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
• 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:

- Goal 1: Eradicate Extreme Hunger and Poverty
- Goal 2: Achieve Universal Primary Education
- Goal 3: Promote Gender Equality and Empower Women
- Goal 4: Reduce Child Mortality
- Goal 5: Improve Maternal Health
- Goal 6: Combat HIV/AIDS, Malaria and other diseases
- Goal 7: Ensure Environmental Sustainability
- Goal 8: Develop a Global Partnership for Development
Global Indigenous Population

Distribution of Estimated Indigenous Population by Country/Region (percent)

- China: 36%
- South Asia: 32%
- Southeast Asia: 10%
- Africa: 7%
- Arabia: 5%
- Mexico/Central America: 4%
- South America: 4%
- USA/Canada: 1%
Indigenous Poor, by Region

Indigenous/Ethnic as percent of World's Poor

- South Asia
- Latin America
- Africa
- Southeast Asia
- China
- Arabia
- Total
OUR RESULTS
Indigenous are poorer everywhere

Poverty Headcount (%)

- China 2002
- India 2004
- Laos 2002
- Vietnam 2006
- Gabon 2003
- DRC 2005

Indigenous vs Non-indigenous
With marked lack of progress in Latin America

Hall and Patrinos 2006
As these trend lines demonstrate
But Rapid Poverty Reduction in Asia

China poverty headcount

[Graph showing China poverty headcount from 1998 to 2002, with a decline and a later slight increase. The graph includes two lines: one solid for Han and one dotted for Minority.]
Sharply Contrasting Rates of Change by Region

Average Annual Change in Poverty Headcount (%)

- Bolivia (1997-2006): -2.4
- Ecuador (1994-2006): -0.8
- Guatemala (1983-2006): -0.2
- Peru (1994-2005): -0.7
- China (1999-2002): -1.2
- India (1983-2005): -1.7
- Vietnam (1993-2006): -1.8
- Indigenous
- Non-indigenous
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

<table>
<thead>
<tr>
<th>Years</th>
<th>Mexico</th>
<th>Guatemala</th>
<th>Ecuador</th>
<th>Peru</th>
<th>Bolivia</th>
<th>China</th>
<th>India</th>
<th>Vietnam</th>
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<tbody>
<tr>
<td>1980-89</td>
<td>0.1</td>
<td>-1.4</td>
<td>-0.4</td>
<td>-2.0</td>
<td>-2.6</td>
<td>8.2</td>
<td>3.5</td>
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<tr>
<td>1990-99</td>
<td>1.7</td>
<td>1.7</td>
<td>-0.1</td>
<td>1.4</td>
<td>1.7</td>
<td>8.8</td>
<td>3.7</td>
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<tr>
<td>2000-09</td>
<td>0.8</td>
<td>1.0</td>
<td>3.4</td>
<td>3.8</td>
<td>1.7</td>
<td>9.6</td>
<td>5.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Indigenous</th>
<th>Non-Indigenous</th>
<th>Indigenous</th>
<th>Non-Indigenous</th>
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<tbody>
<tr>
<td><strong>Definition 1</strong></td>
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<td>Indigenous</td>
<td>80</td>
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<tr>
<td>Non-Indigenous</td>
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<td><strong>Definition 2</strong></td>
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<tr>
<td>Non-Indigenous</td>
<td>40</td>
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</tbody>
</table>
Annual Rate of Change

Using Mex Family Life
Annual Rate of Change 2

Using ENIGH & Direct Def’n
POLICY IN MEXICO
Proportion of Indigenous/non-Indigenous Peoples that Benefit from *Oportunidades*
Effect

Average Years of Education, 8 to 12 Year-Old Children

![Bar chart showing average years of education for different groups and years.](chart.png)
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

Grade 2 rural

Grade 2 national

Grade 6 rural

Grade 6 national

0 20 40 60 80
1998 2000 2002
Test Score Differences over Time

<table>
<thead>
<tr>
<th>Grade</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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<tr>
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<tr>
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<tr>
<td>Community</td>
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<tr>
<td>Indigenous</td>
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</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Authors</th>
<th>Intervention</th>
<th>Findings</th>
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</thead>
<tbody>
<tr>
<td>Gertler, Patrinos, Rubio</td>
<td>School-based management (urban, Colima state)</td>
<td>Improved test scores, 3rd grade cohort</td>
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<tr>
<td></td>
<td></td>
<td>0.25 SD increase</td>
</tr>
<tr>
<td>Gertler, Patrinos, Rodriguez</td>
<td>School-based management (rural)</td>
<td>Improved test scores, esp. 3rd grade</td>
</tr>
<tr>
<td></td>
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<td>0.16 SD increase</td>
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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