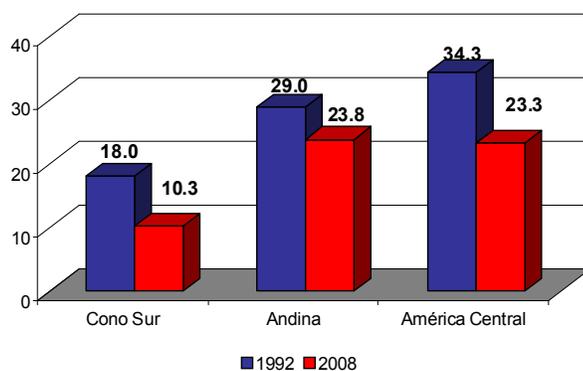


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Regional heterogeneity in poverty reduction in Latin America

According to information from the Socio-Economic Database for Latin America and the Caribbean (SEDLAC), income poverty in Latin America fell between the early nineties and late 2000s. However, it is important to note that there are significant heterogeneities when observing the experiences of different countries and subregions. The performance in poverty reduction has been positive in Central America and Mexico, and only fair in the Andean region (figure 1) for the period 1992-2008. The Extended Southern Cone combines positive experiences such as Brazil and Chile with less encouraging cases such as Argentina and Uruguay, two of the few countries where income poverty is now comparable to that of the early nineties.

Figure 1
Poverty in Latin American regions
 Poverty headcount
 International poverty line (US\$ 2.5-a-day)



Source: CEDLAS and The World Bank
 Note: average poverty headcounts, unweighted by population.

Using the international poverty line of USD 2.5,¹ the average (unweighted) poverty rate in the Southern Cone dropped from 18% in 1992 to 10.3% in 2008. In the same period the average poverty rate in the Andean region declined from 29% to 23.8%, and in Central America and Mexico it fell from 34.3% to 23.3%.

* Please cite as SEDLAC (2009). Socioeconomic Database for Latin America and the Caribbean, CEDLAS and the World Bank, Brief 7, April 2010.

¹ The USD-2.5-a-day line adjusted for purchasing parity power (PPP) ratios is an international poverty line that allows poverty comparisons across countries. It coincides with the median value of the extreme poverty lines chosen by the Latin American countries.

Note that while the south of South America remains the region with lower poverty rates in Latin America, poverty headcounts in the Andean region and Central America seem to have converged.