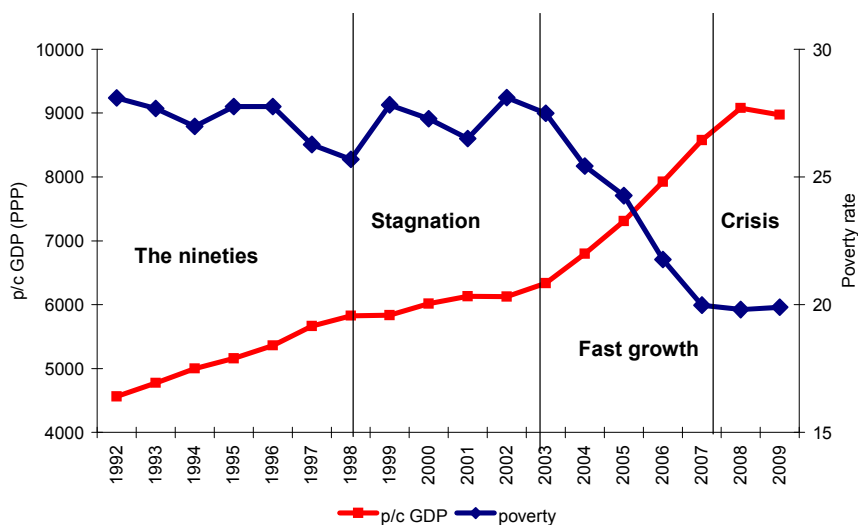


May, 2010 *

Poverty and economic growth in Latin America

The income poverty level of a country is closely linked to its level of economic development. Changes in poverty and GDP are also associated, as shown in the figure below, constructed with data from the Socio-Economic Database for Latin America and the Caribbean (SEDLAC). It is possible to identify four periods in this figure: (i) the nineties, with economic growth but moderate poverty reduction, (ii) the period of stagnation and crisis at the turn of the century, in which poverty increased, (iii) the episode of rapid growth and sharp reduction of poverty that includes much of the 2000s, and (iv) the crisis of the end of the decade with a stop to the poverty decline.

Poverty and per capita GDP in Latin America, 1992-2009



Source: CEDLAS and The World Bank.

Note: The value of the poverty rate in 2009 is estimated from the data available only for 6 countries.

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