young adults regardless of the sex of the victim (although the gaps are much more significant for men) (see Figure 6). Notwithstanding the above, it should be noted that the femicide rate in CARD is also a scourge that warrants attention. In 2017, for example, femicide rates were 13.9 per 100,000 women in El Salvador and 8.4 in Honduras, well above LAC countries such as Mexico (5.3) and Brazil (4.3), which are notorious for their high rates of femicide.²³

²² Based on data for El Salvador from 2015 obtained from the report State of Health in the Americas: Core Indicators 2018, published jointly by the Pan American Health Organization and the World Health Organization, pages 8 and 9.

²³ Based on data from UNODC (2019). Global Study on Homicide. National data. Homicide Data by Countries; https://dataunodc.un.org/GSH_app

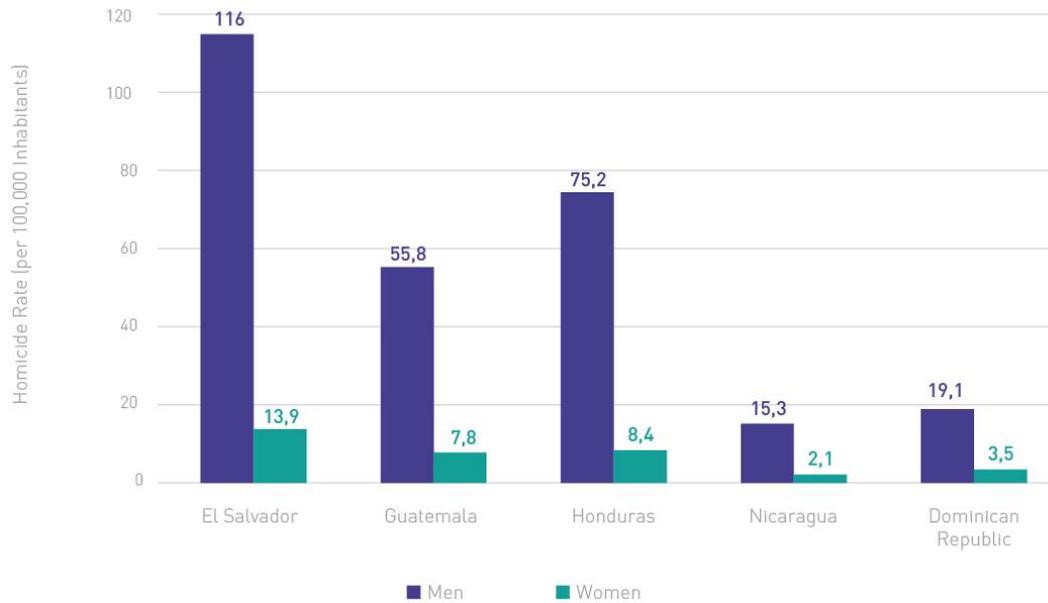
Figure 3. Distribution of homicides as %, by sex



Source: Prepared by the authors, based on data from UNODC (2019). Global Study on Homicide. National data. Homicide Data by Countries, available at: https://dataunodc.un.org/GSH_app.

Note: Data from 2017 for El Salvador, Honduras and Dominican Republic, 2015 for Nicaragua and 2014 for Guatemala.

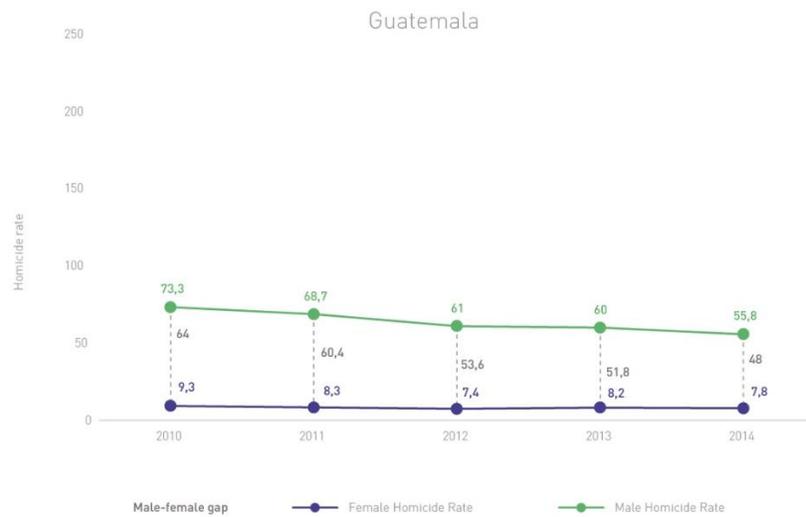
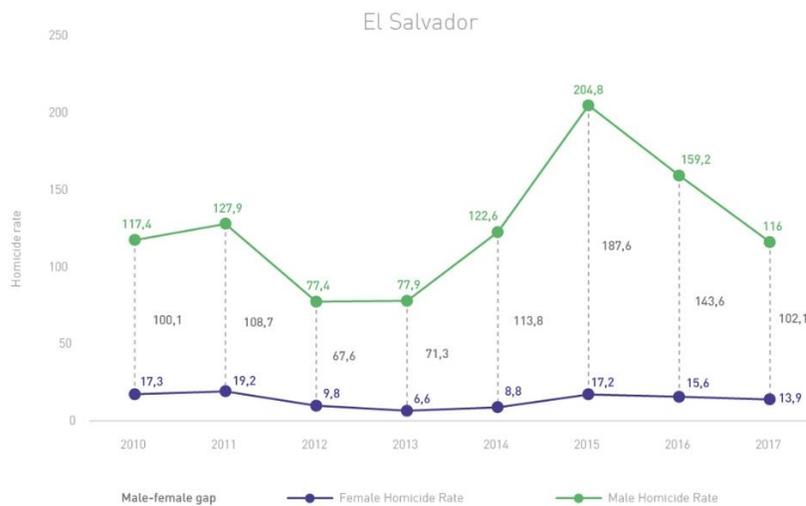
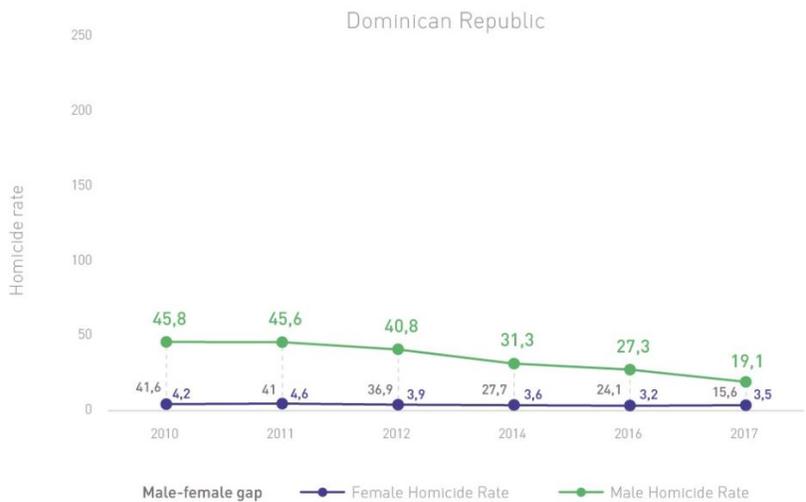
Figure 4. Homicide rate, by sex

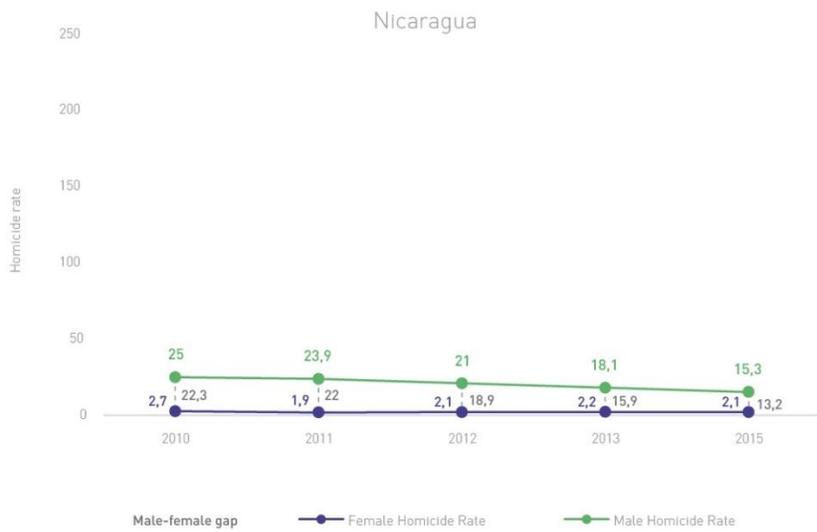
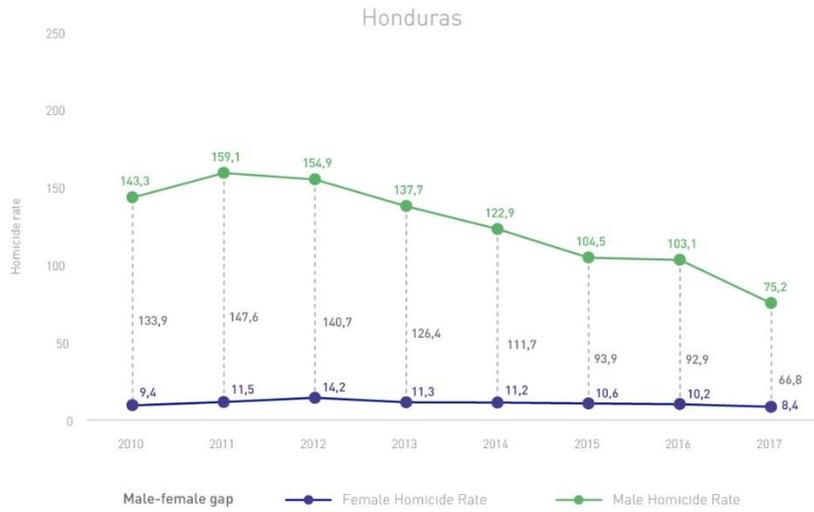


Source: Prepared by the authors, based on data from UNODC (2019). Global Study on Homicide. National data. Homicide Data by Countries, available at: https://dataunodc.un.org/GSH_app.

Note: Data from 2017 for El Salvador, Honduras and Dominican Republic, 2015 for Nicaragua and 2014 for Guatemala.

Figure 5. Homicide rate by sex and gap between men and women (2010-2017)

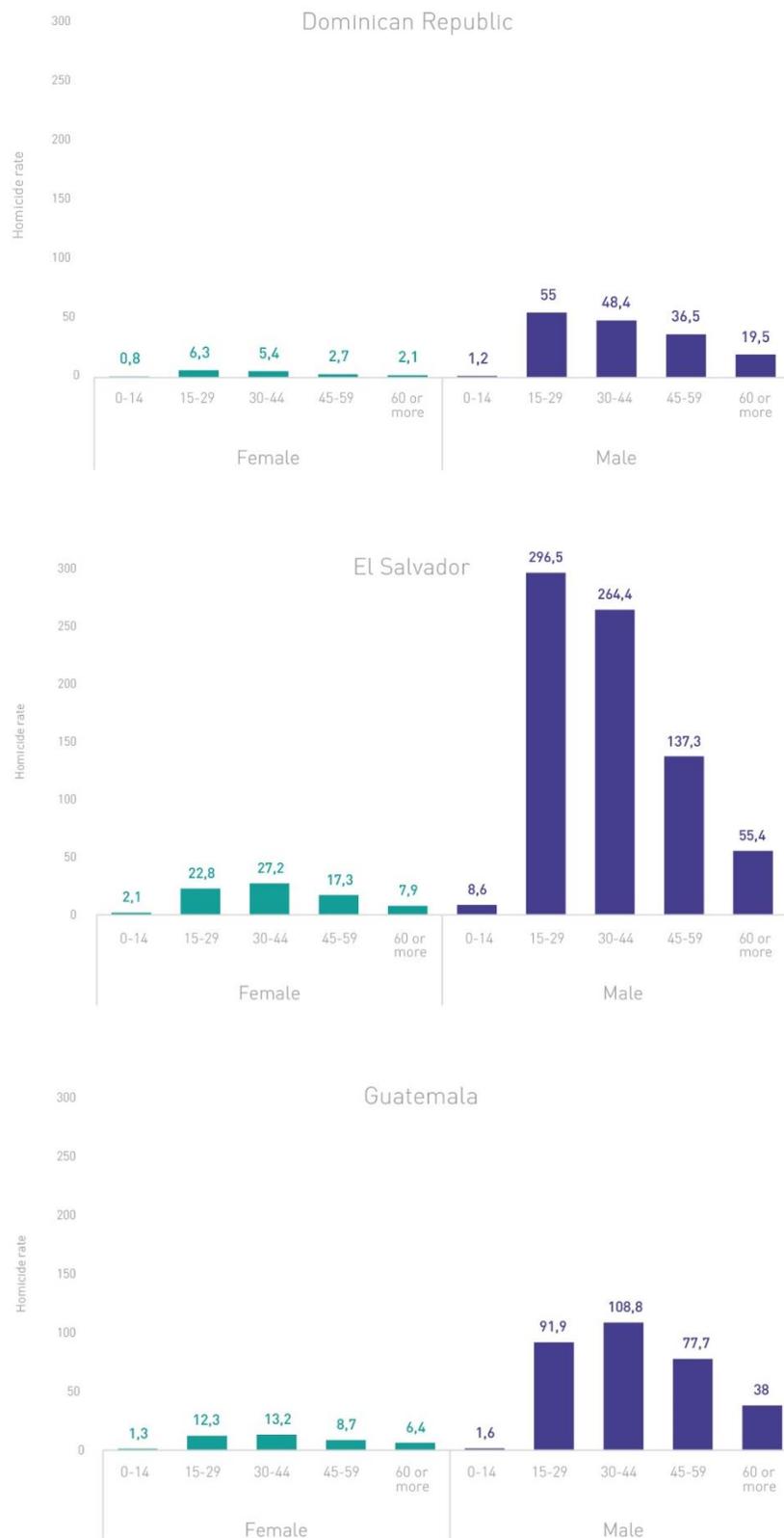


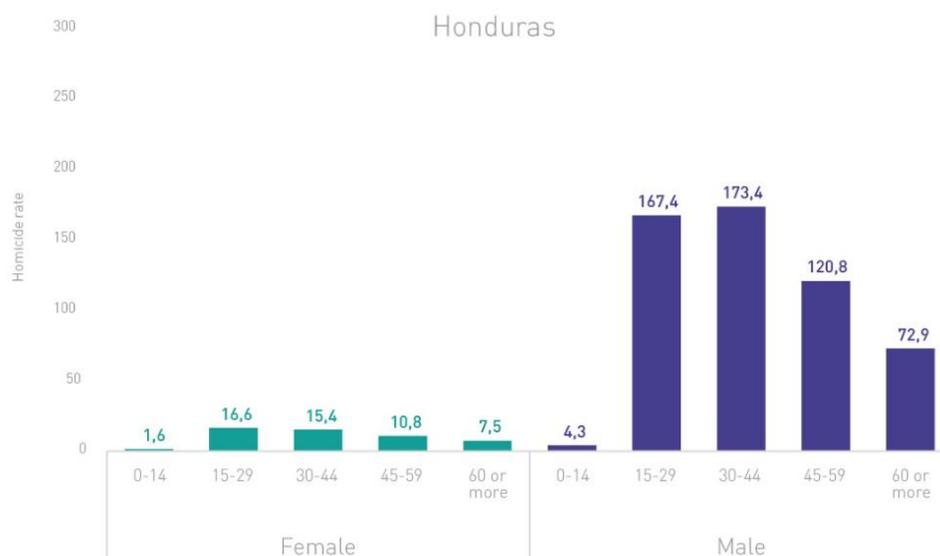


Source: Prepared by the authors, based on data from UNODC (2019). Global Study on Homicide. National data. Homicide Data by Countries, available at: https://dataunodc.un.org/GSH_app

Note: The rate refers to the number of homicides per 100,000 inhabitants.

Figure 6. Homicide rate by sex and age group





Source: Prepared by the authors, based on data from UNODC (2019). Global Study on Homicide. National data. Homicide Data by Countries, available at: https://dataunodc.un.org/GSH_app

Note: Data corresponds to the last year with available information, 2014 for Guatemala and Dominican Republic and 2016 for El Salvador and Honduras / No data available for Nicaragua.

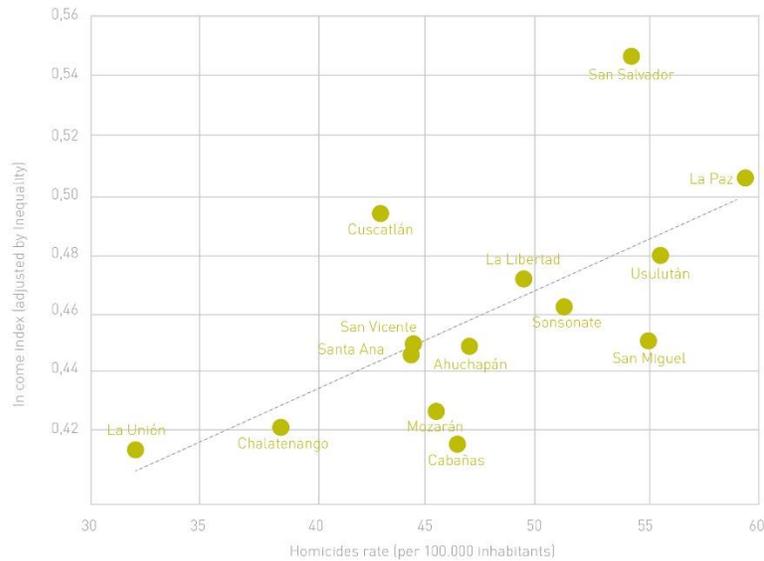
Indicator(s)	Homicide rate
Disaggregation variable(s)	Department and level of income

Correlation exercises carried out at the subnational level show a positive relationship between income index and homicide rate for El Salvador and Guatemala (see figures 7 and 8).²⁴ However, no significant relationship between income index and homicide rate was found for the Dominican Republic.²⁵

²⁴ In the case of El Salvador, it was not with the conventional income index that a significant correlation was found (although this also had a positive, albeit lower, correlation), but with the inequality adjusted income index.

²⁵ Data for Guatemala's income index 2014, taken from UNDP's National Human Development Report for Guatemala (2016); data for El Salvador's conventional income index and inequality adjusted income index 2017, taken from UNDP's Human Development Report for El Salvador 2018 *¡SOY JOVEN! ¿Y ahora qué?* (I'm Young, So What Next?) (2018), page 323. For the Dominican Republic, income index data for 2016 was used (UNDP).

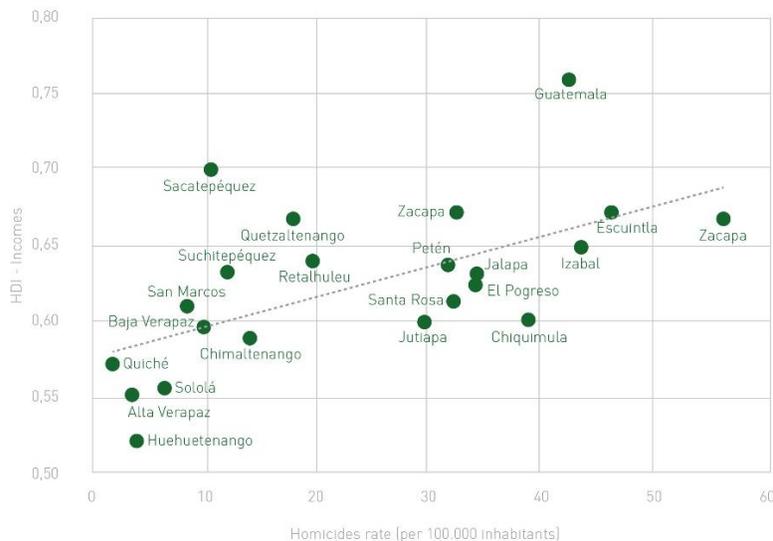
Figure 7. Homicide rate (per 100,000 inhabitants) and inequality adjusted income index in El Salvador, by department



Source: Prepared by the authors, based on data from UNDP’s Human Development Report for El Salvador 2018, page 323 for the inequality adjusted income index and La Prensa Gráfica (2019), with data from the National Civil Police for homicide rates.

Notes: Homicide rate from 2018 and inequality adjusted income index from 2017/ The correlation coefficient between both variables is 0.6571.

Figure 8. Homicide rate (per 100,000 inhabitants) and income index in Guatemala, by department



Source: Prepared by the authors, based on data from the Government of the Republic of Guatemala, Ministry of the Interior (2019). Statistical Compendium 2018, indicators on coexistence and public security, page 16, for homicide rate, and UNDP (2016) for income index, available at: <http://bit.ly/2vT1iGz>

Notes: Homicide rate from 2018 (to be validated by the National Institute for Statistics when published), and income index from 2014. Income index refers to the income subcomponent of the HDI.²⁶ The correlation coefficient between both variables was 0.6134.

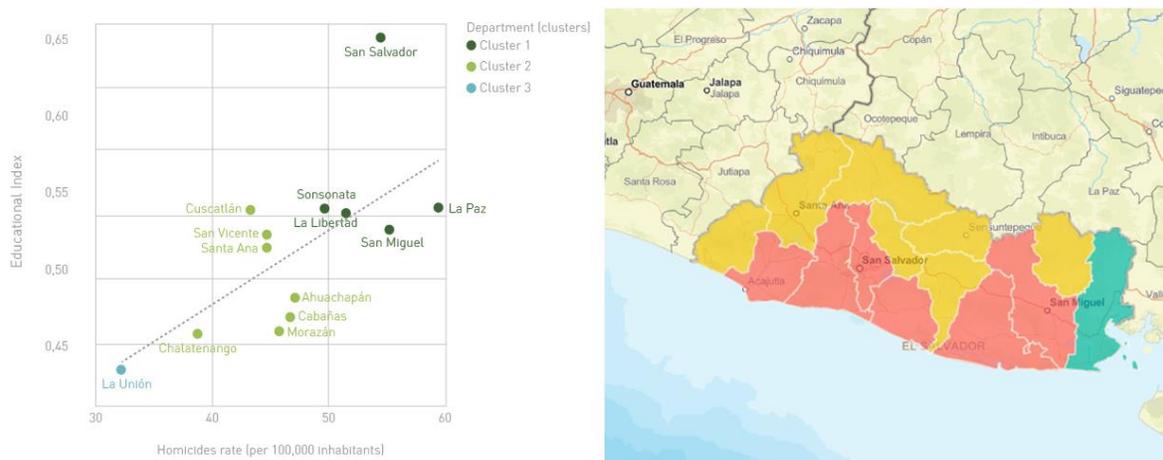
²⁶ According to the website of the National Human Development Report for Guatemala (available at: <http://bit.ly/2PaTuH0>), for this dimension (also referred to as standard of living) “an aggregate of labour and non-labour family income, adjusted to international prices (in PPP dollars per capita), was included. Per capita labour and non-labour income”. The maximum parameter of comparison considered for income was “the maximum middle-class income considered according to international stratification criterion (just over \$18,000 PPP per capita per year)”.

Indicator(s)	Homicide rate
Disaggregation variable(s)	Department and level of education (education index) and HDI

In El Salvador, unlike in Guatemala, high (positive) relationships were also observed between homicide rate and education index (see Figure 9 and Map 1) and, consistent with this, there were also significant relationships between homicide rates and HDI.²⁷ In the Dominican Republic, however, an inverse (though moderate) relationship was observed between homicide and HDI on the one hand, and education index on the other.

The positive correlation between high rates of homicidal violence by department and high average levels of education in El Salvador (and also high average incomes in Guatemala and El Salvador) can be explained to some extent by the economic attractiveness of these areas. However, the diversity of results among the countries studied suggests that there are elements specific to each context that should be analysed in greater detail, such as, among many others, the direct causes behind the homicides,²⁸ the patterns of socioeconomic inequality within the departments or provinces,²⁹ the presence and dynamics of criminal organisations, and the presence and effectiveness of public or private security forces in these areas.

Figure 9 (and Map 1). Homicide rate (per 100,000 inhabitants) and education index in El Salvador, by department (clusters)



Source: Prepared by the authors, based on data from UNDP's Human Development Report for El Salvador 2018, page 323 for the education index and La Prensa Gráfica (2019), with data from the National Civil Police for homicide rates.

Notes: Homicide rate from 2018 and education index from 2017/ The correlation coefficient between both variables was 0.6581.

²⁷ The correlation between the two variables was 0.6364. Data for homicide rates was for 2018, as published by La Prensa Gráfica (2019), with data from the National Civil Police of El Salvador. For the HDI, information for 2017 taken from UNDP's 2018 Human Development Report for El Salvador ¡SOY JOVEN! ¿Y ahora qué? (2018), page 323.

²⁸ A disaggregated analysis by context or direct causes that lead to homicides in general and femicides in particular shows very diverse results across the countries in the subregion. In the Dominican Republic, for example, the type of conflict that claimed the greatest number of homicides between 2011 and 2018 was coexistence (well above that of crime). Own calculations, based, in the case of the Dominican Republic, on the 2011-2018 Homicide Database of the Citizen Security Observatory (*Observatorio de Seguridad Ciudadana*, OSC) of the Dominican Republic, available at: <http://bit.ly/2vRdpUA>

²⁹ In fact, a report published by Oxfam indicates the strong link between violent municipalities in Guatemala and high levels of inequality within such municipalities, which is consistent with the presence of peaceful municipalities with lower relative inequality. See Gauster (2019), with assistance from Romero W. and Botella C.; <https://go.aws/2P488jd>

Map 1, in the case of El Salvador, identifies a Cluster 1 comprised by the departments with the highest homicide rates in the country and a relatively high level of education. Almost all are also coastal departments (with the exception of San Salvador, which has one of its borders very close to the coast). Cluster 2 also stands out, comprising only the department of La Unión, which has the lowest homicide rate and the lowest level of education in the whole country.

Indicator(s)	Homicide rate
Disaggregation variable(s)	Department and belonging to an indigenous population group (Guatemala)

In Guatemala there seems to be a strong inverse relationship between belonging to an indigenous population group (according to self-identification as such) and the incidence of homicide: in general, departments with a higher proportion of the population self-identifying as indigenous have lower homicide rates, and vice versa (see Figure 10).³⁰ At least in Guatemala, low rates of homicidal violence in areas with a higher proportion of indigenous population could be explained precisely by the fact that they tend to be rural, isolated areas with very close-knit communities (or communities in which the population has reached an agreement with organised criminal gangs to achieve a certain level of "peaceful coexistence") and/or where crime is of no economic interest.³¹

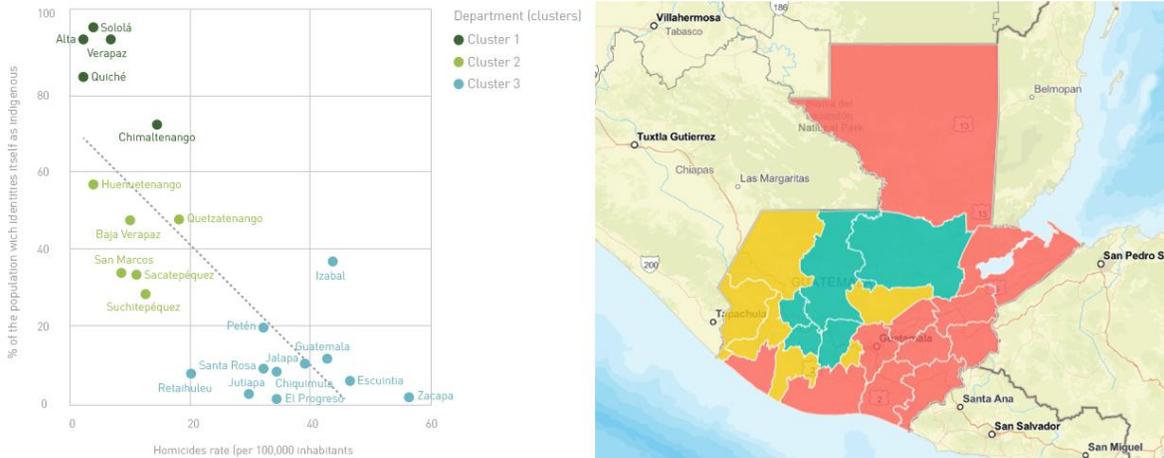
Map 2, for Guatemala, clearly identifies a Cluster 1 grouping together departments with a high proportion of indigenous people but few homicides in general. The departments in this Cluster 1 tend to be inland departments (i.e. they are not on the coast and do not border on other countries or, if they do, only along a small stretch). On the other hand, Cluster 2, which comprises a large number of the country's departments, is characterised by high homicide rates and a low proportion of the population identifying as indigenous.³² It is largely made up of coastal municipalities or those bordering on at least one of the following countries: Belize, Honduras or El Salvador, and it is also a compact area. Cluster 3 is comprised by departments with average values in terms of both the proportion of the population identifying as indigenous, and homicide rates. Geographically, it is somewhat more diverse, being made up of the departments of Huehuetenango and San Marcos, which share a border with Mexico, Suchitepéquez, which has a small coastal area, the departments of Sacatepéquez and Baja Verapaz, both located inland, and Quetzaltenango, which is located very close to the coast and also to the border with Mexico.

³⁰ For Guatemala, this variable was found to have the highest correlation with homicide rate at department level (-0.7832). Data on indigenous self-identification from 2014, obtained from the National Survey on Living Conditions (ENCOVI) 2014, Volume 1 (INE, 2016), page 21.

³¹ Herrera Mario (2019) for the State of the Region report "*Homicidios en Centroamérica. Hacia una mejor comprensión de las tendencias, causas y dinámicas territoriales* (Homicides in Central America. Towards a better understanding of the trends, causes and territorial dynamics)", pages 13 and 14.

³² The only departments deviating somewhat from these results, even though part of the same cluster, are Izabal and Retalhuleu.

Figure 10 (and Map 2). Homicide rate (per 100,000 inhabitants) and percentage of the population self-identifying as indigenous, by department (clusters)



Source: Prepared by the authors, based on data from the Government of the Republic of Guatemala, Ministry of the Interior (2019). Statistical Compendium 2018, indicators on coexistence and public security, page 16, for homicide rate, and the National Survey on Living Conditions (ENCOVI) 2014, Volume 1 (INE, 2016), page 21, for indigenous populations.

Notes: Homicide rate from 2018 (to be validated by the National Institute for Statistics when published), and proportion of the population identifying as indigenous from 2014 / The correlation coefficient between the two variables was -0.7832.

Indicator(s)	Homicide rate
Disaggregation variable(s)	Department and migrant population

A significant positive relationship (though somewhat less marked than the previous ones)³³ was also found between percentage of migrant population³⁴ and homicide rates in Guatemala. Thus, the data appears to show that in the departments of Guatemala most affected by migration (defined as the proportion of the population currently living in a place other than their place of birth according to the source consulted),³⁵ the homicide rate was higher. In El Salvador, according to information from

³³ The correlation coefficient between both variables was 0.5640.

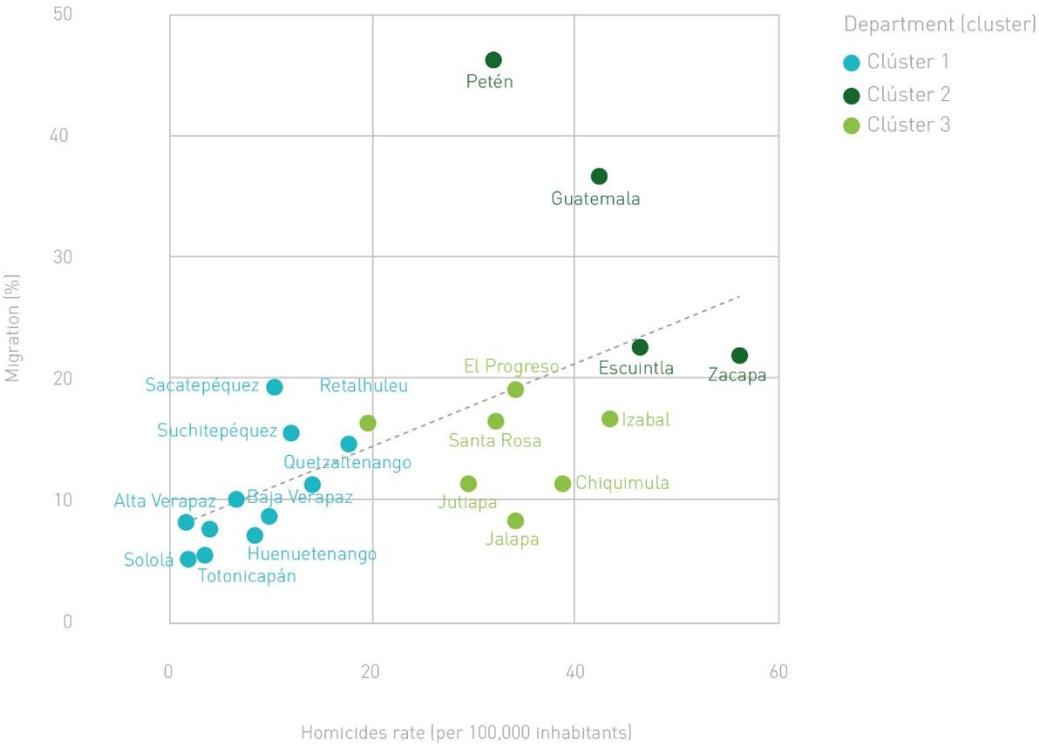
³⁴ Data for migration in Guatemala from 2014, taken from the National Survey on Living Conditions (ENCOVI) 2014, (INE, 2016), page 36; <https://bit.ly/2SBKf4Q> refers, for each department, to “the proportion of the population currently living in a place different to their place of birth”. From information on page 34 of said survey (although this is not completely clear), this data includes total migration, i.e. it includes internal migration (displacement of persons within their own country).

³⁵ This variable is also defined as “lifetime migration” in the consulted source. Reviewing the alignment between lifetime migration and more recent migration (proportion of the population currently living in a place different to that in which they were living in 2009 according to the source consulted), two of the three departments with the most recent migration are also among those with the highest lifetime migration (Petén and Guatemala). There also appears to be a high degree of coincidence in relation to those with less migration: Huehuetenango and Totonicapán are two such departments (both of which are also among the four departments with the least migration, according to the source consulted). As indicated, it would appear that the survey consulted provides data on total migration (including internal migration). Thus, if type of migration in the country and nationality were taken into account, the cluster groupings shown in Figure 11 could change. For example, a survey carried out by the IOM (International Organization for Migration) in 2016 indicates that the majority of foreigners in Guatemala live in the departments of Guatemala, Huehuetenango and San Marcos. Which are, according to this same survey, also the three departments receiving most remittances. See <http://bit.ly/2V5veX9>

Infosegura (2019),³⁶ there is a relevant relationship between a higher percentage of returnees and violent deaths at the municipal level (see Figure 11 and Map 3).

Figure 11, for Guatemala, shows three groupings or clusters with a number of differentiated characteristics. Cluster 1 comprises departments with low migration and low homicide rates, while Cluster 2 comprises four departments with the highest migration rates (over 20 percent) in the country and also some of the highest homicide rates. Cluster 3, however, has average to high homicide rates and average or even low migration rates in some cases. This is the cluster with the most coastal departments (4), which also border or are close to the country's borders: Izabal, Jutiapa, Retalhuleu and Santa Rosa. Most of the departments of Guatemala having borders with other CARD countries are in this cluster (Jutiapa, Chiquimula and Izabal).

Figure 11. Homicide rate (per 100,000 inhabitants) and percentage of migration in Guatemala, by department (clusters)

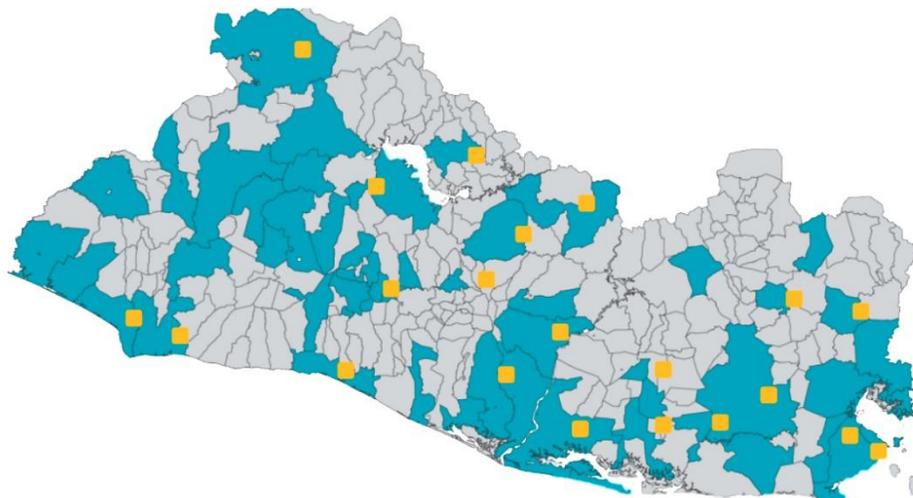


Source: Prepared by the authors, based on data from the Government of the Republic of Guatemala, Ministry of the Interior (2019). Statistical Compendium 2018, indicators on coexistence and public security, page 16, for homicide rate, and the National Survey on Living Conditions (ENCOVI) 2014, Volume 1 (INE, 2016), page 36, for migration.

Notes: Homicide rate from 2018 (to be validated by the INE when published), and percentage of migration from 2014 / Migration, according to the mentioned source, refers to the “proportion of the population currently living in a place other than their place of birth” / The correlation coefficient between the two variables was 0.5640.

³⁶ Plataforma Infosegura. *La seguridad ciudadana en El Salvador en 2018* (Citizen security in El Salvador in 2018) available at: www.infosegura.org/seccion/el-salvador/. Data for the period 2014-2017.

Map 3. Municipalities with the highest percentage of returnees and violent deaths in El Salvador (2014-2017)



Source: Infosegura (2019), prepared using data from the Directorate General for Migration (DGME), Ministry of Justice and Public Security (MJSP) and the Directorate General for Statistics and Census (DIGESTYC).

Notes: The yellow bullets correspond to 21 municipalities with a very high number and rate of returnees, as well as high levels of violent deaths. These municipalities concentrate 25% of all violent deaths in the country.

The incidence of homicidal violence in certain border and/or coastal transit areas (corridors) could be explained by the fact that they are spaces that are conducive to the emergence of organised crime precisely because of their geostrategic advantages; something that also ties in with the fact that migrant populations or populations in transit (who are not originally from or "do not belong" to such areas) often settle there. In such context, it could be true to say that, once a certain threshold has been exceeded, violence becomes a means for expelling the population that is a victim of such violence.³⁷ Additionally, in the absence of opportunities in the broader sense (economic, social, etc.), belonging to organised criminal gangs ends up representing one of the few alternatives available (particularly for young people). Thus, certain contexts are a breeding ground for the growth of complex migratory dynamics (both incoming and outgoing) that are also characterised by the high levels of violence associated with organised crime. Indeed, a report quoting the North American criminologist Hagedorn (2006) lists some of the factors which have contributed to the globalisation of gangs, including "economic polarisation, increasing inequality and the marginalisation of entire sectors of society" and migratory flows which have "contributed to the

³⁷ This is confirmed by Amnesty International's report 2017/2018 which states that, in the case of Honduras, for example, widespread violence remains a key factor in forced migration, page 232; <https://bit.ly/323ge15>
In the case of Guatemala, violence is the fifth most important cause for recent migration since, of the total population living in 2014 in a place different to that in which they were living in 2009, 6.8% attributed migration to violence, placing it above other causes such as studies, lack of work and health. This is clear from data published by ENCOVI 2014, Volume 1, INE (2016), page 37.

creation of ethnic minority and immigrant groups which are marginalised and geographically segregated in enclaves and provide a breeding ground for gangs”.³⁸

Subdomain 2A: Be free from violence including sexual and gender-based violence, domestic violence and violence based on who you are

Other forms of violence

Due primarily to the very high levels of non-reporting to public bodies,³⁹ analysis of inequality in relation to forms of violence other than homicide (such as extortion, kidnapping or property crime) can be more reliable using victimization surveys where people declare the incidents they have been victims of. However, and whilst not detracting from the merits of using such information rather than information from national public bodies,⁴⁰ this means that the result of the analysis should be taken with caution.⁴¹ In this regard, Bergman (2006) suggests that, particularly in the case of data from cross-sectional victimization surveys, such data may suffer inaccuracies due to, among other reasons, “variations in tendencies to under-report violence or over-report property crime within and across countries”.⁴² Furthermore, motivations behind such reporting inaccuracies may vary across countries.⁴³ Another element to consider when interpreting the results of non-homicide violence victimization surveys is the fact that they often provide aggregate information on a range of different of crimes.

By using such surveys and victimization rates or percentages, it was possible to obtain nationally disaggregated information on other forms of violence for all typical disaggregation variables, with the exception of ethnicity or race. Detailed information is presented below, with the exception of disaggregation on the basis of *age*, as the data does not provide a clear picture of inequalities in non-homicidal violence by life cycle.⁴⁴ Moreover, as in the case of homicides, the inequality analysis was supplemented by correlation studies in order to detect possible relationships between the rate or percentage of victimization at subnational levels (departments or provinces) and specific

³⁸ Demoscopía. *Maras y pandillas, comunidad y policía en Centroamérica* (Maras and gangs, community and police in Central America). Guatemala; 2007. p. XII.

³⁹ In the case of Guatemala, in 2014, for example, almost 70% victims of assault, 72.6% of victims of theft, 68% of victims of extortion (the most common crimes for that year) and 66.8% of the victims of rape or physical abuse did not report the crime to any authority, data from Guatemala’s ENCOVI 2014, pages 93, 95, 97 and 99). According to the same source, in the case of assault, robbery and extortion the lack of reporting is due to low confidence in the effectiveness of the institutions (respondents did not believe that reporting would be useful) and/or fear of reprisals.

⁴⁰ See page 9 www.vanderbilt.edu/lapop/ab2014/AB2014_Comparative_Report_Spanish_V1_Rev_111417_W.pdf

⁴¹ Although surveys entail sampling errors which the survey design attempts to limit (and, because it can never be perfect, a specific level of confidence must always be assumed), and, additionally, they are subject to the fluctuations in human nature and perceptions.

⁴² See Zechmeister (2014), page 10 : <https://bit.ly/2wsJHWu>;

⁴³ Ibid.

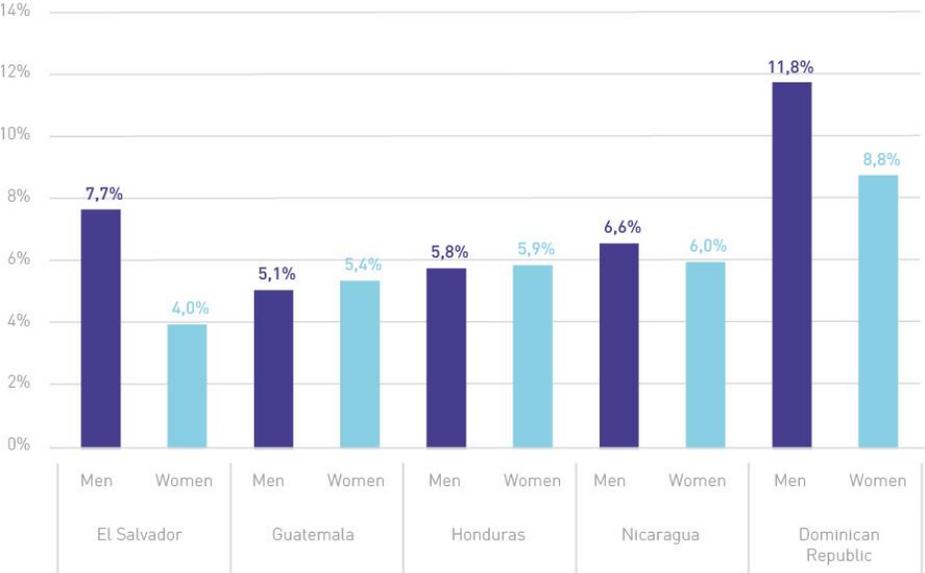
⁴⁴ According to information from the *Latinobarómetro 2018* surveys, there appears to be higher victimization among young people and young adults: in both Guatemala and Honduras, the age group most affected was 15-25 years and, in the case of El Salvador and the Dominican Republic, 26-40 years. The exception was Nicaragua, where those reporting being most affected were between the ages of 41 and 60. A common element across all CARD countries is that the age group reporting the lowest victimization rate was 61 and above. (To calculate these figures from the survey information, only the replies “you” or “both” to the question “Have you (1) or any relative (2) been assaulted, attacked or been the victim of a crime in the last 12 months?” were considered, i.e. responses indicating that only a relative had been the victim of a crime were not included, as the age of such relative was unknown; disaggregation by age carried out by the source is done only in respect of the person surveyed.)

socioeconomic variables with available data, such as the education index,⁴⁵ percentage of the population living in poverty, the Human Development Index (HDI) and income index, amongst others. Due to significant limitations in information from the sources consulted, it was only possible to carry out such correlation studies for Guatemala and Honduras, and only the most significant correlations are shown.

Indicator(s)	Percentage of victimization ⁴⁶
Disaggregation variable(s)	Sex

Using data for 2018 only, as the most recent year for which information was obtained, there is no uniform pattern for all CARD countries on gender inequality gaps in victimization by non-homicidal violence (see Figure 12), although anti-male bias in victimization by such forms of violence is identified in El Salvador and the Dominican Republic, and to a lesser extent in Nicaragua.

Figure 12. Percentage of victimization in CARD, by sex (2018)



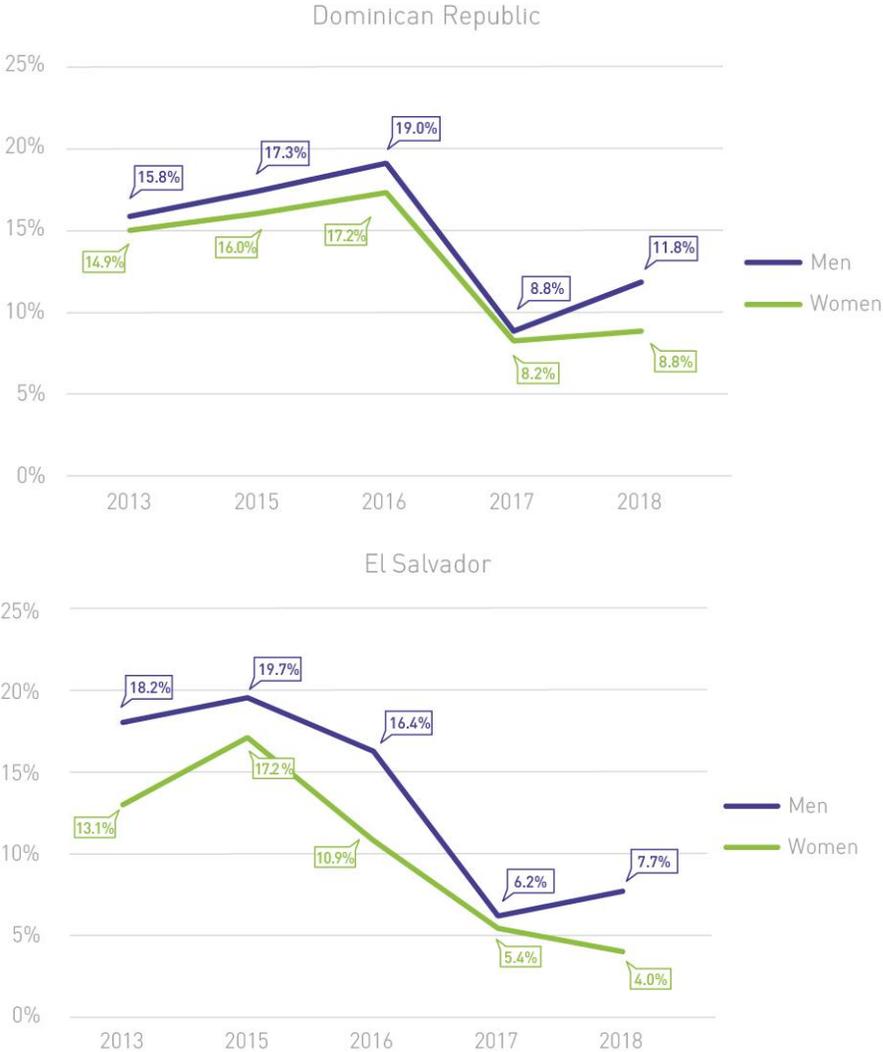
Source: Prepared by the authors, based on data from Latinobarómetro, 2018.
Note: Only the replies “you” or “both” to the question “Have you (1) or any relative (2) been assaulted, attacked or been the victim of a crime in the last 12 months?” were considered (see note 42).

⁴⁵ The education index refers to the education component included in the measurement of the HDI, which is a subcomponent of the said indicator, as is the income index.

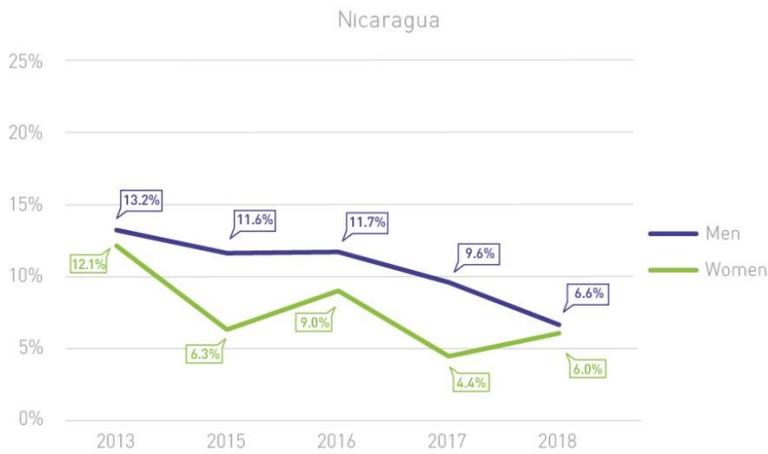
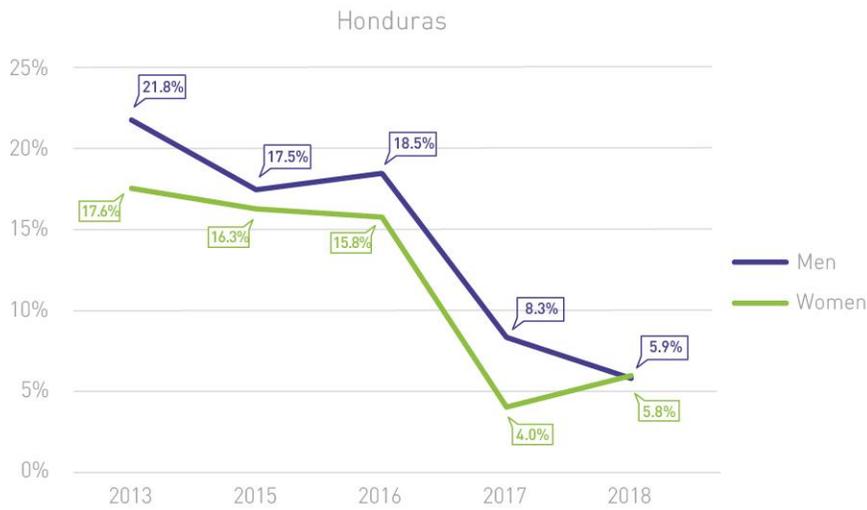
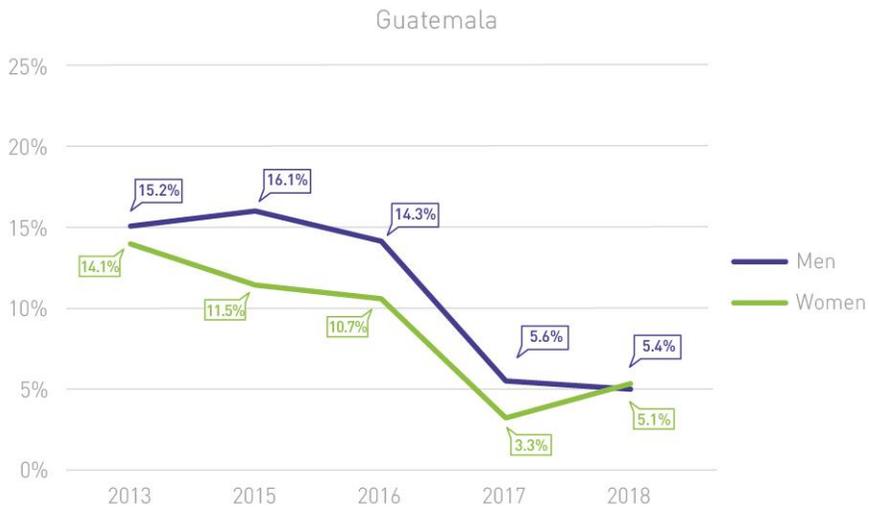
⁴⁶ The percentage of victimization refers to the number of persons, out of every 100, responding in the affirmative to the question of whether they were the victims of crime in the 12 months prior to the survey. To calculate this using data from the *Latinobarómetro 2013-2018*, only the replies “you” or “both” to the question “Have you (1) or any relative (2) been assaulted, attacked or been the victim of a crime in the last 12 months?” were considered, i.e. responses indicating that only a relative had been the victim of a crime were not included.

In a broader perspective, the gender gap⁴⁷ against men in terms of victimization in all CARD countries seems to be more marked: it was men who reported, to a greater extent, being victims of crime in 2013 and in each of the years between 2015 and 2017. This trend was only very slightly reversed in two countries (Guatemala and Honduras) in 2018 (see Figure 13). It should be noted, however, that the gender gap in terms of violence reported by individuals has been closing in recent years in the countries of the subregion (with the exception of El Salvador and the Dominican Republic).

Figure 13. Percentage of victimization in CARD, by country and sex (2013-2018)



⁴⁷ Unless otherwise specified, it is assumed throughout this report that gender gap implies a bias against women.



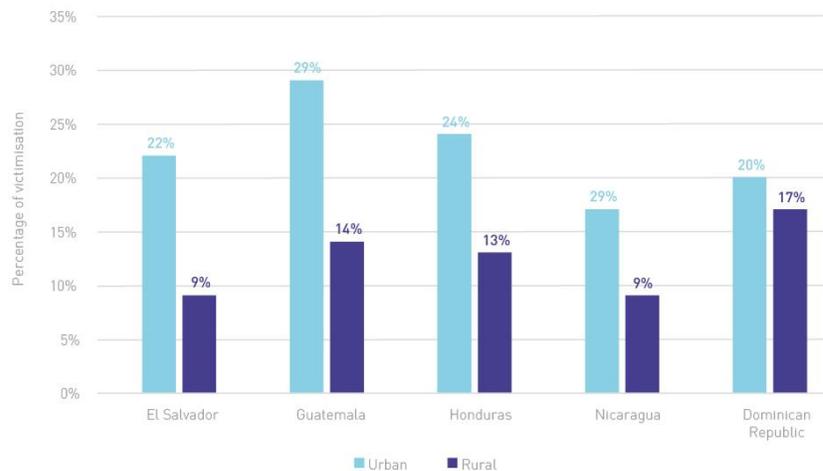
Source: Prepared by the authors, based on data from Latinobarómetro.

Note: Only the replies “you” or “both” to the question “Have you (1) or any relative (2) been assaulted, attacked or been the victim of a crime in the last 12 months?” were considered, i.e. responses indicating that only a relative had been the victim of a crime were not included, as the sex of such relative was unknown; disaggregation by sex carried out by the source is done only in respect of the person surveyed.

Indicator(s)	Percentage of victimization
Disaggregation variable(s)	Geographical area of residence

Greater clarity in patterns of inequality in this area is evident in relation to geographical area of residence and, as will be seen below, level of education. Thus, in all CARD countries the percentage of victimization through other forms of violence is higher in urban than in rural areas. The cases with the most extreme gaps were El Salvador and Guatemala. For example, El Salvador shows a percentage of victimization in urban areas of 22 percent, compared to 9 percent in rural areas⁴⁸ (see Figure 14).

Figure 14. Percentage of victimization, by geographical area of residence



Source: Prepared by the authors, based on data for 2012, taken from the Regional Human Development Report 2013-2014. Citizen Security with a Human Face: Evidence and Proposals for Latin America. UNDP (2013), page 28, Table 2.8.

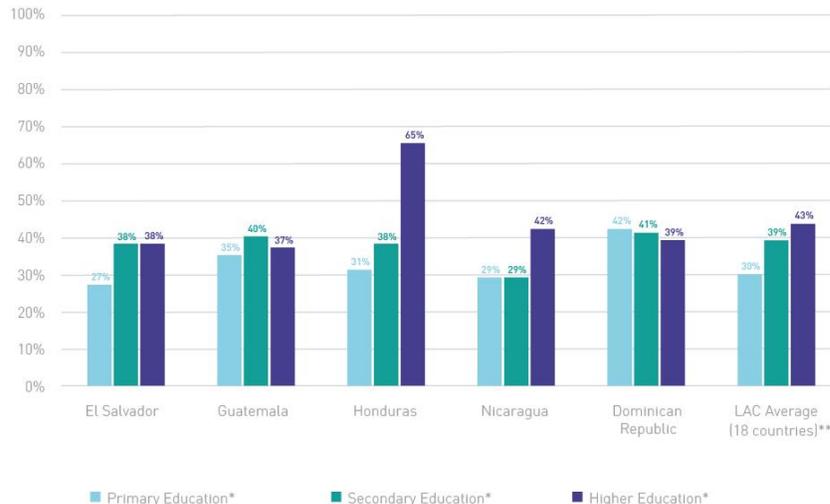
Indicator(s)	Percentage of victimization
Disaggregation variable(s)	Level of education

In general terms (with the exception of the Dominican Republic and with nuances in the case of Guatemala), there seems to be a higher percentage of victimization as levels of education grow. The most extreme inequalities were found in Honduras, where 3 out of every 10 people with primary education were victims of some crime, compared to nearly 7 out of every 10 in the case of those with higher education⁴⁹ (see Figure 15).

⁴⁸ According to data from the Regional Human Development Report 2013-2014. Citizen Security with a Human Face: Evidence and Proposals for Latin America. UNDP (2013), page 28, Table 2.8, available at: <https://bit.ly/2vHlqvm>

⁴⁹ Based on data from CEPALSTAT, 2018 (which is based on data from surveys carried out by Latinobarómetro).

Figure 15. Percentage of victimization in CARD, by level of education (2016)



Source: Prepared by the authors, based on data from CEPALSTAT, 2018 (which is based on data from surveys carried out by Latinobarómetro). *Whether finished or not **Simple average

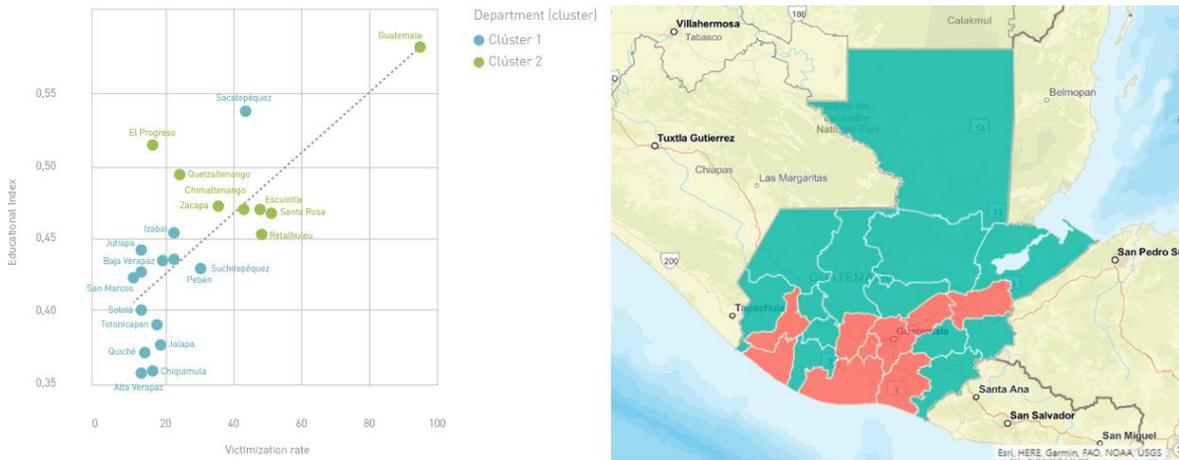
Indicator(s)	Rate of victimization and percentage of victimization ⁵⁰
Disaggregation variable(s)	Department and level of education (education index); department and percentage of the population living in poverty; department and human development index; department and income index

The correlations carried out show that in both Guatemala and Honduras there appears to be a bias in violence (not counting homicidal violence) against departments with higher levels of education (see figures 16 and 17, as well as Maps 4 and 5). Similar correlations were found in Guatemala, where departments with a lower percentage of the population living in poverty showed a higher victimization rate (see Figure 18). This latter rate was also higher, in general, in departments within the country with higher HDI, and higher income index. These results are consistent between them.⁵¹

⁵⁰ The victimization rate is the number of persons who reported having been victims of violence in the twelve months prior to the collection of information, per 1,000 inhabitants. This indicator was used for calculating correlations in Guatemala, with data for 2014 taken from the National Survey on Living Conditions (ENCOVI) 2014 (INE, 2016), page 101. In Honduras the percentage of victimization was used instead, which refers to the number of persons per 100 replying in the affirmative to the question of whether they were victims of crime in the twelve months prior to the collection of information. For Honduras, data for 2018 was used, taken from the 2018 report *Percepción Ciudadana sobre Inseguridad y Victimización en Honduras* (Citizen Perceptions on Insecurity and Victimization in Honduras), published in 2019 by the Institute for Democracy, Peace and Security of the Autonomous University of Honduras.

⁵¹ For Honduras, correlations were calculated between the victimization rates within departments and each of these variables at department level: income index and HDI, population and population density. The results show what can be considered a strong relationship (of 0.60 or above) only for the education index (where correlation was 0.6832), average for population density (0.4943) and HDI (0.4418) and very weak or practically inexistent for population and income index. For Guatemala, strong correlations were found for the following variables: percentage of the population living in poverty (-0.8080), average years of schooling for population aged 15 and over (0.7679), HDI (0.7427), income index (0.7400), education index (0.7261), urbanization (percentage of the population living in urban areas) (0.7153) and literacy rate (0.6786). This implies that, in general, levels of victimization in this country tend to be higher in departments with a lower percentage of the population living in poverty, as well as in departments with higher levels of education, HDI, income index and urbanisation, which is consistent between them.

Figure 16 (and Map 4). Victimization rate and education index in Guatemala, by department (clusters)



Source: Prepared by the authors, based on data for education index 2014 taken from the UNDP National Human Development Report for Guatemala (2016) and data for victimization rate from the National Survey on Living Conditions (ENCOVI) 2014, Volume 1 (INE, 2016), page 101.

Figure 17 (and Map 5). Percentage of victimization and education index in Honduras, by department (clusters)

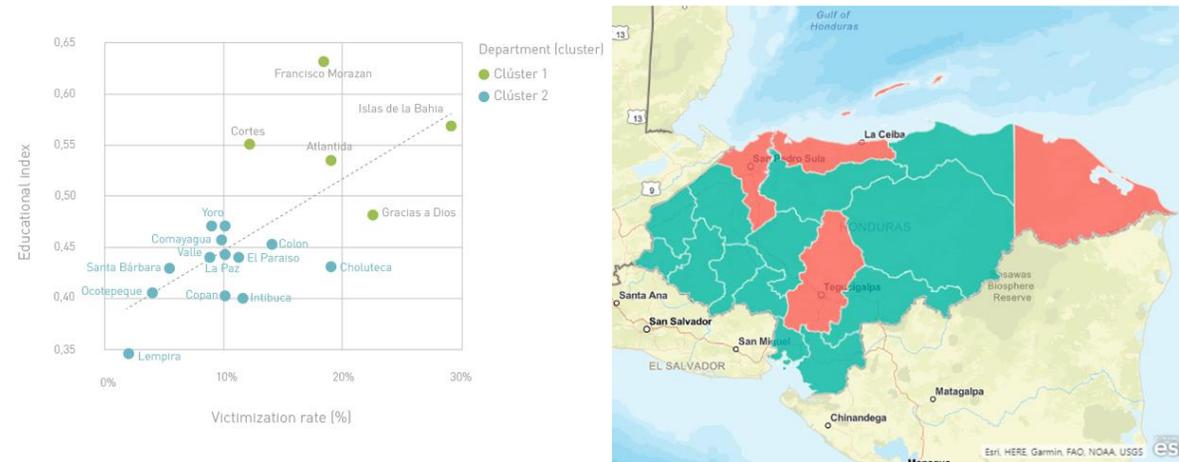
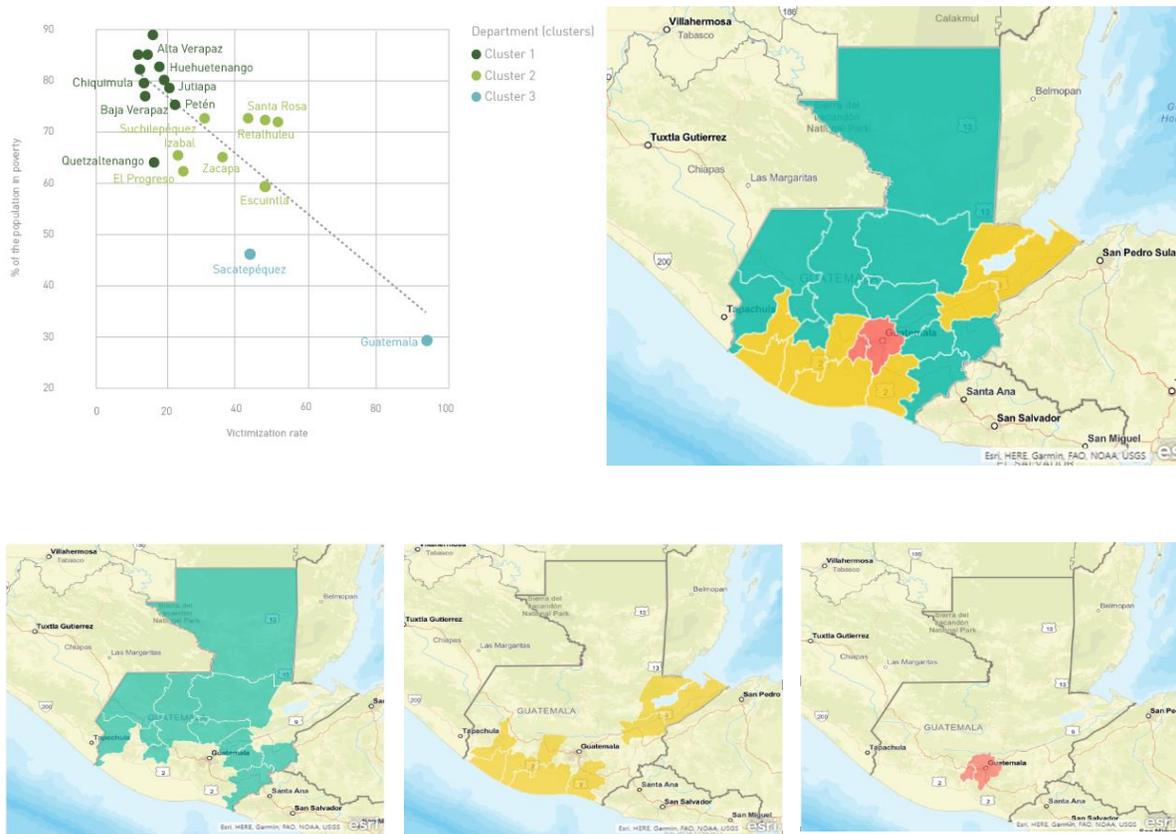


Figure18 (and Map 6). Victimization rate and percentage of the population living in poverty in Guatemala, by department



Source: Prepared by the authors, based on data for victimization taken from the National Survey on Living Conditions (ENCOVI), 2014 (INE, 2016), page 101, and data on the incidence of multidimensional poverty from the National Human Development Report for Guatemala (UNDP, 2016).

Analysis of the clusters identified in Map 6 for Guatemala shows:

- Cluster 1: departments with high levels of poverty but low victimization rates. All of the country's border departments are in this cluster, except for Izabal and Zacapa, which are in Cluster 2.
- Cluster 2: departments with somewhat lower (though still high) poverty levels and higher rates of victimization. All coastal departments, except for Jutiapa and San Marcos (which have a very limited coastline and are, at the same time, border departments), are in this cluster, including Izabal, which borders on Honduras.
- Cluster 3: departments with poverty levels below 50 percent but with victimization rates above 40 per 1000 inhabitants (and as high as 94.2 for the department of Guatemala, where the country's capital is located).

Sexual violence

The main victims of sexual aggressions in CARD are women. This is what the evidence and analysed data show.⁵² Nevertheless, information relating to men on this subject is generally very scarce.⁵³ For this reason, analysis on this form of crime is carried out only for women.

To improve the analysis by disaggregation variables, information provided by national survey reports from the last available year was used. In this way, it was possible to obtain disaggregated information for all the typical disaggregation variables. However, this analysis could only be carried out in three of the five countries in the study (Guatemala, Honduras and the Dominican Republic). Here too, the information provided should be taken with caution, since surveys usually imply a certain degree of underreporting, given the sensitivity of the subject; particularly (though not exclusively) in the case of girls and younger women, as well as indigenous women. In addition, the surveys are not all completely homogeneous.

Analysis of the information available indicates that there are certain atypical variables in CARD (Guatemala, Honduras and Dominican Republic) that could be associated to social gender roles and explain the inequality gaps between women victims of sexual violence, such as the number of children, macho attitudes of partner or husband, alcohol consumption, the woman's marital status, or the history of physical violence within the victims' own family.⁵⁴ This is an important aspect, given its inherent added value for the design of improved and more comprehensive initiatives to combat the incidence of sexual violence in the subregion.

Furthermore, according to the information analysed, neither the employment status nor the level of education of the victim provides full protection for women who have been sexually abused in Guatemala and the Dominican Republic. These variables were considered atypical and merit special mention because they point to a certain tendency to assume that investment in education or improved economic

⁵² Of the CARD countries, in terms of victimization surveys, it was found that in Guatemala 8.4% of women aged 15-49 had experienced sexual violence at some point in their lives at the time of the survey, compared to 1.4% of men in the same age range, according to the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 495.

Moreover, in terms of reporting statistics, there was an overwhelming bias against women in terms of sexual violence for El Salvador and Nicaragua: in 2017 in El Salvador, 92% of the victims of sexual violence were women and only 8% were men, while in Nicaragua, 90.6% of victims under 18 with evidence of bodily harm from sexual violence were women, according to data from the Report on Acts of Violence against Women, El Salvador 2016 and 2017, published by the Ministry of Justice and Public Security and the Directorate General of Statistics and Census (2018), page 69, and the Study on Physical, Sexual and Psychological Violence against Children and Adolescents in Nicaragua: Forensic Medical Approach 2016-2017, by the Institute of Forensic Medicine, respectively. However, the latter data should be taken with some caution given that, as already mentioned in this report, there tends to be significant under-reporting for statistics based on complaints for crimes in general in these countries, and probably more so in the case of sexual violence because of the social stigma involved.

⁵³ Of all CARD countries, victimization data on this issue in relation to men was only found for Guatemala, while for women information was found for three countries. UNICEF recently published (October 2019) data on men and women aged 18-29 who had experienced sexual violence by age 18. For CARD, it provides data relating to women for 3 countries, whereas data relating to men is provided for only one country (again, Guatemala): rates are 1% for men and 4% for women, confirming the bias against women.

⁵⁴ According to a report published by USAID in 2006 for several countries (including some in CARD), in many of the contexts analysed all of these variables determine a higher incidence of domestic violence against women.

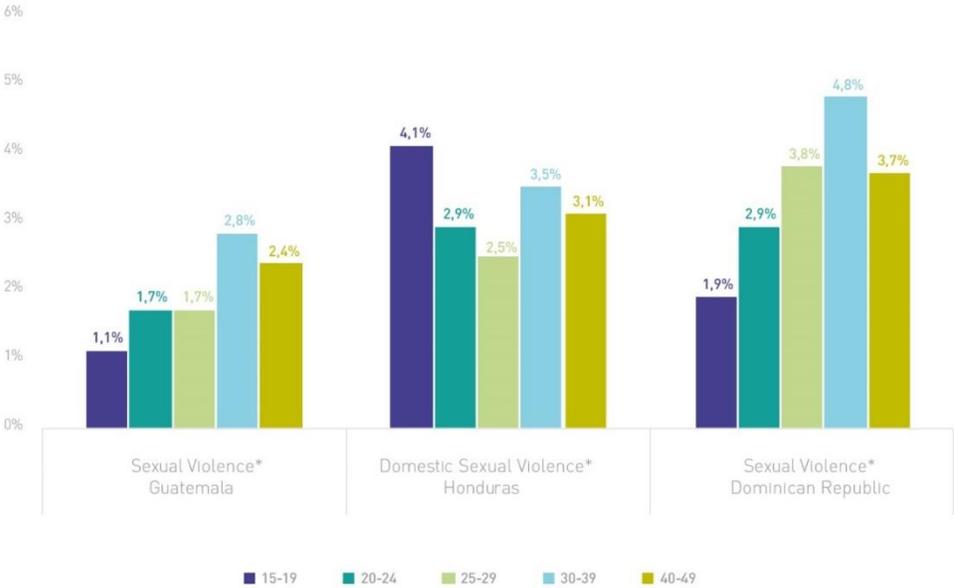
<https://dhsprogram.com/pubs/pdf/OD38/OD38.pdf>

status of the victim (empowering women, without considering the perpetrators) will suffice to reduce the incidence of sexual crimes or, more broadly, the subordination of women in the home and in society in general. A warning that the United Nations already issued in 2015.⁵⁵

Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Age

With the exception of Honduras, in general, the highest rate of victimization from sexual violence among girls and women aged 15-49 is in the 30-39 age group, whilst those in the 15-19 age group have the lowest incidence⁵⁶ (see Figure 19).

Figure 19. Percentage of women who have experienced sexual violence, by age group



Source: Prepared by the authors based on data from a number of national surveys.⁵⁷

Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras⁵⁸ and 2013 for Dominican Republic / Cases of sexual violence refer to women and girls aged 15 to 49 / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * In the 12 months prior to the survey

⁵⁵ United Nations highlights the fact that women across the world, regardless of income, age or education, are subject to physical, sexual, psychological and economic violence. United Nations (2015), Chapter 6, page 139; <http://bit.ly/39TaRnT>

⁵⁶ This takes into account those who were victims of violence in the year before the respective surveys were conducted. Taking into account those who had suffered violence at any time in their lives would have created a bias against older women (who, having lived longer, would be more likely to have been victims of sexual violence at some point in their lives compared to younger women).

⁵⁷ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, page 464; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 276; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, page 324.

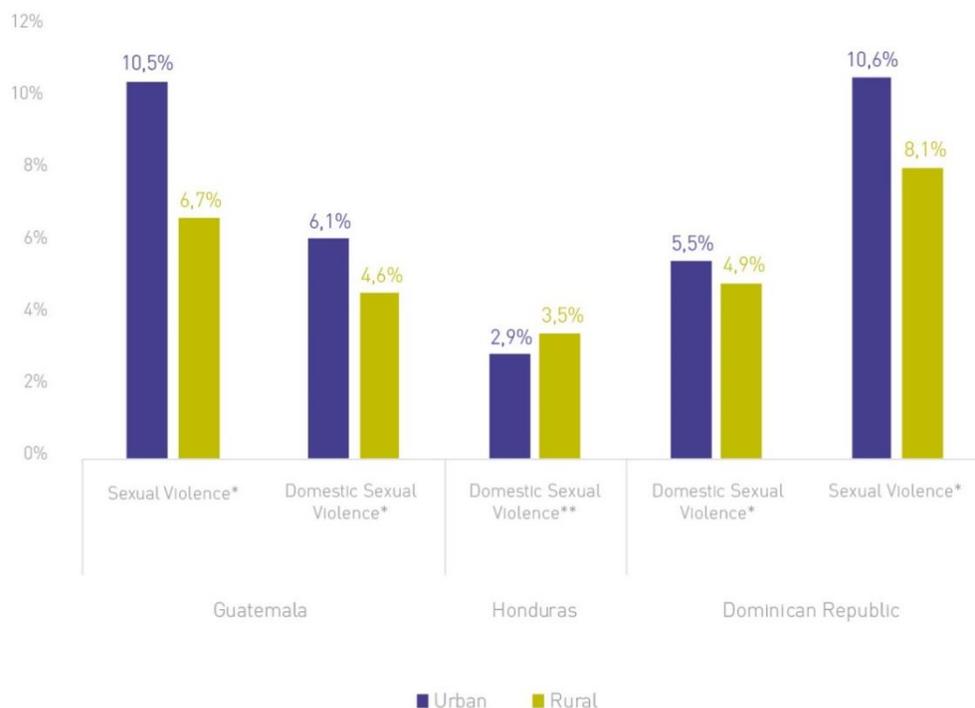
⁵⁸ For Honduras, own calculations were made for the 30-39 and 40-49 age groups, given that the source indicated provides data for five-year age groups. Percentage of women who were victims of sexual violence perpetrated by their husband or partner in the last 12 months in the 35-39 age group is 4.1%, the highest value together with the 15-19 age group.

Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Geographical area of residence

According to the information consulted, rates of sexual violence are higher in urban areas than in rural areas of Guatemala and the Dominican Republic. The difference is smaller for the specific case of domestic sexual violence.

The incidence of sexual violence among girls and women aged between 15 and 49 who have been victims of such violence at least once in their lifetime is 10.5 percent in urban areas compared to 6.7 percent in rural areas (in the case of Guatemala) and 10.6 percent compared to 8.1 percent, respectively, in the Dominican Republic (see Figure 20).

Figure 20. Percentage of women who have experienced sexual violence, by geographical area of residence



Source: Prepared by the authors based on data from a number of national surveys.⁵⁹

Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras and 2013 for Dominican Republic / Cases of sexual violence⁶⁰ refer to women and girls aged 15 to 49 / Cases of domestic sexual violence⁶¹ refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime / ** In the 12 months prior to the survey

⁵⁹ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 466 and 472; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 277; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, pages 324 and 327.

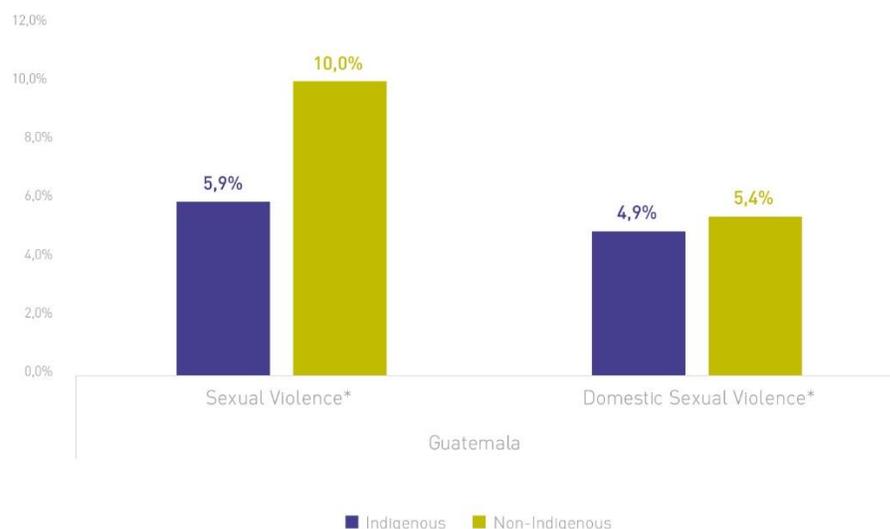
⁶⁰ Percentage of women and girls aged between 15 and 49 who have been victims of sexual violence in general, irrespective of the perpetrator or of the context of the aggression.

⁶¹ Percentage of women and girls aged between 15 and 49 who have at some point been in a relationship and who have been victims of sexual violence perpetrated by their husband or partner.

Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Belonging to an indigenous group

In the case of Guatemala, and in relation to women and girls aged between 15 and 49, the data consulted shows a higher incidence of sexual violence among non-indigenous women than among indigenous women, being 10 percent among the former, which is about 3 or 4 percentage points above the latter, depending on whether belonging to an indigenous group is considered as a traditional concept or through self-identification. The same applies to domestic sexual violence, although the gap in this case is considerably smaller (see Figure 21).

Figure 21. Percentage of women who have experienced sexual violence in Guatemala, having self-identified as belonging to an indigenous group



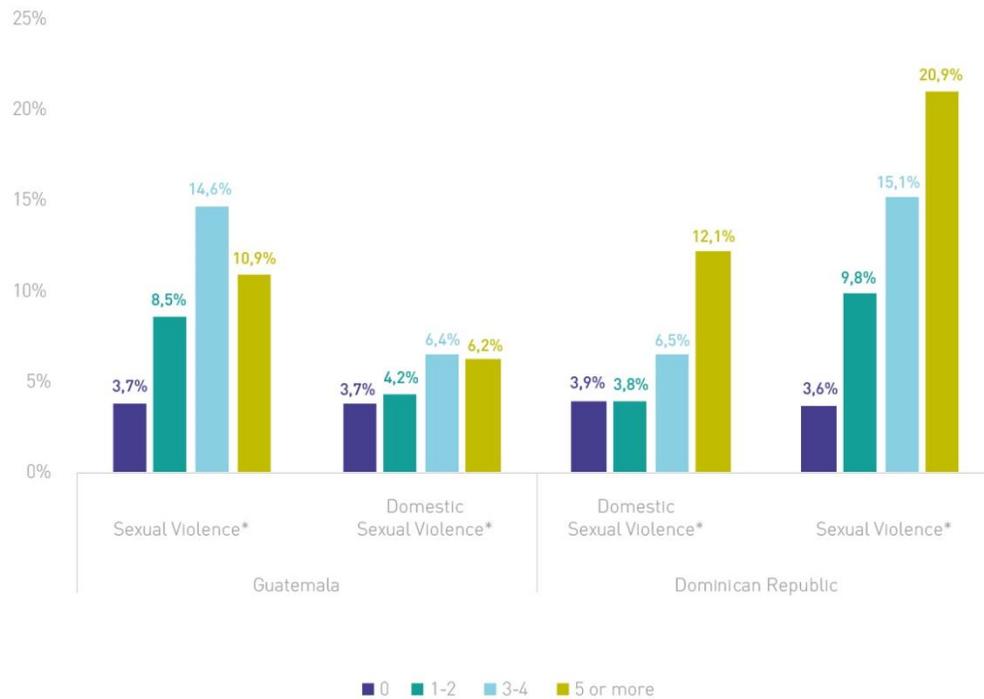
Source: Prepared by the authors, based on data for 2014-2015 from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 470.

Notes: Cases of sexual violence refer to women and girls aged 15 to 49 / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime

Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Number of children

The data analysed indicates that, in general, the incidence of sexual violence in Guatemala and the Dominican Republic tends to increase as the number of children increases. In the case of Guatemala, this is true up to the range of 3 to 4 children, after which there is a slight drop in the incidence of sexual violence (Figure 22).

Figure 22. Percentage of women who have experienced sexual violence, by number of children



Source: Prepared by the authors based on data from a number of national surveys.⁶²

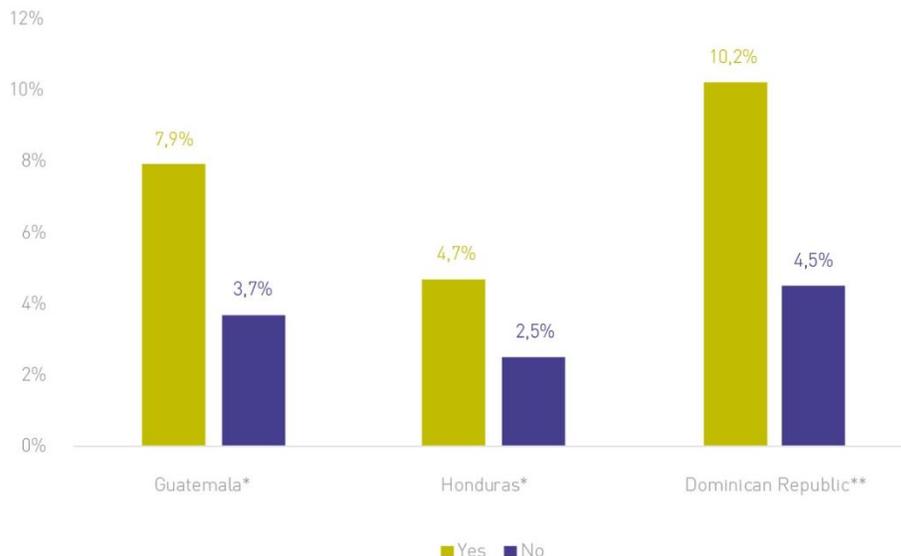
Notes: Data from 2014-2015 for Guatemala and from 2013 for Dominican Republic / Cases of sexual violence refer to women and girls aged 15 to 49 / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime

Indicator(s)	Percentage of women who have experienced domestic sexual violence
Disaggregation variable(s)	Family history of violence

There also appears to be a marked bias in CARD (Honduras, Guatemala and Dominican Republic) against women with a family history of physical violence (Figure 23).

⁶² Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 470; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, pages 324 and 327.

Figure 23. Percentage of women who have experienced domestic sexual violence, based on whether the respondent's father used to beat the mother



Source: Prepared by the authors based on data from a number of national surveys.⁶³

Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras and 2013 for Dominican Republic / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * In the 12 months prior to the survey / ** Whether they have been victims of domestic sexual violence at some point in their lifetime or in the 12 months prior to the survey is not specified

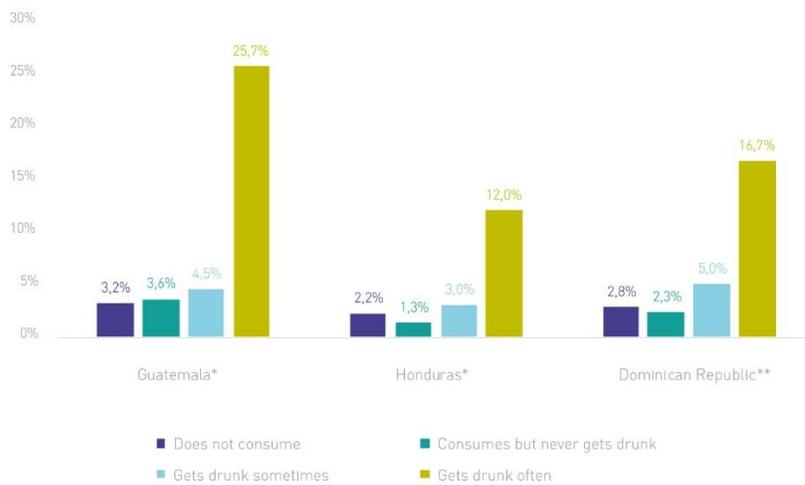
Indicator(s)	Percentage of women who have experienced domestic sexual violence
Disaggregation variable(s)	Behaviour of husband or partner

There would appear to be a link (which in principle seems logical and consistent with other analyses) between sexual violence and husbands or partners who consume alcohol (to the point of getting drunk often) and whether they manifest compulsive controlling behaviours (macho behaviours) (Figure 24).

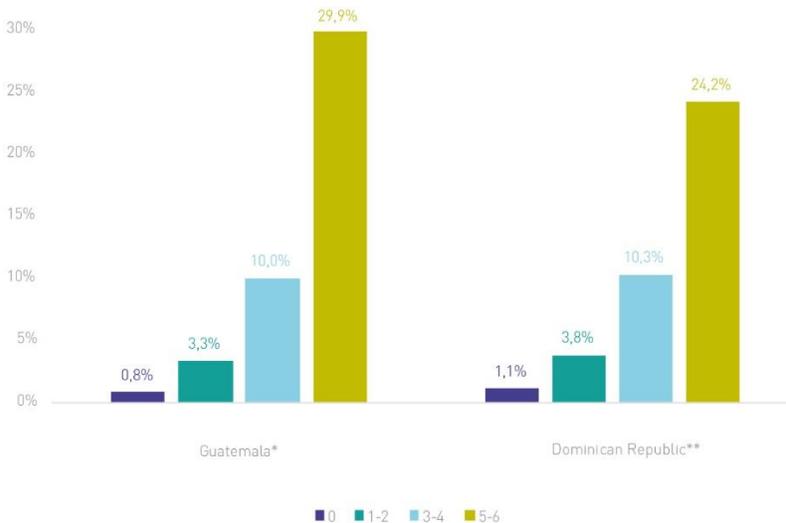
⁶³ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, page 478; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 278; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, page 333.

Figure 24. Percentage of women who have experienced domestic sexual violence, based on behaviour of husband or partner

ALCOHOL CONSUMPTION



NUMBER OF MARITAL CONTROLLING BEHAVIOURS***



Source: Prepared by the authors based on data from a number of national surveys.⁶⁴

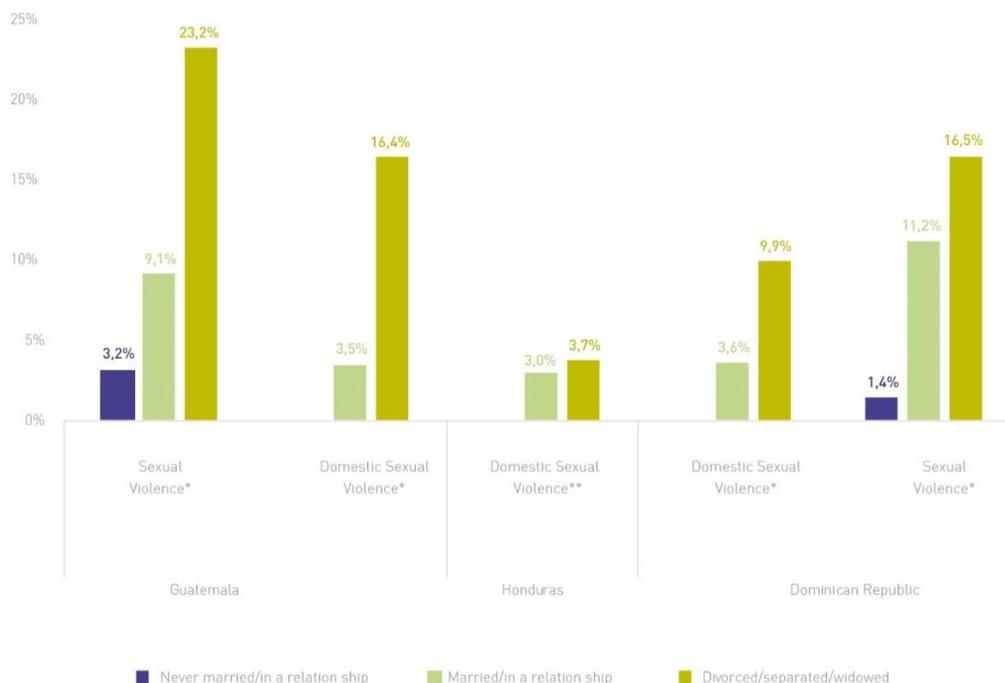
Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras and 2013 for Dominican Republic / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / For Guatemala, the incidence of “Consumes but never gets drunk” was based on a very limited number of observations and is therefore not reliable / * In the 12 months prior to the survey / ** Whether they have been victims of domestic sexual violence at some point in their lifetime or in the 12 months prior to the survey is not specified / *** Marital controlling behaviours are: jealousy or anger when the woman talks with other men, frequent accusations of infidelity, keeping her away from girlfriends, trying to limit contact with her family, constantly demanding to know where she is, or not trusting her with money

⁶⁴ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, page 478; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 278; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, page 333.

Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Marital status

The prevalence of sexual violence also increases among divorced women (compared to women who have never been married / in a relationship or women who are married / in a relationship), and this is true for the three countries analysed (see Figure 25).

Figure 25. Percentage of women who have experienced sexual violence, based on marital status



Source: Prepared by the authors based on data from a number of national surveys.⁶⁵

Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras⁶⁶ and 2013 for Dominican Republic / Cases of sexual violence refer to women and girls aged 15 to 49 / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime / ** In the 12 months prior to the survey

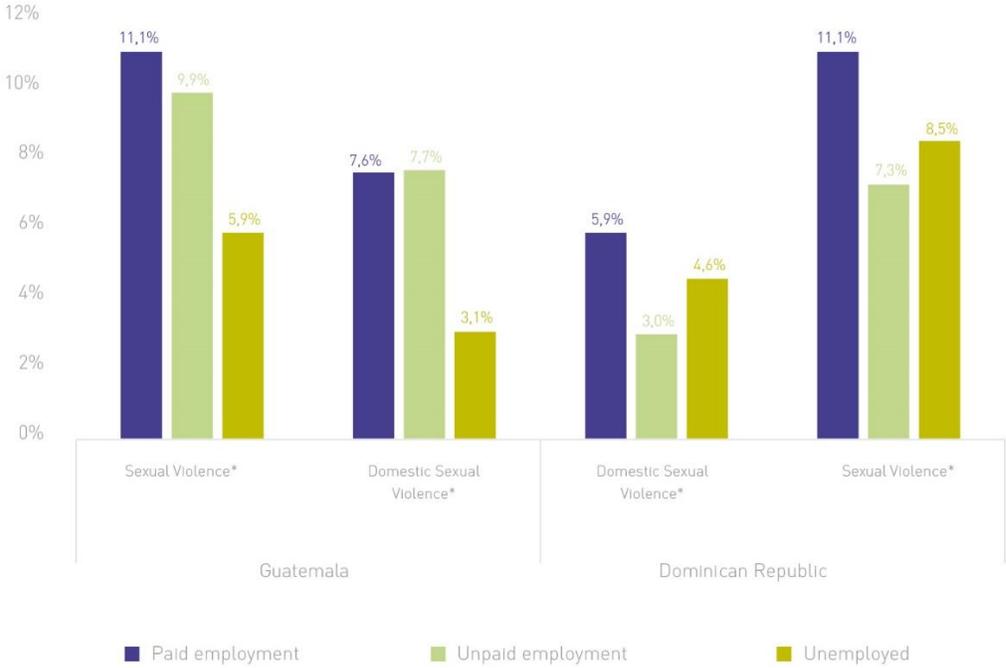
Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Employment status

⁶⁵ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 470; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 276; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, pages 324 and 327.

⁶⁶ For Honduras, own calculations were made for the groups of married women / women in a relationship and women who were divorced / separated / widowed, given that the source indicated provides a more specific breakdown for such categories. If only divorced / separated women are considered in the country, the result is that 4% were victims of sexual violence where the husband or partner was the perpetrator in the 12 months prior to the survey, a figure higher than that for married women, women in a relationship and widows.

The fact of women being in paid employment proved to be a potential risk factor for the incidence of sexual violence crimes in Guatemala and the Dominican Republic (the only countries for which data was available for this variable). The most significant differences were in Guatemala, where the victimization rate of women and girls aged 15 to 49 who have experienced sexual violence and who are in paid employment was 11.1 percent compared to 5.9 percent for unemployed women (see Figure 26).

Figure 26. Percentage of women who have experienced sexual violence, based on employment status



Source: Prepared by the authors based on data from a number of national surveys.⁶⁷

Notes: Data from 2014-2015 for Guatemala, and 2013 for Dominican Republic / Cases of sexual violence refer to women and girls aged 15 to 49⁶⁸/ Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime

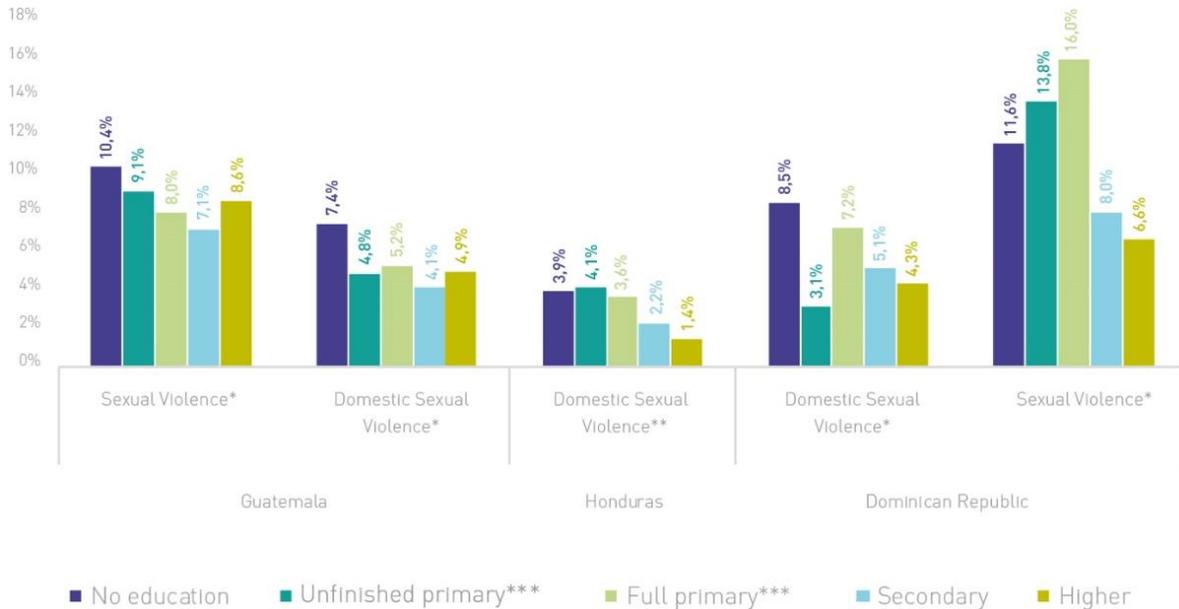
Indicator(s)	Percentage of women who have experienced sexual violence
Disaggregation variable(s)	Level of education of victim and perpetrator

Again, the level of education fails to fulfil its protective role against sexual violence for, although it is generally assumed that the higher the level of education (either of the woman or of the husband or partner among those who have at some point been in a relationship) the lower the incidence of sexual violence will be, in at least two of the countries analysed (Guatemala and the Dominican

⁶⁷ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 470; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, pages 324 and 327. ⁶⁸ If, in the case of sexual violence, victims in the 12 months prior to the survey (rather than victims who experienced violence at some point in their lifetime) are considered, there is still a bias against women in paid employment.

Republic) the fact that the woman has a higher level of education than the husband or partner seems to turn against her (see figures 27 and 28).⁶⁹

Figure 27. Percentage of women who have experienced sexual violence, based on the victim’s level of education



Source: Prepared by the authors based on data from a number of national surveys.⁷⁰

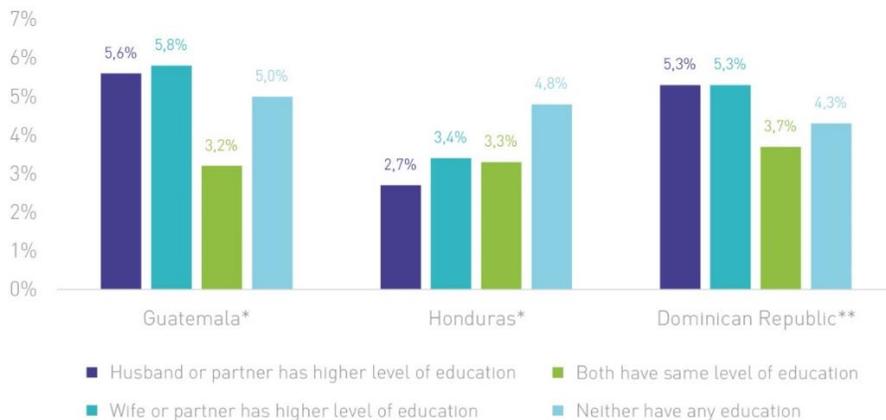
Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras and 2013 for Dominican Republic / Cases of sexual violence refer to women and girls aged 15 to 49 / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * At some point in their lifetime / ** In the 12 months prior to the survey / *** For Honduras, unfinished primary refers to grades 1-3 of primary education, and full primary to grades 4-6. For Dominican Republic, said categories refer to grade 1-4 and 5-8, respectively.

⁶⁹ Conclusion based on data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, page 478; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, page 333.

Notes: Data from 2014-2015 for Guatemala, and 2013 for Dominican Republic / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship and who were victims of such violence with their husband or partner as perpetrator.

⁷⁰ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, pages 464 and 470; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 276; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, pages 324 and 327.

Figure 28. Percentage of women who have experienced domestic sexual violence, based on comparison in the level of education between victim and perpetrator



Source: Prepared by the authors based on data from a number of national surveys.⁷¹

Notes: Data from 2014-2015 for Guatemala, 2011-2012 for Honduras and 2013 for Dominican Republic / Cases of domestic sexual violence refer to women and girls aged 15 to 49 who have at some point been married or in a relationship / * In the 12 months prior to the survey / ** Whether they have been victims of domestic sexual violence at some point in their lifetime or in the 12 months prior to the survey is not specified.

Subdomain 2B. Feel able to travel and use public spaces safely and securely without fear

According to data from surveys carried out by the Latinobarómetro Corporation, published by ECLAC, CARD citizens (El Salvador, Dominican Republic and Honduras) express greater fear of being victims of crime than that expressed, on average, by other citizens in LAC. This has been used as a proxy for the perception of insecurity in public spaces. Particularly striking are El Salvador and the Dominican Republic, where more than half of the population admitted to feeling such fear (54 percent and 51 percent, respectively).⁷² The gender bias against women, though it exists, is not very significant according to the data provided by the Latinobarómetro Corporation.⁷³ In fact, in the case of El Salvador, it is men who express greater fear of being victims of crime. There is also no clear pattern of inequality in the perception of danger according to age in the subregion.⁷⁴ An analysis by level of education provides a better explanation of the inequality gaps for this indicator.

⁷¹ Data for Guatemala from the VI National Mother and Child Health Survey (ENSMI) 2014-2015, published by the Ministry of Public Health and Social Welfare (MSPAS), the National Institute for Statistics (INE) and the Guatemalan Secretariat for Planning and Programming of the Presidency (SEGEPLAN), 2017, page 478; for Honduras, from the National Demographic and Health Survey (ENDESA) 2011-2012, published by the Secretariat of the Office of the Presidency, the National Institute for Statistics and the Health Secretariat, 2013, page 278; and for Dominican Republic from the Dominican Republic Demographic and Health Survey 2013, published by the Centre for Social and Demographic Studies (CESDEM), 2014, page 333.

⁷² Based on data from CEPALSTAT (ECLAC), using information provided by Latinobarómetro (data for 2016).

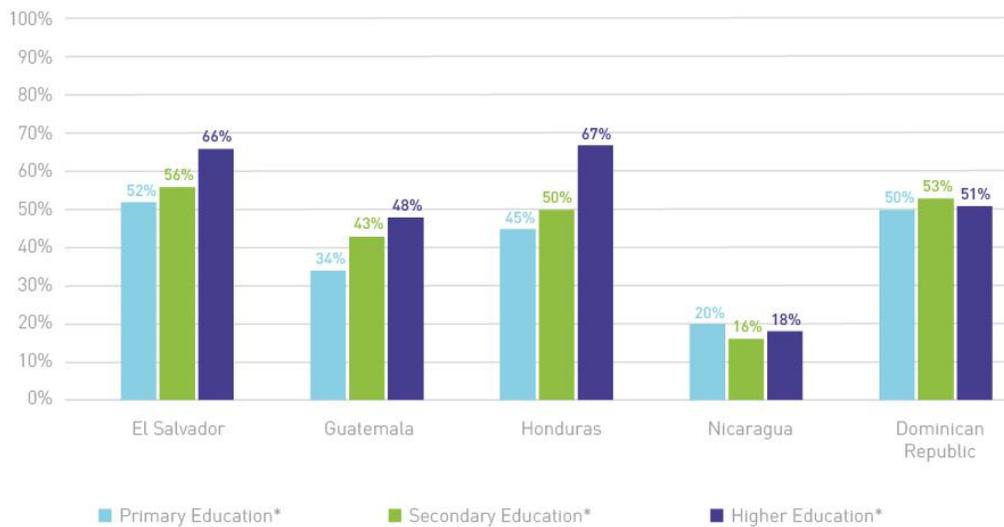
⁷³ Of the five CARD countries, in three (Dominican Republic, Guatemala and Honduras) it was women who expressed greater fear than men of being victims of crime. The most significant differences were found in the first two: in the Dominican Republic, 54% of women reported this fear, compared to 49% of men (and 39% and 34%, respectively, in the case of Guatemala). In Honduras, the differences between the sexes were not as marked, with the figures being 48% and 46% respectively. Nicaragua, on the other hand, was the country with the lowest percentage of the population expressing fear of being victims of crime (19%), with women expressing the same fear as men. (According to data from the 2016 Latinobarómetro, taken from CEPALSTAT/ECLAC).

⁷⁴ With the exception of El Salvador, there seems to be no difference on the basis of age regarding perceptions of violence. The age groups experiencing greater fear of being victims of crime are 30-44 year-olds (in Guatemala and El Salvador) and 45-59 year-olds (in

Indicator(s)	Fear of being a victim of crime
Disaggregation variable(s)	Level of education

In general, there seems to be a tendency in CARD to have a higher perception of violence as the level of education increases. This is particularly true for Honduras (with a difference of 22 percentage points between those with primary and those with higher education). It was also significant (albeit to a lesser extent) for El Salvador and Guatemala (both with a difference of 14 percentage points between the population with primary education and that with higher education, whether full or incomplete) (see Figure 29).

Figure 29. Percentage of people who expressed fear of being a victim of crime in CARD, by level of education (2016)



Source: Prepared by the authors, on the basis of data from ECLAC CEPALSTAT (2018) (with data, in turn, from Latinobarómetro).
Note: * Completed or not completed.

Subdomain 2C. Know you will be treated with equality, fairness and non-discrimination before the law, both in the judicial and police systems and the administrative system.

To enrich the analysis using variables of disaggregation regarding perceptions of confidence in the public security forces and the judicial systems, information provided by the most recent surveys carried out within the framework of the Latin American Public Opinion Project (LAPOP) was used. This made it possible to obtain information for all typical disaggregation variables. However, this information was not analysed for the *age* disaggregation variable since it is assumed that the results could present significant inaccuracies due to the nature of the issue being consulted: in principle, it seems reasonable to believe that the

Honduras and Nicaragua). In the Dominican Republic, both age groups share the highest level of fear. In El Salvador, 61% of 30-44 year olds expressed this fear, compared to 51%-52% in each of the other age groups. Own analysis on the basis of data from CEPALSTAT/ECLAC, using information provided by the Latinobarómetro surveys (data for 2016).

objectivity of opinions regarding the performance of public institutions such as the police and the justice system will vary according to the age and maturity of respondents. This would introduce a non-negligible bias in the responses from the outset (probably greater than in responses on the basis of other variables of disaggregation). Although this report does not analyse atypical variables that could explain the gaps in perceptions on confidence in public security and justice institutions, it should be mentioned that the LAPOP project itself points to their relevance. In El Salvador, for example, the frequency of police patrols, whether police leadership promotes prevention, the perception of insecurity, security problems (incidence of crime), and the size of place of residence were statistically significant predictors of confidence in the police in the latest 2016/17 edition of the survey for the said country.⁷⁵

Confidence in the National Police

With the exception of the Dominican Republic and Nicaragua, less than half of the people interviewed in CARD countries have high or moderate confidence⁷⁶ in the police. The Dominican Republic is the country with the least confidence (32 percent of respondents showed no confidence in the police) and Nicaragua the country reflecting the most confidence (19.5 percent of respondents said they had great confidence in the police). The analysis by disaggregation variables presented below reveals that this perception of trust varies according to the characteristics of the population surveyed.

In CARD in general (Honduras, Nicaragua and the Dominican Republic), women showed much greater confidence in the police than men.⁷⁷ This is a striking fact that should be further analysed given that numerous reports, from a variety of sources, point to the low number of complaints filed by women when they are victims of sexual or domestic violence due to mistrust of state institutions in the countries of the region.⁷⁸ Confidence also increases in rural versus urban areas.⁷⁹

On the basis of education and income, confidence tends to drop as levels of education and household income increase.⁸⁰ With the exception of the Dominican Republic, significant differences emerge between extreme ranges for each of these variables in all CARD countries (see Figure 30). In Honduras, for example, confidence⁸¹ in the police drops by more than 33 percentage points between people with no education and those with a university education, and by more than 28 percentage points between the poorest families (with an income of less than USD 80/month) and the richest (with an income of over USD 551/month).

Finally, perceptions of confidence in the police do not appear to be conditioned by belonging or not to an indigenous population group, with the exception of Nicaragua, where the non-indigenous population shows a greater degree of confidence than the indigenous population.⁸²

⁷⁵ Córdova Macías R, Rodríguez M, Zechmeister E., pages 88-90; <http://bit.ly/2wzw7k8>

⁷⁶ Combining the responses “A lot” and values “5” and “6” from total responses obtained.

⁷⁷ Source: Author's compilation on the basis of data from the AmericasBarometer 2016/17. Processing of responses obtained for Question B18: To what extent do you trust the National Police?

⁷⁸ This could be explained in part by the influence of atypical variables, as mentioned before.

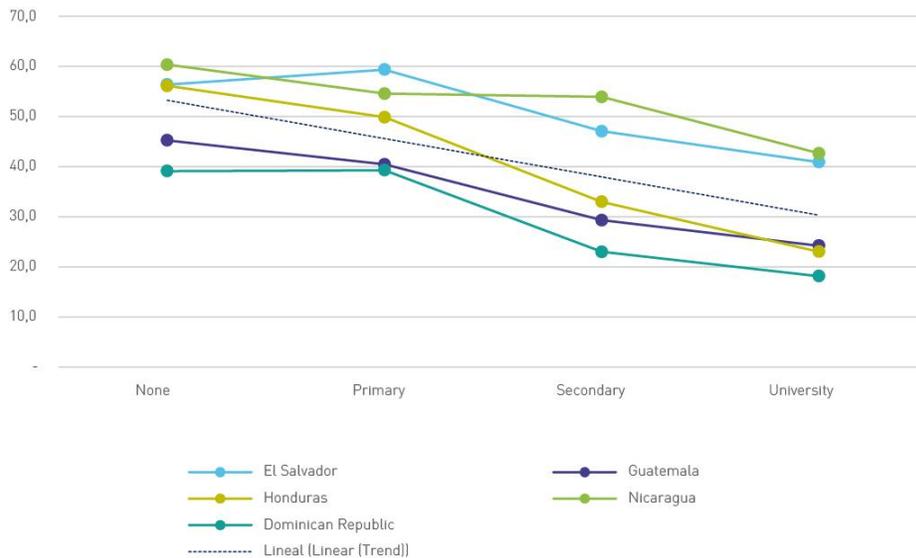
⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Ibid.

Figure 30. Perceptions of confidence in the National Police, by level of education (%)



Source: Prepared by the authors, based on data from the AmericasBarometer 2016/17. Processing of responses obtained for Question B18: To what extent do you trust the National Police?

Confidence in the Judicial System

With the exception of Nicaragua, the majority of respondents in all CARD countries have a total or moderate lack of confidence⁸³ in the ability of the judicial system to punish offenders. The country with the least confidence was El Salvador (where 60.6 percent expressed total or moderate lack of confidence in the justice system).⁸⁴ An analysis based on variables of disaggregation also provides heterogeneous results depending on the characteristics of the population surveyed.

Firstly, perceptions on the effectiveness of the judicial system do not appear to be conditioned by sex, except in the Dominican Republic where women express greater confidence than men.⁸⁵ In general, people living in rural areas express greater confidence than those living in urban areas,⁸⁶ and there are also differences according to levels of education and income. In general, confidence tends to drop as income increases⁸⁷ (see Figure 31), with significant differences between extreme ranges of both variables. In Honduras, for example, confidence in the judicial system drops by more than 44 percentage points between people with no education and those with a university education, and, on simple average, confidence in the judicial system in CARD (El Salvador, Guatemala, Nicaragua and the Dominican Republic) drops by more than 17 percentage points between the poorest families, with incomes of less than USD 80/month, and the richest, with incomes of over USD 551/month.

⁸³ Combining the responses “None” and “Little” from total responses obtained.

⁸⁴ Ibid.

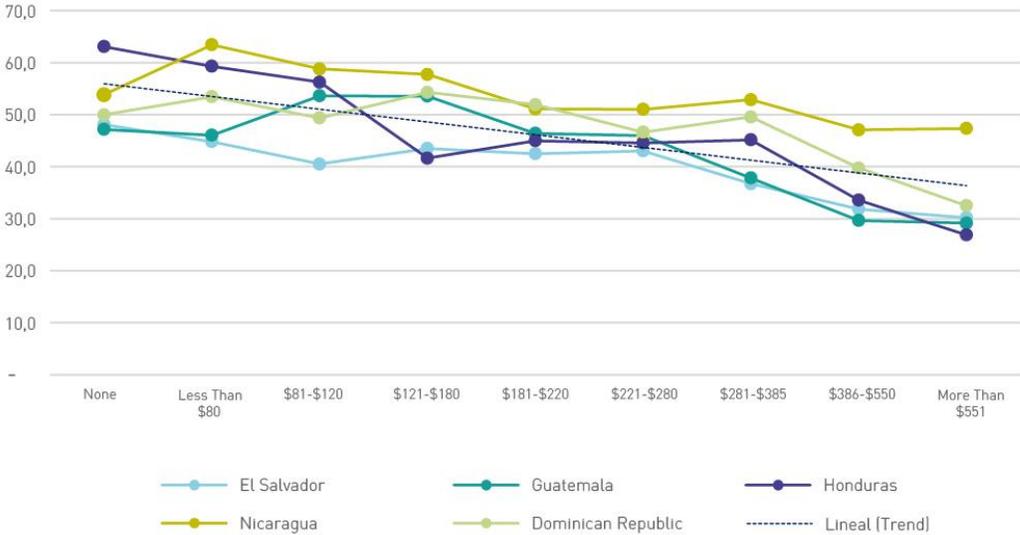
⁸⁵ Combining the responses “A lot” and “Some” from total responses obtained. Source: Prepared by the authors, based on data from the AmericasBarometer 2016/17. Processing of responses obtained for Question AOJ12: If you were a victim of robbery or assault, how much faith would you have that the judicial system would punish the guilty?

⁸⁶ Ibid.

⁸⁷ Ibid.

As in the case of perceptions of confidence in the police, it would appear that the variable relating to belonging or not to an indigenous population group again does not affect perceptions of confidence in the judicial system.

Figure 31. Perceptions of confidence in the Judicial System, by average household income (%)



Source: Prepared by the authors, on the basis of data from the AmericasBarometer 2016/17. Processing of responses obtained for Question AOJ12: If you were a victim of robbery or assault, how much faith would you have that the judicial system would punish the guilty?

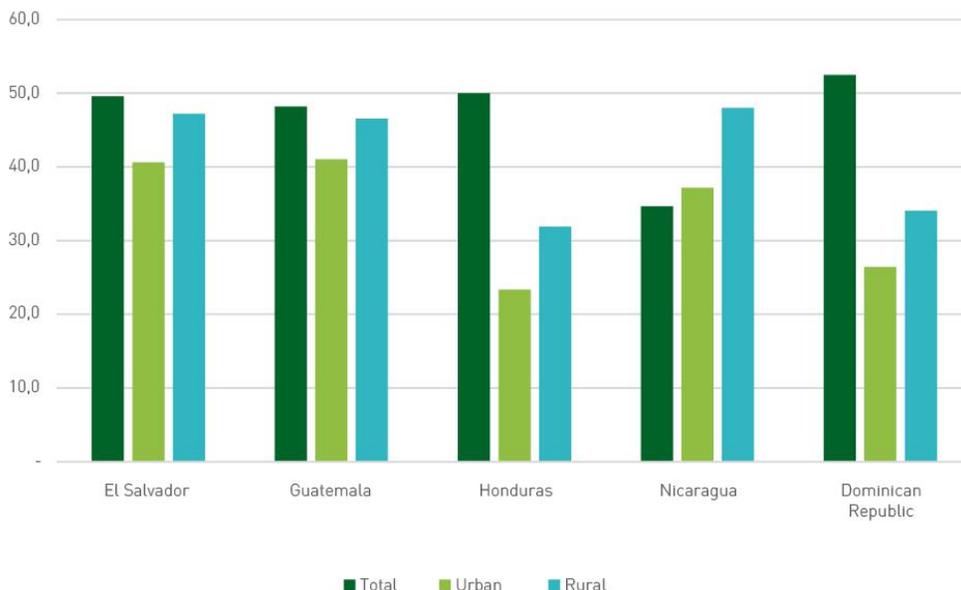
Confidence in the Courts of Justice

Excluding Nicaragua, the perception of confidence in the fairness of trials by the courts is polarised (on simple average, 50.2 percent of respondents have little or no confidence⁸⁸ in the fairness of the courts of justice). In Nicaragua, less than 35 percent of respondents have little or no confidence in the fairness of the courts (41 percent have high or moderate confidence).⁸⁹ In this case, analysis by variables of disaggregation shows considerable similarity with the findings on inequalities in perceptions of confidence in the performance of the national police and the judicial systems of the countries in the subregion.

On the basis of sex, and as is the case with confidence in the police, women in CARD show greater confidence⁹⁰ in the fairness of trials by the courts of justice than men; there is clearly also greater confidence in rural areas compared to urban areas (Figure 32).⁹¹ Confidence drops as the level of education of respondents increases in all CARD countries except Nicaragua, where confidence tends to drop as household income increases.⁹² Lastly, here again there is no clear pattern in terms of the perception of the effectiveness of the courts of justice based on belonging or not to an indigenous population group.

⁸⁸ Combining the responses “Not at all” and values “2” and “3” from total responses obtained.
⁸⁹ Combining the responses “A lot” and values “5” and “6” from total responses obtained.
⁹⁰ Source: Prepared by the authors, based on data from the AmericasBarometer 2016/17. Processing of responses obtained for Question B1: To what extent do you think the courts in (country) guarantee a fair trial?
⁹¹ Ibid.
⁹² Ibid.

Figure 32. Perceptions of confidence in the Courts of Justice, by geographical area (%)



Source: Prepared by the authors, based on data from the AmericasBarometer 2016/17. Processing of responses obtained for Question B1: To what extent do you think the courts in (country) guarantee a fair trial?

KEY TARGETS in gaps in violence (subdomains 1B and 2A)

- There is a strong homicidal bias against men in all CARD countries.
- There is also a marked age gap in terms of homicides in CARD (particularly in El Salvador and to a lesser extent in the Dominican Republic), with the main targets of homicidal violence being male adolescents and young men between the ages of 15 and 44.
- To a large extent, border and/or coastal transit areas (corridors) are identified as contexts of high incidence of homicidal violence in the countries of the Northern Triangle.
- In all CARD countries, self-reported victimization by other forms of violence (excluding homicides) is higher in urban than in rural areas. Furthermore, there appears to be a higher percentage of self-declared victimization due to non-homicidal violence in CARD (with the exception of the Dominican Republic, and with some nuances in the case of Guatemala) as levels of education increase.⁹³
- In CARD (Guatemala, Honduras and the Dominican Republic), women with more children, divorced women, women with a history of family violence and women whose partners consume alcohol and manifest controlling behaviours are the majority of victims of sexual violence in the countries analysed.

⁹³ These findings are consistent with other analyses carried out by the LAPOP project for LAC. Thus, the 2014 survey round of the AmericasBarometer analyses victims of crime by place of residence – urban or rural – and wealth. One of the reports for such round states: “results show that respondents living in urban locations are almost twice as likely to be victims of crime as respondents living in rural locations (19.07% vs. 11.17%), which is in line with conventional views and expectations. Also, as quintiles of wealth increase, the likelihood of reporting having been the victim of a crime increases. The results display a linear relationship rather than a tapering off effect or a diminishing return once wealth reaches a certain point. Thus, on average across the Americas, wealth is simply and positively related to reported crime victimization”. Hence, “those living within an urban setting and having higher education levels are more likely to report being a victim of crime. Wealthy individuals are also more likely to report...”; pages 26-27; <http://bit.ly/2HFD5Gs>

KEY TARGETS in gaps in perceptions of safety in public spaces and confidence in the police and the judicial systems (subdomains 2B and 2C)

- In CARD, citizens in the higher socioeconomic strata, with higher levels of education and living in urban areas, express less confidence in the police and the justice system than those in the lowest socioeconomic strata, who have lower levels of education and live in rural areas. This appears to be largely consistent with the findings presented regarding patterns in the prevalence of non-homicidal violence in the subregion. In fact, it should be noted that for the specific case of the disaggregation variable "level of education", the data consulted and analysed also indicates that, in general, as the level of education of CARD citizens increases, so does their perception of fear of being a victim of crime, and this could also be a reflection of the lower degree of distrust of such population groups in the public security forces and the judicial systems.
- In CARD (Honduras, Nicaragua and the Dominican Republic), women express much greater confidence in their national police and in the fairness of the courts of justice than men. However, it does not appear that sex determines greater or lesser confidence in relation to the ability of the justice system to punish those guilty of crimes (except in the Dominican Republic, where women express greater confidence than men).

Domain 3. Education and Learning. Inequality in the capability to be knowledgeable, to understand and reason, and to have the skills to participate in society

Domain 3 of the Multidimensional Inequality Framework (MIF), on **education and learning**, addresses the inequalities that people may experience in their capability to have knowledge, understanding and reasoning, and to have the skills necessary to participate in society. Within this, it analyses a number of subdomains or issues, including access to education and quality of education.

The immediate optimism generated by the recognition that gender gaps in education are closing, as will be evidenced later, must be put in context, given that the average level of education in CARD is low and education is still far from being a tool that sustains the wellbeing of the population.

Information from ECLAC, the State of the Region Programme, the Center of Distributive, Labor and Social Studies (CEDLAS) and the World Bank enabled the compilation of a general overview of the state of access to education through typical disaggregation variables. However, systematic information on inequalities in access to quality education is very limited. It was therefore only possible to analyse this aspect by geographical area of residence and income levels of young students in Guatemala, Honduras and the Dominican Republic using information provided by the OECD's Programme for International Student Assessment (PISA).⁹⁴

Subdomain 3A. Obtain knowledge, understanding and reasoning through access to education and training

Access to education

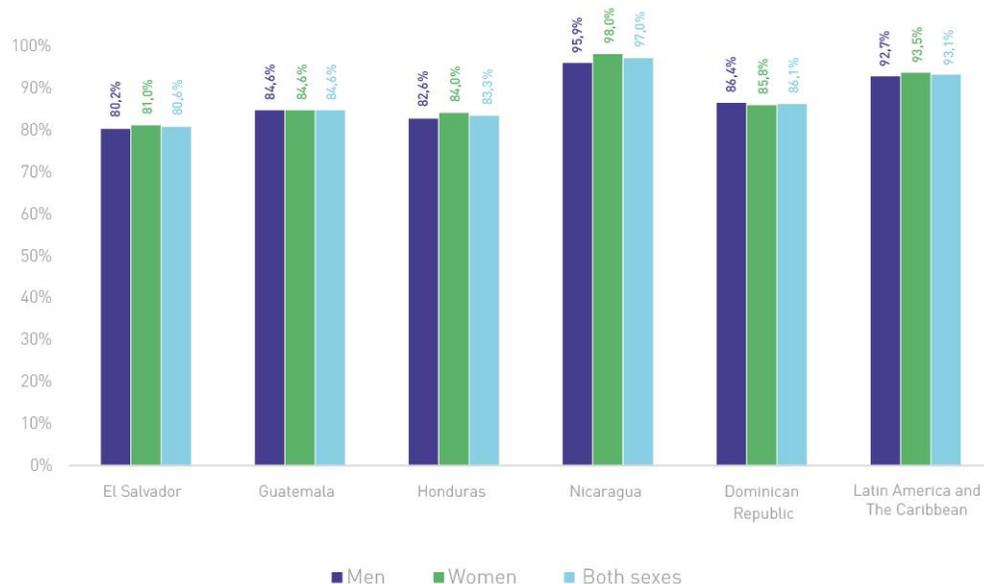
Indicator(s)	Net rate of enrolment in primary and secondary education
Disaggregation variable(s)	Sex and Sex/belonging to an indigenous population group

The gender gap in net coverage for primary education in CARD is very small, i.e. enrolment rates for boys and girls of official primary school age are similar, and there is even a positive bias in favour of girls in Nicaragua, Honduras and El Salvador.⁹⁵ However, with the exception of Nicaragua, net enrolment rates in primary education are lower in the subregion than in LAC as a whole.

⁹⁴ PISA is the OECD's Programme for International Student Assessment, a test applied to 15-year olds who are close to completing compulsory education with the aim of measuring their level of knowledge and skills to enable them to participate fully in society. The test covers three main areas: reading, mathematics and science.

⁹⁵ Prepared by the authors, based on data from ECLAC's CEPALSTAT. Data from 2017 for El Salvador, Honduras and Latin America and the Caribbean, 2016 for Dominican Republic and Guatemala, and 2010 for Nicaragua.

Figure 33. Net rates of enrolment in primary education, by sex

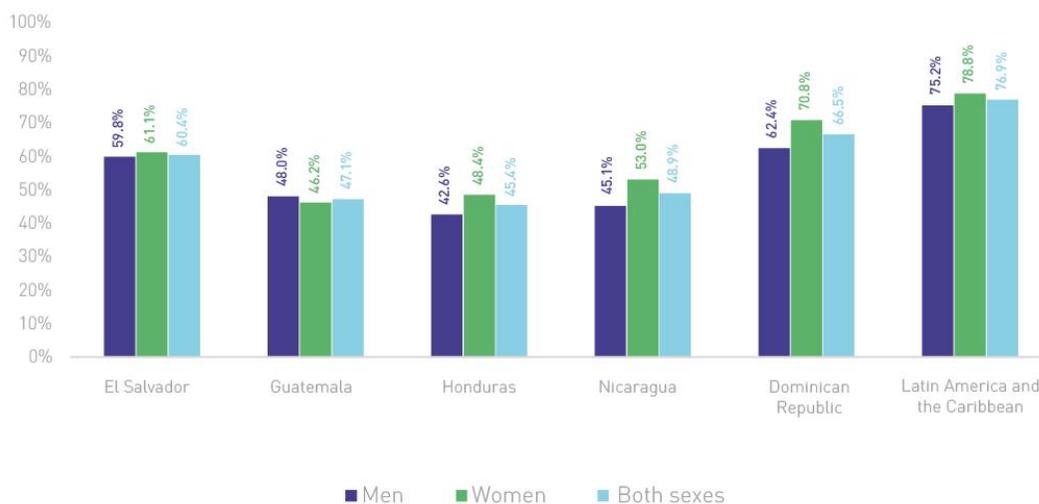


Source: Prepared by the authors, based on data from ECLAC CEPALSTAT.

Note: Data from 2017 for El Salvador, Honduras and Latin America and the Caribbean, 2016 for Dominican Republic and Guatemala, and 2010 for Nicaragua.

The bias in favour of women observed in the net coverage of primary education increases for secondary education. However, as in the case of primary education, net secondary enrolment rates in CARD countries are lower than the LAC average (by between 10 to 30 percentage points, depending on which country is being compared to the regional average).⁹⁶

Figure 34. Net rates of enrolment in secondary education, by sex



Source: Prepared by the authors, based on data from ECLAC CEPALSTAT.

Note: Data from 2017 for El Salvador, Honduras and Latin America and the Caribbean, 2016 for Dominican Republic and Guatemala, and 2010 for Nicaragua.

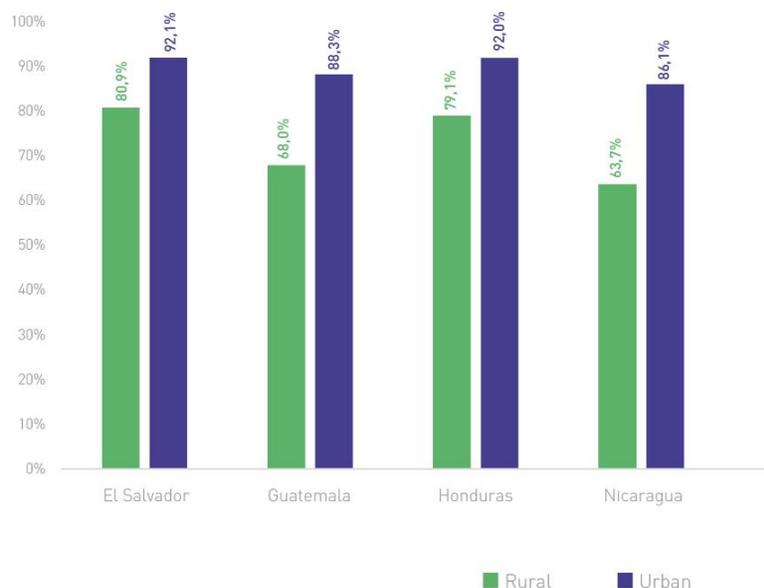
⁹⁶ Ibid.

Lastly, in relation to belonging or not to an indigenous population group, it should be noted that the percentage of indigenous men under the age of 18 in Guatemala who do not attend any school is almost double that of non-indigenous men. The same is true for women.⁹⁷

Indicator(s)	Young people who have completed primary and secondary education
Disaggregation variable(s)	Geographical area of residence and income level

As for other social stratifiers that are perhaps even more relevant for this domain, it is worth noting that gaps in access to education when classifying information by geographical area and household income level are significant. According to data provided by the State of the Nation-Region Programme, there is an obvious bias against rural areas, particularly for secondary education. In addition, the poorest 40 percent of households in all CARD countries (excluding the Dominican Republic) are lagging behind the richest 40 percent of households. In Guatemala and Nicaragua, 4 out of every 10 young people aged 15 to 19 in rural areas, and 2 out of every 10 in urban areas, have not completed primary education.⁹⁸ And at least 4 out of every 10 young people aged 20 to 24 in urban areas in CARD have not completed secondary education, a situation that is aggravated in rural areas where at least 7 out of every 10 young people have not completed secondary education.⁹⁹ (See figures 35, 36 and 37).

Figure 35. Percentage of young people aged 15 to 19 who have completed primary education, by area of residence (Circa 2014)



Source: Prepared by the authors, based on data from the State of the Nation-Region Programme. Fifth State of the Region Report on Sustainable Human Development 2016.

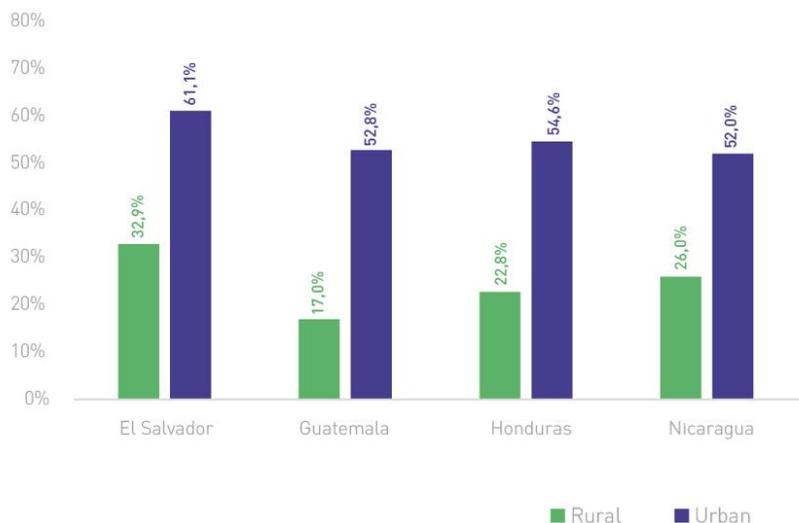
⁹⁷ On the basis of data from the Statistical Compendium on Indigenous Peoples 2015 of the National Institute for Statistics of Guatemala (2016), page 13, available at:

www.ine.gov.gt/sistema/uploads/2017/03/31/AwqECVUEFsNSCmHu3ObGLbhZoraZXYgn.pdf

⁹⁸ Source: Prepared by the authors, based on data from the State of the Nation Programme. Fernández Montero D, Poyser Calderón O. Evolution of social exclusion in Central America. Fifth State of the Region Report; 2016. Circa 2014.

⁹⁹ Ibid.

Figure 36. Percentage of young people aged 20 to 24 who have completed secondary education, by area of residence (Circa 2014)



Source: Prepared by the authors, based on data from the State of the Nation-Region Programme. Fifth State of the Region Report on Sustainable Human Development 2016.

Figure 37. Percentage of young people aged 20 to 24 who have completed secondary education, by household income (Circa 2014)

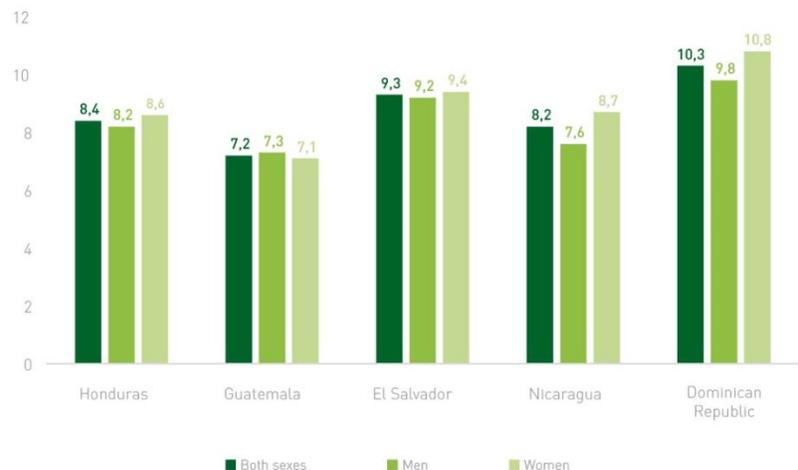


Source: Prepared by the authors, based on data from the State of the Nation-Region Programme. Fifth State of the Region Report on Sustainable Human Development 2016. Circa 2014.

Indicator(s)	Years of schooling among youth (aged 18 to 24)
Disaggregation variable(s)	Sex and age

Consistent with the data on net primary and secondary enrolment by sex, women accumulate more years of schooling than men among the population group aged 18 to 24 in all CARD countries except Guatemala. However, the differences are not significant.

Figure 38. Years of schooling among youth aged 18 to 24, by sex (2017 o last available year)



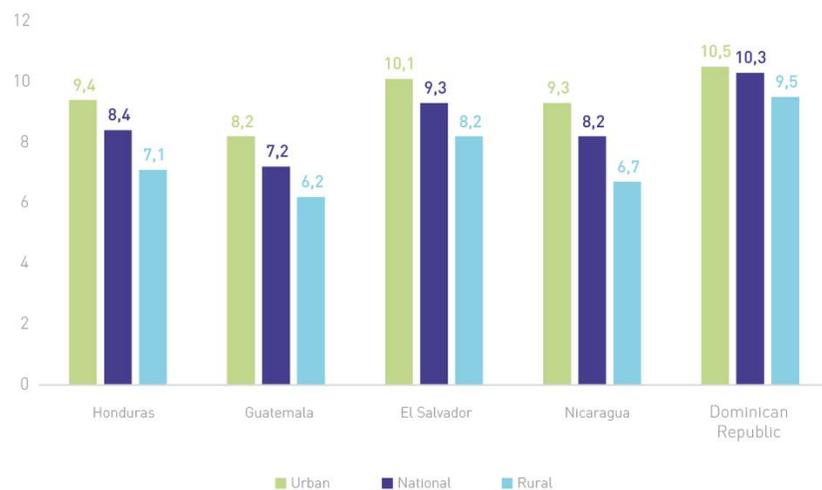
Source: ECLAC CEPALSTAT.

Note: Data from 2017 for El Salvador and Dominican Republic, 2016 for Honduras and 2014 for Guatemala and Nicaragua.

Indicator(s)	Years of schooling among youth (aged 18 to 24)
Disaggregation variable(s)	Geographical area of residence

As for years of schooling by geographical area among the population group aged 18 to 24, there is a bias in favour of young people living in urban areas in all CARD countries. The Dominican Republic shows the lowest gap (one more year of education for urban areas), with Nicaragua showing the highest gap (2.6 years).

Figure 39. Years of schooling among youth aged 18 to 24, by geographical area of residence (2017 o last available year)



Source: ECLAC CEPALSTAT.

Note: Data from 2017 for El Salvador and Dominican Republic, 2016 for Honduras and 2014 for Guatemala and Nicaragua.

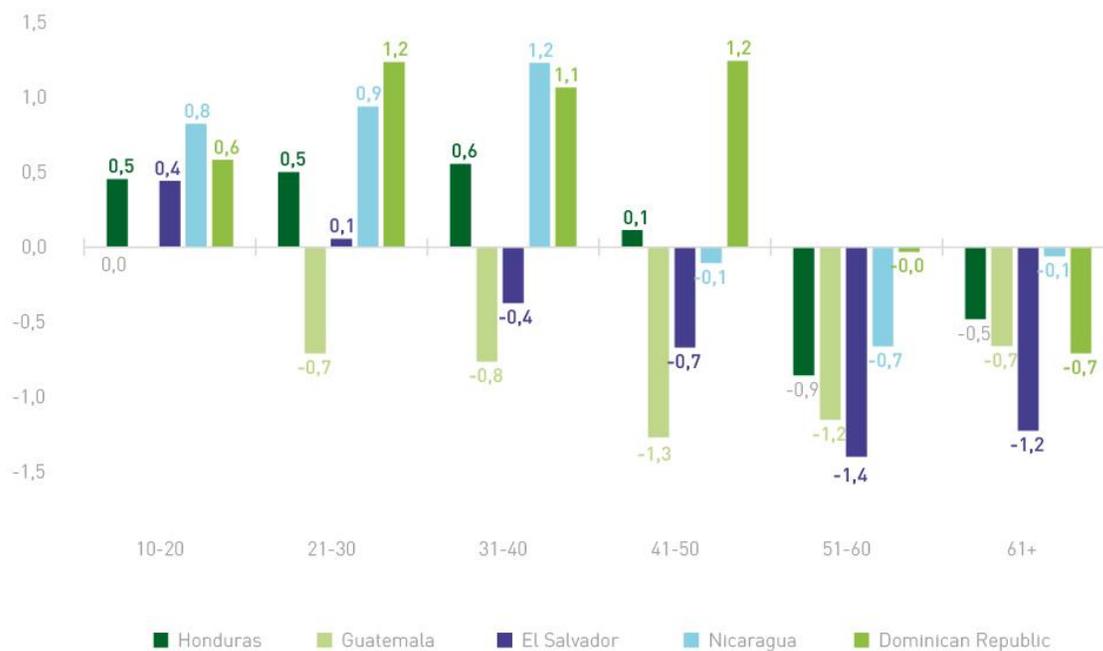
Indicator(s)	Years of schooling
Disaggregation variable(s)	Sex and age

Using information from SEDLAC, in a broader perspective, Figure 40 below shows total number of years of schooling for women compared to men by age group for each CARD country. In the Dominican Republic, women have more years of schooling than men for all age groups except for the age group 51 to 60, where they have the same number of years of schooling, and the age group of population over 61, where men have almost one year more than women.

In Guatemala, women have fewer years of schooling in practically all age groups (on average, with a difference of less than one year). A similar result can be seen for El Salvador: while in the younger age groups women have more years of schooling than men, the opposite is true for the population aged 31 and over.

In CARD (with the exception of Guatemala), the gender gap in years of schooling is biased in favour of women in the younger age groups (10 to 30 years) and, with the exception of Guatemala and El Salvador, this continues up to the age of 40.

Figure 40. Gender gap in years of schooling by age group¹⁰⁰



Source: Prepared by the authors based on the Socio-Economic Database for Latin America and the Caribbean, SEDLAC (CEDLAS and The World Bank).

Note: Data from 2016 for Honduras, El Salvador and Dominican Republic; 2014 for Guatemala and Nicaragua.

¹⁰⁰ The gender gap in years of schooling refers to the difference in years of schooling between men and women, in this case for each age group.

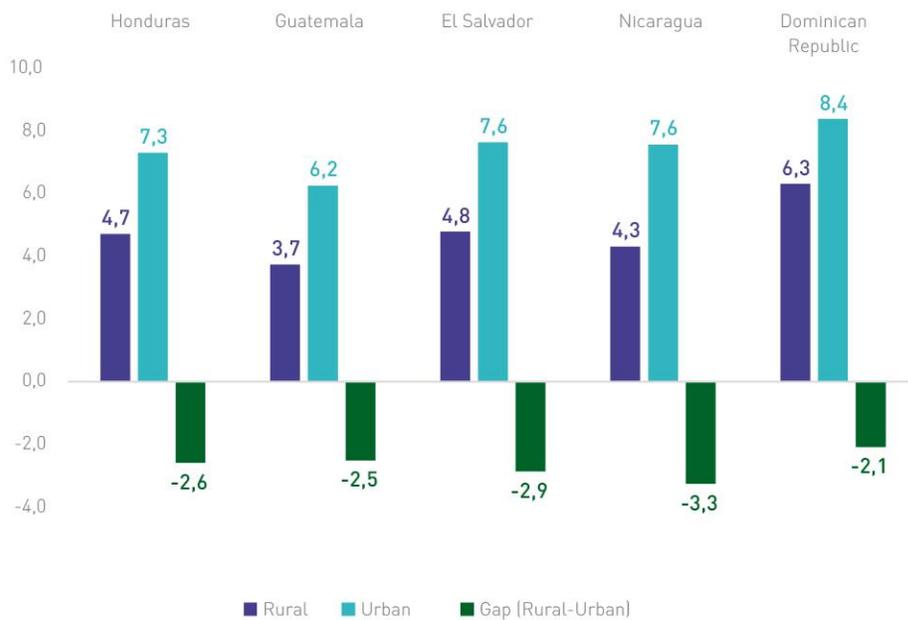
Indicator(s)	Years of schooling
Disaggregation variable(s)	Geographic area

In CARD, people living in rural areas have at least two years less schooling than those living in urban areas. This gap in years of schooling by geographic area is greater in Nicaragua and El Salvador.

Although the gap in years of schooling in Guatemala is not among the highest in CARD countries, the country does appear to have the geographical areas with the fewest years of schooling. More specifically, Guatemala has about one year less of schooling in both geographic areas compared to the other countries.

The Dominican Republic has the lowest gap in years of schooling by geographic area, as well as the geographic areas with most years of schooling: 6 years in rural areas and 8 in urban areas.

Figure 41. Gap in years of schooling by geographic area



Source: Prepared by the authors based on SEDLAC (CEDLAS and The World Bank).

Note: Data from 2016 for Honduras, El Salvador and Dominican Republic; 2014 for Guatemala and Nicaragua. The gap in years of schooling by geographic area is calculated by subtracting years of schooling in urban areas from years of schooling in rural areas.

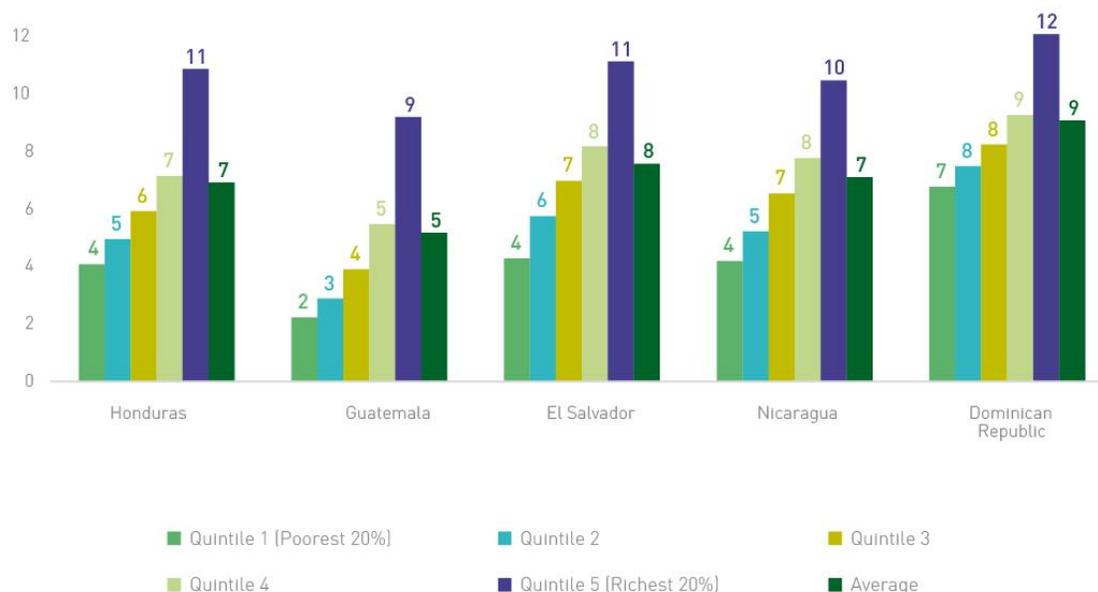
Indicator(s)	Years of schooling
Disaggregation variable(s)	Level of income

In CARD, the average level of education among adults aged 25 to 65 is low (less than 8 years of schooling), except in the Dominican Republic, which has a medium level (9 to 13 years). Moreover, the lower the average level of education in the country, the greater the gap in the number of years of schooling completed by adults from the poorest households compared to the richest households. For example, adults in the Dominican Republic have a medium level of education (average of 9

years), with the lowest gap between poor and rich households of all CARD countries (5 years of schooling). Guatemala, however, has the lowest average level of education among adults (5 years) and the highest gap in terms of income (7 years of schooling) (see Figure 42).

It should be noted that for all CARD countries, the number of years of schooling accumulated by adults from households in the first three quintiles is lower than the national average.

Figure 42. Years of schooling in adults aged 25 to 65 by quintiles of income equivalent¹⁰¹ (2016 or last available year)



Source: SEDLAC (CEDLAS and The World Bank).

Note: Data from 2016 for Honduras, El Salvador and Dominican Republic; 2014 for Guatemala and Nicaragua.

Performance in education

According to data provided by PISA,¹⁰² the challenges in terms of the educational performance of young people in CARD countries for which information is available are significant. Students in the Dominican Republic rank last among Latin American and Caribbean countries in PISA 2015.¹⁰³ The Dominican Republic also ranks last in science and mathematics, and is among the five worst countries for performance in reading of all the countries in the world participating in the test.¹⁰⁴

¹⁰¹ All individuals are ranked according to their family income equivalent (i.e. total family income adjusted for demographic factors) and divided into five equal-sized groups (each containing 20% of the population). Quintile 1 contains the poorest 20% of the population. Only persons with a valid equivalent family income are included in the calculations.

¹⁰² PISA is the OECD's Programme for International Student Assessment, a test applied to 15-year olds who are close to completing compulsory education with the aim of measuring their level of knowledge and skills to enable them to participate fully in society. The test covers three main areas: reading, mathematics and science.

¹⁰³ Ten Latin American and Caribbean countries participated: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Peru, Trinidad and Tobago and Uruguay.

¹⁰⁴ Thompson J, Moffa ND (2018).

Considering the results of PISA-D¹⁰⁵ for 2018, Guatemala and Honduras also show extremely low performances in terms of the capabilities and skills that education brings to their young people. In Guatemala, the majority of young people who attend school do not achieve basic levels of knowledge and skills in reading, mathematics and science.¹⁰⁶

Analysing this educational performance according to disaggregation variables and the results of the PISA (2015) and PISA-D (2018) tests, rural students in the Dominican Republic perform below the standards of urban students in LAC and OECD countries (114 and 195 points lower, equivalent to four and over six years of schooling, respectively).¹⁰⁷ Furthermore, students in state schools perform well below students in private schools.¹⁰⁸ Similarly, young people in rural areas achieve 62 points less than their urban peers in reading in Guatemala, equivalent to two years of schooling, the widest gap among all the PISA-D countries.¹⁰⁹

When considering levels of income, the richest students in the Dominican Republic perform 67 points better than their poorer peers (more than two years of schooling), according to information provided by PISA (2015).¹¹⁰ In Honduras, 78 percent of the most advantaged (non-poor) students performed poorly in the PISA-D test, whilst almost all poor students (96 percent) scored poor results.¹¹¹

KEY TARGETS in gaps in access to education and educational performance (subdomain 3A)

- In general, the various indicators on access to education show that gender gaps are closing (or are very small) in all countries of the subregion. In fact, with the exception of Guatemala, the youngest women in the subregion (up to 30 years of age) have, on average, more years of schooling than their male peers.
- Although gender gaps in access to education appear to have closed, other gaps, such as those associated with a person's economic status, remain. For example, the lower the average level of education in the country, the greater the gap in the number of years of schooling completed by adults from the poorest households compared to the richest households.
- In connection with the above, the area of residence (to the detriment of rural areas), the economic situation of households (in favour of the richer households) and belonging to an indigenous population group (in the case of Guatemala) continue to strongly condition access to education and educational performance as an instrument for achieving the skills needed to lead a dignified life.

¹⁰⁵ PISA-D, or PISA for Development, is a version of PISA for low and middle income countries. In addition to Guatemala and Honduras, countries participating in this test in 2018 were Ecuador, Paraguay, Cambodia, Senegal and Zambia.

¹⁰⁶ Zoido P, Vegas E, Bos MS, Viteri A (a) (2018) and Zoido P, Vegas E, Bos MS, Viteri A (b) (2018).

¹⁰⁷ Thompson J, Moffa ND (2018).

¹⁰⁸ Ibid.

¹⁰⁹ Zoido P, Vegas E, Bos MS, Viteri A (a) (2018) and Zoido P, Vegas E, Bos MS, Viteri A (b) (2018).

¹¹⁰ Ten Latin American and Caribbean countries participated: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Peru, Trinidad and Tobago and Uruguay.

¹¹¹ Zoido P, Vegas E, Bos MS, Viteri A (b) (2018).

Domain 4. Financial security and dignified work. Inequality in the capability to achieve financial independence and security, enjoy dignified and fair work, and recognition of unpaid care work

Domain 4 of the MIF addresses the inequalities people may experience in achieving financial security and independence and accessing dignified work, as well as in the recognition of unpaid care work. Within this, several priority subdomains are analysed: financial independence (own income), employment and quality of employment, and unpaid work.

The inability of the subregion's development model and production strategy to generate quality jobs that guarantee adequate income and decent living conditions for the entire population throughout the life cycle continues to be both a cause and a consequence of inequality. In turn, social gender inequality due to the sexual division of labour is yet another structural barrier to the participation of women in the subregion in the labour market and/or to their uptake of economic opportunities. These two aspects limit the benefits of the closing of gender gaps (or very reduced gender gaps) in the countries of the subregion as a whole in terms of access to education, as previously described.

Information provided by ECLAC, the Inter-American Development Bank and the International Labour Organization has allowed a comprehensive analysis of income availability and access to employment disaggregated by typical variables. It was not possible for the analysis of inequality relating to quality of employment and unpaid work (care work) to be quite so comprehensive.

Subdomain 4A: Achieve financial security and resilience against shocks

Availability of own income

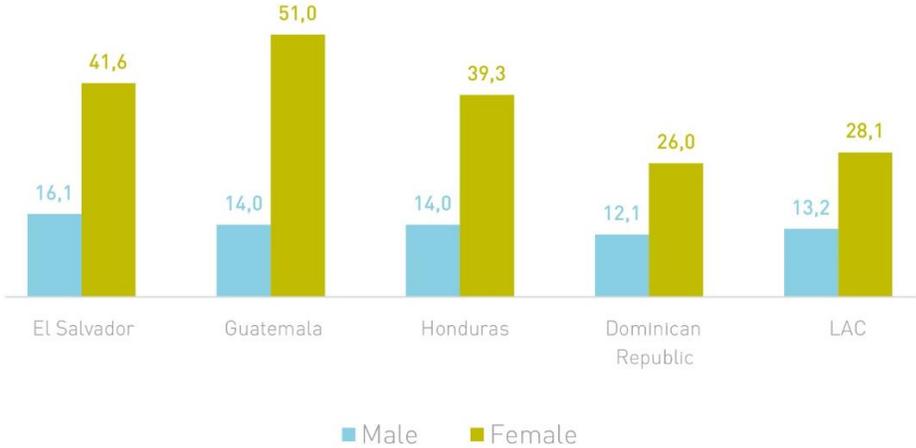
Indicator(s)	Own income
Disaggregation variable(s)	Sex

There continue to be marked differences in CARD among the population without income¹¹² (who do not receive income and are not in education) in the countries of the study when sex is used as the disaggregated data variable. Some of these are particularly significant, as in the case of Guatemala, where the percentage of women with no income is almost four times higher than that of men. In

¹¹² Proportion of the female (male) population aged 15 years and over not receiving individual monetary income and not in education (by activity status) in relation to the total female (male) population aged 15 years and over not in education.

the Northern Triangle, around 4 out of every 10 women have no income of their own, while this circumstance affects only one out of every 10 men.¹¹³

Figure 43. Percentage of population without own income, by sex



Source: Prepared by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2014 for Guatemala, 2016 for Honduras and Dominican Republic and 2017 for El Salvador and Latin America. No data available for Nicaragua.

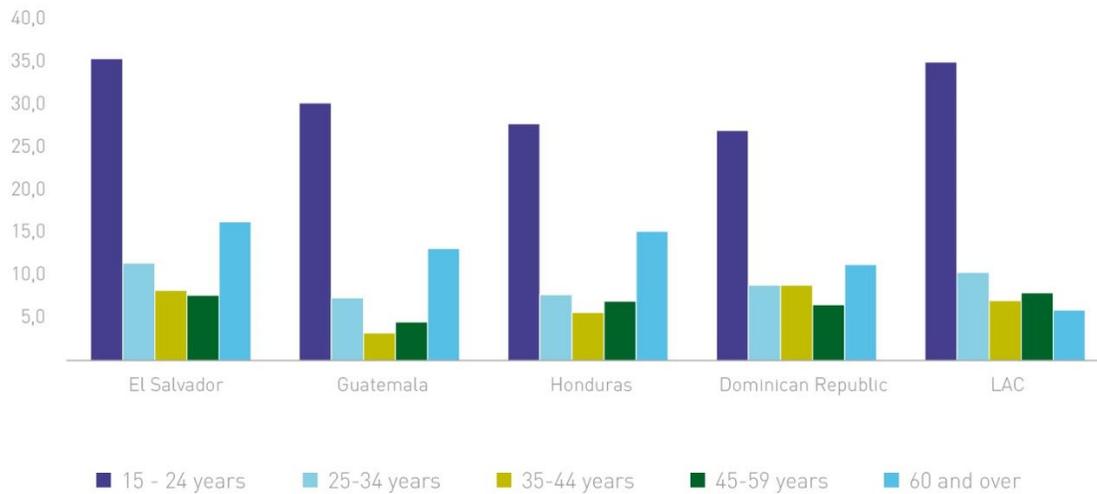
Indicator(s)	Own income
Disaggregation variable(s)	Age and sex and age

The data consulted also shows a very clear bias in terms of life cycle, since young people between the ages of 15 and 24 are the group with the highest proportion of population without income. Furthermore, social gender inequality and inequality by age group are reinforced, given that between 50 percent and 70 percent of young women in the subregion do not have their own income. In all cases, with the exception of the Dominican Republic, these figures are higher than the average for LAC.¹¹⁴

¹¹³ Calculated by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2014 for Guatemala, 2016 for Honduras and Dominican Republic and 2017 for El Salvador and Latin America. No data available for Nicaragua.

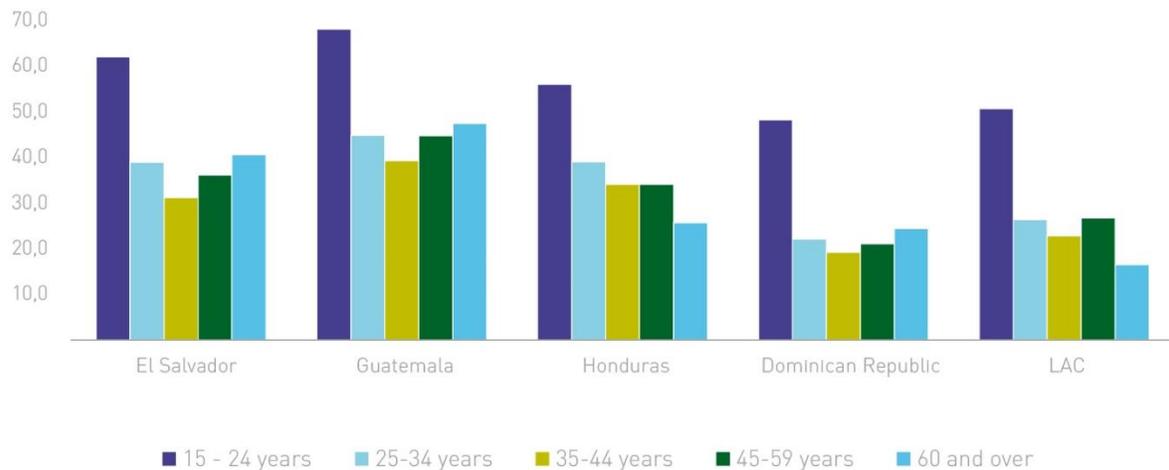
¹¹⁴ Ibid.

Figure 44. Percentage of men without own income, by age



Source: Prepared by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2014 for Guatemala, 2016 for Honduras and Dominican Republic and 2017 for El Salvador and Latin America. No data available for Nicaragua.

Figure 45. Percentage of women without own income, by age



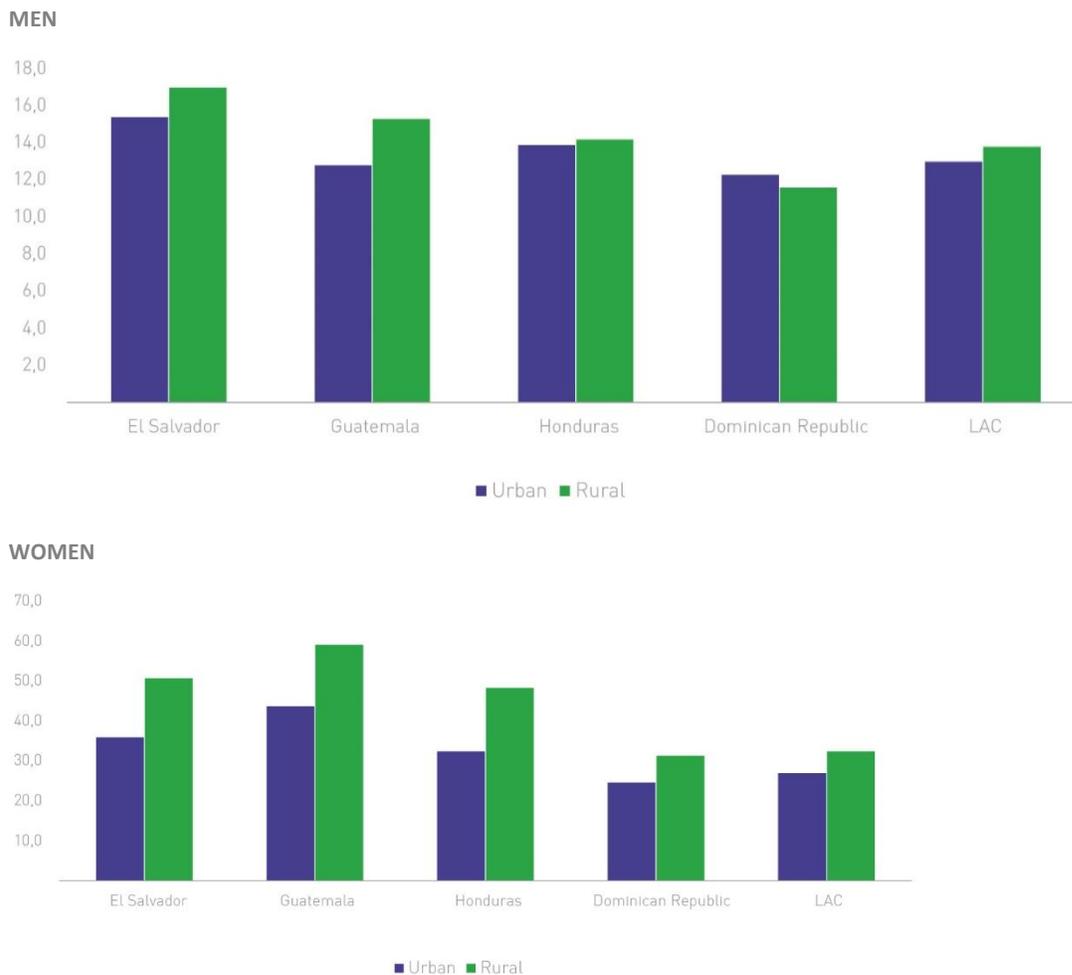
Source: Prepared by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2014 for Guatemala, 2016 for Honduras and Dominican Republic and 2017 for El Salvador and Latin America. No data available for Nicaragua.

Indicator(s) (es)	Own income
Disaggregation variable(s)	Sex and geographical area of residence

Gender gaps against women in relation to having their own income can be observed in both urban and rural areas. However, these gaps are much greater in rural areas, where they increase by between 42 to 84 percent compared to the gender gaps identified in urban areas.¹¹⁵

¹¹⁵ Ibid.

Figure 46. Percentage of men and women without own income, by geographical area



Source: Prepared by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2014 for Guatemala, 2016 for Honduras and Dominican Republic and 2017 for El Salvador and Latin America. No data available for Nicaragua.

Subdomains 4C: Have equal access to paid work, productive assets and markets - 4D: Enjoy good working relations and dignified and fair work conditions

Employment and quality of employment

According to the Inter-American Development Bank (IDB) Better Jobs Index¹¹⁶ (2015), the CA-4 countries (Guatemala, El Salvador, Honduras and Nicaragua) are the LAC countries analysed with the most

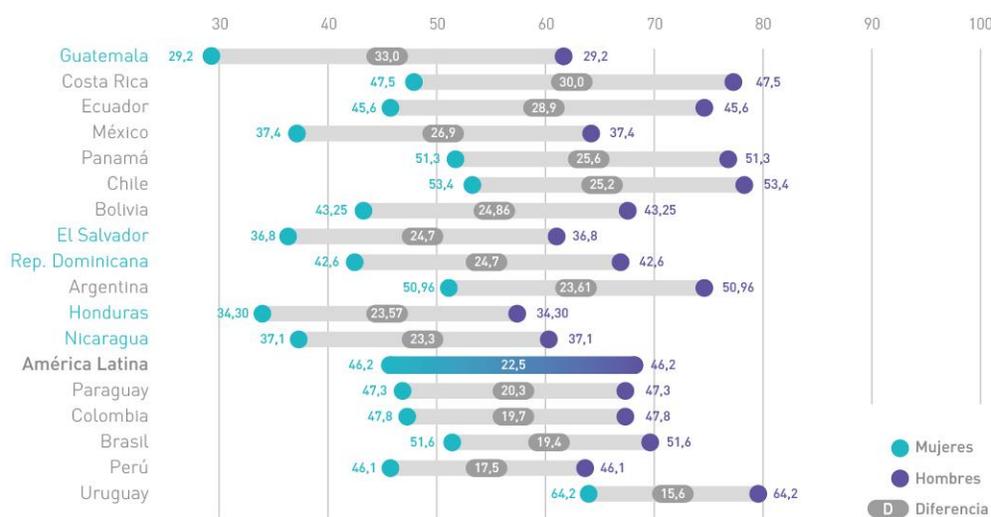
¹¹⁶ The Better Jobs Index measures jobs in countries based on two dimensions: quantity and quality. The quantity dimension is composed of two indicators: the labour participation rate and the employment rate. The quality dimension consists of the formality rate and living wage sufficient to overcome poverty. Thus, the index is the weighted average of these four indicators and their scores range from 0 to 100, with 100 meaning that all

unfavourable labour conditions in terms of quantity (which includes labour participation and employment indicators) and quality (which includes formality and a living wage sufficient to overcome poverty).

Indicator(s)	Labour participation rate, ¹¹⁷ employment rate, ¹¹⁸ unemployment rate ¹¹⁹ and open urban unemployment rate ¹²⁰
Disaggregation variable(s)	Sex

According to the IDB (2015), all CARD countries have gender gaps in respect of general labour conditions which are biased against women and higher than the average for LAC. Furthermore, they are among the countries with the worst employment conditions for women.

Figure 47. Gender gap in labour conditions



Source: IDB. Better Jobs Index (2015).

The gender gap estimated by the IDB in terms of working conditions in the CARD countries analysed is greater in the quantity dimension than in the quality dimension. In the case of Honduras, for example, the gap between men and women in the quantity dimension is just over four times greater than the gap in the quality dimension. In Guatemala and Nicaragua, the ratio is just over three, while in the case of El Salvador it is two times greater.

Consistent with the information provided by the IDB, labour participation and employment rates are low, and the level of unemployment is high among women in CARD. In all the countries relevant to the study, the rate of women's participation in the labour market is much lower than that of men.

people who participate in the labour force are employed with a formal job that provides a living wage. Indicators are calculated using the population aged 15-64, excluding students who are neither working nor looking for work: <http://bit.ly/2T1f9w9>

¹¹⁷ Measures the degree of participation of the population in the labour market. It is calculated as the ratio of the economically active population (defined as people who are working or looking for work) aged 15 and over to the total population aged 15 and over, multiplied by 100.

¹¹⁸ Proportion of employed persons as a percentage of the working age population.

¹¹⁹ Unemployment rate measures the level of unemployment compared to the working age population; the proportion of the population which, though available for work by reason of age, conditions and availability – active population – has no job.

¹²⁰ Measures the unemployed population aged 15 and over for a given period of time, i.e. those who have become unemployed but are seeking employment and those who are seeking work for the first time within the economically active population aged 15 and over.

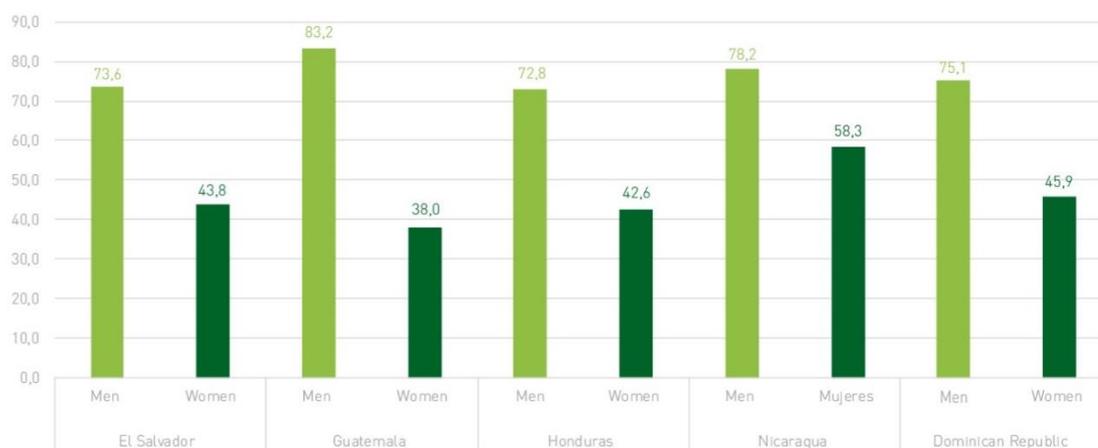
The country with the widest participation gap is Guatemala, where participation rate for men was more than double that of women (87 percent and 43.1 percent, respectively) in 2018 (see Table 2). The same is true for employment and unemployment rates. In fact, according to the data consulted to date, despite the fact that the participation rate for women is much lower than that for men, the female unemployment rate is still higher than that of men in the CARD countries relevant to the study (with the exception of El Salvador, where male unemployment is higher than female unemployment, and Nicaragua, where both sexes have similar unemployment rates). The most pronounced gender gap is found in the Dominican Republic (3.91 percentage points) (see Table 3).

Table 2. Labour participation rate, by sex (2018)

Country	Both sexes	Men	Women
El Salvador	65.0	82.9	50.0
Guatemala	64.4	87.0	43.1
Honduras	67.4	85.7	49.3
Nicaragua	69.6	86.0	53.9
Dominican Republic	68.1	81.4	55.0

Source: Prepared by the authors based on ILO.

Figure 48. Employment rate, by sex (2018)



Source: Prepared by the authors based on ECLAC CEPALSTAT.

Table 3. Unemployment rate, by sex (2018)

Country	Total	Men	Women
El Salvador	4.01	4.19	3.75
Guatemala	2.40	1.87	3.47
Honduras	5.65	4.67	7.24
Nicaragua	5.20	5.16	5.26
Dominican Republic	5.74	4.17	8.08

Source: Prepared by the authors with data from ILOSTAT.

Indicator(s)	Unemployment rate and NEET (not in education, employment or training) population
Disaggregation variable(s)	Age and age and sex

Unemployment rates among youth (persons aged 15-24) in CARD are significantly higher than those recorded at the national level and for the population aged 25 and over.

Table 4. Unemployment rate, by age and sex (2018)

Country	Population aged 15 and over			Population aged 15-24			Population aged 25 and over		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
El Salvador	4.01	4.19	3.75	9.45	8.25	11.62	2.65	3.04	2.13
Guatemala	2.4	1.87	3.47	4.89	3.62	8.05	1.45	1.14	2.02
Honduras	5.65	4.67	7.24	10.64	7.78	16.05	3.89	3.48	4.52
Nicaragua	5.2	5.16	5.26	10.32	8.71	14.42	3.91	4.07	3.68
Dominican Republic	5.74	4.17	8.08	13.38	9.74	19.71	4.15	2.92	5.93

Source: Prepared by the authors with data from ILOSTAT.

Unemployment among youth (persons aged 15-24) in CARD also affects women more. Particularly relevant is the proportion of young population in CARD (with the exception of Nicaragua, for which no information is presented due to inconsistency in the data consulted) that is not in education, employment or training (known as "NEET"), with a marked bias against women in all the CARD countries analysed:

- In El Salvador and Honduras nearly 4 out of every 10 young women are neither in education, employment or training. In Guatemala, the figure is nearly 5 out of 10.
- In Dominican Republic, the proportion of NEET population is almost double for women compared to men.

Table 5. Percentage of NEET population, by sex

Country	Total	Men	Women
El Salvador	27,15	14,52	39,14
Guatemala	27,26	7,09	46,74
Honduras	26,68	11,56	42,22
Dominican Republic	24,5	18,1	30,96

Source: Prepared by the authors with data from ILOSTAT.

Notes: Data from 2018 for El Salvador, Honduras and Dominican Republic and 2017 for Guatemala. The most recent data available for each country was used.

Indicator(s)	Unemployment rate
Disaggregation variable(s)	Geographical area

In all countries of the subregion (and as in the rest of LAC), unemployment rates are lower in rural areas than in urban areas. This difference “is partly due to the fact that workers in rural areas cannot

afford to be unemployed because they have more limited access to social protection".¹²¹ This is confirmed further on.

Table 6. Unemployment rate, by geographical area (2018)

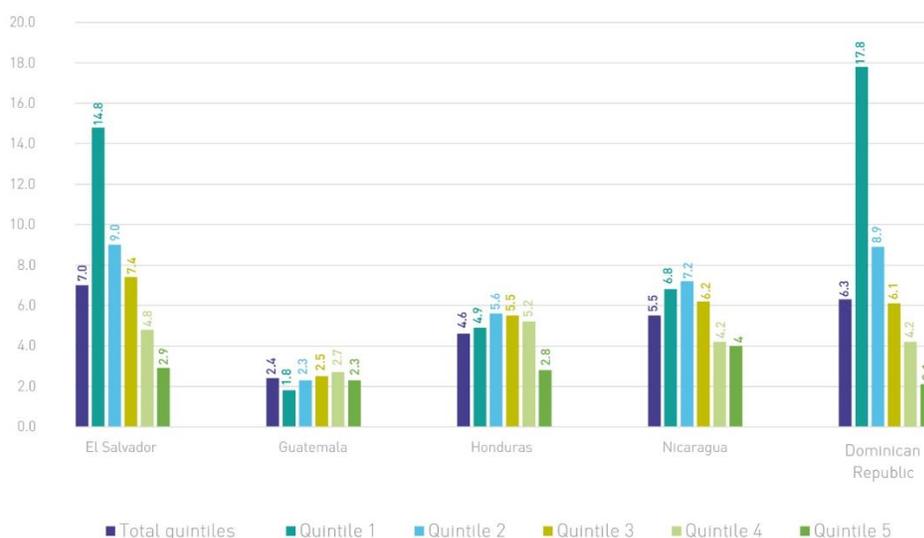
Country	Total	Rural	Urban
El Salvador	4,01	3,26	4,4
Guatemala	2,4	1,52	3,15
Honduras	5,65	2,7	7,88
Nicaragua	5,2	2,78	6,78
Dominican Republic	5,74	3,29	6,33

Source: Prepared by the authors with data from ILOSTAT.

Indicator(s)	Urban open unemployment rate
Disaggregation variable(s)	Level of income

Information on unemployment rates in urban areas by income quintiles shows patterns of inequality between the lower (1st to 3rd) and upper (4th and 5th) income quintiles, with a bias against the former in almost all the countries of the subregion (with the exception of Guatemala). In the case of the Dominican Republic and El Salvador in particular, the data consulted reveals how precarious the situation is for people in the lower income quintiles: the unemployment rate for those in the lowest income quintile is more than eight and five times that of the population in the highest income quintile, respectively.

Figure 49. Urban open unemployment rate, by per capita income quintile



Source: Prepared by the authors, based on data from ECLAC CEPALSTAT. Data from 2014 for Guatemala and Nicaragua, 2016 for Honduras, and 2017 for El Salvador and Dominican Republic.

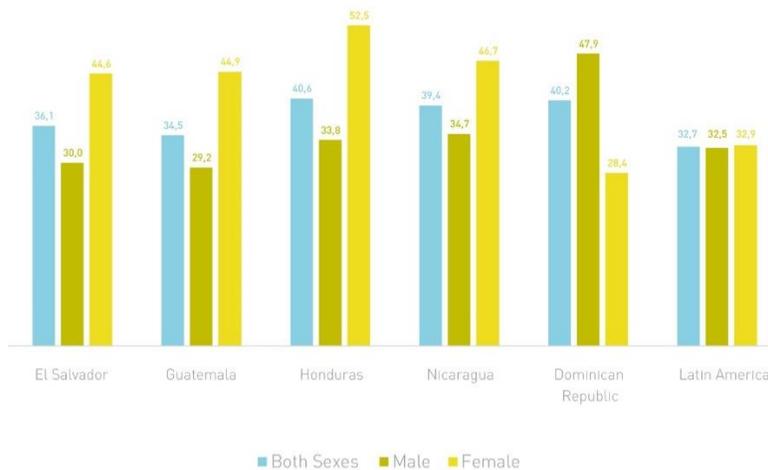
¹²¹ "Desempleo en zonas rurales es menor que en las urbanas (Unemployment in rural areas is lower than in urban areas)"; <http://bit.ly/2SK2cOT>

Indicator(s)	Vulnerability in employment and occupational category
Disaggregation variable(s)	Sex

As has already been mentioned before, there is also a gender gap in the quality dimension of employment.

From the perspective of occupational categories, the International Labour Organization (ILO) associates vulnerability in employment with the categories of unpaid family workers and self-employed workers (Figure 50). These are the categories in which women in CARD tend to be employed (with the exception of the Dominican Republic, where most women are salaried workers).¹²² However, the ILO's definition of this concept could be somewhat narrow since, among other things, domestic service also tends to be a vulnerable type of employment¹²³ and one in which women are obviously overrepresented, especially in the Dominican Republic (where 13 percent of employed women are domestic workers) (Figure 51).¹²⁴ Thus, on a simple average, and according to ECLAC, 56 percent of employed women in CARD (excluding the Dominican Republic and Guatemala, given that more recent figures suggest a higher proportion of men in vulnerable occupations in this country) are working as self-employed, domestic service or unpaid family workers.¹²⁵ This figure is 37 percent in the case of men, given that in all CARD countries (except for the Dominican Republic and not including Guatemala) they are mostly employed in salaried jobs that tend to offer somewhat better working conditions.¹²⁶

Figure 50. Percentage of vulnerable employment, by sex (2017)



Source: World Bank based on ILO.

¹²² Calculated by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2017 for all countries, excepting Guatemala and Nicaragua (2014), and Honduras (2016).

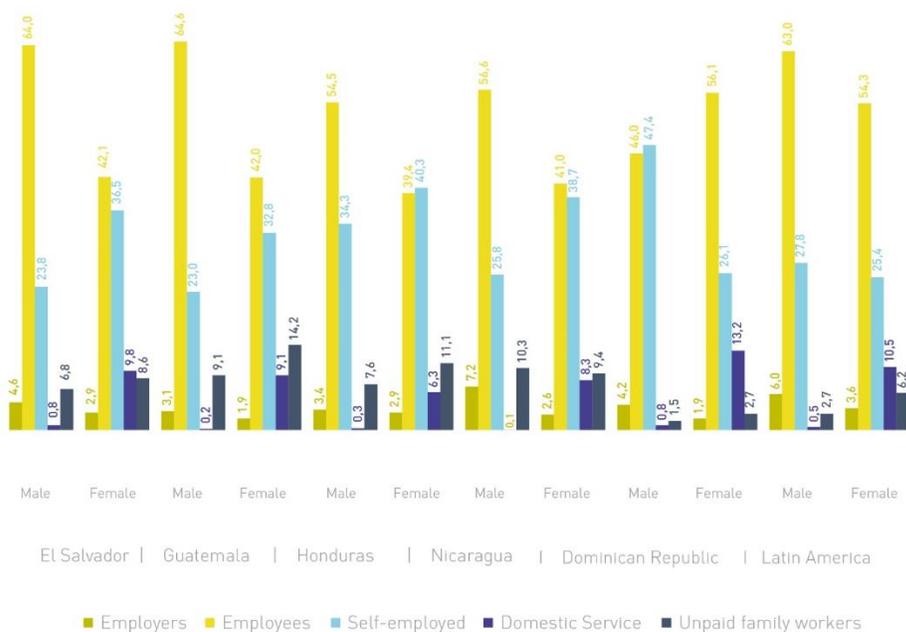
¹²³ Although the source consulted, other than pointing out the mentioned occupational categories, does not specify what it means by “vulnerability”.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Ibid.

Figure 51. Percentage of employed population, by occupational category and sex



Source: Prepared by the authors, based on data for national social profiles from ECLAC CEPALSTAT. Data from 2017 for all countries, excepting Guatemala and Nicaragua (2014), and Honduras (2016).

Indicator(s)	Employed population by sector of economic activity
Disaggregation variable(s)	Labour productivity levels of economic sectors and sex

While there are differences in terms of strategy and production structure in the various CARD countries, a common feature for all is the significant weight of the service sector (tertiary sector)¹²⁷ in their economies. According to information from ICEFI (Central American Institute for Fiscal Studies) based on other sources, the average contribution of the tertiary sector (services) to GDP in the CA-4 countries is in excess of 60 percent, more than double the average contribution of the secondary sector (a sector of the economy that transforms raw materials, whether extracted or produced by the primary sector, into consumer goods or capital assets; i.e. a sector where value is added). Although the services sector may well include highly sophisticated, value-adding and productive economic activities, the fact is that in the countries of the subregion it is activities with low added value and low productivity associated with informal labour and low wages, such as wholesale and retail trade (which is part of that sector), or activities such as agriculture, livestock, forestry and fisheries (in the primary sector, particularly in the case of Guatemala, Honduras and

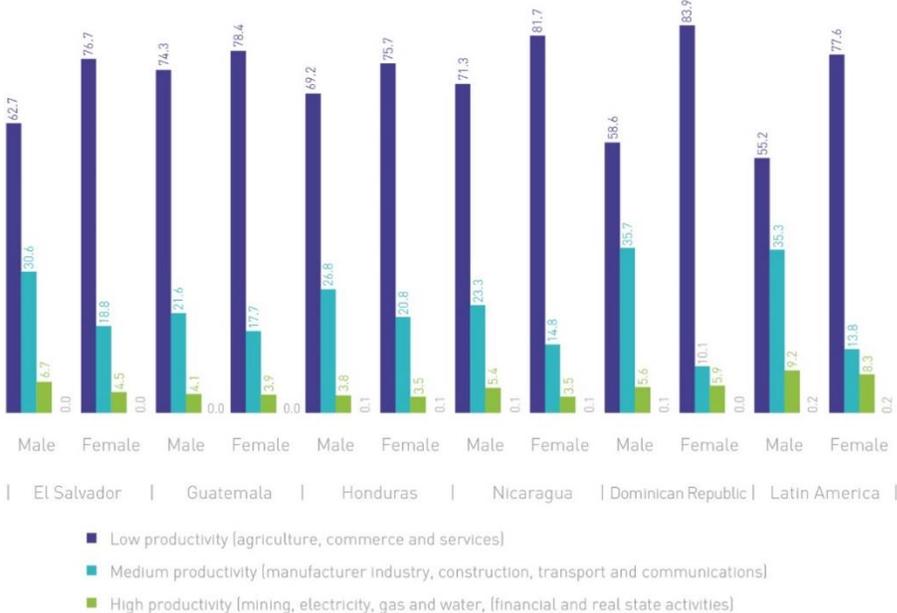
¹²⁷ The service or tertiary sector is the economic sector that includes all economic activities that do not produce material goods directly, but rather services that are offered to fulfil the needs of the population. It includes subsectors such as commerce, transport, communications, finance, tourism, the hospitality industry, culture, entertainment, public administration and the so-called public services, whether provided by the State or by private companies (health, education, etc.).

Nicaragua) that have significant weight.¹²⁸ In Honduras, Nicaragua and the Dominican Republic, for example, around 20 percent of the working population is involved in wholesale and retail trade, with 26 percent in the case of Guatemala and 31 percent in the case of El Salvador (if those working in hotels, bars and restaurants are added). Moreover, 32 percent, on average, of the labour force in Guatemala, Honduras and Nicaragua works in the primary sector, due partly to the agricultural export strategies of these countries (see Annex 3 for more detail).

The marked concentration of the subregion's working population in low-productivity economic activities is confirmed by the rough estimates made by ECLAC¹²⁹ (

Figure 52). Despite this generalised deficiency, the data nevertheless reveals the existence of a very significant gender gap in terms of employment in low-productivity sectors (less so for Guatemala). Thus, for example, more than 80 percent of employed women in the Dominican Republic and Nicaragua work in such sectors.¹³⁰

Figure 52. Employed population by sector of economic activity based on level of productivity and age (2017)



Source: Prepared by the authors, based on data for 2017 from ECLAC CEPALSTAT.

Indicator(s)	Employment insecurity
Disaggregation variable(s)	Age

¹²⁸ For CARD countries of Central America, see Abelardo Medina (ICEFI) in the presentation of the report “Otra Centroamérica es posible (Another Central America is possible)” (publication pending); <http://bit.ly/2SHsRLX>

For Dominican Republic, see National Council of Competitiveness (CNC) and IDB (2019); <http://bit.ly/39ShxTk>

¹²⁹ ECLAC estimates refer to sectors as a whole, rather than to specific economic activities within each sector, and this could imply a certain degree of generalisation in the level of productivity for each activity.

¹³⁰ Prepared by the authors, based on data for 2017 from ECLAC CEPALSTAT.

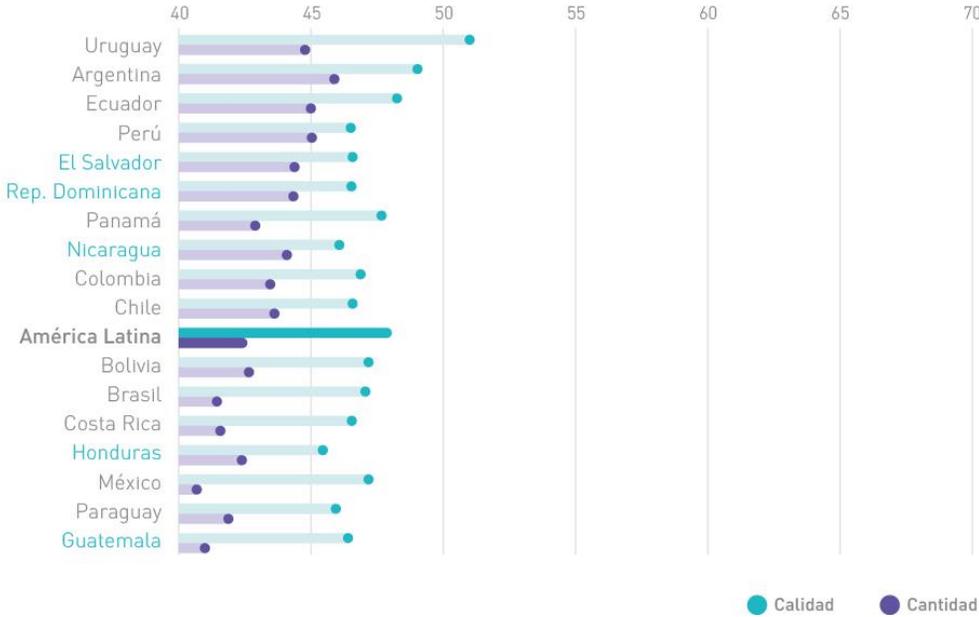
The data analysed also reveals a generation gap (with a bias against young people) in working conditions, which is synonymous with employment insecurity. According to IDB's Better Jobs Index (2015), El Salvador, the Dominican Republic and Nicaragua have generation gaps that are higher than the average for LAC. The same source indicates that young people in the CA-4 countries have the worst working conditions in LAC. Moreover, in all CARD countries the generation gap is greater in the quality dimension of employment than in the quantity dimension.

Figure 53. Extent of the generation gap in working conditions



Source: IDB. Better Jobs Index (2015).

Figure 54. Generation gap in working conditions by dimension



Source: IDB. Better Jobs Index (2015).

Indicator(s)	Informality in employment
Disaggregation variable(s)	Geographical area of residence and sex and geographical area of residence

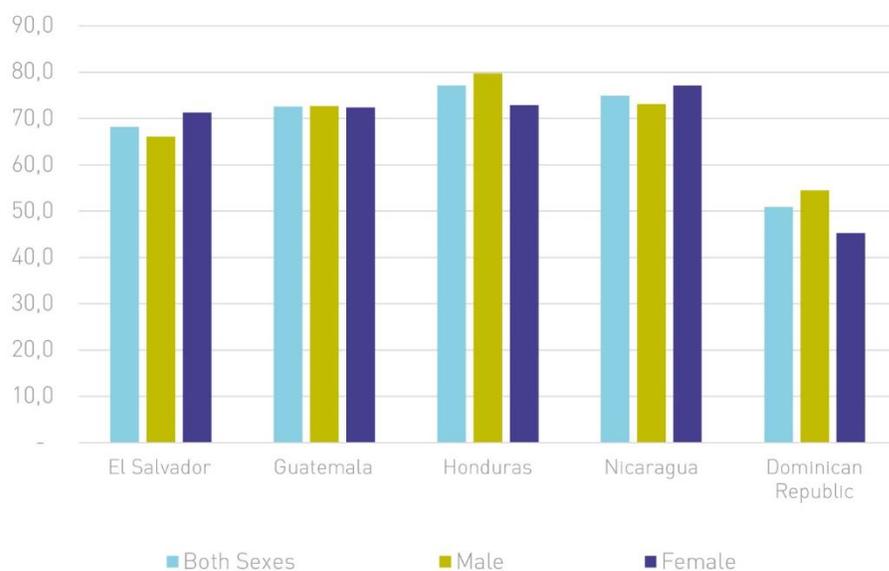
According to information provided by the CEDLAS (Center for Distributive, Labor and Social Studies) database, informality in rural areas of the subregion is higher than informality in urban areas, for both productive¹³¹ and legal¹³² informality.

Furthermore, throughout the region low employment productivity tends to be linked to informality. Despite the fact that, based on information from the ILO, labour informality significantly affects both men and women in all of the countries in the study (with around 70 to 80 percent of the working population being in informal employment in CA-4 countries, and over 50 percent in the case of the Dominican Republic), there is still a marked tendency for a larger proportion of women to hold informal employment than men (when data does not include the agricultural sector and with the exception of the Dominican Republic).¹³³ (See Figure 55

Figure 55)

Figure 55. Informality in employment by sex and geographical area (2017)

% OF POPULATION IN INFORMAL SECTOR BY SEX (2017)

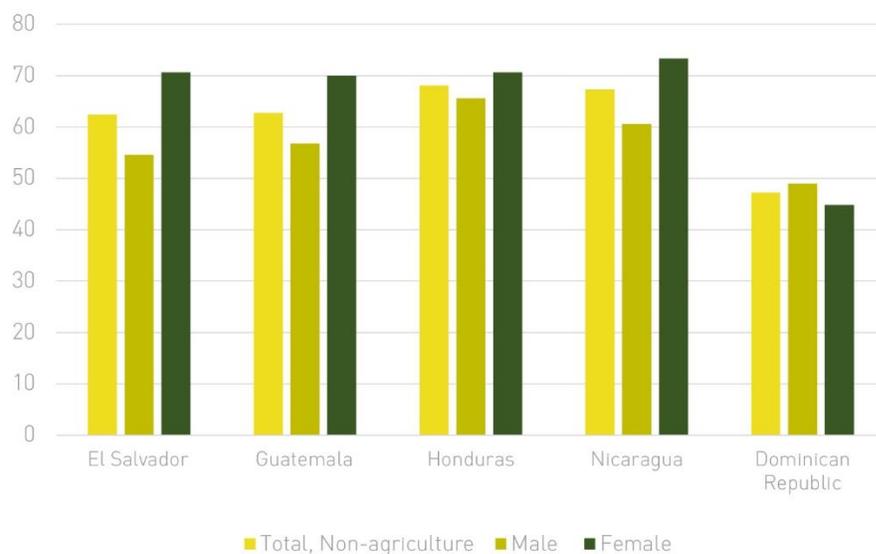


¹³¹ In this case, a worker is considered informal when he/she is a salaried worker in a small enterprise, a non-professional self-employed worker or an unpaid worker.

¹³² In this case, a worker is considered informal when he/she is not entitled to a pension upon retirement.

¹³³ Prepared by the authors, based on data from ILOSTAT. 2018. Data from 2017 for all countries, except Nicaragua (2012).

% OF POPULATION IN INFORMAL SECTOR (NON-AGRICULTURAL) BY SEX (2017)



Source: Prepared by the authors, based on data from ILOSTAT. 2018. Data from 2017 for all countries, except Nicaragua (2012).

Indicator(s)	Informality in employment
Disaggregation variable(s)	Belonging to an indigenous group (Guatemala)

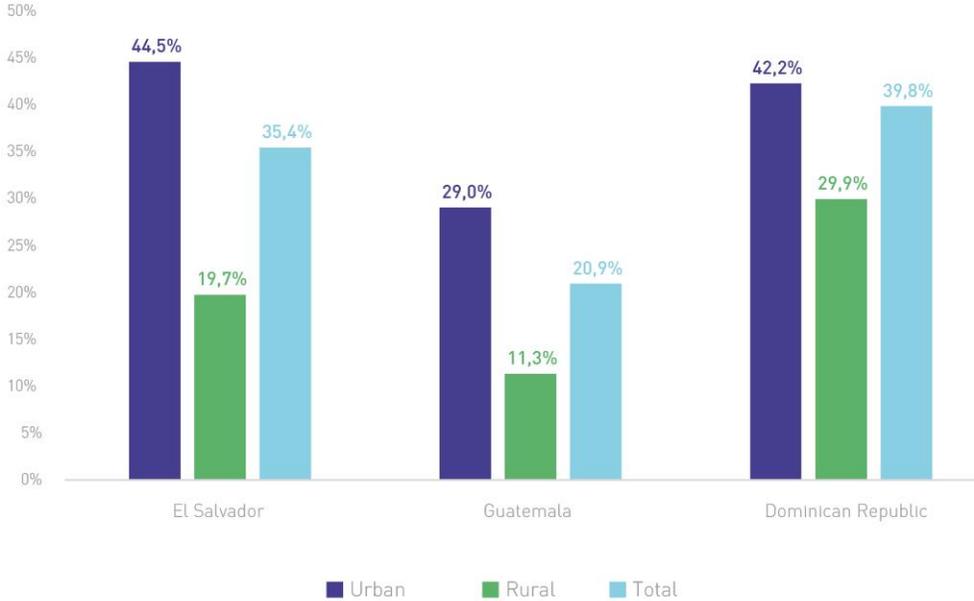
Guatemala should be mentioned specifically, given that 85 percent of the employed indigenous population aged 15 years and above works in the informal sector, whereas the percentage amongst the non-indigenous population is 63 percent.¹³⁴

Indicator(s)	Working population registered in a social protection system
Disaggregation variable(s)	Geographical area

There appears to be a bias in CARD (El Salvador, Guatemala and the Dominican Republic) against the working population in rural areas in access to a social protection system (see Figure 56), consistent with the informality of employment in rural areas.

¹³⁴ The informality rate represents the percentage of working population aged 15 and above employed in the informal sector compared to the total working population of the same age range. Informal workers are those working in companies with less than six employees. This includes day workers and manual labourers and excludes employers and self-employed workers having higher education. Data for the first quarter of 2018. Source: National Institute for Statistics (INE) of Guatemala. Informality rate by selected variables available at: <http://bit.ly/3bSaegb>

Figure 56. Percentage of working population registered in a social protection system, by geographical area

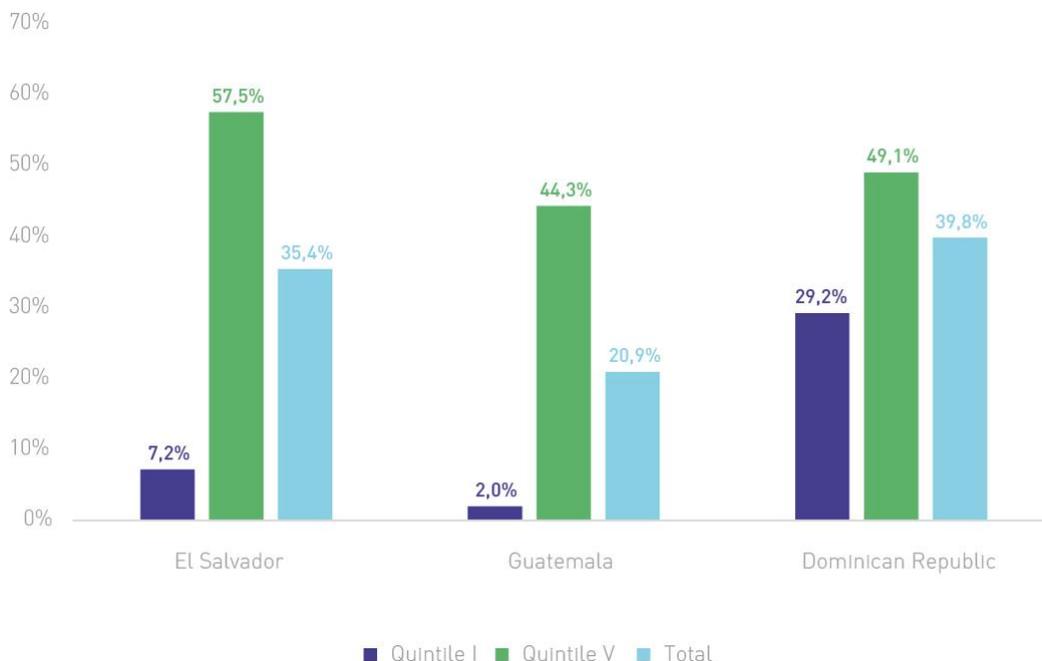


Source: Prepared by the authors, based on data from ECLAC CEPALSTAT. Data from 2017 for El Salvador and Dominican Republic and 2014 for Guatemala. The most recent data available for each country was used.

Indicator(s)	Working population registered in a social protection system
Disaggregation variable(s)	Level of income

As was also to be expected, the subregion’s productive model with insecure jobs means there is a very limited social protection system upon retirement, more so depending on level of income.

Figure 57. Percentage of working population registered in a social protection system, by income quintile



Source: Prepared by the authors, based on data from ECLAC CEPALSTAT. Data from 2017 for El Salvador and Dominican Republic and 2014 for Guatemala. The most recent data available for each country was used.

Subdomain 4F: Enjoy equal division of care and unpaid work

Unpaid work (domestic and care work)

Indicator(s)	Unpaid work (domestic work and care work)
Disaggregation variable(s)	Sex and sex and type of household

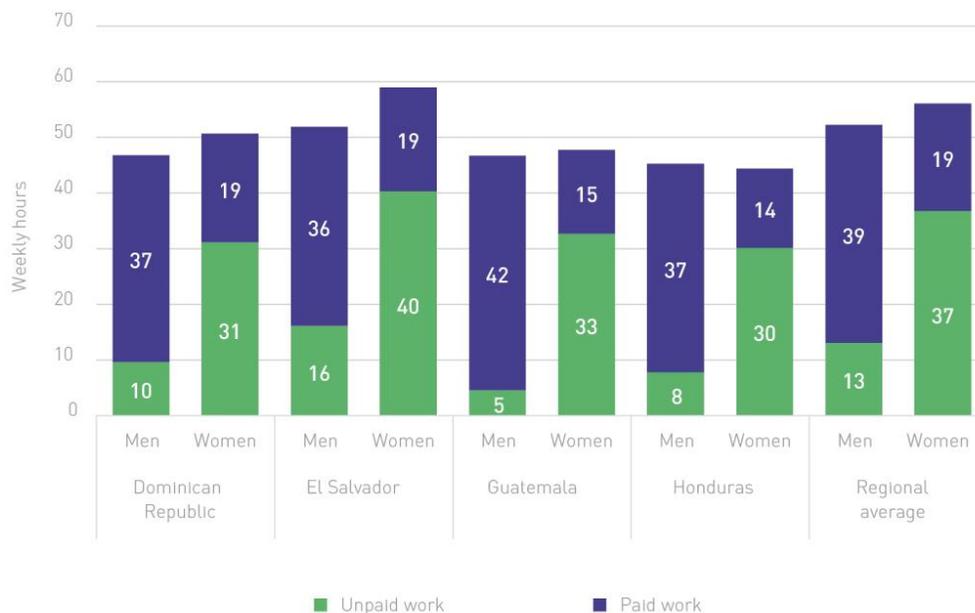
In the Latin American region, and according to ECLAC data, "women devote two thirds of their time to unpaid work and one third to paid work, while for men it is the other way round".¹³⁵ In the specific case of CARD countries, the gender imbalance in the distribution of care work is also significant: for every hour of unpaid work carried out by men, women spend an average of 3 in the Dominican Republic and almost 6 in Guatemala.

Despite their busy daily care schedules, women are still able to perform a full working week (combining hours of paid and unpaid work) that is as long or longer than that worked by men (see Figure 58). Indeed, in Guatemala and Honduras, even female spouses aged 20-59 who contribute

¹³⁵ Vaca Trigo (2019).

between 60 to 100 percent of total household income, spend much more time on unpaid work than their male counterparts (about three hours more per day).¹³⁶

Figure 58. Weekly hours assigned to paid and unpaid work, by sex



Source: Prepared by the authors based on data from ECLAC CEPALSTAT.

Notes: Data from 2009 for Honduras, 2016 for Dominican Republic and 2017 for El Salvador and Guatemala / Regional average obtained using a simple average for LAC countries for which information was available in CEPALSTAT. The most recent data available for each country was used.

In single-parent households with children under 15 years of age, the differences are much more pronounced in the countries under study,¹³⁷ with the average number of hours worked by women every week being significantly higher than that of men. In El Salvador, women work nearly 33 hours more than men, nearly 20 hours more in Guatemala and nearly 19 in the Dominican Republic. Women heading single-parent households in the Dominican Republic can work up to 64 hours per week, compared to 45 hours worked by men.¹³⁸ It should be noted that single-parent households are much more prevalent among women than among men. In the countries studied, for every single-parent household headed by a man, there are between 7 and 10 headed by women.¹³⁹

¹³⁶ Unpaid Working Time of Each Spouse Between 20 and 59 Years Old by “Contribution of Woman to Total Personal Household Income and Sex. Gender and Poverty”. Gender Statistics. CEPALSTAT, ECLAC. Available at: <http://bit.ly/2V5eDWQ>. Indicator calculated for two-parent households (including extended households and those with a head of household and spouse).

¹³⁷ With the exception of Nicaragua, for which country ECLAC’s statistical CEPALSTAT database does not have data available in respect of this indicator.

¹³⁸ ECLAC data from 2009 for Honduras, 2011 for Guatemala and 2016 for Dominican Republic, using total hours spent on paid and unpaid work. Variable: Total Working Time by Type of Household and Sex in the CEPALSTAT database.

¹³⁹ 7.2 in Dominican Republic, 7.3 in El Salvador, 8.4 in Guatemala, 9.6 in Honduras and 6.7 in Nicaragua. Data from 2017, 2016, 2014, 2016 and 2014 respectively, the most recent available for each country. Own calculations, based on ECLAC data: Types of households, by sex of head of household and geographical area. Population. Social statistics and indicators. CEPALSTAT, ECLAC, available at: <http://bit.ly/2SF1bd8>

KEY TARGETS in gaps in access to employment and to quality employment, as well as in unpaid work (subdomains 4A, 4C and D, and 4F)

- In CARD, having your own income is less likely if you are a woman, if you are young, or if you live in a rural area.
- Although unemployment is higher in urban areas, rural areas in CARD have a high level of labour informality (in a context of widespread and pronounced informality in the subregion), which translates into poor access to social protection systems.
- In CARD countries, the prevalence of working population in sectors classified as "low productivity" is significant. The scale of widespread labour informality also poses a major problem. These issues are largely indicative of the difficulties in providing quality jobs for all of the workforce in the subregion. However, the data analysed serves to confirm that there is still substantial gender inequality in favour of men in the subregion in terms of labour participation, employment and occupation of the labour force in low-productivity sectors. The latter gap is less significant in the case of Guatemala. In addition, there is a marked tendency for women to work in the informal sector to a greater extent than men (excluding in the agricultural sector and with the exception of the Dominican Republic).
- The same trend is identified when analysing employment categories by sex. With the exception of the Dominican Republic and not including Guatemala, women in the subregion are underrepresented in the salaried population as a whole. By contrast, they are self-employed workers, domestic service workers or unpaid family workers (all of them types of employment considered, both formally and informally, as "vulnerable").
- Although not an issue exclusive to youth, the information consulted points to a strong increase in job insecurity for young people in the countries of the subregion.
- Women in the subregion take on a disproportionate share of care work in the home. In single-parent households with children under 15 years of age, these differences are much more pronounced in the countries relevant to the study (with the exception of Nicaragua, for which no data was available). This largely explains the significant gender gap in labour participation mentioned above.

Domain 5. Adequate living conditions. Inequality in the capability to enjoy comfortable, independent and secure living conditions.

Domain 5 of the MIF, on **adequate living conditions**, addresses the inequalities that people may experience in their capability to have access to and enjoy comfortable, independent and secure living conditions. Within this, it analyses a number of subdomains or issues, including secure access to clean water, sanitation and utilities, or access to adequate housing.

Subdomain 5A: Enjoy secure access to food, clean water, clean air, shelter, sanitation and utilities

The Central American countries in the study together make up a territory with an abundance of water, but still struggle to guarantee access to water resources for the whole of its population, protect the water from pollution, and ensure its future availability. Gaps in access to water, public water supplies and basic sanitation services in the countries of the subregion are confirmed in the analysis at the household level, disaggregated by variables such as geographical area of residence, level of income and belonging to an indigenous population group (in the case of Guatemala). The same patterns of inequality are also identified in access to public waste management services. The processing of data from national surveys enabled this analysis (except for in the case of Nicaragua). However, these national surveys are not entirely homogeneous among themselves.

The information provided by the surveys was insufficient to address two basic issues in this subdomain: a) gaps in access to clean water and b) gaps in access to water depending on destination or intended use. In several countries of the subregion, there is strong competition between access to water for human consumption and access to water to meet the demands of productive and commercial activities. In this sense, El Salvador is a paradigmatic case in the subregion.¹⁴⁰

Water¹⁴¹

Taking into account the disaggregation variables of geographical area, level of income and belonging to an indigenous population group, households in rural areas of CARD have limited access to water and household water services through the public network. One of the most extreme cases is the Dominican Republic, where the rural population without access to water is more than three times that of the urban population (42.2 percent of the rural population compared to 12 percent of the urban population). In Honduras, only 3 percent of households in rural areas have a public water supply, compared to 46 percent of households in urban areas.

¹⁴⁰ See the report “*Divide y Vencerás. Captura de facto la Ley General de Aguas en El Salvador* (Divide and Conquer: De facto capture of El Salvador’s General Water Bill)” by Itriago (2019) for Oxfam in El Salvador. Publication pending.

¹⁴¹ This subsection uses own calculations on the basis of the following national surveys: Multipurpose Household Survey (2016) in El Salvador, National Survey on Employment and Income (2018) in Guatemala, Multipurpose Household Survey (2016) in Honduras and Workforce Survey (2015) in Dominican Republic. For Guatemala (belonging to an indigenous population group) data from the Statistical Compendium on Indigenous Peoples 2015 prepared by the National Institute for Statistics of Guatemala (2016) was used. See Annex 4 for details.

Based on levels of income, the data confirms the evidence: the lower quintiles of the population have severe limitations when it comes to accessing a public water supply. In El Salvador, for example, only 5 percent of households in the lowest income quintile have access to water, compared to 58 percent of households in the highest quintile. In CARD in 2014 (El Salvador, Guatemala and Honduras), the difference in access to clean drinking water between households in the poorest and richest quintiles was equivalent to 50 percentage points or more.¹⁴²

Lastly, in 2015 in the case of Guatemala, more than 80 percent of non-indigenous headed households were connected to some type of water distribution network, compared to around 65 percent for indigenous-headed household.¹⁴³ Similarly, 66.6 percent of non-indigenous headed households had piped water within the home, compared to just 31.5 percent of indigenous-headed households.¹⁴⁴

Basic sanitation¹⁴⁵

Taking into account the same variables of disaggregation by geographical area, level of income and belonging to an indigenous population group in the case of Guatemala, an analysis of access to a sanitation system within the home by geographical area reveals significant gaps in CARD countries between rural and urban areas in terms of whether or not the service is available, whether such system is inside or outside of the home, and whether the toilets are connected to a sewage network. Whereas in Honduras and El Salvador there is almost universal access to sanitation services for the urban population, approximately 15 percent of the rural population lacks this service (11 percent in the case of El Salvador). In El Salvador, 83 percent of the rural population uses a sanitation system located outside of the home, compared to 47 percent in the case of the urban population. In Honduras, the percentage of households with toilets connected to the sewage network in urban settings is more than 8 times that of households in rural settings (58.3 percent compared to 6.9 percent, respectively), and approximately 5 times greater in the case of Guatemala (72 percent compared to 14 percent, respectively).

Significant gaps were also found between the poorest and richest income quintiles in terms of whether or not a sanitation system was available within the home, and if the toilets were connected to a sewage system. In El Salvador, only 8 percent of households in the lowest income quintile have access to an in-home sanitation system, compared to 68 percent of households in the highest quintile. In Honduras, 71 percent of households in the highest income quintile have toilets connected to the sewage system, compared with only 9.3 percent for the lowest quintile. A similar

¹⁴² Duryea S, Robles M (2016), *Realidades y perspectivas. Pulso Social de América Latina y el Caribe* (Realities and Perspectives. The social pulse of Latin America and the Caribbean) 2016, page 34; <http://bit.ly/2P6Ovag>

¹⁴³ National Institute for Statistics of Guatemala (INE) (2016), Statistical Compendium on Indigenous Peoples 2015, page 6; www.ine.gob.gt/sistema/uploads/2017/03/31/AwqECVuEFsNScmHu3ObGLbhZoraZXygn.pdf

¹⁴⁴ Ibid.

¹⁴⁵ This subsection uses own calculations on the basis of the following national surveys: Multipurpose Household Survey (2016) in El Salvador, National Survey on Employment and Income (2018) in Guatemala, Multipurpose Household Survey (2016) in Honduras and Workforce Survey (2015) in Dominican Republic. For Guatemala (belonging to an indigenous population group) data from the Statistical Compendium on Indigenous Peoples 2015 prepared by the National Institute for Statistics of Guatemala (2016) was used. See Annex 5 for details.

pattern is found in the Dominican Republic.

Lastly, belonging to an indigenous population group also seems to have some influence on access to the sewage network: in Guatemala in 2015, the percentage of non-indigenous-headed households having access to the sewage network was more than double that of indigenous-headed households (59.7 percent compared to 27 percent, respectively).¹⁴⁶

Waste management¹⁴⁷

There is a significant gap in access to public waste collection services in rural areas compared to urban areas,¹⁴⁸ resulting in a large proportion of rural households that do not have access to such services choosing to burn or bury their waste. The most extreme case was found in El Salvador, where only 10 percent of the rural population has access to public waste collection services, compared to 74 percent of the urban population. This results in 73 percent of the rural population burning their waste. Similarly, in Guatemala, 70 percent of the rural population buries waste due to lack of public or private services, whereas in urban areas 73 percent of the population has access to private or public collection services.

In terms of levels of income, there is also a very significant gap between the lowest and richest quintile in terms of public waste collection, which leads to much higher levels of burning as a means of waste management among the poorest population. In El Salvador, for example, public waste collection cover is less than 20 percent for households in the lowest income quintile, compared to 78 percent for households in the highest quintile. Sixty-four per cent of the poorest households burn their waste, compared to 14 percent of households in the highest income quintile.

Lastly, belonging to an indigenous population group in Guatemala has a significant impact, with the percentage of non-indigenous headed households having access to public or private waste disposal services being over three times higher than the percentage of (self-identified) indigenous headed households (53 percent compared to 16.3 percent, respectively).¹⁴⁹

Subdomain 5B: Enjoy adequate housing quality and security

Housing

A study conducted in 2016 by the Latin American Center for Competitiveness and Sustainable Development (CLACDS) of the INCAE Business School¹⁵⁰ points to significant housing deficiencies,

¹⁴⁶ National Institute for Statistics of Guatemala (INE) (2016), Statistical Compendium on Indigenous Peoples 2015, page 6; www.ine.gob.gt/sistema/uploads/2017/03/31/AwqECVuEFsNScmHu3ObGLbhZoraZXYgn.pdf

¹⁴⁷ This subsection uses own calculations on the basis of the following national surveys: Multipurpose Household Survey (2016) in El Salvador, National Survey on Employment and Income (2018) in Guatemala, Multipurpose Household Survey (2016) in Honduras and Workforce Survey (2015) in Dominican Republic. For Guatemala (belonging to an indigenous population group) data from the Statistical Compendium on Indigenous Peoples 2015 prepared by the National Institute for Statistics (INE) of Guatemala (2016) was used. See Annex 6 for details.

¹⁴⁸ This trend was true in the four CARD countries for which information was available: Guatemala, El Salvador, Honduras and Dominican Republic.

¹⁴⁹ Own calculations, based on page 7 of the Statistical Compendium on Indigenous Peoples 2015, INE, Guatemala (2016); <http://bit.ly/2Pa5WXY>

¹⁵⁰ Guevara P, Arce R (2016).

both quantitative (homes that need to be built) and qualitative (homes where one or more features require improvements, either through repair and renovation using sustainable materials, or through increased security of tenure), in countries of Central America¹⁵¹ and in the Northern Triangle in particular. Information disaggregated by a number of typical variables indicates that these deficiencies are not evenly distributed among the population of the countries in the subregion.

With regard to the geographical distribution of qualitative housing inadequacies (see Annex 7 for details), houses in CARD built with non-recoverable materials (walls made with waste or recycled material, plastic or tin roofs, or mud floors)¹⁵² are more widespread in rural areas than in urban areas. In Honduras, Guatemala and El Salvador, at least 7 out of 10 homes built with non-recoverable materials are located in rural areas. Based on levels of income, households with the lowest per capita income (quintiles I and II) account for between 50 and 70 percent of such homes in CARD (Dominican Republic, Honduras and El Salvador).¹⁵³

KEY TARGETS in gaps in access to adequate living conditions (subdomains 5A and 5B)

- Data analysed shows that households in rural areas and in the lowest income quintiles have lower relative access to water and public network water service than households in urban areas and in the highest income quintiles. These same households again have limited access to a basic sanitation system.
- Households in rural areas and belonging to the lowest income quintiles in CARD have limited access to public waste collection services. They therefore resort to practices such as burning of waste, which can have a negative impact on health.
- There are significant qualitative housing deficiencies in rural areas, as well as in the lower income quintiles of the population in the subregion.

¹⁵¹ The countries analysed in the study are: Costa Rica, El Salvador, Guatemala, Honduras and Panama.

¹⁵² Based on ECLAC's housing materials index; <http://bit.ly/3bQvxic>

¹⁵³ From own calculations based on the Multipurpose Household Survey (2016) in El Salvador, National Survey on Employment and Income (2018) in Guatemala, Multipurpose Household Survey (2016) in Honduras and Workforce Survey (2015) in Dominican Republic.

Other gaps identified

Subdomain 1A: Avoid premature mortality through disease, neglect, injury or suicide

Child malnutrition

Analysis by geographical area of residence shows that children in rural areas suffer more from malnutrition than those living in urban areas. In CARD (Guatemala, Honduras and Nicaragua), chronic child malnutrition rates in rural areas are more than 50 percent higher than in urban areas.¹⁵⁴ There are also differences in the prevalence of stunting, which is significantly high in some CARD countries, depending on levels of income. In Guatemala, 70 percent of the poorest children are stunted, a figure five times higher than that for the top quintile. In El Salvador, the gap between the lowest and highest quintile is seven times higher, and five in Honduras.¹⁵⁵ In fact, chronic malnutrition in Honduras affects 42 percent of children from lower-income families, compared to 8 percent from higher-income families. In Guatemala the difference is even greater, with chronic malnutrition affecting 66 percent of the poorest children, compared to 17 percent of children from higher-income families.¹⁵⁶

In Guatemala, chronic malnutrition is also found to be more prevalent among the indigenous population, with 61 percent of indigenous children being affected in 2014-2015, compared to 34.5 percent of non-indigenous children.¹⁵⁷

Subdomain 1F: Have good sexual and reproductive health

Mother and child and sexual and reproductive health

Based on levels of income, infant mortality rates in the Dominican Republic are higher for children born to mothers in the poorest quintile.¹⁵⁸

The mother's level of education is a factor here, with significant differences in CARD in terms of post-natal care and infant mortality. In El Salvador and Honduras, for example, the gap in post-natal care between newborn babies of mothers with no education and those of mothers with secondary and higher education is 22 percentage points in El Salvador and 29 percentage points in Honduras.¹⁵⁹ Similarly, infant mortality rates among children born to mothers with no education are seven times higher in El Salvador and three times higher in Guatemala and the Dominican Republic than those for children born to mothers who have received education.¹⁶⁰

¹⁵⁴ Food and Agriculture Organization of the United Nations (FAO), Pan American Health Organization (PAHO), World Food Programme (WFP), World Health Organization (WHO) and UNICEF (2018), page 21: <http://bit.ly/2PehEAF>

¹⁵⁵ UNICEF 2016, page 13; <https://uni.cf/39RKpuE>

¹⁵⁶ FAO, PAHO, WFP, WHO and UNICEF (2018); <http://bit.ly/2PehEAF>

¹⁵⁷ FAO, PAHO, WFP, WHO and UNICEF (2018), page 21; <http://www.fao.org/3/CA2127ES/CA2127ES.pdf>

¹⁵⁸ UNICEF 2016, <https://uni.cf/39RKpuE>

¹⁵⁹ UNICEF 2016, page 12; <https://uni.cf/39RKpuE>

¹⁶⁰ UNICEF 2016, page 13; <https://uni.cf/39RKpuE>

Differences by levels of income and education are also found in sexual and reproductive health indicators. In Guatemala and El Salvador, women with fewer years of schooling and lower incomes are more likely to have unmet needs in access to contraception. In fact, according to Oxfam, in Guatemala those with a university education are more than three times more likely to use contraception than those with only primary education, "and almost three times (more likely) that contraception is used by wealthier persons than by those economically worse off."¹⁶¹

Here too, belonging to an indigenous population group makes a difference. In Guatemala and Nicaragua, indigenous young people had higher unmet contraception needs than non-indigenous young people. In terms of inequalities in access to post-natal care, only 30 percent of indigenous women in Guatemala and 57 percent in Nicaragua received skilled care during childbirth, compared to 70 percent and 81 percent of non-indigenous women, respectively. Even in maternity facilities, indigenous women may suffer discrimination and receive poorer quality care, with serious implications for their maternal health. These inequalities are also reflected in child mortality.¹⁶²

¹⁶¹ Gauster (2019), with support from Romero W. and Botella C, page 20; <https://go.aws/2SVZjib>

¹⁶² UNICEF 2016, page 9; <https://uni.cf/39RKpuE>

SECTION 2. GORDIAN KNOTS OR DRIVERS OF INEQUALITY IN CARD

The multidimensional landscape of the manifestations of inequality in the subregion is mirrored in a multiplicity of causes. One of the guidelines of this research project was to highlight the Gordian knots or underlying structural causes of such inequality; i.e. to identify issues which, when addressed, will result in transformation processes that affect a considerable number of the inequality gaps identified.

Therefore, using the analysis of relevant literature, the results of the discussion and validation workshop held in Guatemala with experts, as well as the MIF itself as support, this report identifies at least two structural causes of inequality in CARD. The first will be referred to here as the "minimalist CARD states" and refers to states with reduced capacity to adopt a structural and comprehensive approach to the diverse inequalities of the subregion that this report has described in the preceding section. The second refers to the social institutions (norms, belief systems, cultural practices, etc.) that reproduce patterns of discrimination and exclusion of certain population groups.

Driver 1. Minimalist CARD states: small, low-productivity economies; low social investment, tax collection and institutional capacity.

CARD: small, low-productivity economies.

Economic factors are core issues that limit the efficacy of inequality reduction policies in the subregion. As noted previously, the countries of the subregion are small lower-middle and upper-middle income economies with low levels of competitiveness (with the exception of the Dominican Republic, which could be said to have middle-low competitiveness as a result of recent advances, according to the

World Economic Forum Global Competitiveness Index [GCI]¹⁶³ of 2019).¹⁶⁴ The poor progress in the subregion's competitiveness is partly a reflection of precarious productive structures strongly anchored in economic activities of low added value and low productivity.¹⁶⁵ This economic configuration is an obstacle to closing inequalities. On the one hand, it limits the creation of quality jobs for all or most of the population. But it is also a manifestation of the deficiencies linked to the direct and indirect drivers of productivity and general wellbeing, such as quality education, innovation capability, adoption of ICTs, good health and labour rights, and unequal access to all of these.

Table 7. GCI pillars in CARD associated with low productivity (2019)

Country	Global Competitiveness Index 2019		ICT adoption		Health		Education and skills		Labour market		Innovation capacity	
	IGC Ranking 2019	Score	Ranking 2019	Score	Ranking 2019	Score	Ranking 2019	Score	Ranking 2019	Score	Ranking 2019	Score
El Salvador	103	52.6	105	40.6	77	78.1	112	48.4	106	53.4	121	27.9
Guatemala	98	53.5	110	37.7	80	74	103	51.4	122	50.9	98	31.5
Honduras	101	52.7	124	30.2	88	77.8	108	49.5	95	55.9	106	30.6
Nicaragua	109	51.5	114	35.9	35	90	116	46.8	108	53.2	122	27.8
Dominican Republic	78	58.3	79	51.8	86	75.7	85	75.7	52	62.9	72	40

Source: Prepared by the authors based on data from the Global Competitiveness Report 2019. World Economic Forum.

According to the 2019 GCI (see Table 7), CA-4 countries in particular occupy the lowest positions in pillars closely related to low productivity. The low scores in the “Education and Skills” pillar reflect low levels of training, explained in turn by low levels of schooling, quality of education, graduate skills, poor preparation for the use of ICTs, and deficiencies in the promotion of critical thinking in education, among other issues. Whilst not at the same level as CA-4 countries, the Dominican Republic also scores badly in this area. Furthermore, CA-4 countries have low salary levels and poorly defined workers' rights, among other factors, leading to very low scores also for the “Labour

¹⁶³ Each year the World Economic Forum publishes a report that analyses how countries are using their economic, human, technological and infrastructure resources to generate better prosperity. This report is based on the Global Competitiveness Index (GCI), composed of 12 major themes or pillars: 1. Institutions, 2. Infrastructure, 3. Adoption of ICT, 4. Macroeconomic stability, 5. Health, 6. Education and skills, 7. Product Market, 8. Labour Market, 9. Financial System, 10. Market size, 11. Business Dynamism and 12. Innovation capability. The GCI and its pillars rank countries on a 0 to 100 scale, with 100 being the best possible value. The 2019 edition covers 141 countries, with Singapore at the top of the ranking.

¹⁶⁴ According to the GCI ranking, Guatemala dropped from 96th in the 2018 edition to 98th in 2019 (out of 141 countries). El Salvador dropped 5 places from 98th in 2018 to 103rd in 2019. Honduras was the exception, as it managed to stay in 101st place for two consecutive periods. Nicaragua was also down from 104 to 109. The Dominican Republic improved from 82nd place in 2018 to 78th in 2019.

¹⁶⁵ According to ICEFI estimates, based on *Latin America: Total factor productivity and its components* (ECLAC, 2014), total factor productivity in CA-4 countries is negative. See Abelardo Medina Bermejo (ICEFI) for the presentation of the report *Otra Centroamérica es posible* (pending publication); <http://bit.ly/2SHsRLX>
For the case of the Dominican Republic, see National Council of Competitiveness and IDB (2019); <http://bit.ly/39ShxTk>

Market” pillar. The “Innovation Capability” pillar was no exception for the CARD group. This pillar values workforce diversity, collaboration between multiple actors and expenditure on research and development, among other variables that enable greater accumulation of knowledge and innovative ideas for the promotion of economic growth. CA-4 countries do better on “Health” compared to other pillars. For example, the population of Nicaragua registered a high healthy life expectancy, which put their country in 35th place. The worst ranked countries in the whole of CARD in this area were Guatemala and the Dominican Republic (88 and 86, respectively).¹⁶⁶

Deficiencies in the drivers that promote subregional productivity at the root act as barriers to the reduction of inequality. The subregion's economic fragility, given the low tax collection resulting from low productivity, in turn means less manoeuvring space for governments to make the social investments required to close gaps in access to quality public services and the goods and services that guarantee decent living conditions. It should be pointed out, however, that the subregion's insufficient tax collection is not only attributable to the size and weakness of its economies, but also to factors associated with the design of the tax systems applied.

Low social investment in CARD¹⁶⁷

Social expenditure reflects the importance attributed by governments to meeting the social needs of their citizens, through their relevant ministries. This expenditure contributes to the country's development, welfare and economic growth. The 17 LAC countries analysed by ECLAC allocated between 9 and 11 percent of GDP to social expenditure in the period 2000-2016 (on average, as a proportion of GDP).

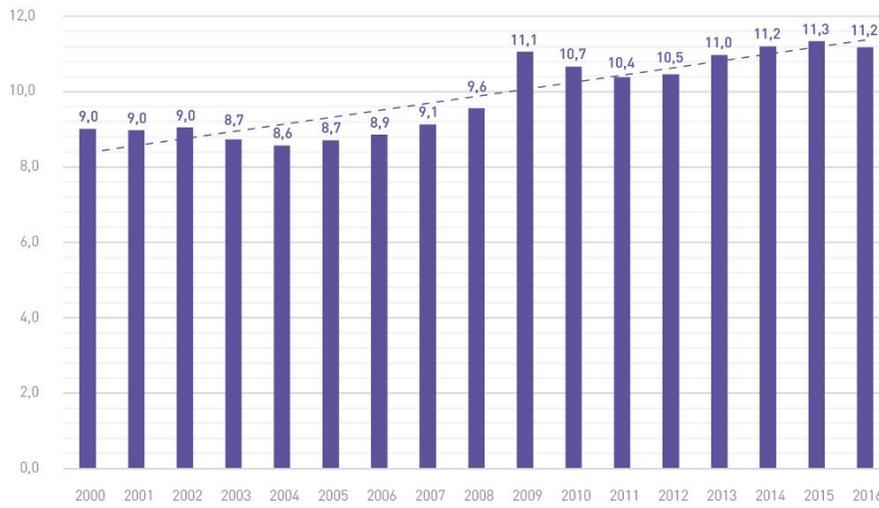
Although social expenditure in LAC shows an upward trend for the period, it is still far from the volume of expenditure of developing countries such as those belonging to the Organisation for Economic Co-operation and Development (OECD), which allocate around 21 percent of GDP to social expenditure.¹⁶⁸

¹⁶⁶ World Economic Forum (2019); www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

¹⁶⁷ ECLAC defines public social expenditure as the volume of public resources allocated to finance public policies in the areas of social protection, education, health, housing and community services, recreational, cultural and religious activities, and environmental protection.

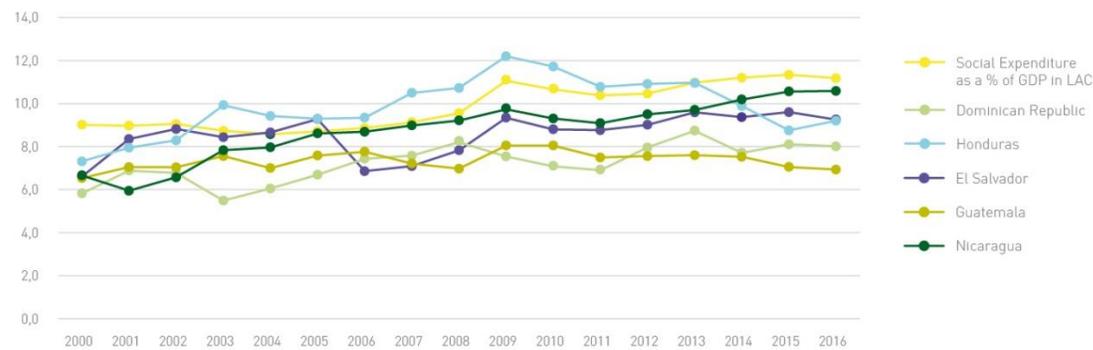
¹⁶⁸ Expenditure for Social Purposes. Organisation for Economic Co-operation and Development (OECD): <https://bit.ly/39QmrAd>

Figure 59. Social Expenditure as % of GDP (LAC, 2000-2016)



Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean.

Figure 60. Social expenditure as % of GDP (LAC and CARD, 2000-2016)

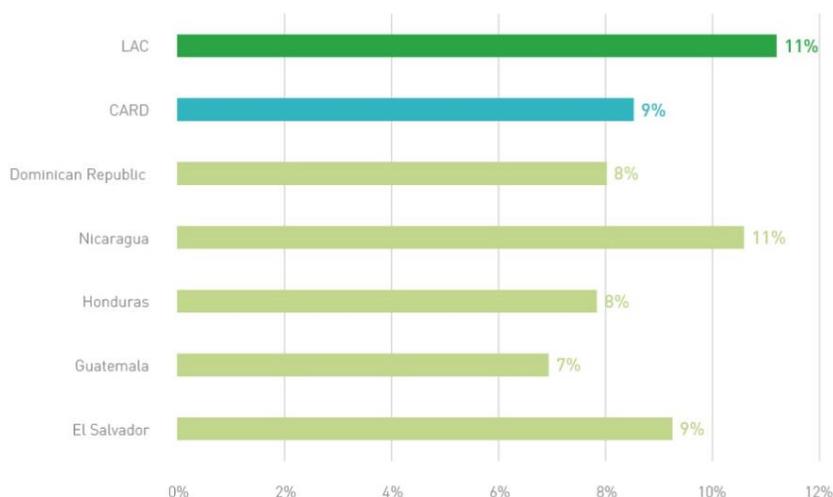


Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean.

From 2000 to 2016, LAC countries allocated an average of 9.9 percent of GDP to social expenditure, compared to 8.4 percent of GDP allocated by CARD countries. The only CARD country with average social expenditure similar to LAC is Honduras. On average, between 2000 and 2016 the Dominican Republic allocated 7.2 percent, El Salvador 8.6 percent, Guatemala 7.4 percent and Nicaragua 8.8 percent. Nicaragua was the only country showing an upward trend throughout the period (see Figure 60). Based on 2016 alone, CARD countries allocated 8.5 percent of GDP on average to social expenditure, almost three percentage points less than their counterparts in LAC (see Figure 61). Thus, social expenditure remains insufficient in the subregion. In fact, the Central American Institute for Fiscal Studies (ICEFI) estimates that central administrations in all the study countries in Central America need to increase public spending if they are to meet the 2030 Agenda goals associated with the eradication of extreme poverty, universal education

and healthcare services, and strengthening of the region's economic and social infrastructure.¹⁶⁹

Figure 61. Social expenditure as % of GDP (LAC and CARD, 2016)¹⁷⁰



Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean.

Despite the fact that the difference in amounts allocated to social expenditure in LAC and CARD countries in 2016 as a percentage of GDP is not overly significant, a per capita analysis shows that CARD countries allocated USD 595 less per person to social expenditure than LAC countries in the same year (199 percent lower). This is largely due to the fact that average per capita GDP in CARD was USD 3,509 compared to USD 8,861 in LAC (Table 8). Similarly, on average for the past 16 years, CARD countries allocated USD 233 per person to social expenditure, while the average in LAC was USD 820. Countries such as Honduras and Nicaragua are well below the CARD average, with USD 188 and USD 138 per person, respectively (Table 9).

Table 8. Social expenditure per capita in USD (CARD and LAC, 2016)

Country	Social Expenditure as a % of GDP 2016	GDP per capita in dollars	Social expenditure per capita in dollars
El Salvador	9%	\$3,398	\$316
Guatemala	7%	\$3,168	\$220
Honduras	8%	\$2,188	\$201
Nicaragua	11%	\$1,942	\$207
Dominican Republic	8%	\$6,848	\$552
CARD (Average)	9%	\$3,509	\$299
LAC	11%	\$8,861	\$894

Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean and CEPALSTAT.

¹⁶⁹ See Abelardo Medina Bermejo (ICEFI) in the presentation of the report *Otra Centroamérica es posible* (publication pending); <https://www.youtube.com/watch?v=HiGiAeTU9RM>

¹⁷⁰ All the figures and tables in this subsection use constant 2010 USD. Information provided by ECLAC.

Table 9. Social expenditure per capita in USD (CARD and LAC, 2000-2016)

Country	Social expenditure ¹⁷¹ as a % of GDP	GDP per capita ¹⁷²	Social expenditure per ¹⁷³ capita in dollars
El Salvador	8.6	\$2,961	\$255
Guatemala	7.2	\$2,860	\$210
Honduras	7.4	\$1,904	\$188
Nicaragua	9.8	\$1,548	\$138
Dominican Republic	8.8	\$5,054	\$372
CARD (Average)	8.4	\$2,865	\$233
LAC	9.9	\$8,154	\$820

Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean and CEPALSTAT.

Expenditure on housing and community services¹⁷⁴

According to ECLAC, “there is widespread recognition that investment in housing provides high social returns, as it improves the health and social mobility of the population, which is in turn reflected in important advances in morbidity and mortality rates and in greater possibilities for improving social status through better performance at school. Spending on housing is therefore an important complement to spending on health and education”.¹⁷⁵

Figures from the Social Investment Portal on public expenditure on housing and community services for LAC show that the countries of the region allocate very few resources to this expenditure item: from 2000 to 2016, the percentage of GDP allocated to housing and community services was 0.7 percent on average, and has remained unchanged since 2008. Social expenditure on housing and community services represents an average of 7 percent of social expenditure in LAC in the 16 years from 2000 to 2016. In the same period, investment in housing and community services by CARD countries was 0.8 percent of GDP on average, slightly above the LAC average, due to the fact that Nicaragua and Guatemala allocated twice the LAC average to this item over the 16 year period (1.5 and 1.7 percent of GDP, respectively) (see Figure 62). However, given that CARD recorded a lower GDP per capita than that of LAC as a whole (185 percent lower), spending on housing and community services in dollars per capita was significantly lower in CARD (140 percent lower: USD 21 in CARD compared to USD 50 in LAC).

¹⁷¹ Simple average of social expenditure as a percentage of GDP from 2000 to 2016 by country or region.

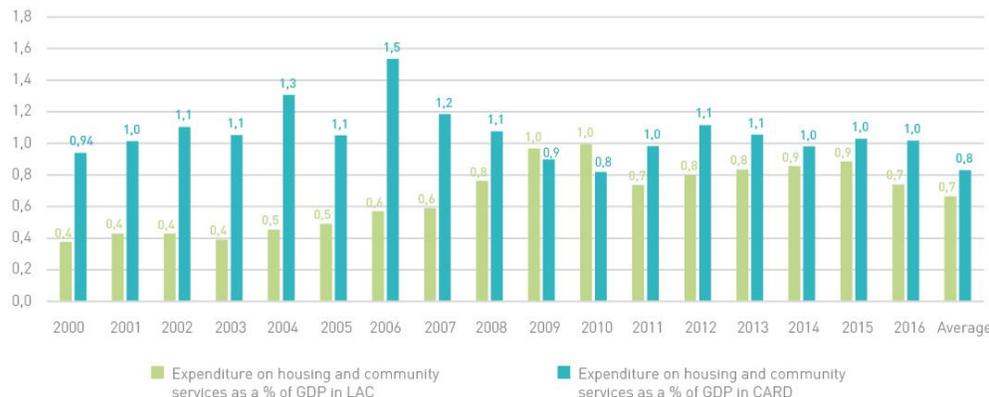
¹⁷² Simple average of GDP per capita from 2000-2016 by country or region. Dollars expressed in constant 2010 prices.

¹⁷³ Simple average in dollars for social expenditure per capita for the period 2000-2016. Dollars expressed in constant 2010 prices.

¹⁷⁴ According to ECLAC's Social Investment Portal (<http://bit.ly/2HEGGEE>), public spending on housing and community services corresponds to disbursements earmarked for urbanisation. Urbanization includes both the administration of urbanisation matters and the elimination of slums related to housing construction, construction and remodelling of housing for the general public or people with special needs, as well as the acquisition of land necessary for the construction of houses.

¹⁷⁵ ECLAC (2010).

Figure 62. Expenditure on housing and community services as % of GDP (CARD and LAC, 2000-2016)



Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean and CEPALSTAT.

Table 10. Per capita expenditure on housing and community services in USD (CARD and LAC, 2000-2016)

Country	176 Social expenditure as a % of GDP	Expenditure on Housing and Community Services as a % of GDP	% of social expenditure allocated to Housing and Community Services	177 Social expenditure per capita in dollars	Expenditure on housing and community services per capita in dollars
El Salvador	8.6	0.1	1%	\$255	\$1
Guatemala	7.2	0.6	9%	\$210	\$47
Honduras	7.4	1.7	23%	\$188	\$3
Nicaragua	9.8	0.2	2%	\$138	\$23
Dominican Republic	8.8	1.5	17%	\$372	\$31
CARD (Average)	8.4	0.8	10%	\$233	\$21
LAC	9.9	0.7	7%	\$820	\$50

Source: Prepared by the authors using data from the Social Investment Portal in Latin America and the Caribbean and CEPALSTAT.
 Note: Social organisations in the Dominican Republic report an overestimation by public institutions of expenditure associated with housing and community services, citing expenditure strictly referring to *social housing* at less than 0.1 percent of GDP at year-end 2016.¹⁷⁸

Expenditure on education¹⁷⁹

Social expenditure on education is essential for the development of people’s skills and knowledge. Different theories that analyse the relationship between education and the labour market state that the higher the level of education, the greater the chances of obtaining better salaries throughout an individual's working life. Moreover, investment in education also offers other types of employment advantages, such as a higher participation rate, greater job stability and access to more interesting occupations with better working conditions. However, notwithstanding the foregoing, it should be pointed out that the benefits of education go far beyond mere technical skills for work.

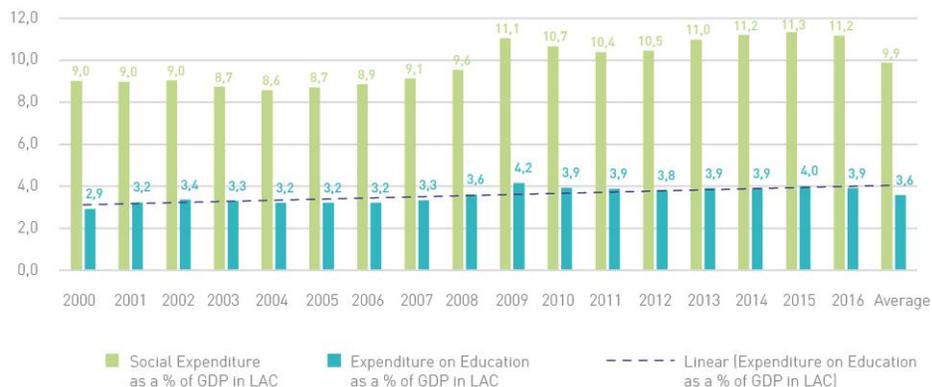
¹⁷⁶ Simple average of social expenditure as a percentage of GDP from 2000 to 2016 by country or region.

¹⁷⁷ Simple average of 2000-2016-dollar expenditure for housing and community services per person by country or region. Dollars expressed in constant 2010 prices.

¹⁷⁸ See “El 2016 fue un ‘total fracaso’ como año de la vivienda en RD (2016: A total disaster as the year of housing in DR)”: <http://bit.ly/2TcUU5J>; “Oxfam y Casa Ya lanzan campaña que exige priorizar el gasto público en Vivienda (Oxfam and Casa Ya launch campaign to prioritise public spending on housing)”: <http://bit.ly/2uRiAnG>

¹⁷⁹ The Social Investment Portal in Latin America and the Caribbean defines public spending on education as “disbursements at different levels of education, from preschool to tertiary, including ancillary services and education-related research and development”.

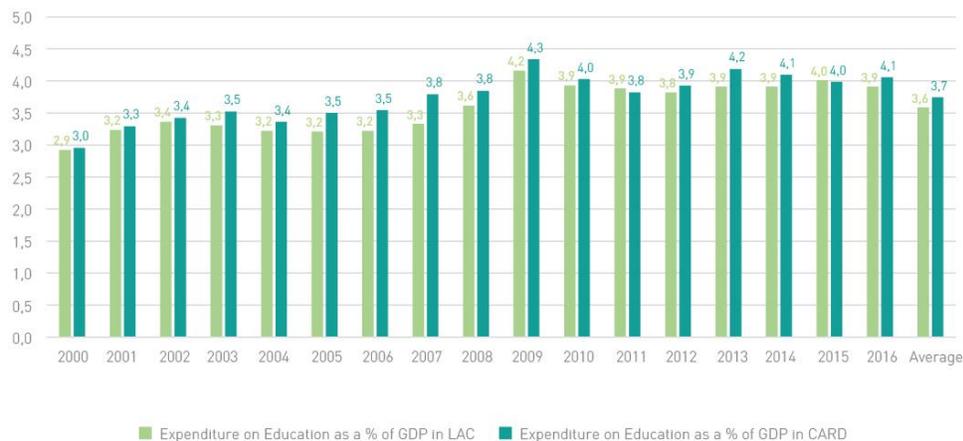
Figure 63. Social expenditure on education as % of GDP (LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

As shown in Figure 63, average social expenditure on education in LAC for the period 2000-2016 was 3.6 percent of GDP, reaching its maximum value in 2009 (4.2 percent). The trend shows that there have been no significant improvements in 16 years, as spending has only grown by one percentage point in the region, from 2.9 percent of GDP in 2000 to 3.9 percent in 2016.

Figure 64. Expenditure on education as % of GDP (CARD and LAC, 2000-2016)

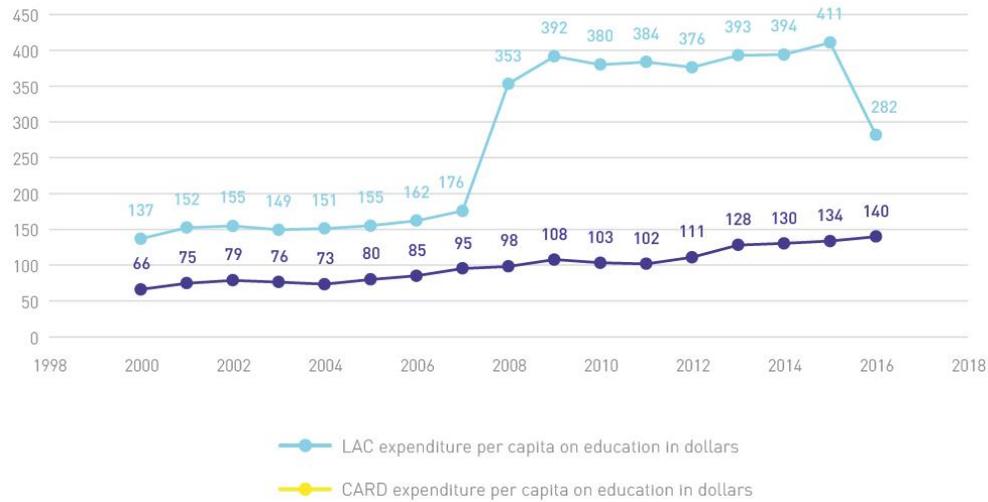


Source: Prepared by the authors with data from CEPALSTAT.

Figure 64 shows similarities between CARD and LAC. In the period 2000-2016, both regions allocated a similar percentage of their GDP to social expenditure on education, with the figure being slightly higher for CARD countries (0.1 percentage points). However, CARD allocated an average of 45 percent of its social expenditure to education, which is 8 percentage points more than LAC as a whole.

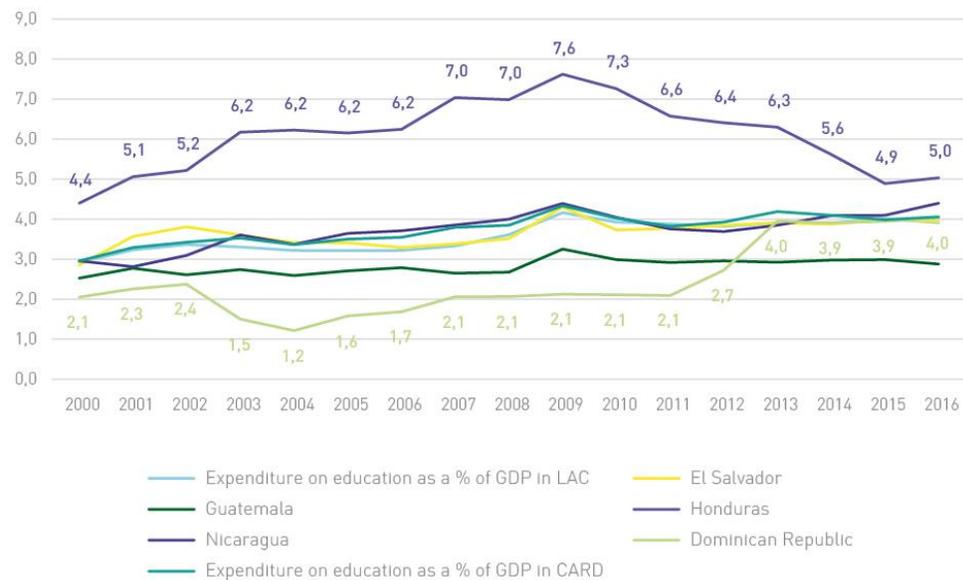
With regard to per capita expenditure on education over the same period, this increased by 106 percent in LAC, from USD 137 per person in 2000 to USD 282 in 2016. In CARD, the increase was 112 percent, from USD 66 in 2000 to USD 140 in 2016. Thus, CARD invested on average USD 172 less per person than LAC in the period 2000 to 2016 (see Figure 65).

Figure 65. Per capita expenditure on education in USD (CARD and LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Figure 66. Expenditure on education as % of GDP (CARD, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Figure 66 reveals that Honduras is the country with the highest percentage of GDP allocated to social expenditure on education. The average for the period from 2000 to 2016 was 6.1 percent (much higher than the CARD and LAC averages, which were 3.7 percent and 3.6 percent of GDP, respectively), reaching its highest level in 2009 with 7.6 percent and its minimum in 2000 with 4.4 percent. The Dominican Republic and Guatemala had the lowest average spending as a percentage of GDP for the education sector, at 2.5 percent and 2.8 percent, respectively, in that period. However, it should be emphasised that the Dominican Republic showed a notable increase in spending since 2011, almost doubling its social expenditure on education to nearly 4 percent of GDP by 2013, where it has

stayed in recent years.¹⁸⁰ This commitment represents a historical first in the country, with few regional precedents. El Salvador and Nicaragua showed an average spending of 3.7 percent each.

Table 11. Per capita expenditure on education in USD (CARD and LAC, 2000-2016)

Country	Social expenditure as a % of GDP 2000-2016	Expenditure on Education as a % of GDP 2000-2016	% of social expenditure allocated to Education	Social expenditure per capita in dollars	Expenditure on Education per capita in dollars
El Salvador	8.6	3.7	43%	\$255	\$109
Guatemala	7.2	2.8	39%	\$210	\$81
Honduras	7.4	6.1	83%	\$188	\$116
Nicaragua	9.8	3.7	38%	\$138	\$58
Dominican Republic	8.8	2.5	28%	\$372	\$131
CARD (Average)	8.4	3.7	45%	\$233	\$99
LAC	9.9	3.6	36%	\$820	\$271

Source: Prepared by the authors with data from CEPALSTAT.

On average, USD 271 per capita were allocated to education in LAC in the period 2000-2016. The average investment in CARD was much lower, at USD 99 in the same period. Table 11 shows Honduras' strong commitment to education, with an allocation of 83 percent of its total social expenditure (USD 116 per capita) to this. Nicaragua ranks last, allocating an average of USD 58 per person.

Health expenditure¹⁸¹

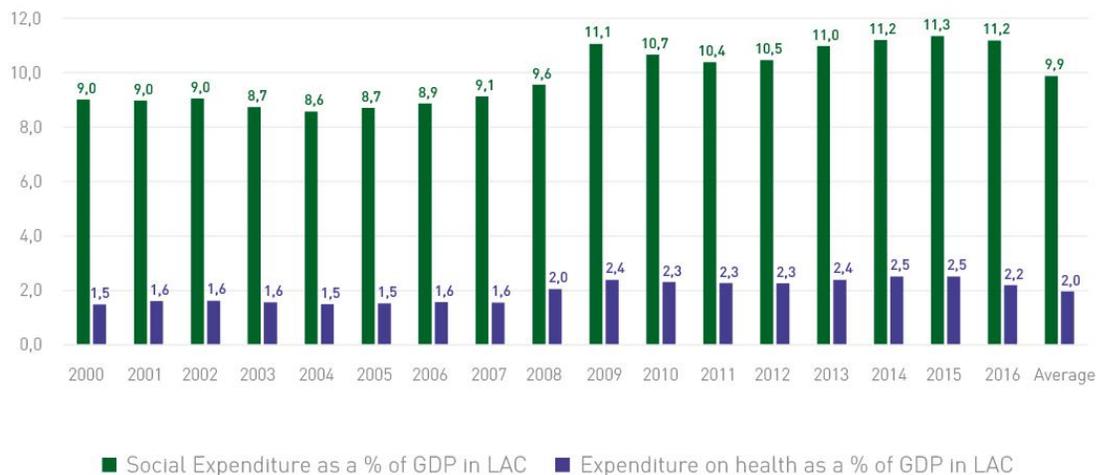
According to the World Health Organization (WHO), access to and use of health care services are essential to enjoy good health and achieve health equality. The health care system is itself a social determinant of health; it influences the effects of other social determinants and is in turn influenced by them.

From 2000 to 2016, average social expenditure on health in LAC was 2 percent of GDP, increasing by 0.7 percentage points from 1.5 percent in 2000 to 2.2 percent in 2016 (see Figure 67). Out of LAC's overall social expenditure, 20 percent was allocated to public health prevention measures and care during that period.

¹⁸⁰ Ministry of Education of the Dominican Republic (MINERD) (2017); <http://bit.ly/2VihhrAn>

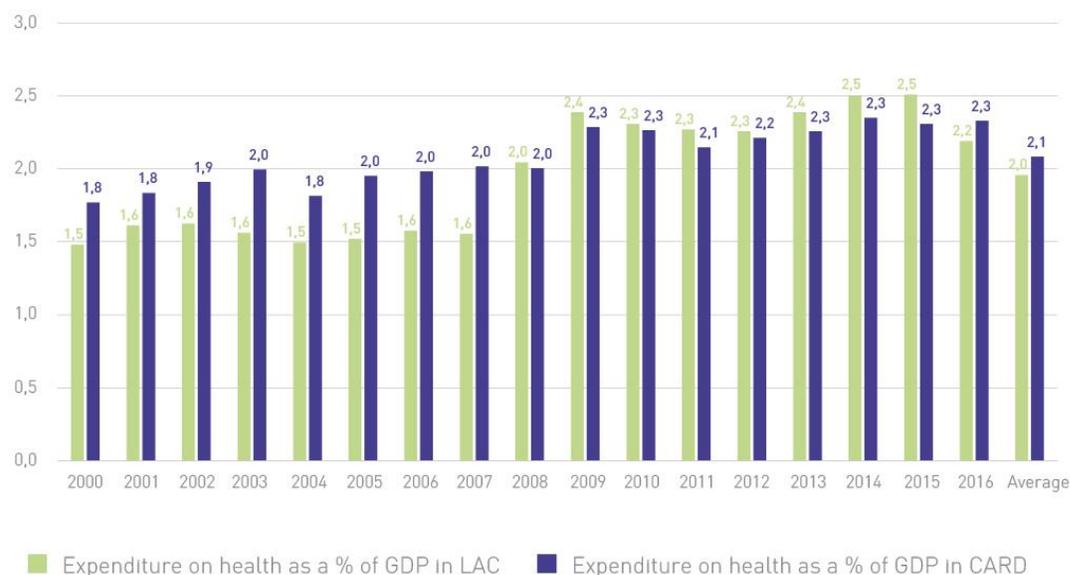
¹⁸¹ According to the Social Investment Portal in Latin America and the Caribbean, public spending on health includes disbursements for health services provided to individuals and groups. These services are preventative and restorative.

Figure 67. Social expenditure on health as % of GDP (LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Figure 68. Social expenditure on health as % of GDP (CARD and LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Average social expenditure on health in CARD as a percentage of GDP for the 2000-2016 period was 2.1 percent, slightly higher than that of LAC, which was 2 percent. This is mainly because Honduras and Nicaragua allocated almost one percentage point more to health than the amount allocated on average in LAC over the 16-year period. The following graph shows that health expenditure in CARD as a percentage of GDP increased by 0.8 percentage points, from 1.5 to 2.3 percent, in the period 2000-2016, although it has remained at 2.3 percent since 2013.

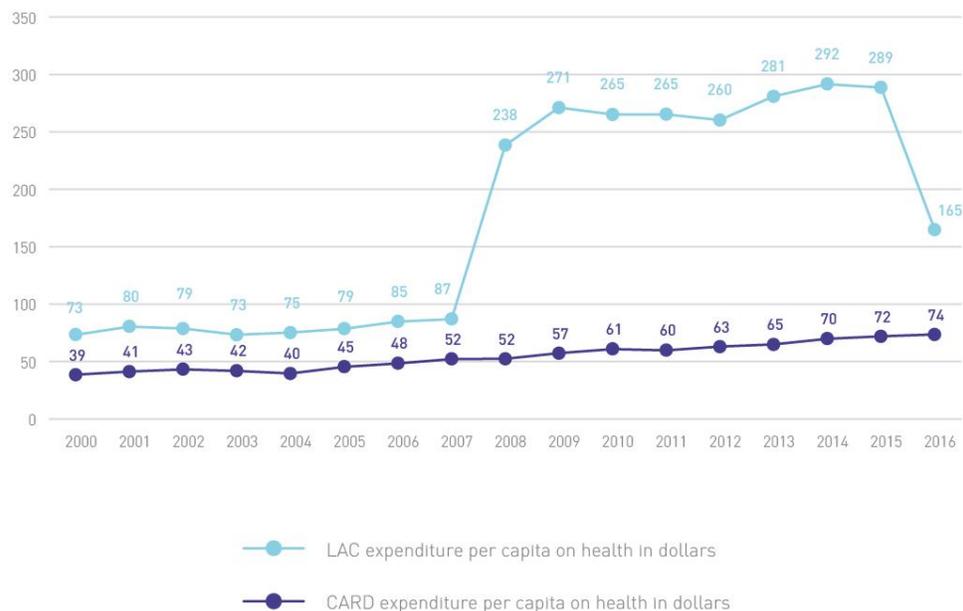
Figure 69. Social expenditure on health as % of GDP (CARD, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

As was the case for education, Honduras is the CARD country that (on average) has allocated the most resources to health (2.9 percent) in the 16 years since 2000. Nicaragua follows closely with 2.8 percent and has maintained an upward trend since 2012. Guatemala, on the other hand, is the country with the lowest allocation to public health. From 2000 to 2016, social expenditure on health as a percentage of GDP in this country was 1.2 percent on average, almost one percentage point (0.9 percent) lower than the CARD average.

Figure 70. Per capita expenditure on health in USD (CARD and LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Per capita expenditure on health services in CARD has been increasing since 2000 (with a 90 percent increase over 16 years, from USD 39 in 2000 to USD 74 in 2016). LAC showed a per capita growth of 124 percent, from USD 73 in 2000 to USD 165 in 2016. However, per capita health expenditure has actually dropped in recent years, with available information showing a peak of USD 292 in 2014 and a drop to USD 165 dollars by 2016 (see Figure 70). The data shown in Figure 70 also reveals that CARD spent an average of USD 91 less per person on health than LAC countries in 2016.

Table 12. Per capita expenditure on health in USD (CARD and LAC, 2000-2016)

Country	Social expenditure as a % of GDP 2000-2016	Expenditure on Health as a % of GDP 2000-2016	% of social expenditure allocated to Health	Social expenditure per capita in dollars 2000-2016	Expenditure on Health per capita in dollars 2000-2016
El Salvador	8.6	2.1	25%	255	63
Guatemala	7.2	1.2	16%	210	33
Honduras	7.4	2.9	39%	188	55
Nicaragua	9.8	2.8	29%	138	44
Dominican Republic	8.8	1.5	17%	372	77
CARD (Average)	8.4	2.1	25%	233	54
LAC	9.9	2.0	20%	820	174

Source: Prepared by the authors with data from CEPALSTAT.

As shown in Table 12, CARD countries allocated USD 54 per capita on average for health services between 2000 and 2016, well below the USD 174 per capita allocated by LAC. The Dominican Republic was the CARD country allocating the most resources per person (USD 77) although, after Guatemala, it is the country in the subregion with the lowest social investment in public health as a percentage of GDP.

Expenditure on social protection¹⁸²

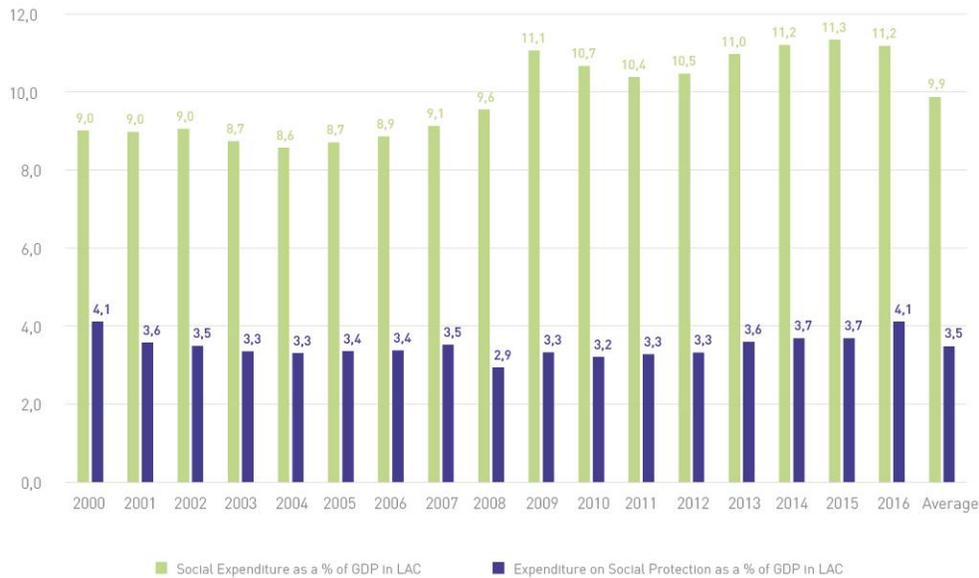
Everyone needs social protection throughout the life cycle: in childhood, during our working life and in old age. Such protection is also necessary under specific unexpected circumstances, such as illness, disability and loss of income or work. In other words, social protection covers risks that may be faced by everyone in society (for example, illness, old age and unemployment), but also risks associated with structural problems such as poverty and inequality (the social exclusion subfunction, which includes, for example, conditional transfer programmes).¹⁸³ According to the WHO, there is a positive correlation between the availability of a universal, generous social protection system and a healthier population. This is reflected in lower levels of excess mortality among the elderly and lower mortality rates among disadvantaged social groups.¹⁸⁴

¹⁸² According to the Social Investment Portal in Latin America and the Caribbean, public spending on social protection refers to disbursements for services and transfers to individuals and families that cover the following subfunctions of social protection: illness and disability, old age, survivors, family and children, unemployment, housing and social exclusion.

¹⁸³ Social Investment Portal in Latin America and the Caribbean.

¹⁸⁴ World Health Organization (WHO) (2008).

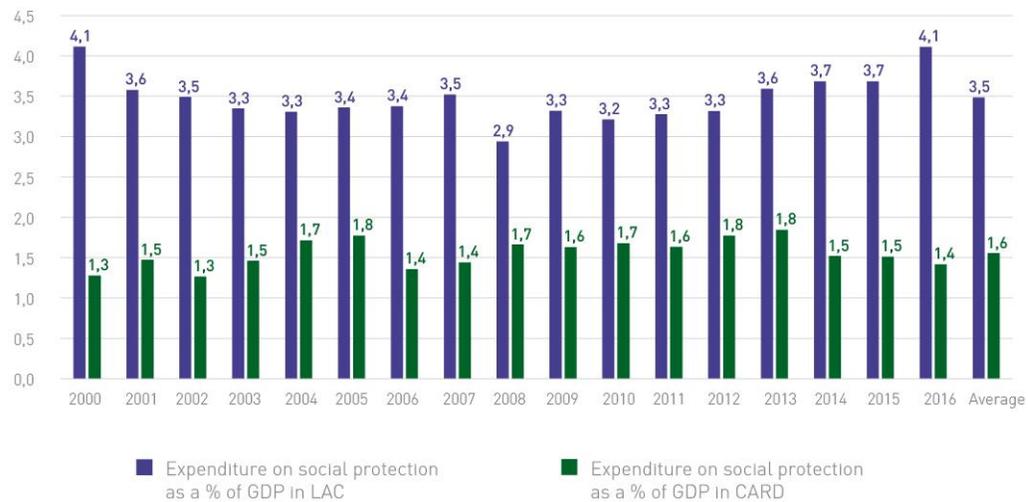
Figure 71. Expenditure on social protection as % of GDP (LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Figure 71 shows no variation in spending on social protection as a percentage of GDP in LAC countries for the period 2000-2016 (with 4.1 percent in both 2000 and 2016). In this 16-year period, LAC countries allocated an average of 35 percent of total social expenditure to the social protection sector, a percentage similar to that allocated to education (36 percent).

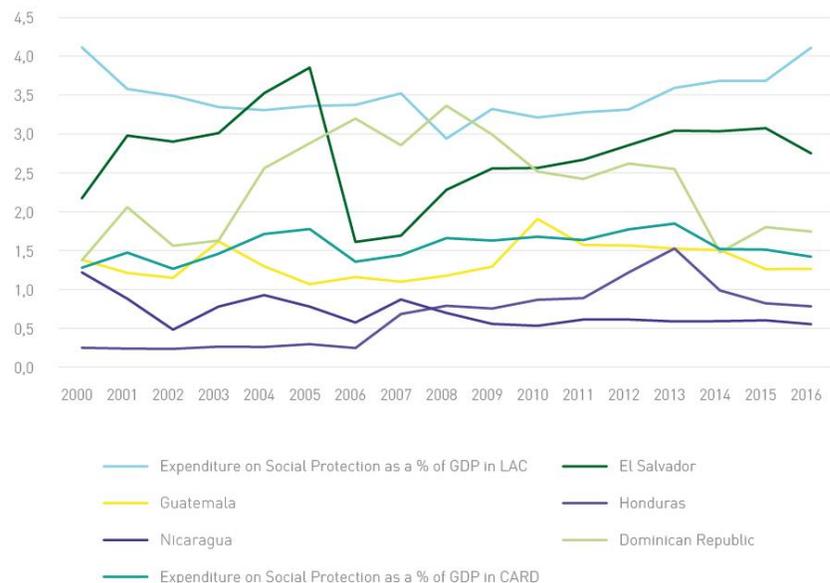
Figure 72. Expenditure on social protection as % of GDP (CARD and LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT

CARD countries showed lower expenditure on social protection as a percentage of GDP, with average spending from 2000 to 2016 of 1.6 percent, almost 2 percentage points less than LAC. As a percentage of total social expenditure, spending on social protection in CARD was 19 percent (16 percentage points less than in LAC).

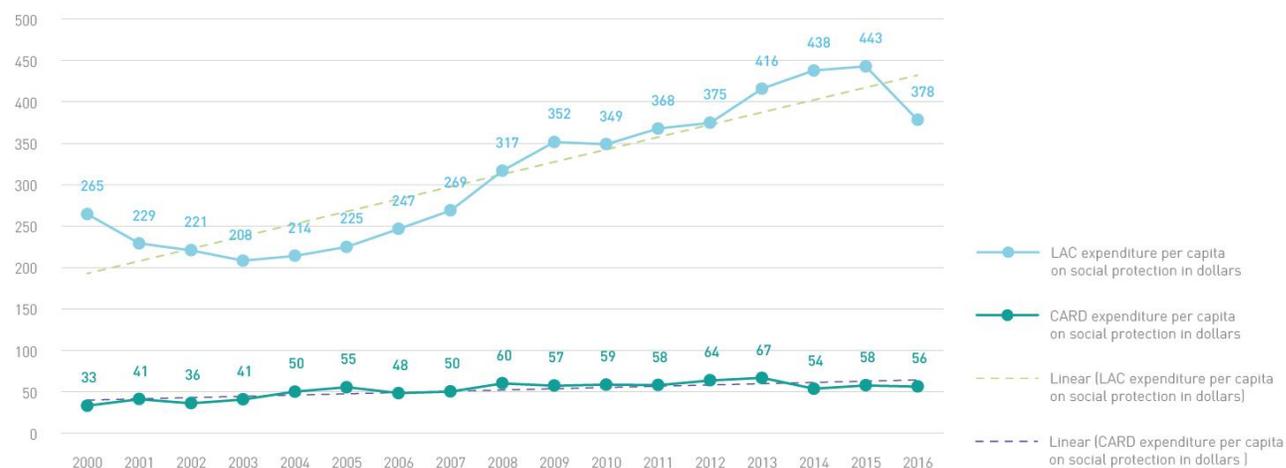
Figure 73. Expenditure on social protection as % of GDP (CARD and LAC, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

Honduras and Nicaragua are the CARD countries with the lowest spending on social protection, with an average 0.7 percent of GDP over 16 years (2.8 percentage points below LAC and almost one percentage point less than the CARD average). The Dominican Republic and El Salvador allocated a higher volume of resources to social protection than the CARD average, with 2.3 percent and 2.7 percent, respectively.

Figure 74. Per capita expenditure on social protection in USD (LAC and CARD, 2000-2016)



Source: Prepared by the authors with data from CEPALSTAT.

As in the previous cases, the comparison in dollars per capita provides a better picture. For the period from 2000 to 2016, an average of USD 312 per capita was allocated for social protection in LAC, while in CARD the amount was only USD 52 per capita, about six times less (see Table 13).

Table 13. Per capita expenditure on social protection in USD (CARD and LAC, 2000-2016)

Country	Social expenditure as a % of GDP 2000-2016	Expenditure on social protection as a % of GDP 2000-2016	% of social expenditure allocated to social protection	Social expenditure per capita in dollars	Expenditure on social protection per capita in dollars
El Salvador	8.6	2.7	32%	\$255,11	\$81,19
Guatemala	7.2	1.4	19%	\$210,38	\$38,85
Honduras	7.4	0.7	9%	\$188,33	\$12,97
Nicaragua	9.8	0.7	7%	\$138,31	\$10,62
Dominican Republic	8.8	2.3	27%	\$372,38	\$117,64
CARD (Average)	8.4	1.6	19%	\$232,90	\$52,25
LAC	9.9	3.5	35%	\$820,19	\$312,48

Source: Prepared by the authors with data from CEPALSTAT.

Though not exempt from criticism on grounds of clientelistic use of public funds for social protection, the Dominican Republic was the country allocating the most resources per capita (USD 118), followed by El Salvador (USD 81). Nicaragua and Honduras are at the other extreme, with a per capita allocation of USD 11 and USD 12, respectively, for the 16-year period under analysis.

Other social expenditure: environmental protection and recreational, cultural and religious activities¹⁸⁵

Environmental protection expenditure includes spending on waste and wastewater management, pollution reduction, biodiversity and landscape protection, and research related to environmental protection. Public expenditure on recreational, cultural and religious activities relates to spending on recreation (sports and cultural activities, radio and television) and religious services.

The ECLAC database of public expenditure by government function shows that, for the period of analysis from 2000 to 2016, social expenditure for environmental protection as a percentage of GDP was extremely low in LAC. In 2000, LAC governments allocated only 0.03 percent of GDP to environmental protection; by 2016 this figure had risen to 0.11 percent.¹⁸⁶ On average over the 16-year period, LAC allocated a mere 0.5 percent of total social expenditure to the environment (USD 3.5 per capita).¹⁸⁷ The picture is much the same for CARD, with spending of only 0.15 percent of GDP (USD 2.3 per capita).¹⁸⁸ Of the five CARD countries, El Salvador and Nicaragua show no public spending on environmental protection, and Honduras only from 2007. The same trend of low social investment is repeated in the case of spending on recreational, cultural and religious activities.

¹⁸⁵ According to the Social Investment in Latin America and the Caribbean Portal, spending on environmental protection includes disbursements for waste and wastewater management, pollution reduction, biodiversity and landscape protection, and research related to environmental protection. Public expenditure on recreational, cultural and religious activities corresponds to that directed towards leisure (sports and cultural activities, radio and television) and religious services.

¹⁸⁶ Public expenditure according to classification by government function (as a percentage of GDP) CEPALSTAT; <https://bit.ly/2vETzMb>

¹⁸⁷ Author's calculations based on information on public spending by government function (per capita in dollars at constant prices). CEPALSTAT; <https://bit.ly/2UVs0sW>

¹⁸⁸ Ibid.

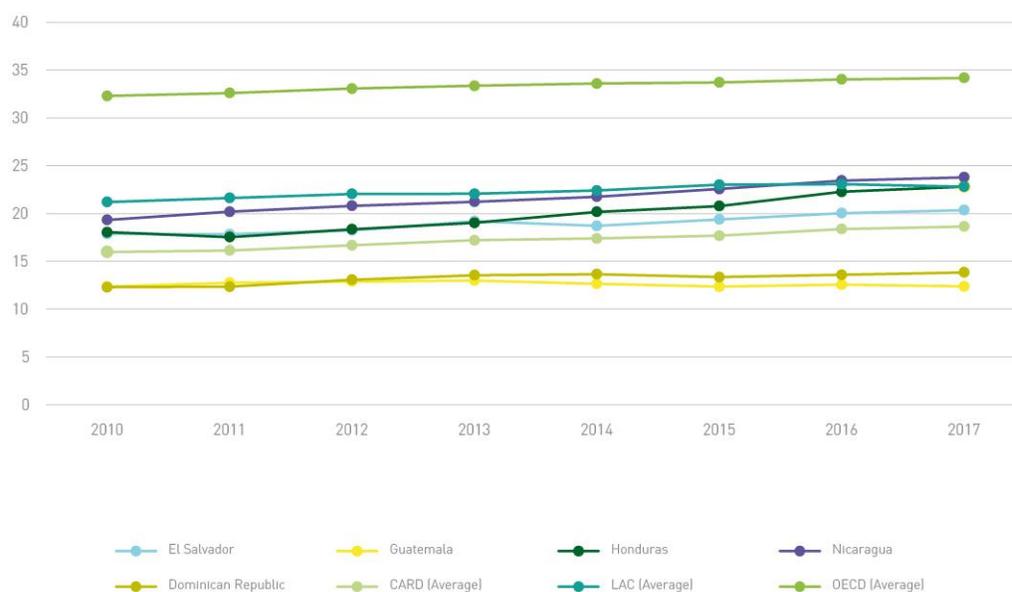
Low tax collection levels

To a large extent, adequate and sustainable levels of social expenditure in the countries of the subregion as a whole cannot be guaranteed without the implementation of strong measures to positively affect tax collection. In fact, the strong fiscal dependence on tax revenues observed in CARD countries makes it even more necessary here than in other contexts to address tax policy as a component of broader social and economic development.

According to ICEFI, in El Salvador, Guatemala and Honduras tax income represents more than 92 percent of total public revenues, while the tax dependence of Nicaragua, which receives a significant amount of donations (although these have decreased as a result of the recent political crisis facing the country), is 89.4 percent. In the case of the Dominican Republic, the amount was 93.8 percent in 2015.¹⁸⁹ This shows that practically the only significant source of public income for the countries of the subregion is tax revenues. Financial dependence on tax resources in all LAC countries is also high, though figures for the region stand at around 85 percent (lower than that recorded for all CARD countries).¹⁹⁰

The following figure shows the tax burdens for countries of the subregion for the period 2010-2017. These have clearly not been sufficient to provide acceptable levels of social welfare for the population as a whole.

Figure 75. Tax burden (taxes as % of GDP) in CARD, LAC and OECD, 2010-2017



Source: Prepared by the authors with data from OECD.stat

Note: The LAC data presented in the graph was calculated as the simple average of the tax burden of the following countries: Argentina, Bahamas, Barbados, Bolivia, Brazil, Belize, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

¹⁸⁹ Directorate General for Internal Taxes (DGII) of the Dominican Republic (2018), page 5; <https://bit.ly/39tPd9w>

¹⁹⁰ Directorate General for Internal Taxes (DGII) of the Dominican Republic (2018), page 3; <https://bit.ly/37sRfoT>

The subregion's relatively low tax burden (compared to LAC and the OECD) is the consequence of a number of deficiencies, in addition to the overall economic fragility of the subregion, as mentioned earlier. Such deficiencies include, among others, tax systems that are excessively biased towards indirect taxes on consumption and littered with “tax incentives for investment”. These are limited in their capacity as mechanisms for generating sufficient public resources, apart from the fact that they are questionable given their negative overall impacts on equity. Moreover, measures for fighting tax evasion and avoidance usually fall far short of what would be required, given the nature and magnitude of such scourges.

Initial estimates by the ICEFI indicate that central governments in CA-4 countries would have an average margin of tax burden increase (fiscal space) of around seven GDP percentage points if a series of reforms were carried out. These include, among others: fighting VAT and income tax evasion, tackling illicit financial flows, coordinating income tax rates to increase the share of revenue collected from wealthier segments of the population, and VAT rates to further the regional integration process, and the elimination of unproductive tax incentives.¹⁹¹

Low institutional capacity (institutionalisation of social policy)

The subregion as a whole suffers from a number of vulnerabilities inherent in its public institutions that block the path to equity.

Social policies are, by definition, redistributive, i.e. they require the mobilisation of resources in the territory. They are also multidimensional, and as such involve different political actors, from the design stage to implementation, whether at a national, regional or local level. In the subregion, institutions to address existing vulnerabilities and challenges and adopt the measures and policies required to solve them are weak or, in many cases, non-existent. Corruption and the excessive influence of powerful groups in policy design and implementation processes and in political dynamics in general, among other issues, are structural conditions in the subregion associated with the decline in the capacity of the network of public institutions and organisations in CARD to respond to public needs. Moreover, there is no consolidated system of institutions at the national level or, especially, at the territorial level, for effectively implementing social policy. Lastly, social policies in CARD countries are highly dependent on the political context, which means that access to resources for implementation is irregular.

All of the above severely constrain the effects and impacts of social policies, as well the ability to tackle poverty and inequality in a structural way.

As a proxy for analysing the degree of institutional weakness that hinders the achievement of specific social development objectives, ECLAC made an attempt to operationalise the concept of institutionalisation of social policy by proposing a number of elements or criteria for measuring the degree to which the fight against poverty in LAC countries had been institutionalised.¹⁹² These are

¹⁹¹ See Abelardo Medina Bermejo (ICEFI) for presentation of the report *Otra Centroamérica es posible* (publication pending): www.youtube.com/watch?v=HiGiAeTU9RM

¹⁹² Franco R, Székely Pardo M (2010).

applicable (to a limited extent) for analysing the institutional framework available for tackling inequality. Table 14 shows how CARD countries perform against these criteria.

According to information published by ECLAC, progress between 2010 and 2019 has been positive. In 2010, 4 of the 10 criteria were completely absent in these countries (specifically, definition of indicators, a budget to exercise powers, operating rules and a register of beneficiaries). By 2019, the improvement is evident. However, the information provided by Table 14 paints only a very limited picture of the reality of the social policy institutional framework, and should be considered only as a first step in the construction of a public institutional framework in the subregion consistent with the inequality gaps analysed. In this sense, important weaknesses persist associated with the following six aspects, amongst others:¹⁹³

1. Social policies only cover a particular government cycle and do not represent State policies, which limits progress towards more structural and long-term objectives.
2. Intersectoral coordination and articulation continues to be an area that requires further development for promoting systemic, integrated management of social policies that makes it possible to “respond to the multidimensional characteristics of social phenomena”,¹⁹⁴ while recognising the “thematic specialisation of sectors (for example, in ministries of health, education, social development, labour and housing), as well as the specificities of the various population segments served, related to the life cycle or to characteristics and determinants of gender, race, ethnicity or disability status”.¹⁹⁵ Here, tackling inequality also faces the challenge of establishing mechanisms for coordination and articulation with institutions in the economic sphere, such as infrastructure, innovation and productive development. In this sense, the words of Alicia Bárcenas, ECLAC Executive Secretary, are still very relevant: “Social needs do not depend only on social services.”
3. Another challenge is vertical coordination between different levels of government (central, subnational and local), as well as the need to consolidate and expand consultation and participation mechanisms, both for the target populations of social policies and their organisations, as well as significant private sector actors with for-profit objectives.
4. Linked to the above, subnational agencies charged with implementing social policies are often mandated at the national level and have limited capacity and resources. In fact, in many cases such agencies do not even exist.
5. Models for evaluating social policies are very limited, generally restricted to specific programmes and projects without a comprehensive assessment of social policies.
6. The resources allocated to bodies such as ministries of social development remain insufficient for the magnitude of their task.

¹⁹³ Martínez R. (2019).

¹⁹⁴ Martínez R. (2019), Institutional frameworks for social policy in Latin America and the Caribbean, pág.90; <http://bit.ly/39NN74i>

¹⁹⁵ Ibid.

Table 14. CARD country performance in the institutionalisation of social policy

	Honduras	Nicaragua	Guatemala	El Salvador	Dominican Republic
1. Existence of a Ministry of Social Development (a)	▲ ●	▲ ●	▲ ●	▲ ●	▲ ●
2. Establishment of specific objectives in a National Plan or Programme	▲ ●	▲ ●	▲ ●	▲ ●	▲
3. Definition and adoption of indicators to evaluate fulfilment of objectives (b)		▲	▲	▲	▲
4. Legal framework establishing responsibilities, powers and competences to each actor	▲ ●	▲	¹⁹⁶ ▲ ●	▲	▲
5. Budget for exercising powers (c)		▲	▲	▲	▲
6. Explicit coordination mechanisms in and between government levels	▲ ●	▲ ●	▲ ●	▲	▲ ●
7. Social expenditure watchdog and public participation and service agencies	▲	▲ ●	▲	▲	
8. Operating rules in place for Programmes and Actions ¹⁹⁷					
9. Construction of beneficiary registers	▲	▲	▲	▲	▲
10. Legal framework for regulating the behaviour and conduct of civil servants	●	●	●	●	●

▲ 2010 ● 2019

Source: Prepared by the authors with data from Rolando Franco and Miguel Székely Pardo (ECLAC, 2010) and Rodrigo Martínez (ECLAC, 2019).
Notes: According to consultations with Oxfam teams in the subregion: (a) The Ministry of Social Development of Guatemala was actually created on 7 February 2012, not in 2010; (b) For 2019, Honduras does have objective fulfilment evaluation indicators; (c) If this refers to a budget for the functioning of the Ministry of Development and Social Inclusion as the body responsible for implementing social policy, this does exist in Honduras in 2019.

¹⁹⁶ For data published in 2019, these are specific youth policies.

¹⁹⁷ Information on this aspect was not clearly identified in the documented review conducted by ECLAC in 2019.

Driver 2. Discriminatory social institutions reinforce gaps in violence and gaps in access to the labour market that affect women, youth, indigenous peoples and other vulnerable groups

From this examination of causes or drivers, which provide clues as to how to address the main problems identified, the social institutions that shape and regulate interactions between people in societies (norms, belief systems, cultural patterns, etc.) emerge as a key issue or Gordian knot.

The rules or institutions that govern societies (such as political or legal systems, contracts and public policies) are profoundly permeated by the social institutions of such societies.¹⁹⁸ These social institutions are in turn fed by the requirements imposed by social stratification, which assigns positions and roles in the social hierarchy to certain “social groups”. In CARD, as well as in LAC, the configuration of social groups based on certain characteristics such as family wealth, race, ethnicity, gender or geographic area of residence, among others, has had a profound influence on the dynamics of the allocation of public goods and services, as well as on the accumulation of assets by the people in their societies. Social stratification has therefore conditioned the closing of inequality gaps¹⁹⁹ and shaped the institutional framework. CARD institutions carry in their DNA visions or social beliefs that explicitly or implicitly reproduce patterns of exclusion and discrimination (some dating back to colonial times), and are expressed as individual and/or collective attitudes, and/or organisational structures, procedures and practices, amongst other means or mechanisms.

In the course of the research, a number of ways through which certain social norms influence gaps in inequality were identified, and these are outlined below.

2.1 Social and cultural norms that require women to fulfil a reproductive role and take responsibility for domestic work and care of family members are a barrier to women’s participation in the labour market or access to economic opportunities. This perpetuates cycles of poverty and vulnerability and may even, in some cases, expose women to violence within their own environment. Some examples:

- **El Salvador:** According to the OECD (2019),²⁰⁰ discriminatory gender roles encourage child marriage or forced unions in a sociocultural context which often considers marriage and motherhood as the only path to a girl’s personal fulfilment (OECD, 2019 citing the Ministry of Health of El Salvador/National Institute of Health, 2015). Girls may sometimes choose to marry early to achieve a certain status in society or gain freedom from family control over their sexuality (OECD, 2019 citing Girls not Brides, 2017). In the context of gang crime, child marriage is widespread, with many girls marrying gang members either because they consider that marriage brings security for themselves and their families, or because they fear that rejecting a proposal from a gang member could endanger their lives and/or those of their families (OECD,

¹⁹⁸ Prats JO (2007), *Revisión crítica de los aportes del institucionalismo a la teoría y la práctica del desarrollo* (Critical Review of the Contributions of Institutionalism to Development Theory and Practice), pages 121 to 148.

¹⁹⁹ Marinho M, Quiroz V (2018).

²⁰⁰ OECD (2019). Gender, Institutions and Development Database.

2019 citing Girls not Brides, 2017).

- **Nicaragua:** The United Nations Population Fund (UNFPA 2018)²⁰¹ points out that cultural practices generate conditions of inequality for young women. Child unions are common, with 35 percent of women aged 20-24 indicating they had married before the age of 18, according to the National Demographic and Health Survey (ENDESA) 2011-2012. These early unions mean that young adolescent girls start childbearing at an early age, with pregnancies sometimes constituting a risk to their lives. The survey also indicates that 24.4 percent of adolescent women (aged 15 to 19) were mothers. For 2015, the Health Ministry increases this to 25 percent. These figures make Nicaragua the country with the highest proportion of teenage pregnancies in Latin America. Many of these young girls and adolescents are poor, have a low level of education, and give birth to a significant number of children at short intervals, thus perpetuating the cycle of poverty. Moreover, there is a link between unwanted teenage pregnancies and sexual violence.
- **Dominican Republic:** The National Multipurpose Household Survey (ENHOGAR) 2017²⁰² estimates that of the total unemployed population aged 10 years and older (2,111 people), 66.5 percent are women and 33.5 percent men, a significant difference by sex at country level. Of the 13 options provided by ENHOGAR 2017 as reasons for not trying to find a job or not trying to set up their own business, economic activity or company in the four weeks prior to the survey, the two most frequently-chosen answers were: a) I was studying (42.5 percent of responses), and b) I do domestic work in the home (20.7 percent). By sex, the most frequent reason given by both men and women for not looking for work was studying; however, the prevalence of men who did not seek work for this reason was higher than that of women (54.9 percent and 35.6 percent, respectively). There is also a significant difference between sexes with respect to the proportion of people not looking for work because of domestic work: around 31.9 percent of women of working age did not access the labour market because of their domestic duties, compared to only 0.7 percent of men (ENHOGAR, 2018).
- **Nicaragua:** According to FUNIDES (2017),²⁰³ the percentage of women of working age who are not in employment due to studies or because they are retired or unable to work has remained at around 20 percent since 2001. However, reasons associated with reproductive roles (including household duties and pregnancy or lack of child care) increased from 55.6 percent in 2001 to 63.1 percent in 2014, with household duties becoming the main reason for labour “inactivity” among women (55.3 percent).

2.2 Social and cultural norms that "accept" and implicitly encourage violence against women, the LGBT population, indigenous groups and young people. Some examples:

- **El Salvador:** OECD (2019)²⁰⁴ states that, despite existing legislation, women's access to justice is limited (OECD, 2019 citing ECLAC, 2014) and a large number of crimes go unreported. This is

²⁰¹ UNFPA 2018, Country Programme Evaluation Nicaragua 2013-2017, available at: <https://bit.ly/2JwvsTJ>

²⁰² Office for National Statistics (ONE). General Report. National Multipurpose Household Survey (2017) in Dominican Republic.

²⁰³ FUNIDES (Nicaraguan Foundation for Economic and Social Development) (2017), page 30.

²⁰⁴ OECD (2019). Gender, Institutions and Development Database.

due to a number of factors: sexist stereotypes prevail and violence against women is often considered socially acceptable and not reported (OECD, 2019 citing The Advocates for Human Rights, 2016). In addition, many women have little trust in the authorities, fear that legislation will not be enforced and therefore do not file complaints (OECD, 2019 citing The Advocates for Human Rights, 2016). Moreover, judicial authorities and the police often fail to take women's special needs into account and do not protect them sufficiently (OECD 2019 citing The Advocates for Human Rights, 2016).

- **Guatemala:** According to OECD (2019),²⁰⁵ based on data from the NGO Girls Not Brides, almost one in five girls in Latin America and the Caribbean marries before the age of 18. In Guatemala, the number is closer to one in three girls (OECD, 2019 citing Girls Not Brides, 2016). Information from this NGO states that child marriage in Guatemala is driven mainly by tradition, poverty, discriminatory gender norms and lack of access to education. Additionally, financial support from the male guardian is one of the main reasons for parents to seek a daughter's early marriage. Child marriage is more common among indigenous Maya communities residing largely in rural areas and having poor access to basic services, few educational and economic opportunities, and higher poverty rates than the non-indigenous population. Evidence shows that, once married, girls are commonly pressed into starting a family quickly, sometimes with serious consequences for their health. As a result, maternal mortality rates are among the highest in the region, and are three times higher for indigenous women than for non-indigenous women (OECD, 2019 citing Girls not Brides, 2017).
- **Guatemala:** Because police, prosecutors and judges believe that men have the right to use violence against their partners to control them, they do not take cases of violence against women seriously (Menjívar et al., 2016).²⁰⁶ Despite having a comprehensive legal framework and specialised courts, many prosecutors do not consider domestic violence a serious matter warranting attention (U.S. Department of State, 2016). Certain prosecutors and judges urge for mediation in conflicts, instead of trying to protect victims and survivors of domestic violence (OCDE 2019 citing Department of State, 2016). In addition, femicide is widespread in Latin America and particularly acute in Guatemala, with many cases (if not most) having their roots in violence within the home (Menjívar et al., 2016).
- **Honduras:** A report by the Inter-American Commission on Human Rights (IACHR) (2015)²⁰⁷ states that: "The IACHR has indicated that a section of the 2001 Law on Police and Social Harmony of Honduras (*Ley de Policía y de la Convivencia Social*) produces in practice situations where human rights are violated, particularly those of trans persons. The Commission echoes concerns voiced by civil society organizations indicating that this law facilitates police abuse and arbitrary detentions of trans persons 'regardless of whether they perform sex work or not.' According to civil society organizations, this law in Honduras

²⁰⁵ Ibid.

²⁰⁶ Menjívar C, Drysdale S. Subverting Justice: Socio-Legal Determinants of Impunity for Violence against Women in Guatemala. *Laws*; 2016, 5, 31. Available at: <https://www.mdpi.com/2075-471X/5/3/31/pdf>

²⁰⁷ IACHR (2015). Violence against Lesbian, Gay, Bisexual, Trans and Intersex Persons in the Americas, pages 65 and 66: <https://bit.ly/2HxhL60>

is constantly used to arbitrarily detain many persons in unofficial detention centers, especially sex workers, without any judicial control, and with highly subjective interpretations about the vague concepts of ‘social coexistence’ or ‘moral.’ (...) these police laws stipulate that someone who is ‘wandering in a suspicious way’ can be brought in to the police station for identification purposes in the name of ‘society’s protection.’ The State of Honduras has acknowledged that in addition to criminalizing poverty, this legislation also discriminates on the basis of physical appearance, contributes to illegal detention, and disrespects basic human rights.”

- **Honduras, Guatemala, El Salvador and Nicaragua:** Since the coup d’état in Honduras in 2009, the Inter-American Commission and the UN Special Rapporteur on the situation of human rights defenders have found that LGBT persons were among the groups facing the most serious forms of violence in Honduras (IACHR 2015, page 94). In fact, the Special Rapporteur pointed out that the persistence of such acts could indicate a pattern of hate crimes, primarily committed by police and private security guards (IACHR 2015, page 94). The State of Honduras even informed the IACHR of a report that reveals that there are complaints that religious medical professionals have reportedly mistreated LGBT patients, telling them that their existence is ‘a sin in the eyes of God’ (IACHR 2015, page 121). (...) during the March 2015 period of sessions, the IACHR received reports of threats and various forms of persecution that resulted in the forced migration of lesbian, gay, bisexual and transgender persons from Honduras, Guatemala, El Salvador and Nicaragua (IACHR 2015, page 162).
- **Honduras:** The IACHR notes that prevalent attitudes of discrimination related to race contribute to the vulnerability of indigenous peoples (IACHR 2015, page 169).²⁰⁸ “On occasion, these attitudes lead to acts of violence, as they contribute to stereotypical and discriminatory perceptions against the indigenous and Afro-descendant population. At other times, these attitudes are expressed through the dismissive responses of state authorities and society in general, or failure to provide assistance when required, making indigenous people more vulnerable and therefore more prone to becoming potential victims” (IACHR 2015, page 170).
Guatemala: “The violence faced by the indigenous population is closely linked to the discrimination and exclusion they experience.” “This exclusion can be seen in spheres such as land ownership, access to basic services, working conditions, access to the formal economy, participation in decision-making and in public institutions, representation in the media and public debate, and lack of access to justice” (IACHR 2017, page 195).²⁰⁹
- **Central America in general:** “The lack of government proposals and public policies recognising violence as a social and structural phenomenon and not as an issue inherent to young people, and addressing the issue of youth violence from an inclusive, comprehensive and tolerant perspective, has contributed to the exacerbation of the climate of fear and widespread social

²⁰⁸ Inter-American Commission on Human Rights (IACHR) (2015). Situation of Human rights in Honduras. OAS

²⁰⁹ Inter-American Commission on Human Rights (IACHR) (2017). Situation of Human Rights in Guatemala, OAS

violence, as well as to the construction of social stigmas, where offending and crime are seen as characteristics of youth" (Callejas Fonseca and Piña Mendoza 2018, page 5). Evidence of this are the hard-line policies against gangs and *maras* in Central America and the death penalty proposal for the *maras* in Honduras.²¹⁰

2.3 Stereotypes that further reinforce the discrimination and exclusion of young people, thus limiting their employment opportunities. Some examples:

- The *Centroamérica desgarrada* (Central America torn apart) project²¹¹ compiles testimonies of how the socioeconomic profile of young people living in the slums of several Central American countries limits their job opportunities. "For young residents living in impoverished *colonias*, it is not easy to get a job. Some do not have the resources to actually send in job applications, nor the contacts to introduce them to the right people. And for many, simply the fact of putting your address down as El Limón, Zone 18, Guatemala City, for example, is already reason enough for an application to be rejected. They are the "abusive" youth, as they are sometimes called in Guatemala."²¹² "In Popotlán, as in many *colonias* in El Salvador, the stigma associated with the location prevents you from getting a paid job."^{213, 214}
- Other information indicates that it is the young persons themselves, because of their appearance and other variables, who are the source of a discrimination that hinders their chances of finding a job (or being paid a fair wage) in the countries of the subregion.²¹⁵

²¹⁰ Callejas Fonseca L, Piña Mendoza C. (2018).

²¹¹ *Centroamérica desgarrada* is an academic project supported by the Rosa Luxemburg Foundation-Mexico, the Institute for Social Research (IIS), the Humboldt Chair (CH) and the Vice-Rector's Office for Research (VINV) of the University of Costa Rica; <http://cadg.iis.ucr.ac.cr/>

²¹² Documented testimony in the academic project *Centroamérica desgarrada*; <http://cadg.iis.ucr.ac.cr/>

²¹³ Ibid.

²¹⁴ Another relevant reference here is the publication by Corica A, Freytes Frey A, Miranda A (eds.) (2018). *Entre la educación y el trabajo. La construcción cotidiana de las desigualdades juveniles en América Latina* (Between education and employment. The daily construction of youth inequalities in Latin America).

²¹⁵ See, for example; *Jóvenes los que más sufren discriminación laboral* (Young people suffer greatest discrimination in employment). <https://bit.ly/2T18gBA>

SECTION 3. A SUBREGIONAL STRATEGY FOR THE REDUCTION OF INEQUALITIES

The two main factors accelerating multidimensional inequality in CARD identified in this report are the existence of minimalist states and the prevalence of discriminatory social norms that especially affect women, youth and, in some countries, indigenous peoples. The actions presented below are therefore aimed at helping to solve these Gordian knots and promoting more harmonious, inclusive and sustainable development processes.

Minimalist states in CARD are generally supported by poorly diversified economic systems²¹⁶ built around extractivism (monocultures, export of raw materials, etc.) and services with low levels of sophistication. There is insufficient generation of added value, and existing business models tend to negatively affect work and environmental conditions. The aim is therefore to revitalise both the productive model and industrial policy to promote innovation, reasserting government leadership in these areas, in collaboration with all the other stakeholders involved (such as the private sector, civil society organisations and social movements, the academic community, or the population at the receiving end of policies).

Regarding the prevalence of discriminatory social norms and their role in the persistence and reproduction of inequalities, the 2030 Agenda contains the pledge to "leave no one behind", to include all segments of society in the development process, especially those who are most vulnerable. It is, therefore, a global mandate.

In CARD, this necessary change in the prevailing productive model must be accompanied by other measures to ensure that everyone benefits from the process. For example, the commitment to a transformative and innovative advanced vocational training, which will be explained later, must have accompanying measures to ensure that the most vulnerable persons truly have access to it. All of which again requires social investment (in social protection and health, among other areas) to

²¹⁶ Many of these production systems date back to structures inherited from colonial times.

generate the conditions in the home that will enable women and youth to play a meaningful part in this economic and social development strategy. This strategy would also no doubt contribute effectively to the reduction of violence that sometimes emerges as a result of lack of opportunities.

There are significant gaps in the production sector in CARD: gaps between those owning the capital and the workers, between large companies and small- and medium-sized enterprises, and gaps among workers such as those described in this report. The patterns of inequality in the subregion will not change unless there are profound transformations in the development model and the productive strategy implemented by the countries there. This commitment to change, framed in a real pact for the reduction of inequalities and progress towards sustainable development, must address the lags that condition low productivity in the subregion, particularly in education, with the adoption of new technologies and the dynamics that promote the generation of knowledge and innovation, but also in social protection, health and labour rights. These lags are largely common to the LAC region as a whole.²¹⁷

Moreover, moving towards more equitable development through dignified work and inclusive economic opportunities providing greater added value will have knock-on benefits for tax collection. This potential for increasing public revenues would stem, on the one hand, from implementation of higher-value-added activities and increased income for a broad swathe of the population; and on the other, from the generation of trust in effective, transparent and innovative governments that would lead to companies and people with higher incomes accepting greater tax responsibility. Improvements in collection may increase the scope of the productive change strategy and investment in social policy. The idea is, therefore, to initiate a virtuous circle aimed at more comprehensive development with smaller gaps.

For the proposed subregional strategy to be truly successful, it requires the participation of civil society in its design, as well as in areas of implementation, monitoring and evaluation. This would contribute to a sense of ownership, ensure a special focus on the most disadvantaged groups (especially women and youth), increase transparency and alignment with other policies, and guarantee effectiveness in achieving positive changes in people's lives. Among participating civil society organisations, there must be substantial representation of those that defend women's rights to ensure that the strategy adopts a gender approach and is guided by feminist principles, given that the report shows that women are at the heart of vulnerability in CARD.

Based on the above and consistent with the analyses contained in this report and the consultation with experts, the following strategy is proposed to bring about change in the productive ecosystems where different stakeholders (from the public and private sectors and civil society as a whole) converge in areas of social exclusion to close both the gender gap (biased against women) and the generational gap (biased against young people) in socioeconomic opportunities, combining actions in the productive and educational sectors with social protection interventions.

²¹⁷ See *América Latina ha perdido el tren de la política industrial y la innovación* (Latin America lags behind in industrial policies and innovation); <http://bit.ly/2HyVcxM>

CHANGE OF SOCIOPRODUCTIVE ECOSYSTEMS IN AREAS OF SOCIAL EXCLUSION

The available data shows the magnitude of social exclusion in all CARD countries. On average, 45 percent of CARD households (not including the Dominican Republic) are excluded from the economic and social process.²¹⁸ These are households where members hold precarious employment or no employment at all and subsist on aid from the state or other sources, with low levels of education and little or no access to social protection. Social exclusion stems from the convergence of a number of inequalities which mainly affect women and youth in the subregion and are concentrated in certain geographical areas. According to Fernández Montero and Poyser Calderón (2015), social exclusion in all countries of the study is more pronounced in *rural areas*, especially those with *indigenous population*, compared to urban areas, evidencing territorial gaps in socioeconomic opportunities within individual countries of the subregion, as indicated previously in this report²¹⁹ (see Box 1).

Box 1. Main findings on social exclusion in CARD (not including the Dominican Republic)

- Between 2009 and 2014, El Salvador went from having 40 percent excluded households to 38 percent. Guatemala, which accounts for about 34 percent of the total households in the subregion, also showed a slight decrease in the percentage of excluded households (from 42 percent in 2006 to 40 percent in 2014). The situation in Honduras, the country with the highest proportion of excluded households on the isthmus, grew worse, with an increase from 48.5 percent in 2007 to 57 percent in 2013. Similarly in Nicaragua, where there was no data available for 2009, exclusion grew from 36 percent in 2005 to 46 percent in 2012.
- By 2014, the country in the subregion (not including the Dominican Republic) with the largest territorial gaps in terms of social exclusion was Honduras (where exclusion in rural areas was 27 percentage points higher than in urban areas: 70 percent compared to 43 percent). It was followed by Guatemala, where there was a gap of 20 percentage points between the incidence in urban areas (31 percent) and rural areas (51 percent), and El Salvador, which had a difference of 15 percentage points in favour of urban areas. Nicaragua had the smallest territorial gap in incidence of social exclusion in the subregion (not including the Dominican Republic), with a difference of 12 percentage points, between urban areas (41 percent) and rural areas (53 percent).
- On average, 42 percent of CARD households (not including the Dominican Republic) are not considered to be in the socially excluded category solely for employment reasons. In other words, these are households where family members hold non-precarious jobs (whether because of labour rights, adequate working hours, stability, social protection or all of the foregoing) or depend on their own assets, but have low levels of education and little or no access to social protection. Thus, “in these countries, the risk of falling into extreme disempowerment, or social exclusion, is linked almost exclusively to the ability to access quality jobs” (Fernández Montero and Poyser Calderón [2015: 5]). In fact, and consistent with this, ECLAC estimates indicate that, on average (for El Salvador, Guatemala and Honduras) 52 percent of the employed population belongs to the lowest social stratum, which means reduced economic capital and low schooling overall.²²⁰

Source: Prepared by the authors based on Diego Fernández Montero and Obryan Poyser Calderón (2015), and María Luisa Marinho and Verónica Quiroz, ECLAC (2019).

²¹⁸ Fernández Montero D, Poyser Calderón O (2015).

²¹⁹ Ibid.

²²⁰ Marinho M, Quiroz V (2019), *Estratificación social: una propuesta metodológica multidimensional para la subregión norte de América Latina y el Caribe*, pa. 33: <http://bit.ly/37Pi332>

Thus, an integral approach encompassing dignified work, quality education and social investment (at least for social protection and health), with a territorial perspective, clearly emerges as a necessary and relevant strategy for closing the main inequality gaps in the subregion. The key features of the proposal are:

Objective: Contribute to closing the gender gap (biased against women) and generation gap (biased against young people) through the creation of appropriate socioeconomic opportunities in areas of social exclusion, supported by quality technical-vocational training for equity and social investment (including in social protection).

Beneficiaries: Women and youth in CARD areas of social exclusion.

Components:

- a. Productive change strategy in areas of social exclusion and opportunities for strengthening and modernising public institutions to promote equity.
- b. Quality technical-vocational education and training for equity, aligned with productive sector demand and as a means for accessing the broader formal education system.
- c. Promotion of entrepreneurship from a social perspective as an opportunity to close economic gaps in an inclusive manner.
- d. Addressing explicit or implicit bias in the norms, practices and processes of institutions and organisations relevant to the strategy (technical-vocational education and training institutes, companies, social services, etc.).

a. Productive change strategy and opportunities for strengthening and modernising public institutions to promote equity.

This would require policies conducive to the development of more responsible, democratic and sustainable companies, providing support to promote productivity, formalisation, inclusion and growth of micro, small and medium enterprises, improved integration in value chains and an increase in productive processes, new technologies, a green economy and sources of dignified work in social sectors.

The aim of this change in productive approach is to generate new and better opportunities for dignified work, include small companies in new value-adding processes, achieve greater multi-stakeholder collaboration (both public and private sector), and diversify exports, moving from raw material extraction to sustainable industrialised activities and advanced services.

Implicit in the above is a commitment to move from economies based on transitory comparative advantages, such as cheap labour or raw materials, to structures with consolidated competitive advantages, with quality jobs, greater added value in goods, high productivity and development of specialised technological capabilities. Countries in the subregion need to consolidate an economic development path underpinned by a productive development strategy offering more and better-quality jobs and economic opportunities that contribute to closing the gaps in the labour market and promoting the social mobility of certain excluded population groups. This requires economies

characterised by the production of goods and services with greater added value and productivity, as a result of innovation in, and transformation of, productive structures and increased environmental sustainability. At the same time, country or subregional public institutions must lead economic initiatives in these productive ecosystems, in line with what should be expected from an advanced, entrepreneurial state.²²¹

Moreover, given that the key purpose of the strategy is the reduction of inequalities, states must guarantee the labour rights of the working population that will be part of the productive ecosystems, and invest in key social sectors to enable access to the economic opportunities arising from said ecosystems. Access to such economic opportunities will only be possible if minimum conditions are guaranteed so that population in areas of social exclusion can also benefit from the wellbeing that will be generated through the promotion of value-added productive activity.

The effectiveness of the productive change strategy will also be conditioned by the availability of a workforce with the required level of education and skills. This, as noted in the previous section, is a challenge in the countries studied and, as will be explored later, technical and vocational education and training has a very relevant role to play here. The Fifth Report on Sustainable Human Development in Central America (2016) highlights all these elements and states that it is urgent “to introduce *profound adjustments in the development styles* of the countries of that region, generate *inclusive productive dynamics* in the private sector and create *public institutions capable of realising the potential of human capital* that today is wasted.”²²² The National Council of Competitiveness of the Dominican Republic also states that “... the productive structure of the Dominican Republic has remained unchanged for more than two decades, and levels of education and training and workforce capacity have not had a significant impact on some areas of economic activity during the period of the study. This has directly affected the country's productive sectors, where poor participation in highly qualified work and low uptake of new production processes are a consequence of the low levels of technical training...”²²³

The value of this regional approach is the possibility of establishing agreements for diversification and productive integration in areas of exclusion throughout the subregion. In addition, the coordination of social policies, and social protection in particular, can help to get them off the ground. Lastly, greater productive and social coordination should also be accompanied by increased cooperation on tax matters to avoid a race to the bottom, i.e. the dynamics of tax cuts arising from competition to attract investments.

The path to greater productive diversification and the promotion of new, more inclusive business models should also go together with coordinated efforts to gradually increase formalisation of the economy, without causing harm to the emerging workforce. This would allow a greater number of people, especially from vulnerable groups, to gain access to social rights such as public health, social protection, pensions, etc.

²²¹ Mazzucato, M. (2014).

²²² Román Forastelli M. Draft in progress.

²²³ National Council of Competitiveness of the Dominican Republic and the IDB (2019), page 9; <http://bit.ly/39ShxTk>

The rationale behind a regional proposal is to leverage action at the national and subregional level. This can serve to promote more inclusive, effective and innovative public actions, pool efforts and increase trust in public authorities and government actions, both from the most socially excluded groups and from the people and companies with a better relative socioeconomic status.

b. Quality technical-vocational education and training (TVET) for equity.

The Education 2030 Framework for Action is the roadmap for achieving the ten targets of the Sustainable Development Goal on education²²⁴ (SDG 4) to “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, as adopted in the Incheon Declaration (World Education Forum 2015).²²⁵ With this aim in mind and consistent with the difficulties inherent in the inclusion of vulnerable population groups such as women and youth in the workforce in CARD countries, the agenda proposed by Education 2030 “devotes considerable attention to technical and vocational skills development, specifically regarding access to affordable quality Technical and Vocational Education and Training (TVET); the acquisition of technical and vocational skills for employment, dignified work and entrepreneurship; the elimination of gender disparity and ensuring access for the vulnerable.”²²⁶

Specifically, Target 4.3 of the Incheon Declaration states: “By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.” Target 4.4 focuses on increasing coverage: “By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, dignified work and entrepreneurship” and Target 4.5 details specific objectives of inclusion: “By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.”

“TVET can equip youth with the skills required to access the world of work, including skills for self-employment. TVET can also improve responsiveness to changing skill demands by companies and communities, increase productivity and increase wage levels. TVET can reduce access barriers to the world of work, for example through work-based learning, and ensuring that skills gained are recognised and certified. TVET can also offer skills development opportunities for low-skilled people who are under- or unemployed, out of school youth and individuals not in education, employment and training (NEETs).”²²⁷

It should also be noted that investing in education for the younger population is perhaps the key strategy for positively playing the demographic dividend²²⁸ card to boost a country’s economic and

²²⁴ www.unesco.org/new/es/santiago/education-2030/

²²⁵ In 2015, the Incheon (Korea) Declaration for Education 2030 was adopted at a summit attended by more than 1,600 participants from 160 countries, including 120 ministers, heads and members of delegations, heads of agencies and officials from multilateral and bilateral organisations, as well as representatives of civil society, the teaching profession, youth and the private sector.

²²⁶ www.un.org/es/events/youthskillsday/background.shtml

²²⁷ Ibid.

²²⁸ The demographic dividend is defined as economic growth potential when the working age population (15-64 years) grows steadily and faster than the proportion of dependents (under 15 and over 65 years).

social development. CARD countries are in the middle stages of their demographic transition and have a unique opportunity to take advantage of their last chance of demographic dividend. For El Salvador, Honduras and Nicaragua, this window of opportunity will end between 2030 and 2035. In the case of Guatemala, the opportunities are greater, as this period will run to 2050.²²⁹ A similar situation is estimated for the Dominican Republic, where 2050 will see a greater proportion of aging population than youth under the age of 15.²³⁰ Failure to make the most of this opportunity could be more than just a waste: it could also result in issues such as the decapitalisation of social protection systems, and in particular of the pensions system, due to low levels of contributions.²³¹

UNESCO also suggests that TVET will promote not only inclusive but also sustainable economic growth (thus supporting the transition to a green economy and environmental sustainability).²³²

However, there are still significant challenges for TVET to serve as an instrument for closing gaps in CARD labour markets and for fostering renewed productive development in the countries of the subregion. With regard to the latter in particular, weaknesses seem to be concentrated mainly in aspects such as low coverage (particularly of the vulnerable population), as well as the low quality of the training available from TVET institutes (see Box 2).

Box 2. Weaknesses of TVET in Central America and the Dominican Republic

- Analysis of enrolment in TVET institutes shows a tendency to reproduce the same sex segregation as is usually seen in labour markets, i.e. there is a greater presence of women in traditionally “female” areas (such as beauty and cosmetics, crafts or decoration), while they have difficulty accessing areas identified as “male” (such as automotive mechanics, industrial mechanics or electricity).²³³ ILO (2014) agrees on this, indicating that there is a marked difference in the training courses offered by TVET institutes and chosen by men and women based on traditional gender roles, where women engage only in courses related to the domestic sphere.²³⁴
- Despite notable progress, there is still poor coverage of more vulnerable territories and populations.²³⁵ Moreover, enrolment remains low in long-term training processes that offer better opportunities for accessing employment.^{236, 237} In 2014, enrolment in such courses was only 17.1 percent,²³⁸ meaning that less than 2 out of every 10 participants attended such courses, and

²²⁹ Román Forastelli M. Draft in progress.

²³⁰ Office for National Statistics of the Dominican Republic (2016), page 30; <https://bit.ly/2SOj5Xq>

²³¹ Chamorro, MJ (coordination and general supervision) (2014).

²³² www.un.org/es/events/youthskillsday/background.shtml

²³³ ILO (2014), *Situación de la formación profesional en Centroamérica y República Dominicana: 1998-2013* (Situation of vocational training in Central America and the Dominican Republic: 1998-2013), page 40; <https://bit.ly/3bQEbnk>

²³⁴ Ibid.

²³⁵ Román Forastelli M. Draft in progress

²³⁶ The training available in TVET schools in the subregion is organised by area of specialisation and also by the type of training courses offered. In general, there are three types of courses: long-term, which provide access to qualified or semi-qualified training; courses for improving the skills of active workers; and short-term training courses, with a certificate of completion of the course.

²³⁷ Chamorro, MJ (coordination and general supervision) (2014), *Diagnóstico: Igualdad de género en los Institutos de Formación Profesional de América Central y República Dominicana* (Analysis: Gender Equality in Vocational Training Institutes in Central America and the Dominican Republic), page 81; <https://bit.ly/2HwEj6k>

²³⁸ Ibid.

more of them were men (19.2 percent compared to 15.2 percent).²³⁹

- “Although the last decade has seen a general tendency to match vocational education and training with the needs of the productive fabric (which means, among other things, creating new programmes and amending contents to include more skills training),²⁴⁰ there are still gaps and bottlenecks that limit the impact of recent initiatives.”²⁴¹ “One cross-cutting bottleneck... is poor coordination between the productive sector and the field of TVET, something which is vital if training consistent with the needs of the labour market is to be imparted.”²⁴² Every TVET institute has schemes for coordination with the private sector, and most have a representative from the private sector on their management board. However, “such coordination is neither regular nor permanent, and the norm is having exchange forums rather than systematic labour market studies by activity sector to estimate the volume of workers that will be needed in the medium to long term and their required levels of training and areas of knowledge.”²⁴³
- Linked to the last two points, there is still little use of alternation methodologies for the implementation of dual training.²⁴⁴ Given the cost and time required to make the necessary adjustments in the subregion's technical training institutes to better match the courses available with the demands of the labour market, dual or alternation training is an excellent option for providing people with the skills they need in a real work environment and with access to the latest technologies.²⁴⁵

Source: Prepared by the authors based on ILO (2014), María José Chamorro, ILO (2014) and Marcela Román Forastelli (2019)

The subregion also faces a more systemic issue, namely the challenge of incorporating TVET into the national education system to enable and/or facilitate lifelong learning, building pathways to enable those who complete TVET to continue in the higher education system if they so wish. Something which would be highly desirable, as education is far more than simply specific technical skills. To achieve this, it will be necessary to design a tool, such as national qualifications framework, with which to link these two areas of education.^{246, 247}

c. Promotion of social entrepreneurship as an opportunity to close economic gaps.

The strategy of promoting entrepreneurship from a social perspective is particularly interesting as a tool to help bridge the gender and generation gap in the labour markets of the subregion, and

²³⁹ Ibid.

²⁴⁰ According to the ILO, there are multiple and diverse definitions of labour competence. A generally accepted definition is the effective capacity to successfully carry out a specific work activity. Labour competence is not a probability of success in the execution of a job, but a real and demonstrated ability. A good classification of competence, which facilitates definitions, is one that differentiates three approaches: the first conceives competence as the ability to execute a task; the second focuses on personal attributes (attitudes, capacities) and the third, or "holistic", approach, includes the two preceding ones; <http://www.oitcinterfor.org/p%C3%A1gina-libro/1-%C2%BFqu%C3%A9-competicencia-laboral>

²⁴¹ Román Forastelli M. Draft in progress.

²⁴² Román Forastelli M. Draft in progress, citing CAF (2018).

²⁴³ Román Forastelli M. Draft in progress.

²⁴⁴ Dual vocational training combines training at school with work experience in a company, so the student improves his or her employability while learning.

²⁴⁵ *Situación de la formación profesional en Centroamérica y República Dominicana: 1998-2013*, page 79.

www.ilo.org/wcmsp5/groups/public/--americas/--ro-lima/--sro-san_jose/documents/publication/wcms_326993.pdf

²⁴⁶ A National Qualifications Framework is a single, agreed instrument that brings together a set of qualifications, presenting them in an orderly manner by levels associated with different types of qualification that can be regional, national and sectoral in scope.

²⁴⁷ Comment by Álvaro Ramírez-Bogantes. Specialist in vocational training and enterprise development at the ILO for the Central American region based in Costa Rica.

would contribute to the creation of business activities aimed at generating income, while at the same time driving the economic and social empowerment of women and youth.

This social entrepreneurship must include not only the actual ideas that will turn into a business project but also the business development process as a whole, which will allow companies to remain operational in the market and have real impact on economic development and growth. This is an integral process involving a number of different stakeholders and activities in order to promote, support and strengthen individual and group entrepreneurs at different stages of the process.

The design of entrepreneurial process policies that ensure the participation of women and youth not only as beneficiaries but also as taxpayers and active players in economic development can favour social cohesion, while contributing to reduce existing gaps in a sustainable manner. The aim is to create socially responsible business models that can guarantee dignified work and environmental sustainability.

The importance of micro, small and medium enterprises (MSMEs) in the business fabric of countries in the subregion, as well as in their contribution to GDP and job creation, is significant. It is estimated that 95 percent of companies in Central America and the Dominican Republic are MSMEs, generating 54 percent of employment and contributing 34 percent to total production in the subregion. The proportion of microenterprises within the MSMEs group is significant. In El Salvador, Honduras, Dominican Republic and Nicaragua, the share of these companies exceeds 90 percent, while in Guatemala and Costa Rica it is somewhere around 80 percent. In terms of employment, microenterprises in urban settings in Central America and the Dominican Republic represent 51.2 percent, small businesses 13.2 percent and medium and large companies 35.6 percent.²⁴⁸

However, experts from the Global Entrepreneurship Monitor (GEM) have pointed out major deficiencies in capacity building for business within the education system, as well as a lack of appropriate financial instruments to support the creation of new business that do not discriminate for reasons of gender, age or ethnicity. Moreover, MSMEs exist within a context of widespread informality, poor working conditions and limited added value. Weak institutions also affect entrepreneurial capacity. All of these shortcomings are often exacerbated and amplified in certain areas of countries in the subregion: *"Areas of 'social exclusion' are also areas of 'productive exclusion'.* The basic elements necessary for business development (markets, financing, technical assistance, skills, managerial capacity, among others) are missing. It is an environment in which only large agricultural or extractive companies (such as banana or pineapple plantations, cement companies, etc.) manage to survive and operate."²⁴⁹

The Regional Strategy for the Promotion of Entrepreneurship in Central America and the Dominican Republic identifies entrepreneurship as an opportunity to generate more and better jobs and improve income distribution, by building on existing opportunities and creating value for the economy and society.

²⁴⁸ SICA (2013).

²⁴⁹ Comment by Álvaro Ramírez-Bogantes. Specialist in vocational training and enterprise development at the ILO for the Central American region based in Costa Rica.

An evaluation of this strategy reveals that the different circumstances and needs of men and women and other population groups are not specifically considered. Therefore, in practice, entrepreneurship policies do not target women or youth or indigenous populations. This means that although the region has made significant progress in the generation of policies and instruments to support MSMEs, and despite the importance of women as employers and employees, a gender bias persists, thus limiting real empowerment, income gap reduction and the sustainability of the economic initiatives undertaken, and contributing to entrench unequal gender and power relations within productive units. There is also evidence of a lack of interest in or understanding of gender issues in some institutions that make up the entrepreneurial ecosystem in countries of the subregion. Thus, mainstreaming of a gender approach at subregional and national level must be strengthened in order to contribute to the generation of an entrepreneurial mindset and culture that is both inclusive and equitable.

Enterprise creation can be individual or collective. This latter category includes business models based on the social economy, such as cooperatives, associations or employee-owned companies. This contributes to a more equal balance between capital and labour, and between small and large companies and, ultimately, supports the transition towards a people-centred economic system.

Overall, efforts being made in CARD countries to promote entrepreneurship – and the characteristics of such entrepreneurship – continue to be inadequate for generating real economic and social mobility opportunities.

d. Explicit or implicit bias in the norms, practices and processes of the agencies and organisations relevant to the strategy.

The norms, practices and processes associated with key agencies or other stakeholders relevant to this proposal (TVET institutes, companies, social services, etc.) that reinforce explicit or implicit discrimination against women and youth and ultimately become de facto obstacles for accessing economic opportunities, must be identified.

The previous subsection highlighted this need, specifically with regard to strategies for the promotion of social entrepreneurship in CARD countries, and the procedures, processes and actors involved. The ILO likewise makes a number of observations in this regard that are worth noting:

- The naturalisation of gender stereotypes is an expression of discrimination present in the societies of Central America and the Dominican Republic, and TVET institutes in the subregion are not immune to this. It is very often still the case that certain occupations are considered more appropriate for men, and others for women.²⁵⁰
- At the regional level, one of the main shortcomings identified with regard to the promotion of women's participation in vocational training is the absence of financial aid or services for the care of dependants, particularly children.²⁵¹

²⁵⁰ ILO (2014); page 101.

²⁵¹ ILO (2014); page 62.

- In general, TVET institutes have endeavoured to extend their scope of activity beyond the larger cities by setting up training centres in other areas, or providing mobile services. However, the majority of training options are still only available in the capital cities.²⁵²
- Willingness to hire women in sectors which have traditionally not been considered appropriate varies from country to country. Business sector representatives in Guatemala, El Salvador, Honduras or Nicaragua have expressed such willingness, but this positive attitude is not widespread and work is needed in this regard.²⁵³

Considerations for the strategy's feasibility:

- **Institutional:** Identification of key stakeholders for guiding and implementing the strategy at the subregional level (such as SICA), as well as for implementation at the national level.
- **Financial:** Sufficient and predictable financial resources for implementation (private sector, international cooperation, among others).
- **Policy:** Identification of relevant in-country political processes and spaces that will make the proposal feasible. The involvement of local governments and civil society organisations (chambers of commerce, associations, unions, among others) in the territories will be key.

Other considerations:

- **Participation:** Broad participatory approach for detailed design and implementation of the strategy and its subsequent evaluation.
- **Knowledge management:** Identification and design of processes and procedures to ensure that the strategy generates know-how, both for replication in other contexts and to strengthen public institutions in the countries of implementation.

²⁵² ILO, 2014; page 57.

²⁵³ ILO, 2014; page 64.

SECTION 4. CONCLUSION AND RECOMMENDATIONS

The findings confirm notable horizontal and vertical inequalities in the region regarding access to dignified work, education, basic living conditions such as access to clean water and sanitation services, and safe housing, among others. Furthermore, the research also reveals gaps in exposure to violence in the context of high levels of widespread (and perceived) violence characteristic of the subregion, which implies that violence is an essential determinant for closing socioeconomic inequality gaps as well as an extreme consequence of such inequalities. Related to this, it should be noted that inequality gaps associated with “atypical” variables or factors²⁵⁴ were identified in this study and should be further researched in order to better understand why they occur.

The marked gaps identified in material conditions for a dignified life, which negatively affect groups such as the rural, indigenous or low-income population, are only one expression of the reduced capacity of CARD states to adopt a structural and comprehensive approach to the diverse inequalities found in the subregion and discussed in this report. The precarious productive structure that partly determines the low levels of economic development of the countries in the subregion, together with low social investment, tax collection and institutional capacity, explains this structural weakness of inequality in the subregion.

Furthermore, social institutions (norms, social beliefs, cultural patterns, etc.) that model and regulate the interactions between people in a society also appear as a key cause behind some of the inequality gaps identified. Given the influence of such social institutions over other economic and political institutions, the whole of the CARD institutional framework carries in its DNA visions or belief systems that strongly reproduce patterns of exclusion and discrimination (some dating back to colonial times).

Consistent with these findings, a strategy to promote productive ecosystems in areas of social exclusion has been proposed to close existing gaps in labour markets by promoting inclusive economic and social development. Furthermore, and drawing on characteristics and lessons learned from the implementation of similar initiatives that have proved effective, the strategy is proposed as an opportunity to strengthen and modernise public institutions in a bid to achieve greater equality in the countries of the subregion.

²⁵⁴ These refer to disaggregation variables other than those “typically” used such as sex, age, socioeconomic status, or belonging to a specific race or ethnicity.

In accordance with the above and considering the framework and actions of the different stakeholders involved, a range of recommendations are made to the Central American Integration System (SICA), governments of the subregion and donors and international development agencies.

A. The Central American Integration System should:

- Commit to reducing inequalities. The reduction of inequality gaps and patterns of exclusion and discrimination against different groups in the subregion should be a strategic priority guiding and structuring the specific objectives, actions and indicators of the Development Plan for Central America and the Dominican Republic 2020-2040 that is currently being prepared by SICA. This commitment should be extended to other initiatives in the region, such as the Development Plan for Mexico and Central America.
- In the area of work and social entrepreneurship, given the recent endeavours of the Regional Centre for the Promotion of Micro, Small and Medium Enterprises (CENPROMYPE) in SICA:
 - Create methodologies for the promotion of entrepreneurship focusing on the value chain, reinforcing and leveraging synergies with university research and innovation centres both within and outside the subregion, as proposed by SICA.
 - Launch training campaigns for the institutions that make up the national ecosystems on gender and youth in order to promote entrepreneurship among these population groups. Training must include methodologies to address the specific needs and requirements of women and youth in the entrepreneurial process. Moreover, and in a broader sense, alignment of the relevant institutions and organisations with such specific needs and requirements should be encouraged, at both national and subregional level.
 - Promote coordination of the strategies developed by the different national institutions involved (including public, private, financial and educational institutions) to encourage and support entrepreneurship, with a view to reducing fragmentation of efforts and maximising the effectiveness of such strategies.
 - Put in place systems for tracking entrepreneurship in order to enhance and monitor its capacity to reduce inequalities. This includes providing support to identify and design the most suitable training, capacity building and financing instruments for meeting the needs of individual entrepreneurs.
 - Strengthen efforts to offer quality technical training, in coordination with ongoing national initiatives for the development of an entrepreneurial strategy within the education system.
 - Incorporate an assessment of potential explicit or implicit discrimination against certain groups (or in favour of others) in the structures, procedures and practices of the interventions promoted or supported.
- Explore potential synergies of the political strategy proposed in this report with other regional policies such as the Central American Strategy for Rural Territorial Development (ECADERT), the Regional Policy for Gender Equality and Equity (PRIEG) and the Central American Security Strategy (ESCA).

B. The governments of the subregion should:

- Ensure adequate public investment in areas of social exclusion to combat multidimensional inequality.
- Take more stringent measures to increase tax collection and make tax systems more progressive.
- Establish social development plans that provide incentives for intersectoral coordination, including among traditional sectors in the social policy area such as education, health, housing, social protection and work, but also in financial sectors, such as infrastructure, innovation, productive development and the environment. This also applies to cooperation between central, regional and local levels of government.
- Promote and strengthen existing spaces for participation of the populations targeted by the relevant policies on inequality, and, in general, of civil society organisations and relevant private sector stakeholders (particularly in areas of social exclusion).
- Firmly support the development of local productive systems with environmentally sustainable and socially advanced value chains, which guarantee the creation of dignified work, especially for women and young people in areas of social exclusion.
- Propose measures for bridging the gap between technical and vocational training and the wider formal education system.
- Establish policies for social entrepreneurship, and provide adequate resources to maximize their effectiveness in generating more and better jobs and as a strategy to reduce inequalities in the labour market.

C. Donors and international development institutions, in coordination with governments and subregional bodies, should:

Development institutions are taking steps to integrate the reduction of inequalities into their policies. The European Commission has called on Member States to strengthen their tools and approaches to make them more effective in addressing inequality and to mainstream the reduction of inequality in their development cooperation. The New European Consensus on Development frames the implementation of the 2030 Agenda in partnership with all developing countries and guides the action of EU institutions and Member States in their cooperation with all developing countries.²⁵⁵

²⁵⁵ See The New European Consensus on Development: 'Our World, Our Dignity, Our Future', available here: https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en

Intervene in the structural causes of inequality

This report has identified two issues as Gordian knots of inequality in CARD and makes a proposal for a subregional strategy to reduce inequality based on productive ecosystems in social exclusion areas. In this regard, the recommendations are:

- Maintain a firm and clear commitment to reducing inequality in development and cooperation plans and initiatives in the region, ensuring greater coherence in all policies (cooperation, trade, labour, taxation, climate change, foreign affairs, etc.) so that the reduction of inequality is not undermined. In particular, ensure that all strategies address the reduction of social, economic and political inequalities, as well as the patterns of exclusion and discrimination that persist in the subregion.
- Scrutinise development policies to ensure full coherence with the Sustainable Development Goal for reducing inequality (SDG 10.1) and the commitment to leave no one behind.
- Put greater emphasis on addressing gender inequality by adopting a feminist approach to development cooperation and allocating a greater proportion of aid to supporting gender justice and women's rights, also through increased support for women's rights organisations.
- Allocate development funds for increasing public investment in areas of social exclusion, in fields such as education, health, social protection, water and basic sanitation and adequate housing, among others. This could potentially be done through budget support, combining policy dialogue and the use of national systems with greater civil society participation, to ensure the transparency and inclusiveness of the reforms promoted.
- Strengthen support to States to improve tax collection and make tax systems more progressive in CARD: a) carry out cost-benefit studies of tax incentives to support the need for their rationalisation, and b) strengthen the technical capacity and technological infrastructure of the tax administrations to tackle tax evasion and avoidance. An active civil society has an important role to play in achieving increased and more equitable mobilisation of tax resources, from participation in tax reforms to demanding and overseeing greater transparency in tax collection and public spending. Development agencies should continue to support civil society in this area, in addition and as a complement to any technical assistance projects or funding they may provide to public administrations.
- Incorporate an assessment of potential explicit or implicit discrimination against certain groups (or in favour of others) in the structures, procedures and practices of the interventions promoted or supported by development cooperation. This includes the commitment to incorporate a perspective of power analysis, political economy and social stratification dynamics in the identification and design stage of public policy support processes.
- Support processes aimed at strengthening national institutional capacity to address multidimensional inequality:
 - Strengthen the capacity for intersectoral coordination, including traditional sectors in the social policy area such as education, health, housing, social protection and work, but also in

financial sectors such as infrastructure, innovation, productive development and the environment.

- Strengthen the capacity for cooperation between different levels of government.
- Support processes that strengthen and develop existing spaces for participation of the populations targeted by the relevant policies on inequality and, in general, of civil society organisations and relevant private sector stakeholders. Development aid can play an important role in recovering and/or strengthening the pact between State and civil society, supporting an active civil society to demand greater responsibility and accountability from the State, which will only be possible through the protection of spaces for participation in all countries.
- Strengthen the technical capacity and resources (physical, human, financial) of the subnational bodies responsible for developing policies on inequality.
- Provide technical assistance for the development of comprehensive models for evaluating inequality reduction interventions (including public policies in addition to specific programmes and/or projects).
- Prepare the ground for the development of innovative productive ecosystems, to create more equitable economies and dignified work in areas of social exclusion:
 - Support development plans and interventions that include processes aimed at identifying and building local productive systems with environmentally sustainable and socially advanced value chains that guarantee dignified work.
 - Promote the creation of local multi stakeholder cooperation networks for equitable productive development (to include the private sector, social organisations and movements, the academic community, the general public, etc.).
 - Stimulate the creation of inter-company networks as a strategy for strengthening small and medium enterprises and the promotion of competitiveness in areas of social exclusion.
 - Encourage collective learning and knowledge creation for contributing to the building of such productive ecosystems and networking, so as to multiply innovation capacity in social exclusion areas.
 - Engage with the private sector in developed countries so that their investments in the region serve to strengthen this approach.
 - Ensure that innovative business approaches in traditional and non-traditional economic sectors are consistent with working conditions that uphold national and international legislation, strengthen formalisation of the workforce to ensure their wellbeing, and foster the rights of women, youth and vulnerable populations to dignified employment.

Support subregional inequality reduction processes

There are benefits to be had from the design and implementation of actions to address the problems that are common to all the countries in the subregion. Some of the aspects identified that could be advantageously addressed through a subregional approach are violence (specifically in the Northern Triangle), employment, education, health, social protection, housing and infrastructure and related services.

These agendas should be transferred to consolidated regional institutions such as SICA, as well as to new initiatives such as the Development Plan for Mexico and Central America.

Support for the study and analysis of inequalities

- Increase investment and/or technical assistance for the production of updated national statistics with indicators disaggregated by variables (especially those related to race, ethnicity, socioeconomic status, special physical conditions, creed, immigration status and sexual orientation).
- In connection with the above, support the generation and disaggregation of data for the measurement and analysis of wealth (information that is largely absent to date), as an element that determines people's experience of inequality.
- Promote the development of standardised databases for panel data with multidimensional inequality indicators, and support subregional processes for unifying and standardising information collected through national surveys.
- Support the generation and analysis of qualitative data to complement statistical and quantitative analyses of multidimensional inequality.
- Continue to provide support for research on some key aspects of inequality in the subregion identified in this study, including:
 - Subnational dynamics of violence and the development of social capital as a strategy to contain such violence.
 - Social gender roles and violence against women.
 - Socioeconomic profile of perpetrators of violence.
 - Inequality between different urban areas.
 - Patterns in the access of young people to the labour market.
 - Labour productivity in different population segments.
 - Access to clean water, and uses or destination of water resources.
 - Quality of education and performance in education.

D. Recommendations for improving the measurement and analysis of multidimensional inequality through the Multidimensional Inequality Framework

The multidimensional inequality framework (MIF) proved to be a very useful tool for the analysis of inequalities in the subregion. Its different components enabled swift and efficient progress in the research, in particular in relation to the domains (major themes) and subdomains (specific problems or issues) covered in the analysis, as well as the proposed indicators and measures. The MIF succinctly summarises a large body of literature on the relevant problems of inequality that go far beyond the economic perspective, which resulted in significant savings in the design of the analytical proposal to support implementation of the research. Moreover, the MIF has the added advantage of bringing uniformity and comparability to inequality studies carried out in different contexts.

Additionally, the key themes and subthemes presented by the MIF proved to be highly relevant to the situation of inequality in the subregion; of special note is the approach to issues such as violence or care work. Other issues, though not presented in this report, are crucial given their links to inequality. These include environmental vulnerability and political representation.

Without detracting from the above, one of the main points for improvement of the MIF is the difficulty in using the tool to build a coherent narrative on inequalities in the subregion. In other words, although the *intra-domain* thematic consistency of the MIF is clear, links *between domains and subdomains* are non-existent. Moreover, the drivers or causes of inequality proposed by the tool were not sufficient to be used as a guide.

Another issue is the fact that, although the themes proposed by the MIF were relevant, the tool does not offer cross-cutting themes for all or a number of domains, something that could strengthen the analysis of inequality gaps, at least in the context of the subregion. The best example of this is that the MIF does not query the *implicit* patterns of exclusion or discrimination behind the proposed inequalities to be analysed.

Lastly, some of the themes proposed in the MIF could be streamlined to adapt them to more current inequality approaches and/or dynamics (at least in relation to those identified in the subregion).

That said, and considering at all times that the context largely determines the particular characteristics of the inequality expressed, the following recommendations are made:

- Incorporate in the tool a mechanism for establishing potential connections and relationships between domains and subdomains, to facilitate the integrated analysis of multidimensional inequality. For example, establishing links between themes such as education and employment, employment and violence, violence and the perception of security and trust in public institutions, care work and sexual violence, political representation and access to basic services, among others.
- In connection with the above, the drivers of inequality currently included in the MIF should be improved. For both this and the preceding recommendation, the analyses provided by leading

international organisations could be used, and should be updated regularly. In addition, the proposals for inequality drivers should discriminate between structural issues and others that are more short term.

- Include guiding questions in all domains to identify implicit gender bias, or bias associated with any other personal characteristics, which could affect the issues being analysed.
- Refine the scope and approach of the tool on certain themes, bringing them up to date with current approaches and/or dynamics of inequality. Some examples are:
 - In domain 4, incorporate a broader perspective of inequalities in access to *economic opportunities* to include, in addition to paid employment, other options such as entrepreneurship.
 - As a structural driver, the use of a guide for analysing the basic characteristics of the productive strategy on which the economy of the contexts being analysed is leveraged, which could explain the gaps in inequality, should be considered.
 - As a structural driver, the use of a basic guide for analysing the power imbalances and political influence in favour of elites that threaten the development of policies that would benefit the majority of the population, should be considered.
 - As a structural driver, the use of a guide for analysing the discriminatory social institutions associated with the themes addressed in the domains and subdomains of the MIF should be considered.

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