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## **U.N. Report: Globalization Leaves Poor Behind in Latin America**

*by LADB Staff*

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In its 1999 human development report released July 12, the UN Development Program (UNDP) finds that economic globalization has polarized the world, with the richest fifth of humanity enjoying more than 85% of total GDP and the poorest fifth only 1%.

The report, *Globalization with a Human Face*, lays out the advantages and problems, as well as the opportunities and challenges, of globalization. It ranks 174 countries on quality-of-life indicators including life expectancy, wealth, literacy, access to medical care, and educational prospects.

The UNDP report calls for "rewriting" the rules of globalization to benefit all of humanity. The report says globalization has brought increased prosperity but has concentrated wealth among the "ultrarich."

Financial markets have been allowed to dominate the globalization process, and benefits and opportunities have not been evenly distributed. "The result is a grotesque and dangerous polarization between the people and countries that have benefitted from the system and those who are mere passive receivers of its effects," the report said.

Thirty years ago, the income ratio of the richest to the poorest countries was 30-to-1. By 1990, the ratio had reached 60-to-1, and it now stands at 74-to-1. The report noted that Wal Mart Stores reported US\$105 billion in sales in 1997, greater than the GDP of Colombia (US\$96 billion in 1998) and Venezuela (US\$87 billion).

The assets of the 200 wealthiest people in the world are greater than the total income of 41% of the world population. The three richest people in the world Bill Gates, Warren Buffett, and Paul Allen have total assets of US\$156 billion, more than the combined GDP of the 43 least-developed countries, home to 600 million people.

### ***Most of Latin America, Caribbean "moderately" developed***

Argentina, Chile, and Uruguay fall within the UNDP's list of 45 countries considered to have "high human development." The remaining Latin American countries are all in the second tier of 96 countries. Haiti is the only country from the Western Hemisphere among the 34 "low-development" countries.

The report points out that the average per capita income in Latin America and the Caribbean in 1997 was US\$6,868, compared with US\$23,741 in industrialized countries and US\$992 in the least-developed countries. Life expectancy at birth was 69.5 years in Latin America and the Caribbean

in 1997, compared with 77.7 years in developed countries and 48.9 in Africa. The adult literacy rate is 87.2% in the region, compared with 98.7% in the industrialized countries and 48.4 in South Asia, excluding India. Poverty increases in region In Latin America, the overall poverty rate was 14.5% in 1997.

Despite some "impressive" advances, wealth is still "concentrated in very few hands," said Carmelo Angulo, UNDP resident representative in Nicaragua. He said the income of the richest 20% of the population is 23 times that of the poorest 20%. "The volume of poverty is growing, although extreme poverty is decreasing," said Angulo. He pointed to Chile, Argentina and Colombia as examples of South American countries that have reduced abject poverty, even though all three still have substantial pockets of destitution. In Central America, 60% of the population lives below the poverty line, and in Nicaragua the figure is 80%, Angulo said.

In South America, Bolivia has the lowest human- development index (HDI) rating and Chile the highest, while Brazil has the greatest income disparity. Bolivia's life expectancy at birth is 64.4 years, an improvement of 11 months since last year's report. Chile's life expectancy is 74.9 years, while Costa Rica's is 76. Per capita income in Bolivia in 1997 was US\$2,880, ranking it 17th in Latin America along with El Salvador, and only higher than Honduras (US\$2,200) and Nicaragua (US\$1,997).

### *Gender inequality remains a major problem*

Women are lower on the HDI than men in "all UN countries without exception, despite the fact that women generally have a longer life expectancy." And progress in combatting gender inequality appears unrelated to a country's wealth. The report says some developing countries "put some of the rich industrialized nations to shame when it comes to women's political and professional involvement in society."

In almost all countries, however, women still perform most housework and child care. The report warns that "standards of care could deteriorate" as more women work outside the home, and it says a fairer way to provide for children must be found. Latin America is falling behind on gender issues, said Elena Martinez, the UNDP regional director.

The results of the UNDP report generally show significant differences among the HDI, the gender-development index (GDI), and the gender-empowerment measure (GEM) within each country. Latin America does better on the GDI than the GEM, as there has been progress in the region's per capita income growth. Chile, highest in Latin America on the HDI, does less well when measuring women's political and economic opportunities.

In GEM, Chile falls to 54th place among the lowest in the region for this measurement. Cuba, second in the region in GEM and 21st internationally, is 58th in HDI. Women in Latin America and the Caribbean are practically excluded from access to the telecommunications revolution, and the region's Internet users are almost exclusively male.

### *UNDP calls for measures to reduce inequities*

UNDP recommendations include:

\*An extended mandate for the World Trade Organization (WTO) to include antitrust protections and a code of conduct for international corporations;

\*Establishment of an independent legal aid center and ombuds to help poorer countries deal with the WTO;

\*An international program to fund the development of biological, information, and communications technologies specifically to meet the needs of poor people;

\*Formulation of regional labor and environmental standards to protect countries against the undermining influence of global competition. [Sources: The Financial Times (London), Notimex, Spanish news service EFE, 07/12/99; Inter Press Service, 07/12/99, 07/13/99]

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