Indigenous Peoples, Poverty and Development

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World Bank

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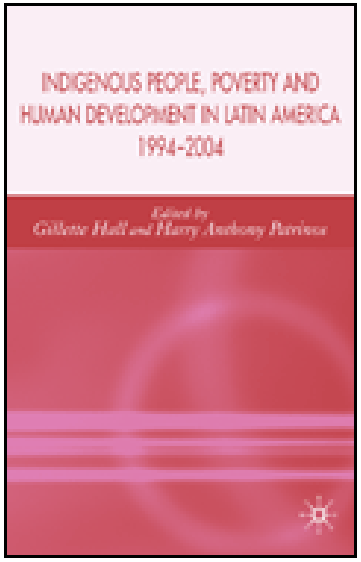
Indigenous Peoples, Poverty and Development

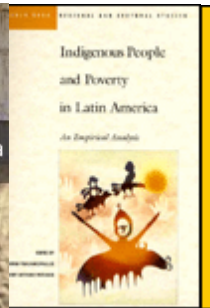
A Seven-Country Study of Indigenous Peoples

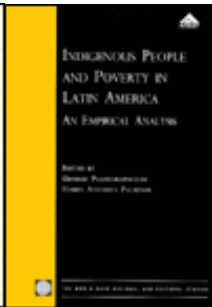
Edited by Gillette Hall and Harry A. Patrinos

Motivation

- 2006 research for Latin America finds:
  - *higher poverty among indigenous*
  - *little or no improvement in poverty over time for indigenous*
  - *But some improved social indicators*

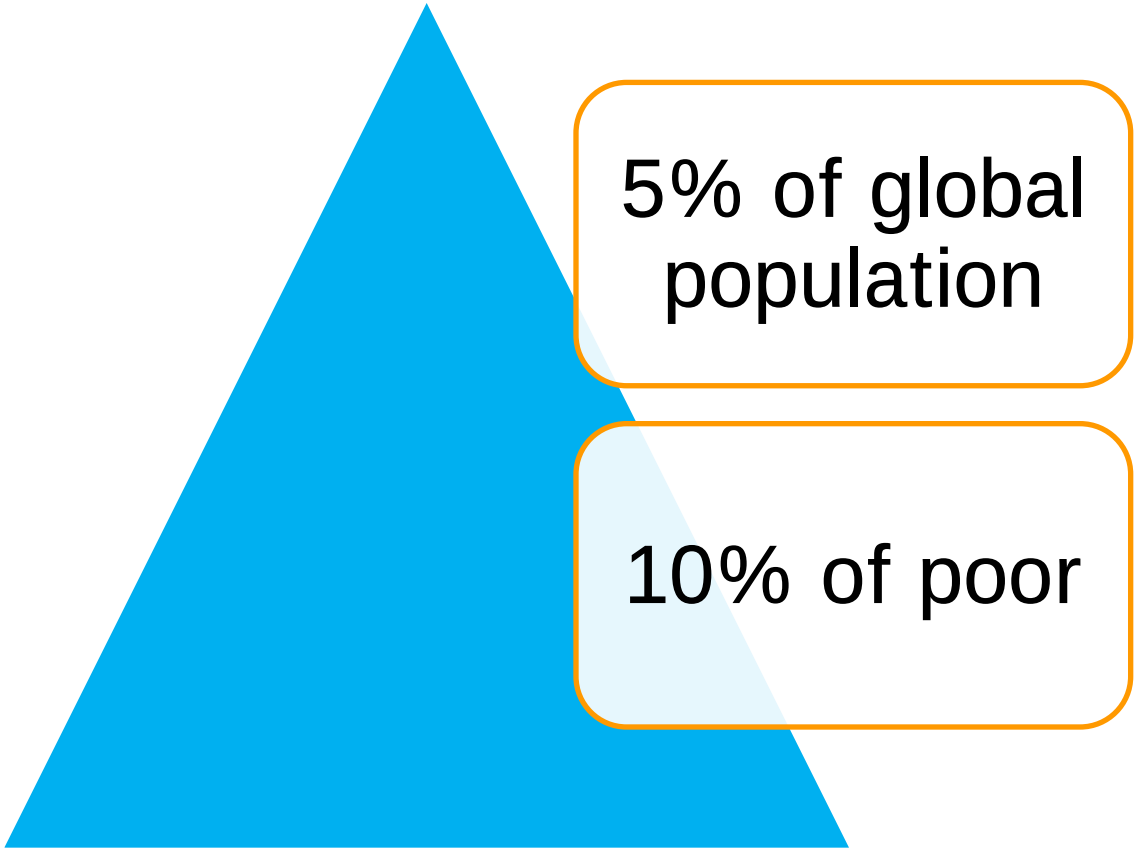






Cannot Ignore Indigenous Peoples

Indigenous make up:

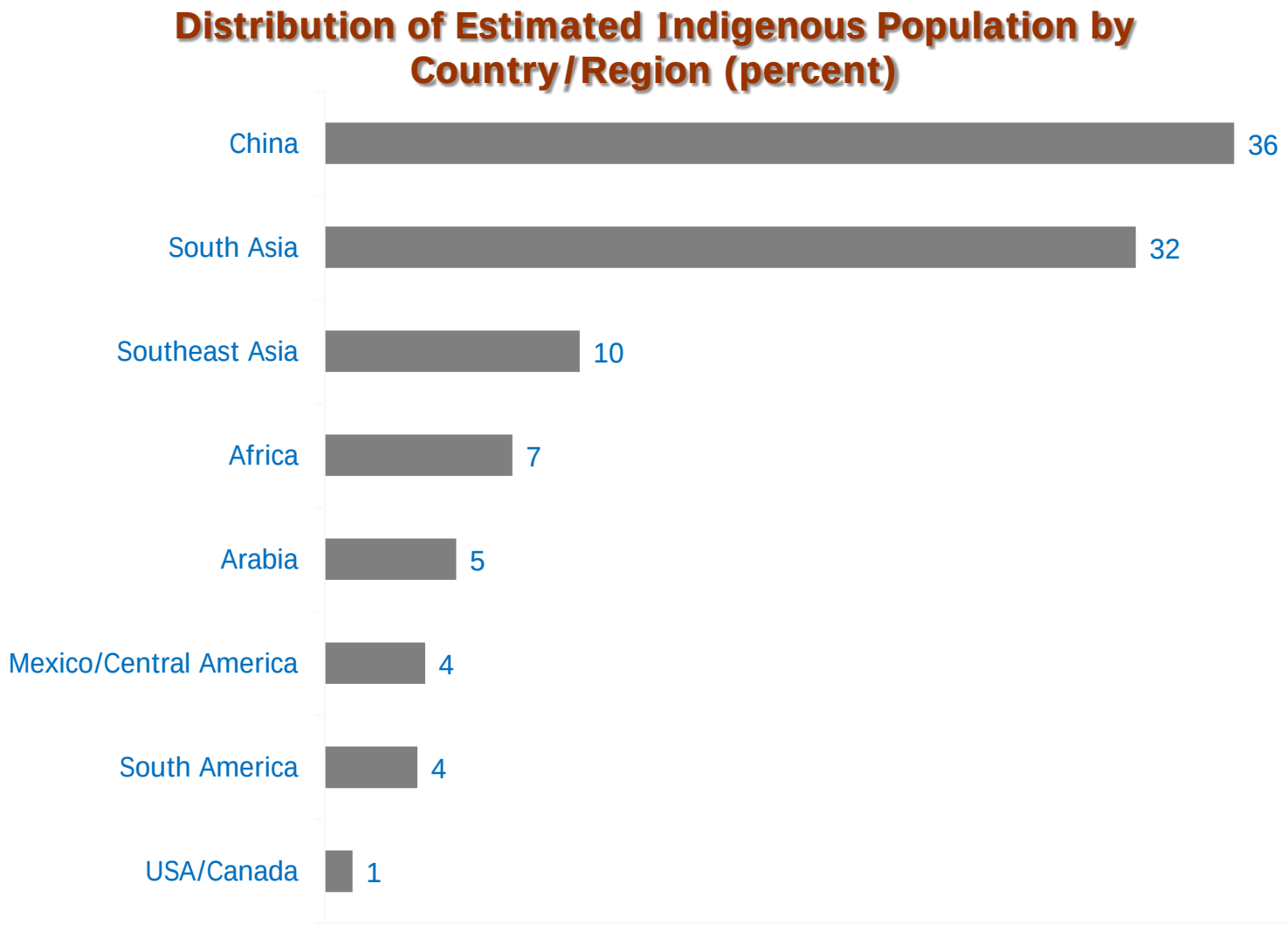


5% of global population

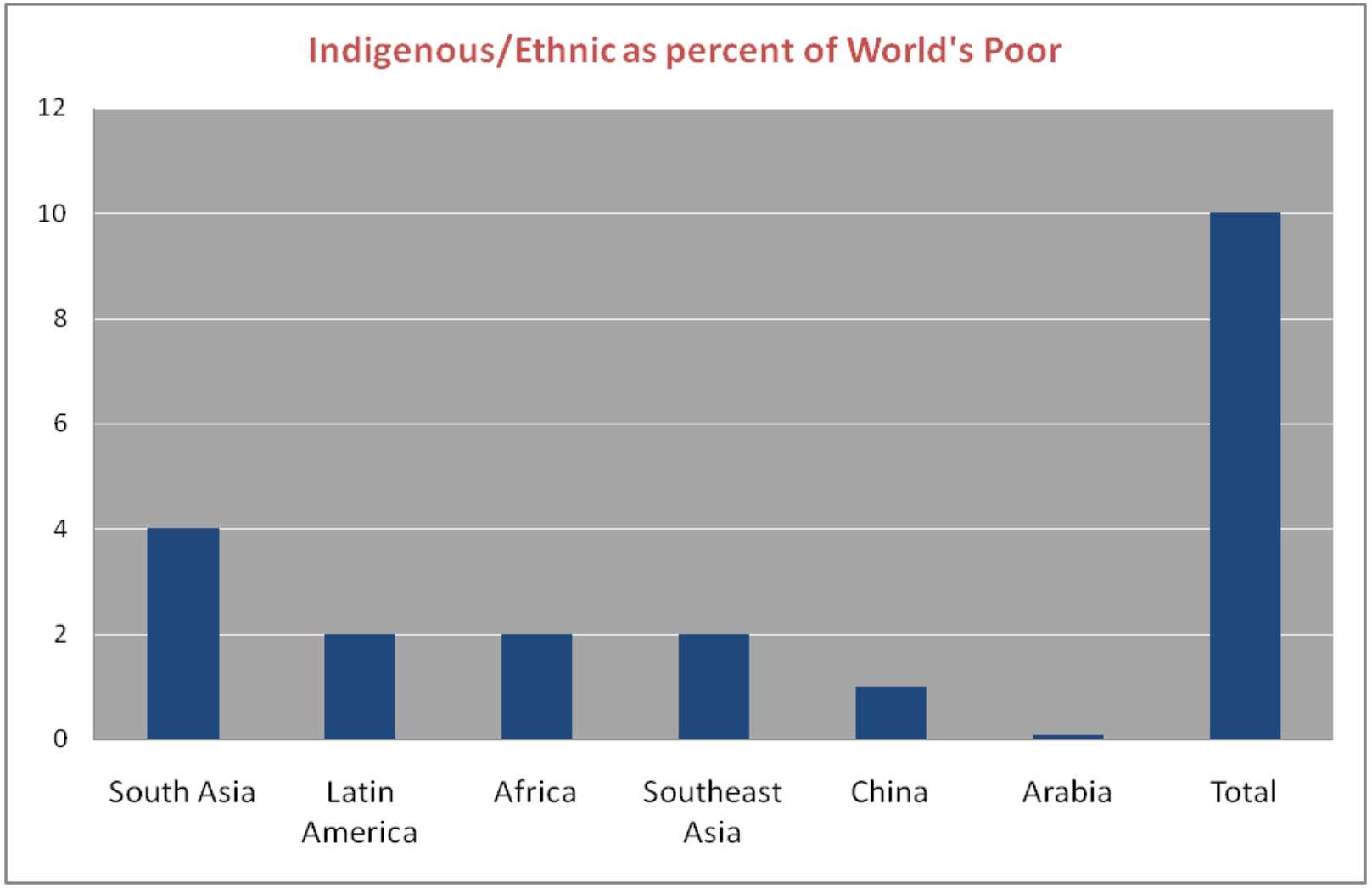
10% of poor

Millennium Development Goals

Global Indigenous Population

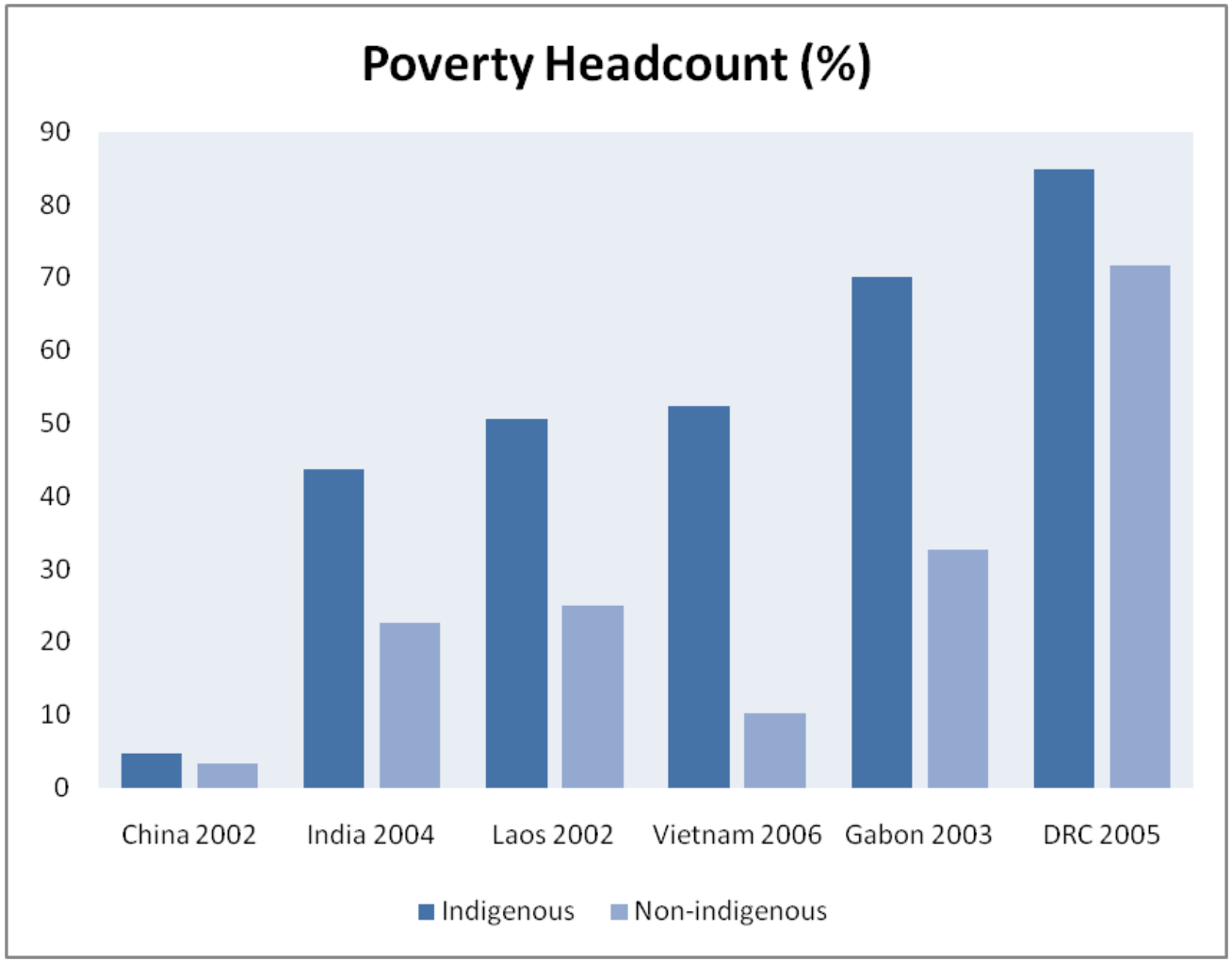


Indigenous Poor, by Region



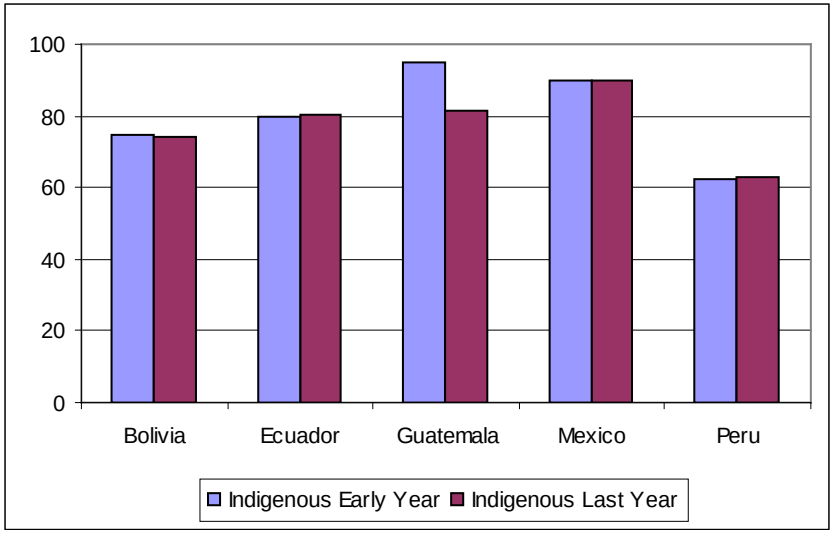
OUR RESULTS

Indigenous are poorer everywhere

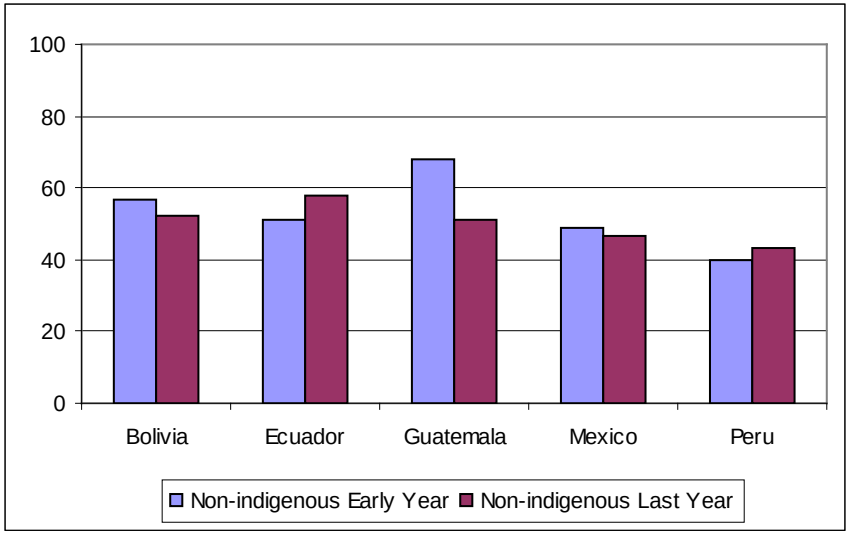


With marked lack of progress in Latin America

Indigenous

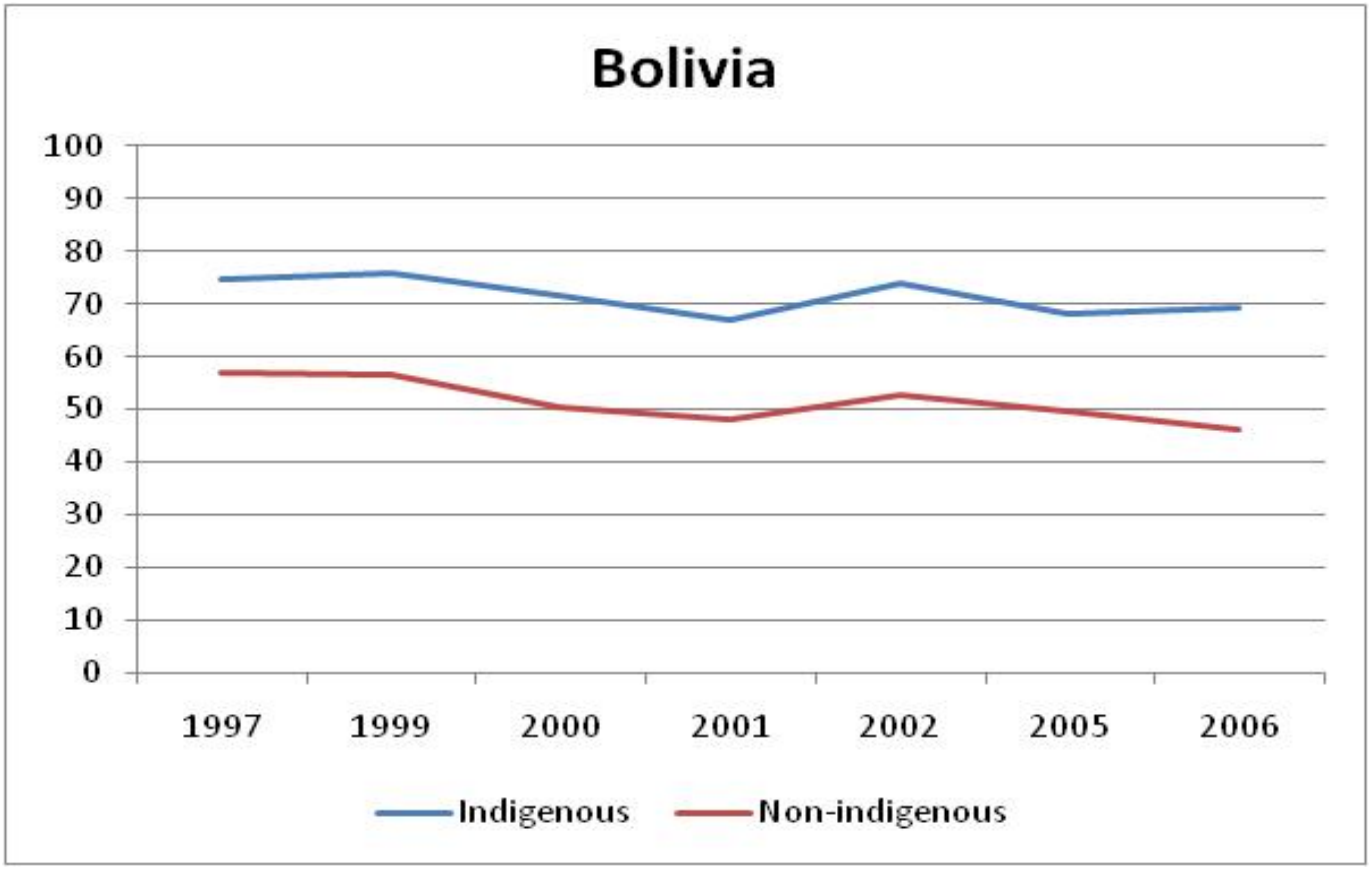


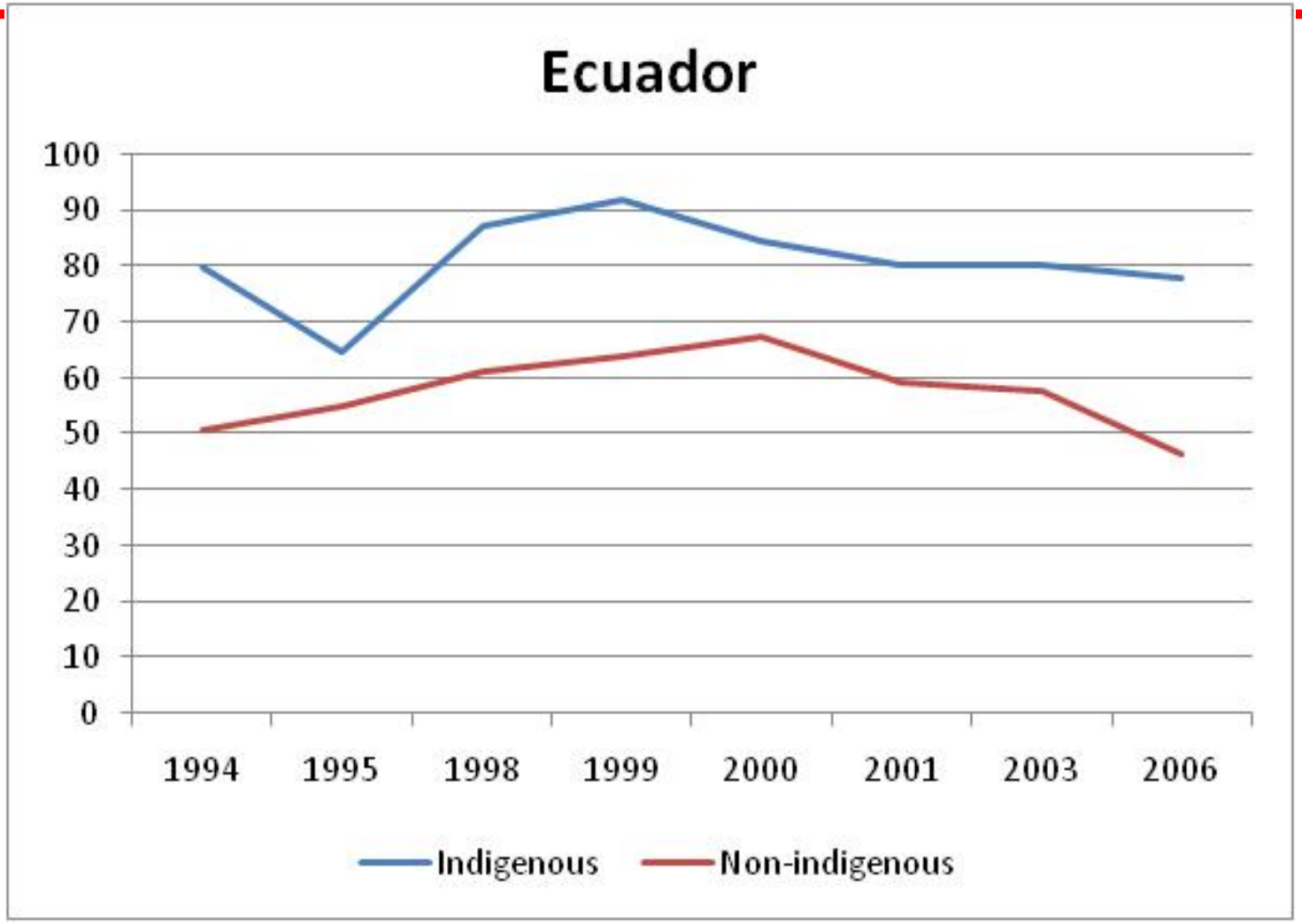
Non-Indigenous

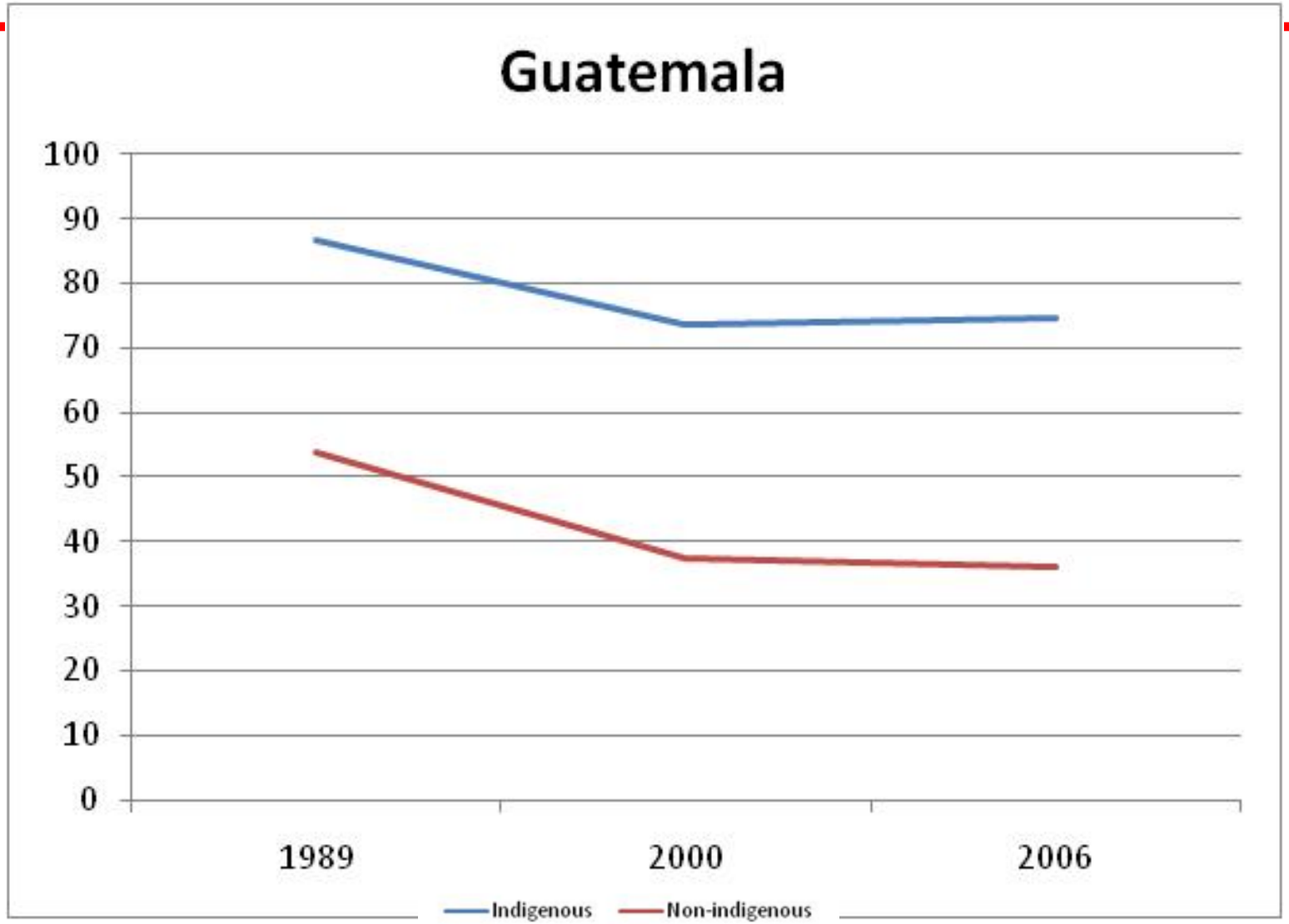


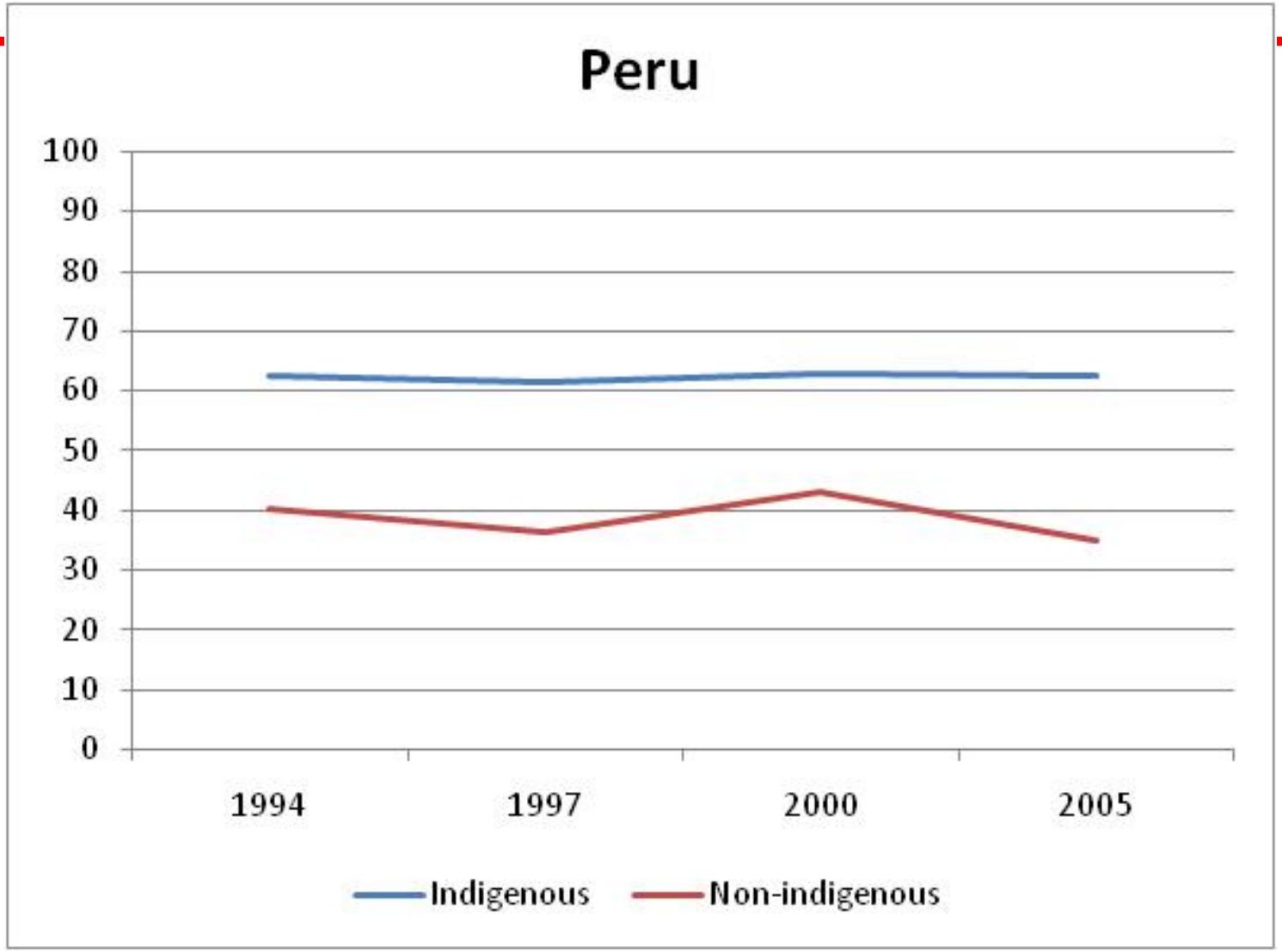
Hall and Patrinos 2006

As these trend lines demonstrate

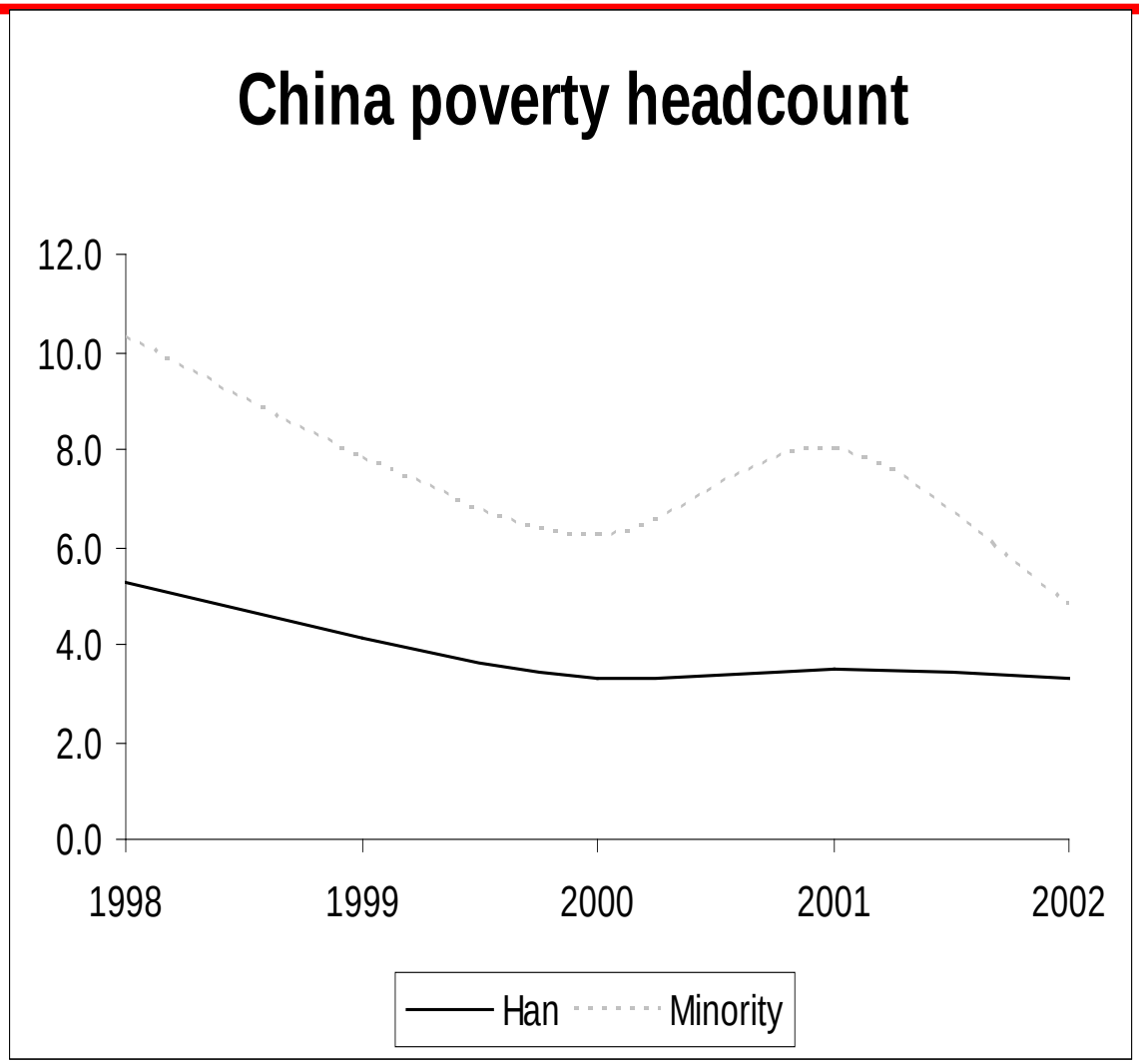



Ecuador
100
90
80
70
60
50
40
30
20
10
0
1994
1995
1998
1999
2000
2001
2003
2006
Indigenous
Non-indigenous

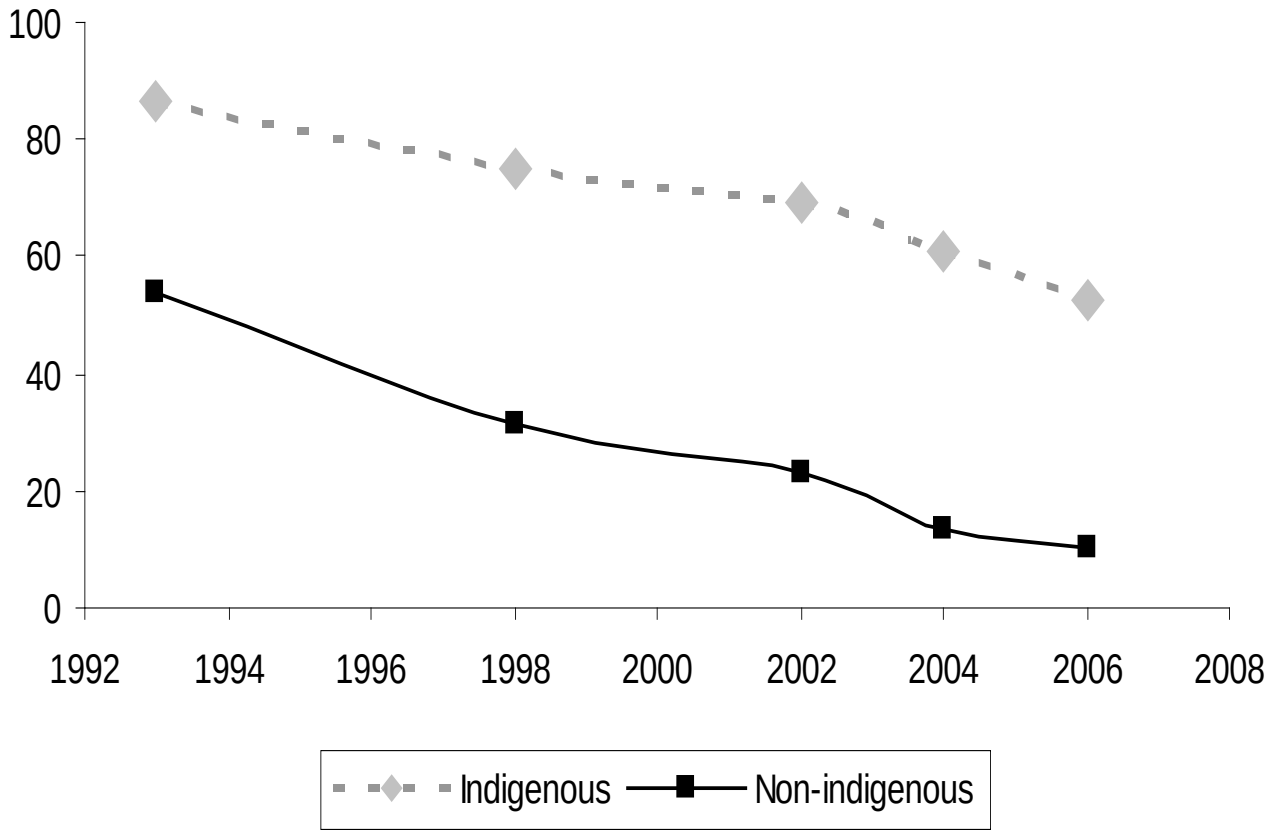

Guatemala
100
90
80
70
60
50
40
30
20
10
0
1989
2000
2006
Indigenous
Non-indigenous

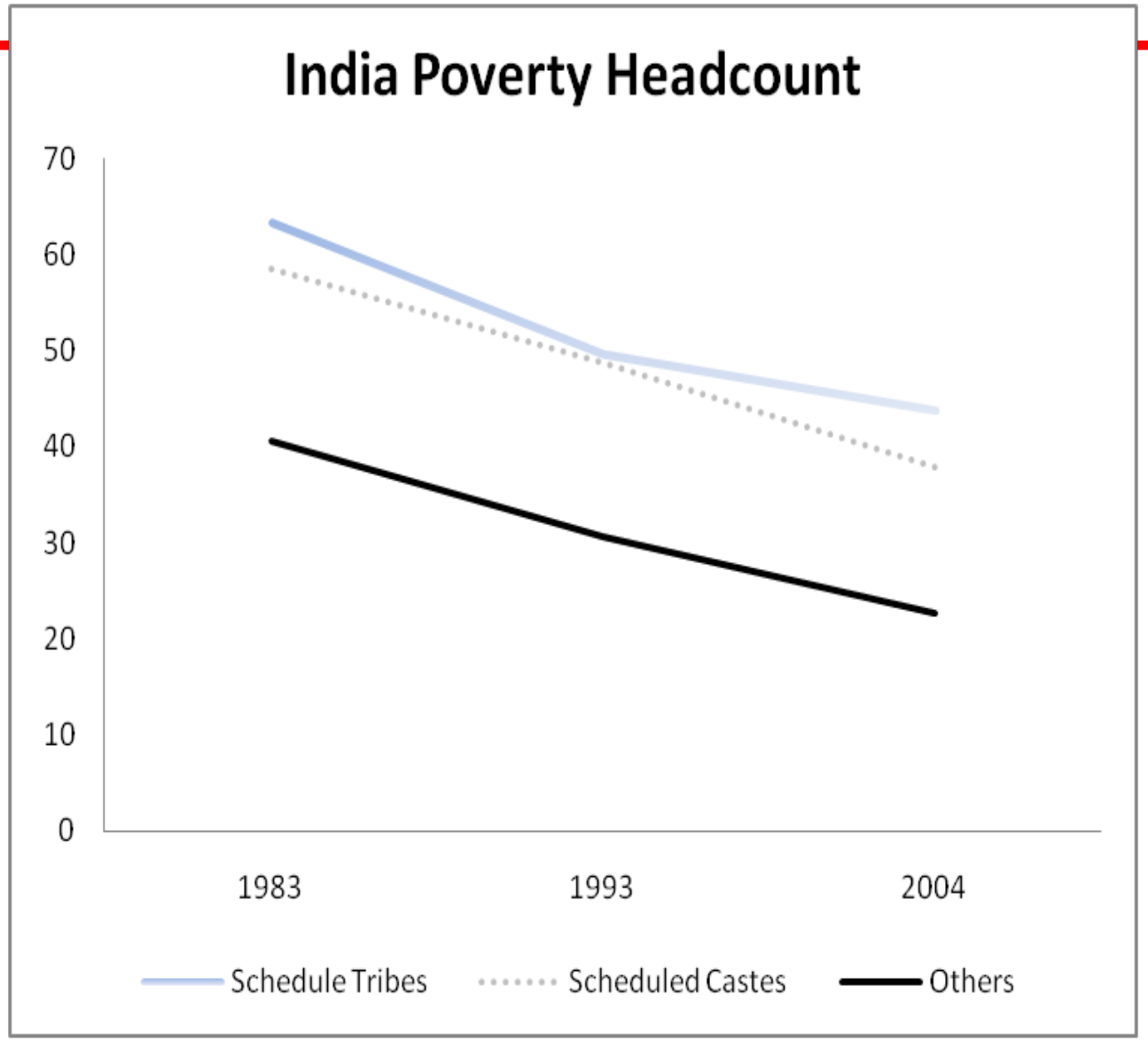

Peru
100
90
80
70
60
50
40
30
20
10
0
1994
1997
2000
2005
Indigenous
Non-indigenous

But Rapid Poverty Reduction in Asia



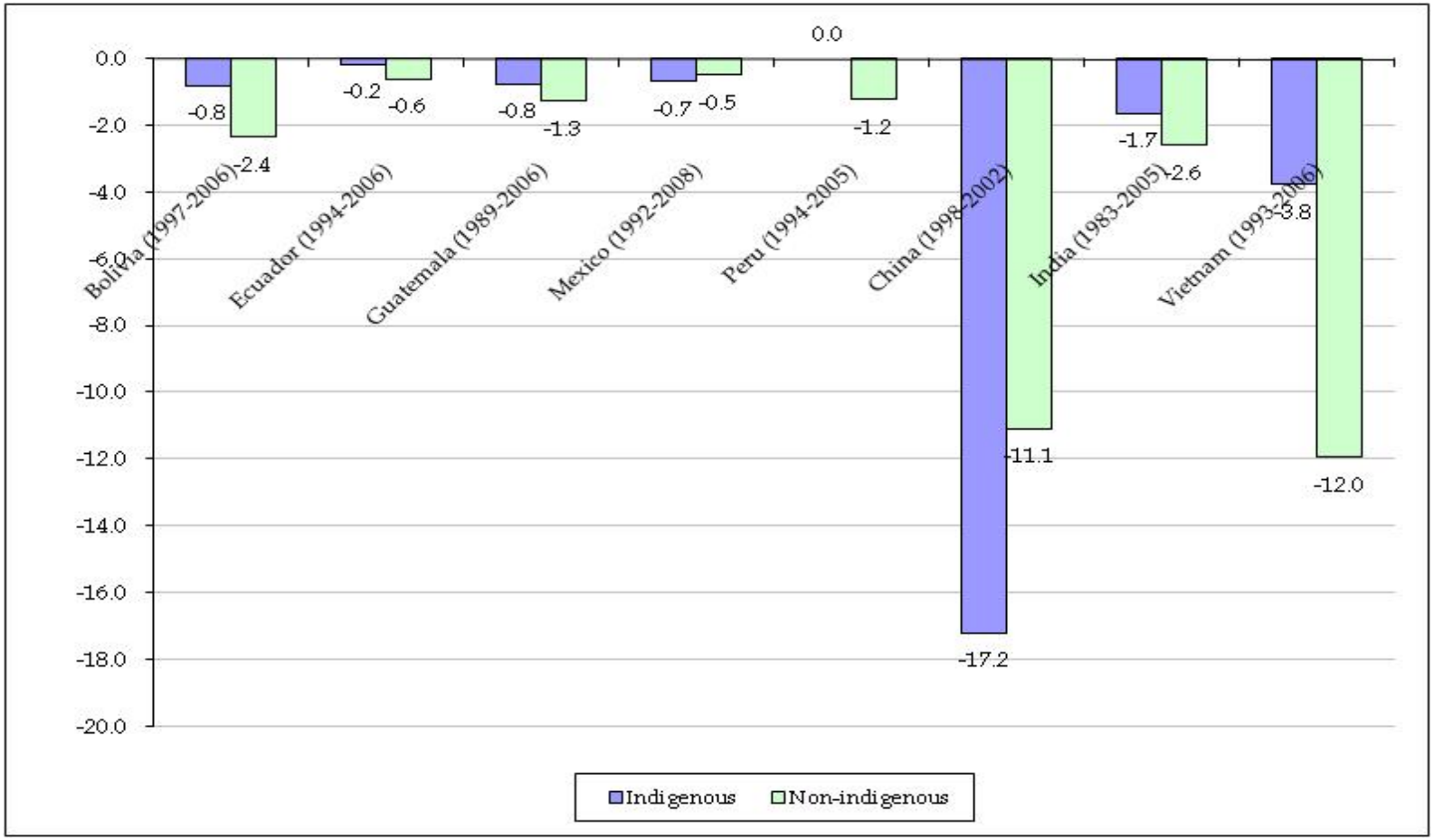
Vietnam poverty headcount




India Poverty Headcount
70
60
50
40
30
20
10
0
1983
1993
2004
Schedule Tribes
Scheduled Castes
Others

Sharply Contrasting Rates of Change by Region

Average Annual Change in Poverty Headcount (%)



Learn from Asia

- Effectively target Indigenous Peoples needs
- Widespread sustained growth brought millions of indigenous (ethnic minorities) out of poverty

Growth Rates by Country

Average Annual per capita Growth Rates by Decade, countries in our study

Years	Mexico	Guate-mala	Ecuador	Peru	Bolivia	China	India	Vietnam
1980-89	0.1	-1.4	-0.4	-2.0	-2.6	8.2	3.5	--
1990-99	1.7	1.7	-0.1	1.4	1.7	8.8	3.7	5.5
2000-09	0.8	1.0	3.4	3.8	1.7	9.6	5.5	6.0

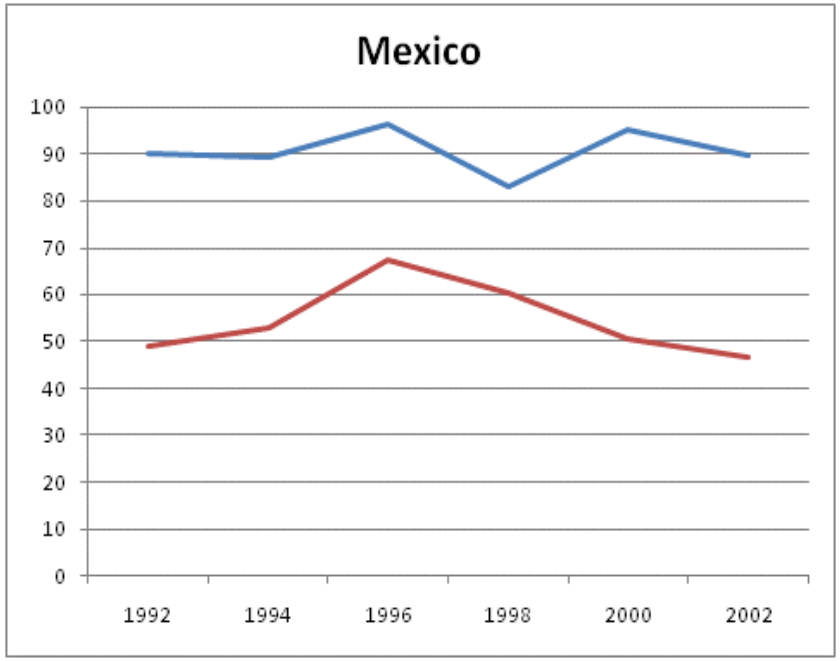
Source: World Development Indicators

Understanding Indigenous Peoples' poverty

- Spatial Disadvantage
- Human Capital Theory
- Asset-based explanations & Poverty Traps
- Social Exclusion and Discrimination
- Cultural and Behavioral Characteristics
- Institutional Path Dependence

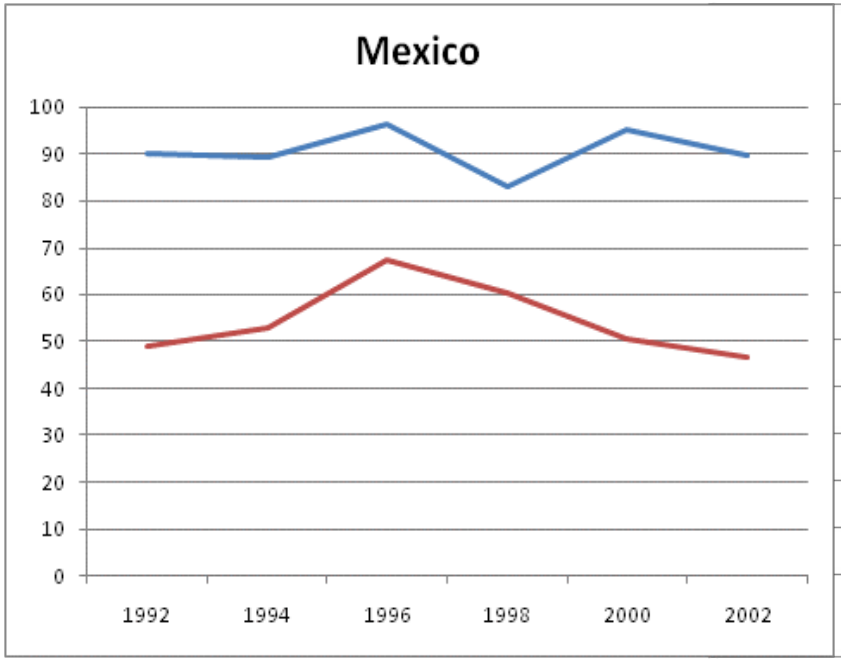
The Case of Mexico

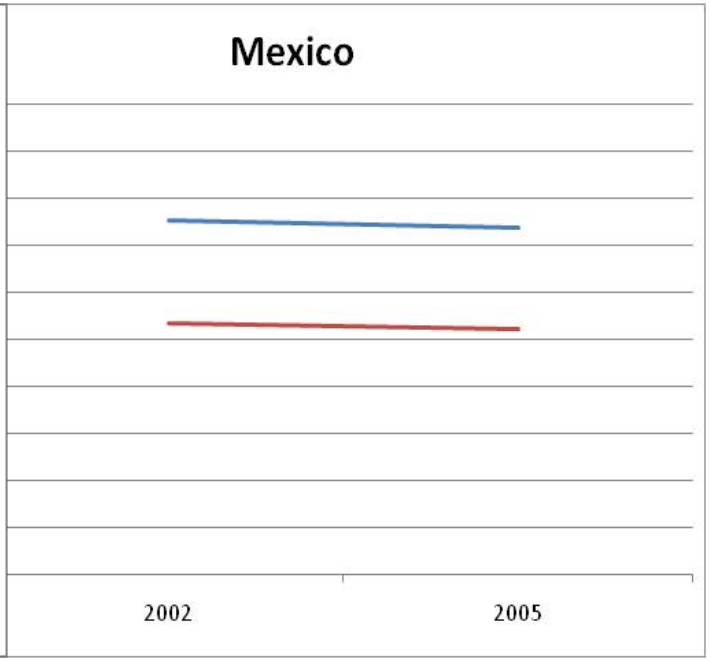
The Case of Mexico



ENIGH hhd survey & municipio location from Census (Ramirez 2006)

The Case of Mexico

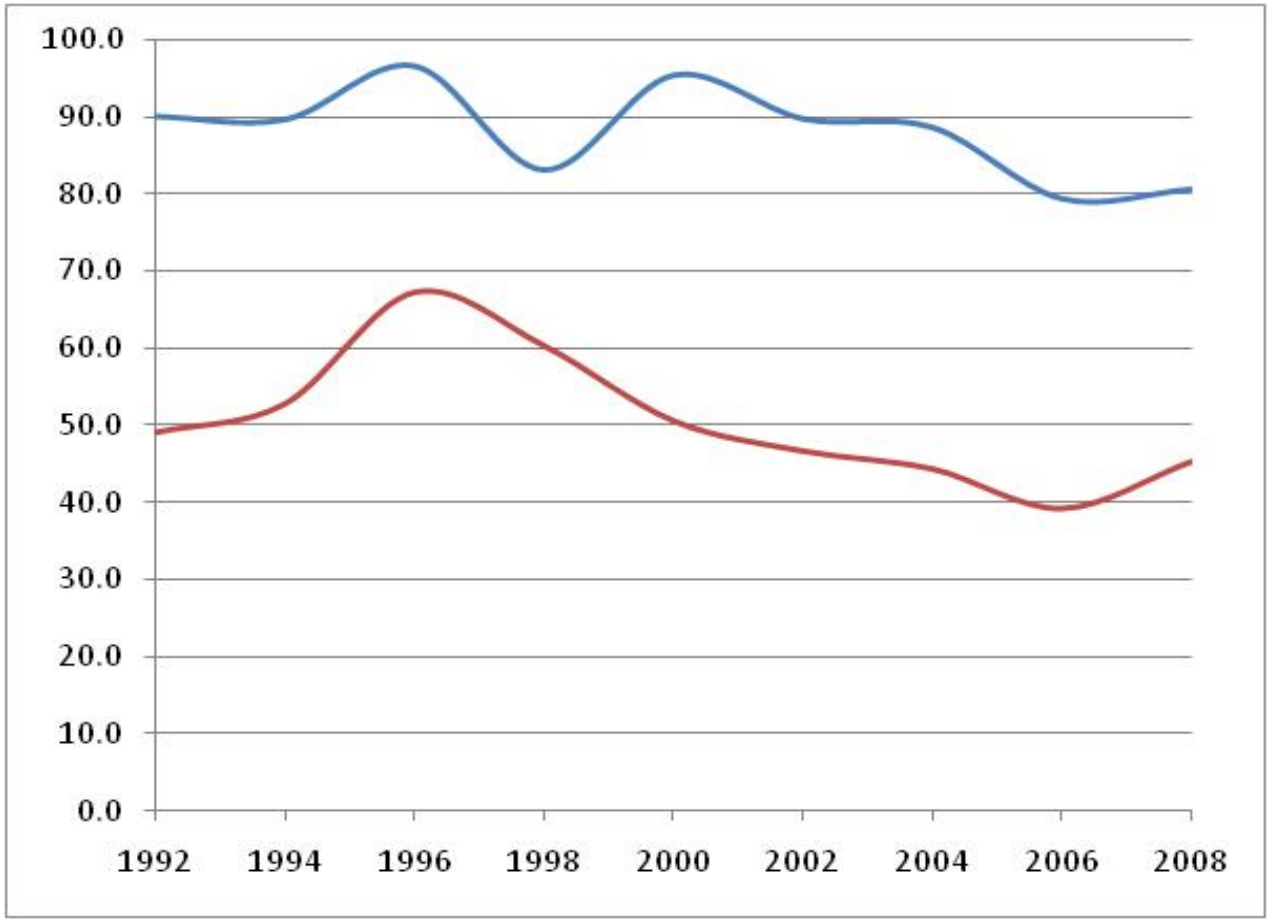




ENIGH hhd survey & municipio location from Census (Ramirez 2006)

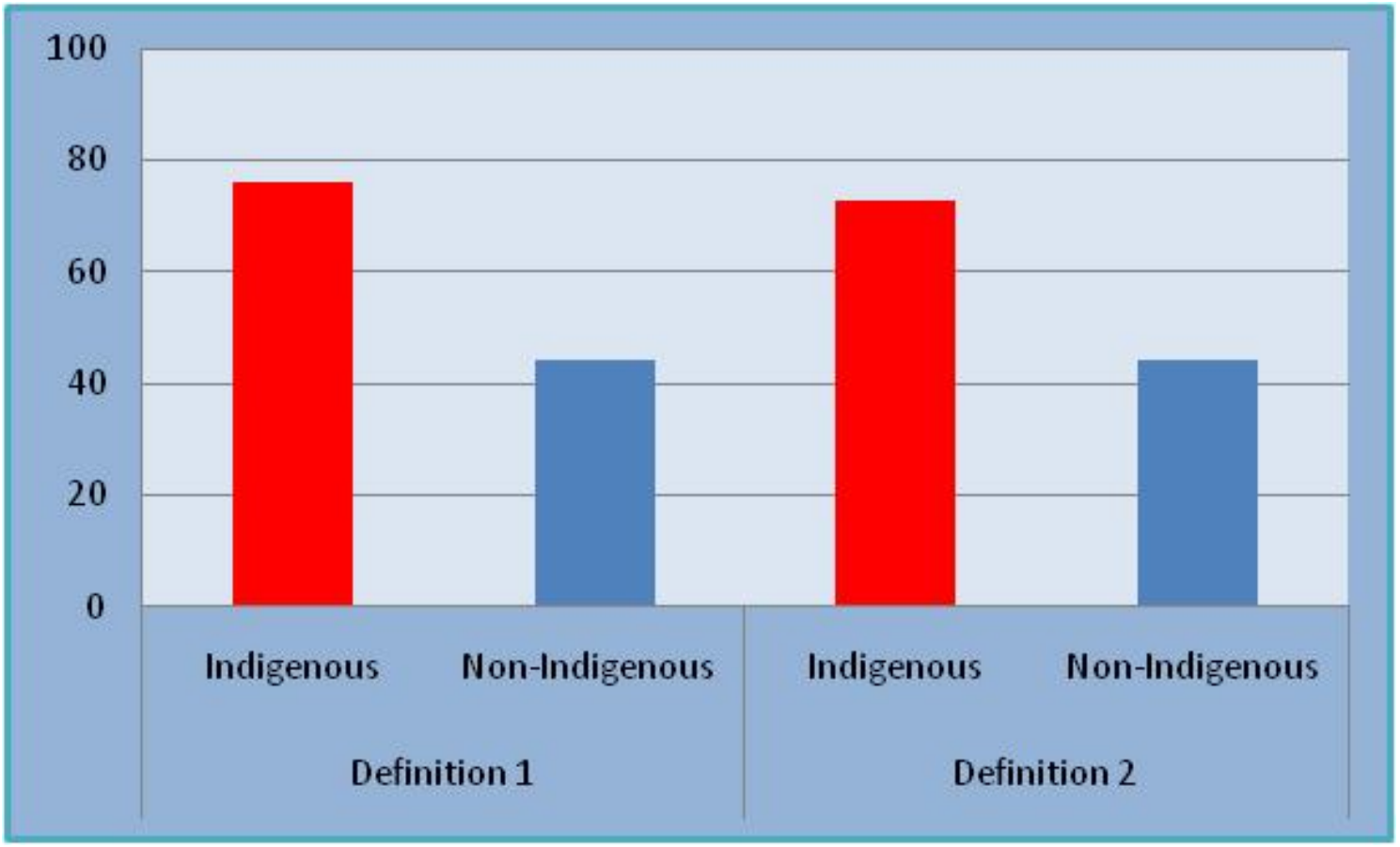
ENNVIH hhd survey & indigenous identity

Mexico: Updating ENIGH & municipio location

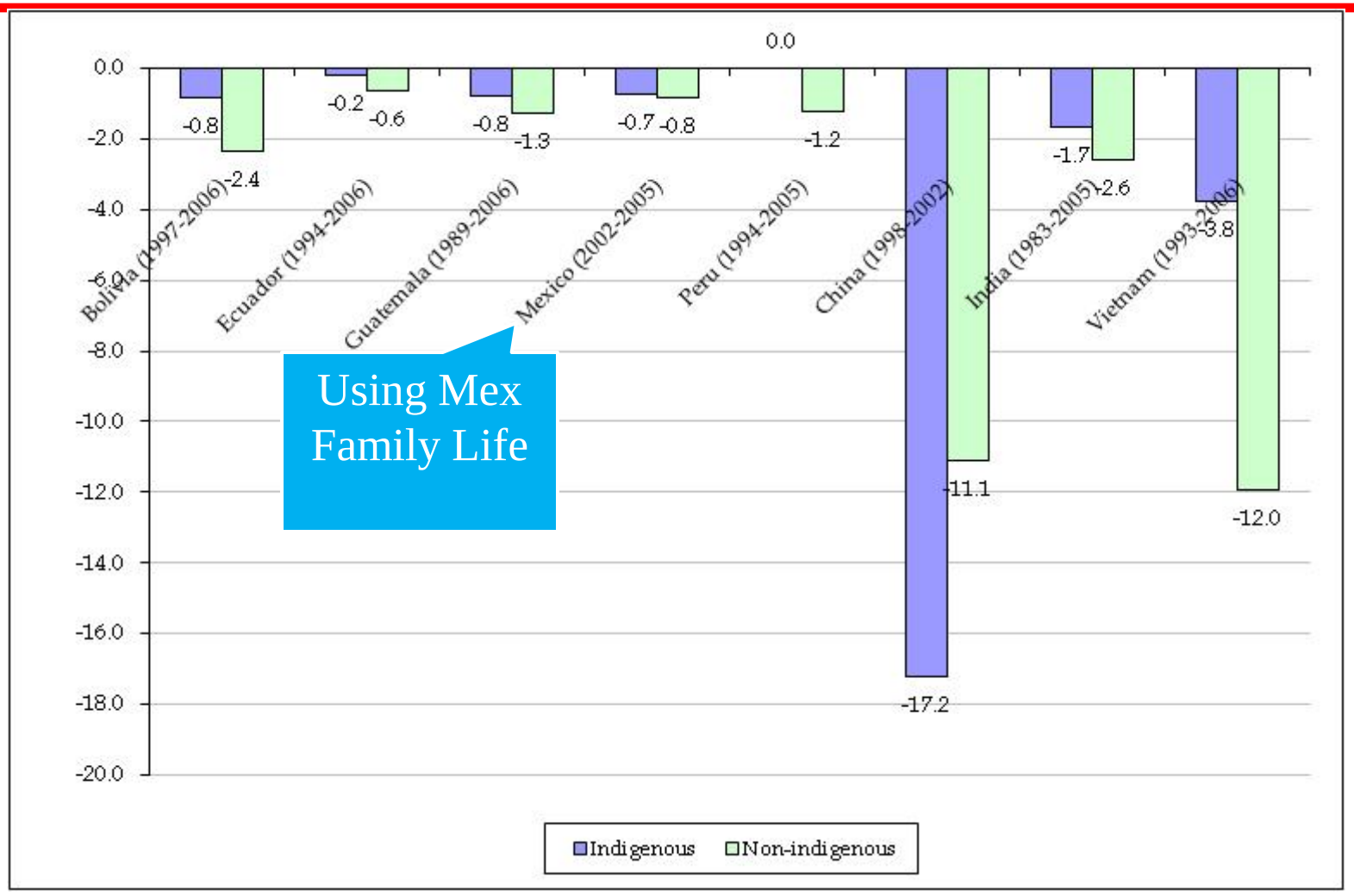


Garcia Moreno and Patrinos 2011

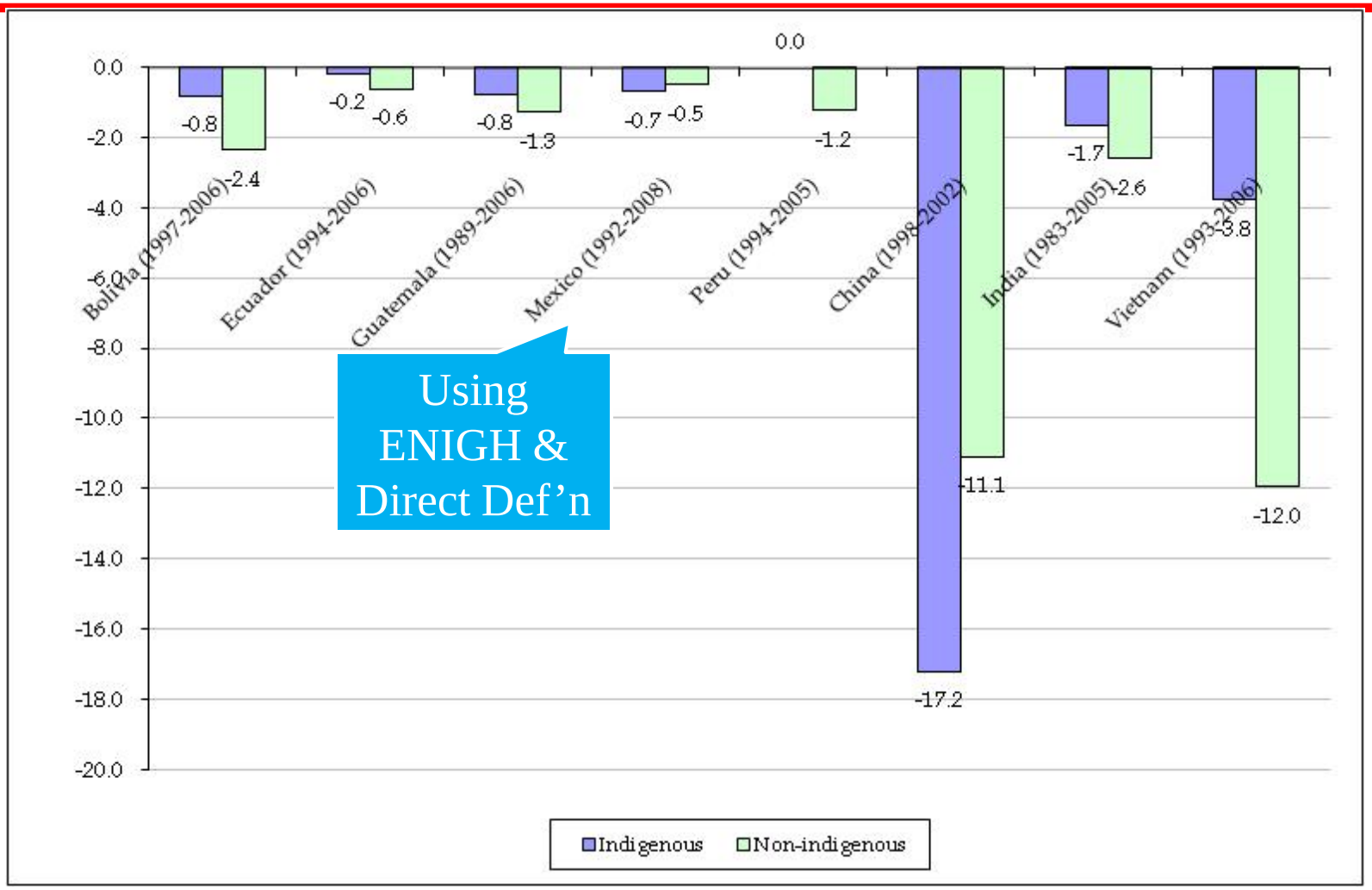
ENIGH 2008 & national poverty rates



Annual Rate of Change

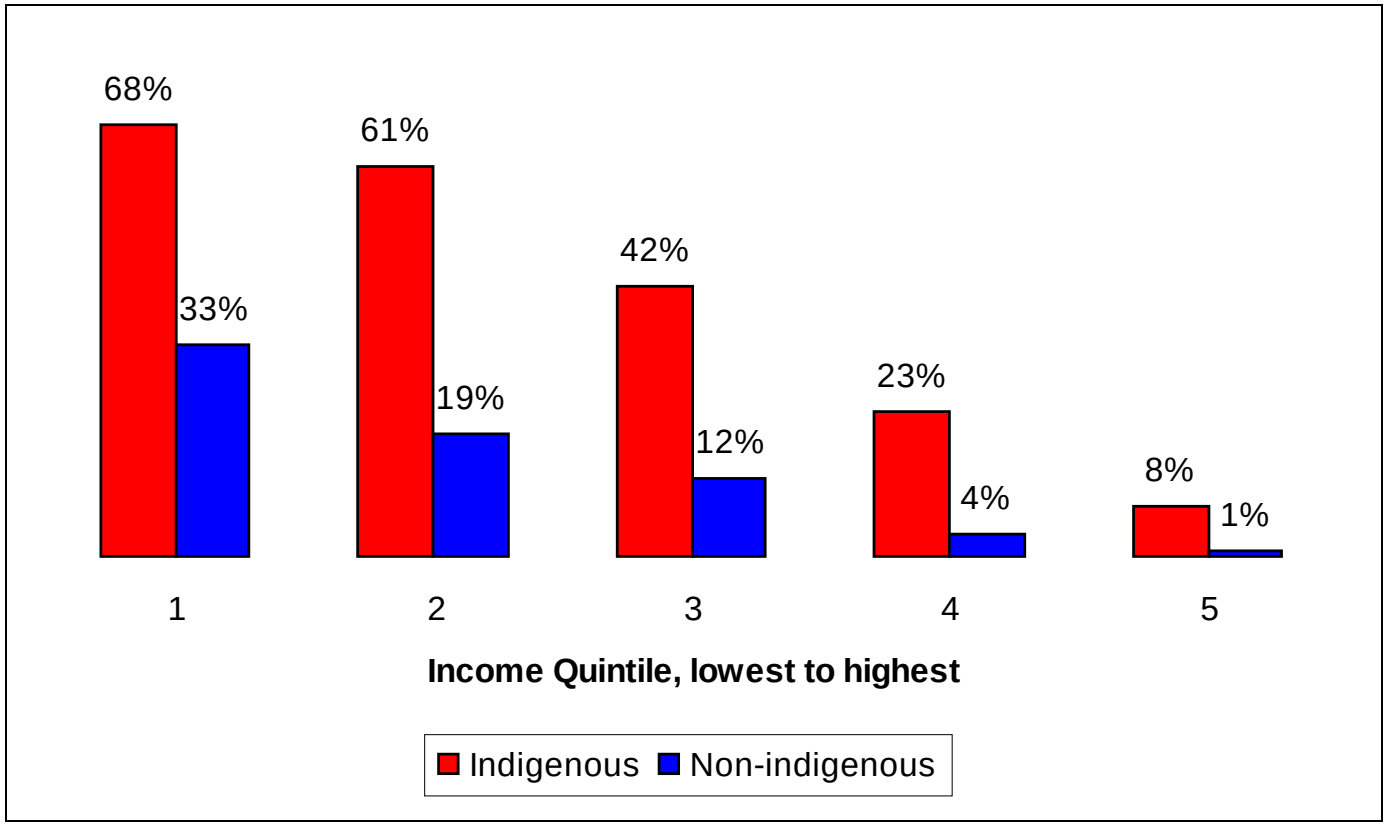


Annual Rate of Change 2



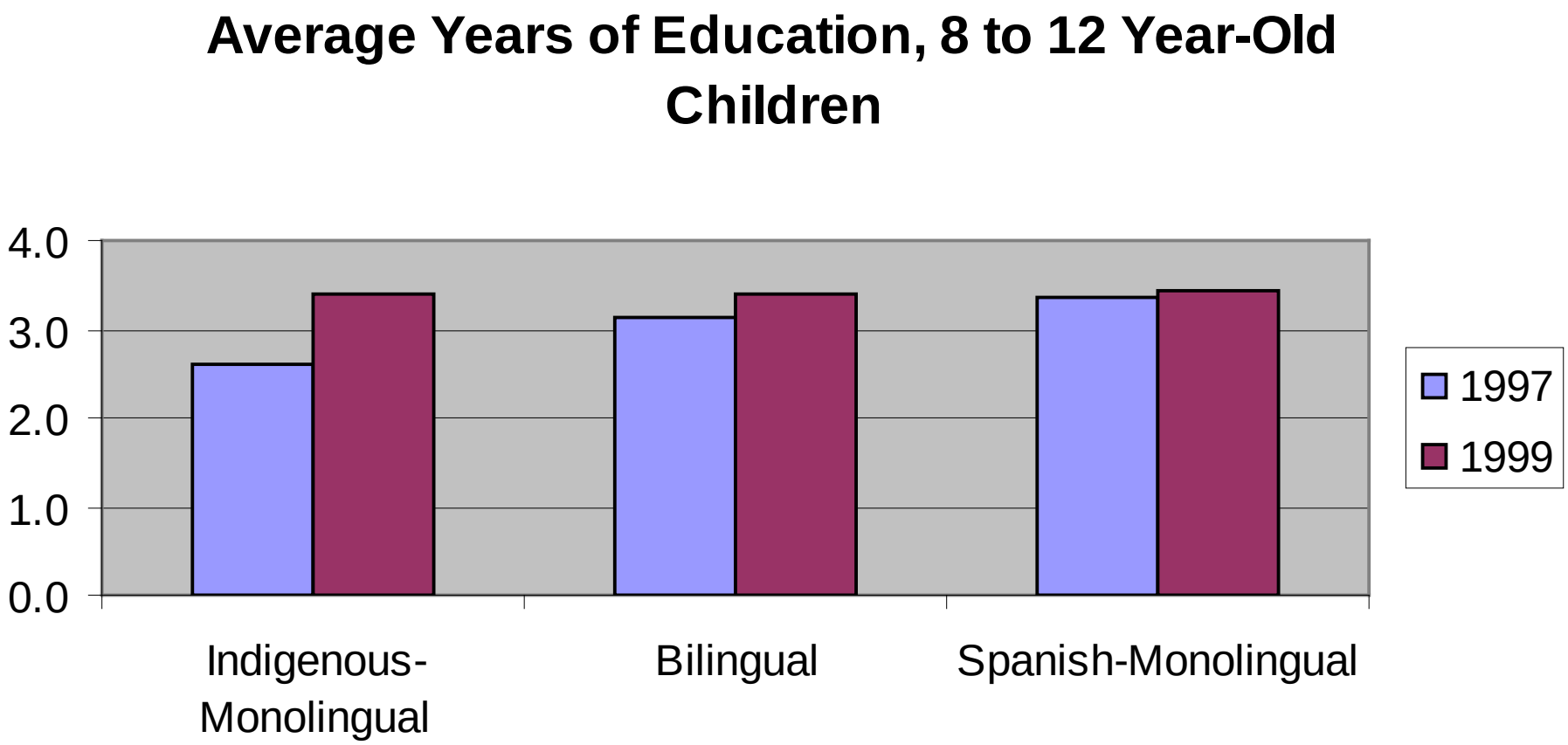
POLICY IN MEXICO

Progresa - Oportunidades

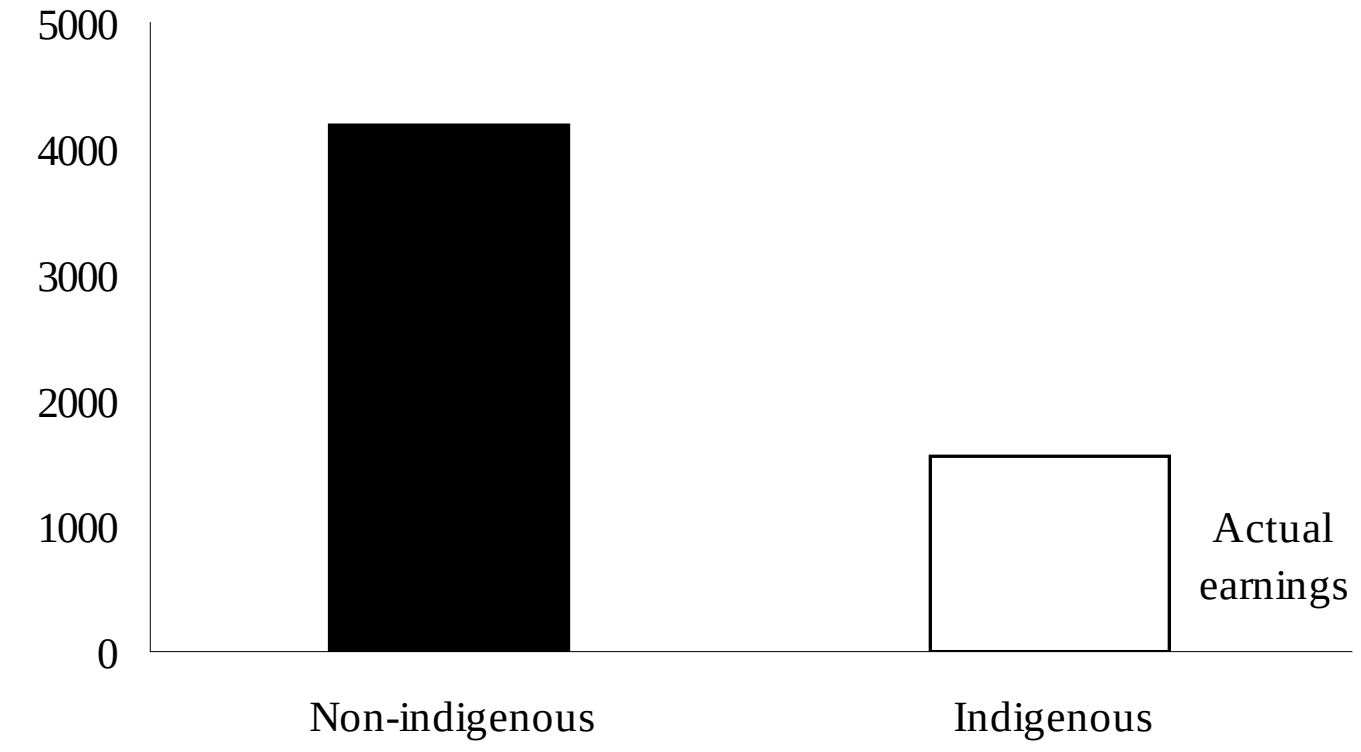


Proportion of Indigenous/non-Indigenous Peoples that Benefit from *Oportunidades*

Impact

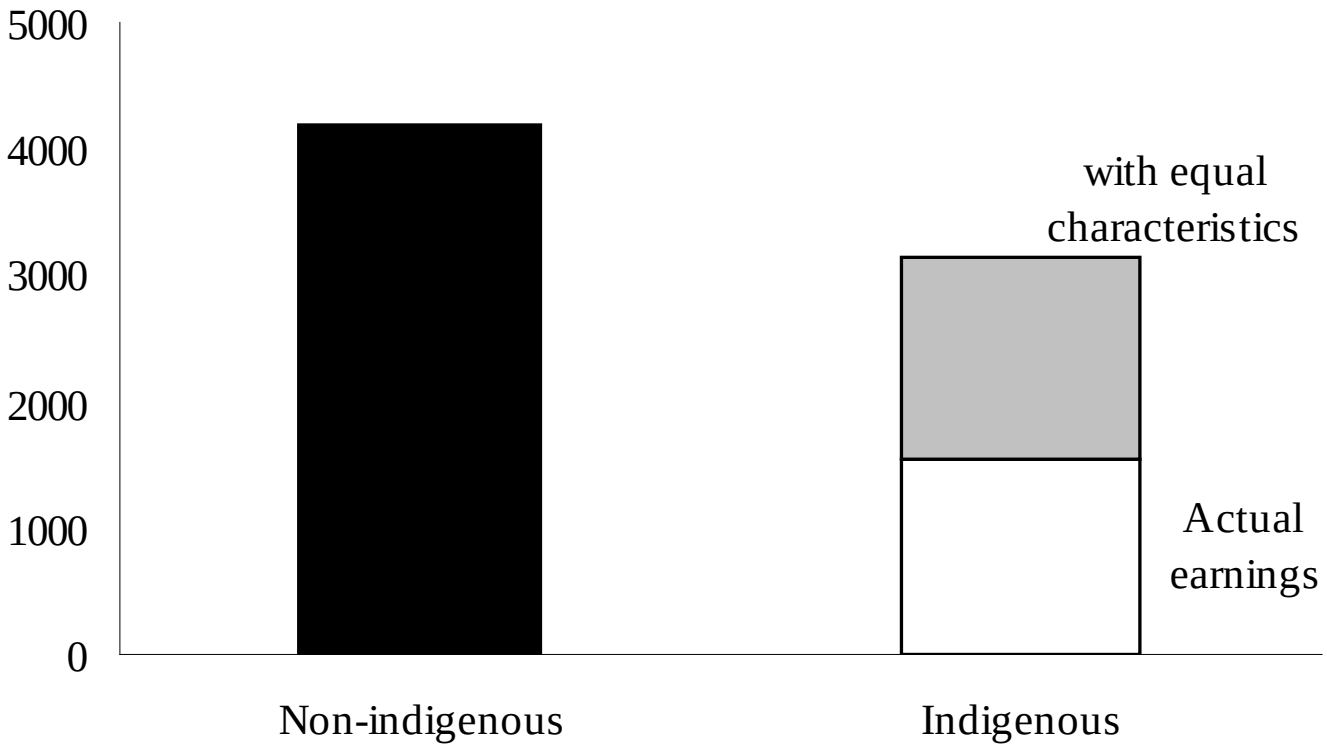

Average Years of Education, 8 to 12 Year-Old Children
4.0
3.0
2.0
1.0
0.0
Indigenous-Monolingual
Bilingual
Spanish-Monolingual
1997
1999

Mexico: Earnings
(pesos per month)



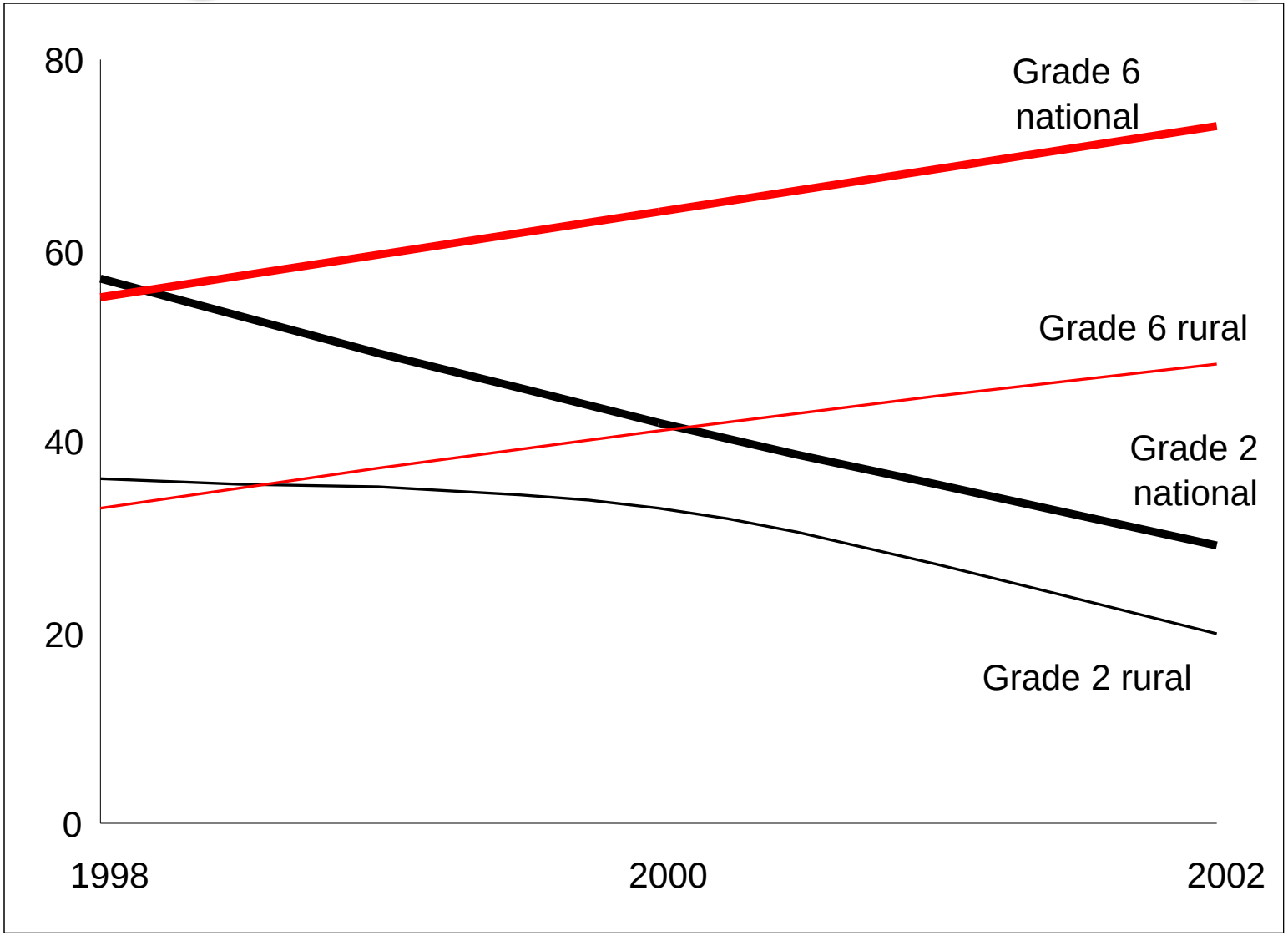
Source: based on Ramirez 2006

Mexico: Earnings
(pesos per month)

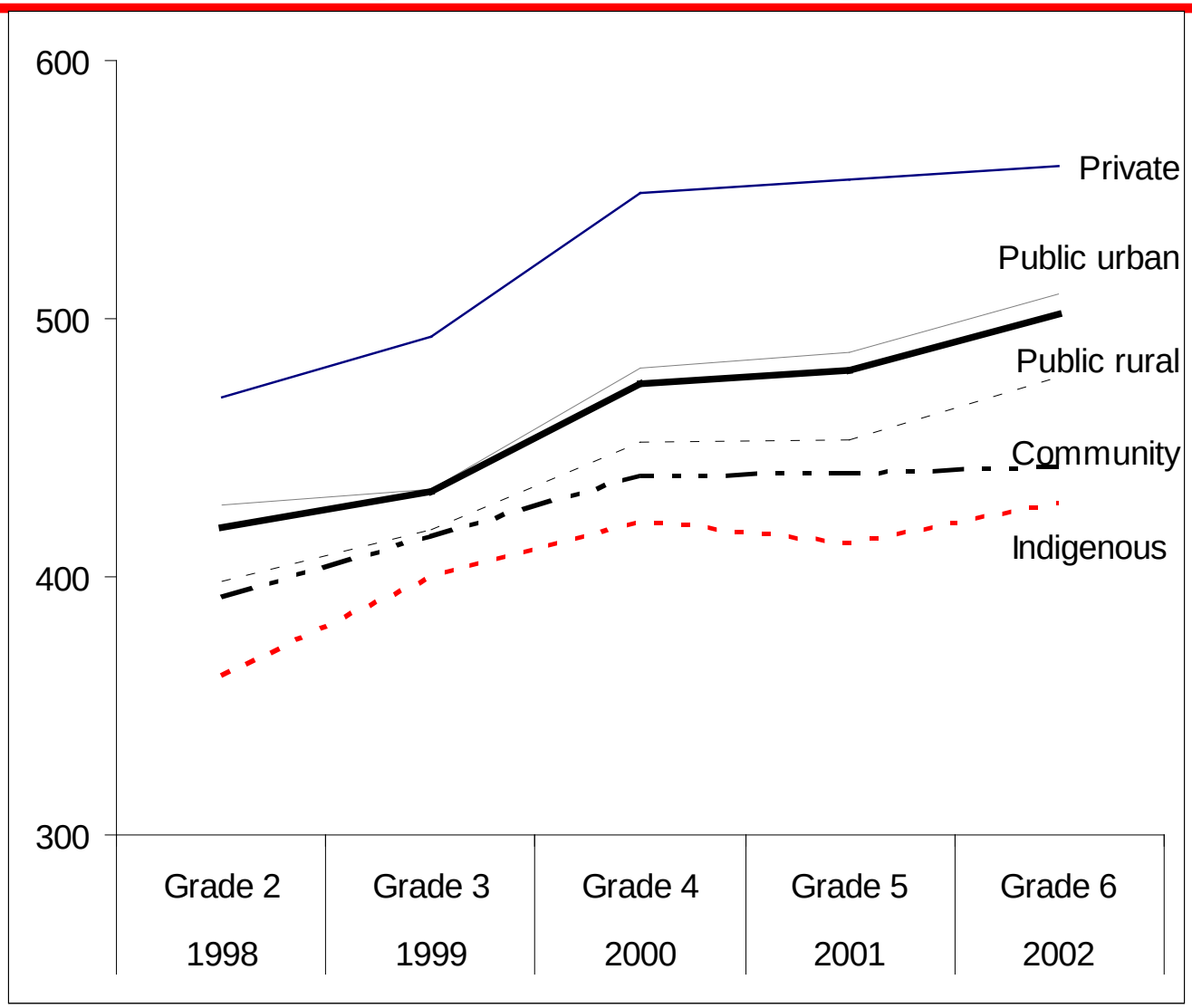


Source: based on Ramirez 2006

The Challenge: Indigenous Test Score Gap



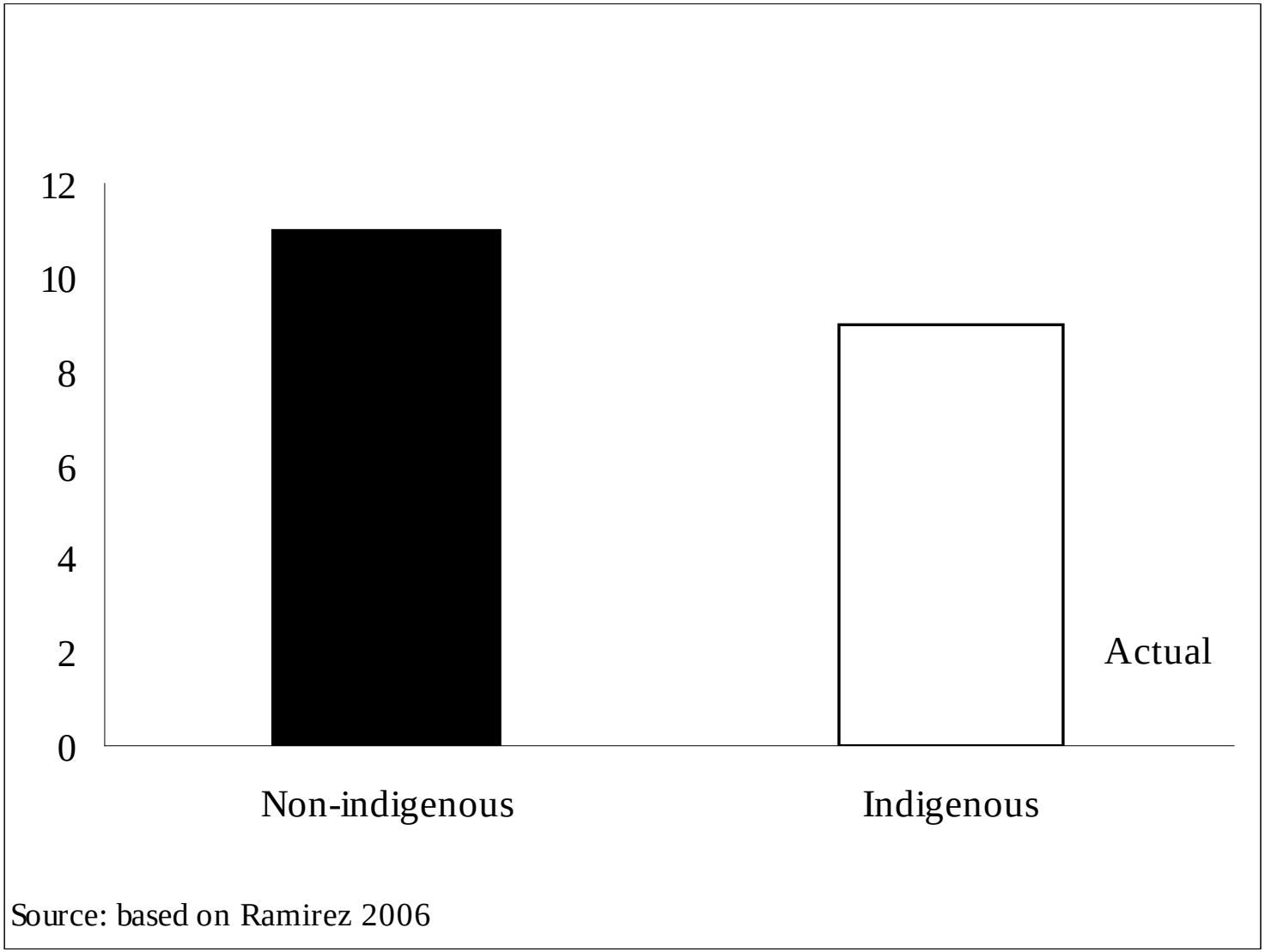
Test Score Differences over Time



Test Scores and Returns

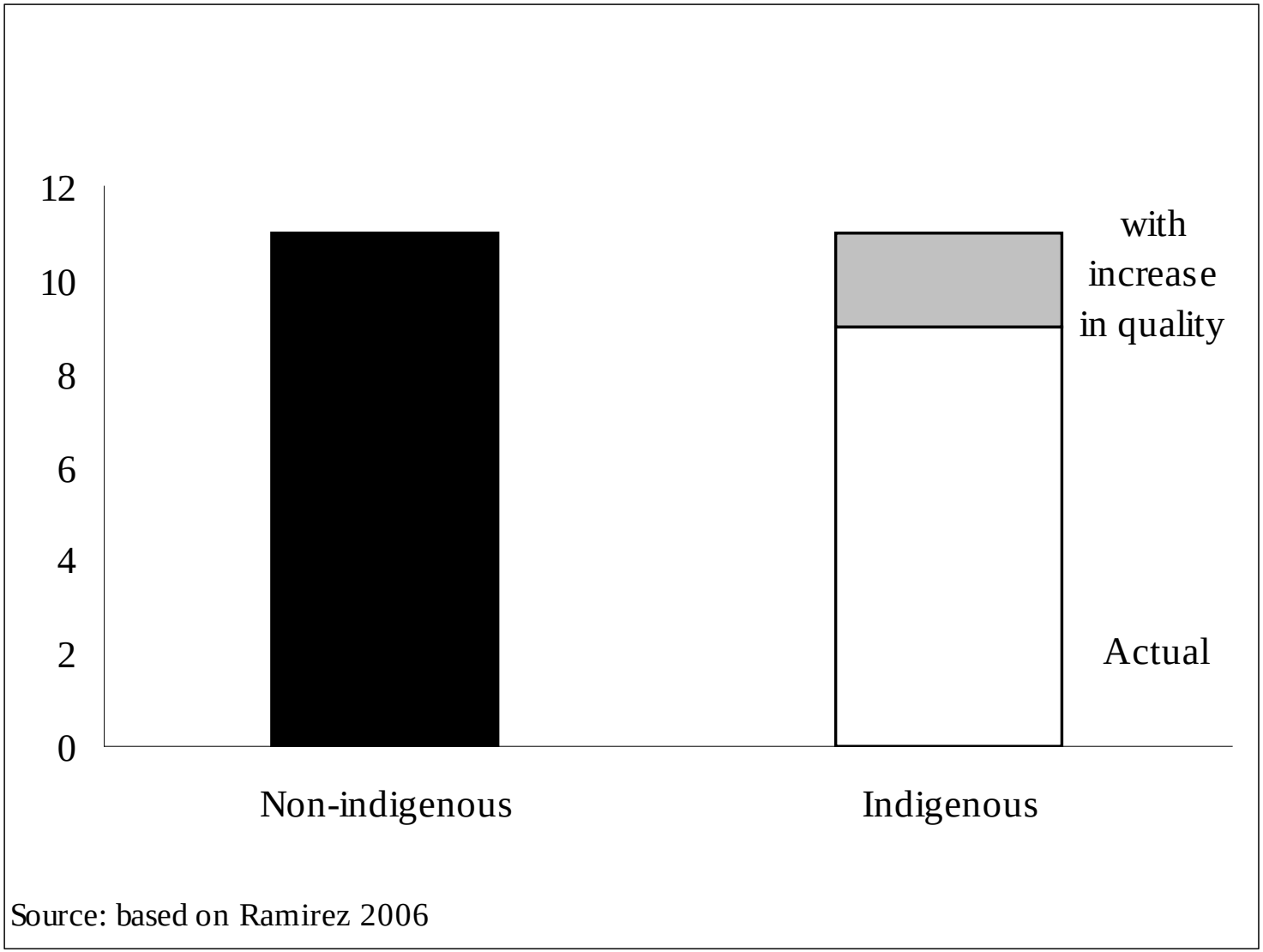
- 1 point increase in test scores = 0.04 percentage points in returns to schooling
- Tests have mean of 500, SD of 100
- So, 1 SD = 4 years of S = 4 percentage points
- More realistically, 20 points = 0.8 percentage points

Rate of Return to Schooling (%)



Source: based on Ramirez 2006

Rate of Return to Schooling (%)



Source: based on Ramirez 2006

But how to improve quality?

- **CCTs** – good for attendance/completion
- **Bilingual education** – mostly unproved
- **School autonomy** – some evidence

School Autonomy Randomized Trials – Mexico

Authors	Intervention	Findings
Gertler, Patrinos, Rubio	School-based management (urban, Colima state)	Improved test scores, 3rd grade cohort 0.25 SD increase
Gertler, Patrinos, Rodriguez 2011	School-based management (rural)	Improved test scores, esp. 3rd grade 0.16 SD increse

Recommendations

1. Do not ignore Indigenous Peoples
2. Disaggregated data
3. National & international development
4. What works

Research Priorities

- Discrimination
- Education – quality & bilingual
- Targeted programs vs. broad-based growth
- Improve data collection efforts