

# The Scandal of Inequality 2

The multiple faces of inequality in Latin America and the Caribbean  
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We would like to dedicate this report to all Christian Aid's local partner organisations in Latin America and the Caribbean who work hard daily to tackle the multiple faces of inequality.

**Christian Aid is a Christian organisation that insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty.**

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**Cover:** Protest in São Paulo demanding better policies for youth in the Constitution.

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## List of acronyms

<b>CEDLA</b>	Centro de Estudios y Documentación Latinoamericanos
<b>CGGDH</b>	Centro Gaspar Garcia de Direitos Humanos
<b>CODEFEM</b>	Colectiva para la Defensa de los Derechos de las Mujeres en Guatemala
<b>COPINH</b>	Consejo Cívico de Organizaciones Populares e Indígenas de Honduras
<b>CPI</b>	Comissão Pró-Índio de São Paulo
<b>CREAS</b>	Centro Regional Ecuménico de Asesoría y Servicio
<b>ECLAC</b>	Economic Commission for Latin America and the Caribbean
<b>FARC</b>	Fuerzas Armadas Revolucionarias de Colombia
<b>FDI</b>	foreign direct investment
<b>GATJ</b>	Global Alliance for Tax Justice
<b>GBV</b>	gender-based violence
<b>GDP</b>	gross domestic product
<b>HRD</b>	human rights defender
<b>ICEFI</b>	Instituto Centroamericano de Estudios Fiscales
<b>IEEPP</b>	Instituto de Estudios Estratégicos y Políticas Públicas
<b>ILO</b>	International Labour Organization
<b>INESC</b>	Instituto de Estudos Socioeconômicos
<b>CIJP</b>	Comisión Intereclesial de Justicia y Paz
<b>LGBTI</b>	lesbian, gay, bisexual, transgender and intersex
<b>MAB</b>	Movimento Nacional dos Atingidos por Barragens
<b>MISSEH</b>	Mission Sociale des Églises Haïtiennes
<b>MSME</b>	micro-, small- and medium-sized enterprises
<b>NGO</b>	non-governmental organisation
<b>OECD</b>	Organisation for Economic Co-operation and Development

<b>SADD</b>	Serviço Anglicano de Diaconia e Desenvolvimento
<b>SDG</b>	Sustainable Development Goal
<b>UN</b>	United Nations
<b>UNOHCHR</b>	United Nations Office of the High Commissioner for Human Rights
<b>UNDP</b>	United Nations Development Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNITAS</b>	Unión Nacional de Instituciones para el Trabajo de Acción Social

## Foreword

The updated version of Christian Aid's 2012 report is both timely and topical. For far too long, the deep and pervasive inequalities that define and blight most Latin American and Caribbean societies have been accepted as facts of life. As our understanding increases, we recognise and understand the different aspects and manifestations of inequalities better, especially how those translate into missed opportunities, unfulfilled potential and direct suffering of poverty or violence and, in the worst cases, a combination of these.

Our understanding of the nature and manifestations of inequalities has grown considerably. Work with our partners, particularly in achieving a deeper understanding of the gendered nature of inequality, has given us clearer insights, as has work on race, ethnicity and, more recently, sexuality. In our work with partners we can apply this deeper understanding to improved strategies and better targeting of responses.

The global adoption of the Sustainable Development Goals under the unifying slogan 'leave no one behind' offers a unique opportunity to take a fresh look at the way in which inequalities in Latin America and the Caribbean play out from the wider region all the way down to local community level, thus providing civil society with the analysis and tools to hold governments and other official bodies to account for their actions.

Recent developments have shown that after several official attempts across the region to tackle inequalities or to deal with their consequences, there is now a strong counterreaction by forces that have consistently benefited from the perpetuation of social inequality.

Once again, battle lines are being drawn and political polarisation is happening. Rather than falling back to the mistakes of the past, it behoves all champions of social justice to seek to learn and apply lessons, and to remind everyone of what already has been agreed.



A handwritten signature in black ink, consisting of a stylized, cursive 'P' followed by 'V' and 'A'.

**Paul Valentin, International Director, Christian Aid**

## Executive summary

Inequality in Latin America and the Caribbean is deep and widespread; it has a great effect on the lives of many across the region. In 2012, Christian Aid published *The Scandal of Inequality in Latin America and the Caribbean* because we wanted to highlight the unacceptable situation and its impact on development. While inequality has come to the fore in development discourse, we believe that the levels of inequality in Latin America and the Caribbean based on identity, gender, economic situation or geographic location remain a scandal and little has changed in the lives of millions of people affected by discrimination and marginalisation.

The Sustainable Development Goals (SDGs) have firmly placed the issue of inequality at the heart of development discourse. The SDGs, to which all the countries in the region have signed up, include a specific goal on inequality.

The increasing impact of climate change, the unpredictable political situation and political polarisation in many countries and the power held by elites and multinational companies across the globe all make structural change to reduce inequality a challenge. However, we believe there are opportunities. Inequality is on the development agenda, violence against women and gender inequality are being publicly discussed more than in recent decades, and climate change and the urgent need to find alternative low-carbon development models must remain at the forefront of the global political agenda regardless of the shift in geopolitics.

In chapter 1, we explain how racial and ethnic discrimination is widespread and how indigenous and Afro-descendent groups experience worse poverty levels and are excluded from access to quality basic services, land, decent employment opportunities and the political system. We also highlight how indigenous and Afro-descendent women are further affected by these overlapping inequalities.

In chapter 2, we explore the current political panorama and how an unfair distribution of power exacerbates inequality for many people in the region. Institutions, including local and national governments and multinational companies, as well as local elites, have regularly abused their power, resulting in land concentration or the development of environmentally unsustainable megaprojects at the expense of vulnerable and marginalised groups. We provide examples of how human rights defenders and those defending the environment are often silenced, and how women face an ongoing challenge to their participation in politics. We believe if poverty is to end, the voices of vulnerable and marginalised people need to be heard, and institutions must be held to account by all citizens.

In chapter 3, we discuss the extreme levels of violence experienced in Latin America and the Caribbean. Social and economic inequalities are perceived as the main cause of violence in the region. Violence based on crime and gangs is one facet, but levels of gender-based violence and violence based on sexual identity are also extremely high. Social norms and a patriarchal structure exacerbate gender-based violence. To tackle violence, governments

Christian Aid believes that considering the ways in which inequalities intersect and affect people's lives is vital to tackle effectively the root causes of inequality in the region. This means that a context-specific approach is required to understand how to improve the lives of those affected. Christian Aid is committed to the 'leave no one behind' principle.

need to go beyond policies based purely on law and order, and focus on the implementation of policies to generate employment, provide protection, access justice and tackle attitudinal change.

In chapter 4, we explain how fair fiscal policies, including the reform of tax policy (more progressive tax systems, the removal of gender biases in the tax system, combating evasion and avoidance, and a transparent and accountable use of tax incentives) and social spending, have the potential to play a huge part in reducing inequality. Fiscal justice should be a priority, given the declining levels of international development aid and the need to finance essential public services to guarantee inclusive development and human rights in the region, as envisaged by the SDGs.

In chapter 5, we describe how access to quality jobs constitutes one of the big challenges to be addressed in the region and is an obstacle to achieving future reductions in inequality. We highlight how women, indigenous, Afro-descendent and rural populations all have little access to decent work. Informal work, low wages and poor labour policies (including policies on labour rights and investment in micro-, small- and medium-sized enterprises [MSMEs]) all contribute to a lack of employment opportunities for marginalised groups. The issue of environmentally sustainable jobs is also discussed.

In chapter 6, we highlight the urgent need to move to low-carbon models of development. The impacts of climate change are already being felt in the region, particularly by the poorest and most vulnerable. If action is not taken, climate change has the potential to increase inequality. We also highlight inequality in access to energy. We believe sustainable development must consider not only the economic aspects, but also environmental and social dimensions. We assert that the region's development model, which is based primarily on extractive industries and the expansion of agribusiness, must change. Public and private investments must move away from fossil fuels to support low-carbon alternatives.

This report focuses on key areas where Christian Aid is working with partners across Latin America and the Caribbean to call for and implement actions to reduce inequalities. We do not address every inequality and the many ways they overlap, but highlight some of the main ways in which we believe inequality affects development in the region, as witnessed in our work with local partner organisations.

Women are disproportionately affected by poverty, marginalisation, discrimination, violence, climate change and lack of political or employment opportunities. Rather than have one chapter focusing on gender in this report, we consider the ways in which the situations of inequality we discuss impact differently on women and men.

For change to happen, governments need to develop and implement effective public policies to tackle the different faces of inequality. Often policies may have been developed, but governments do not implement them or are not held to account to implement them properly. There is an important role for social movements, networks, NGOs and faith-based organisations to monitor and accompany implementation, and to continue to bring these situations to the attention of the region's governments, and at the global level to institutions impacting global fiscal, environmental and development policies, and hold them to account to bring about change.



## Overview of inequality in Latin America and the Caribbean



**Above:** A typical family home in Buenos Aires, Colombia. Christian Aid partner Corambiente screens children and provides deworming medicine and food supplements.

Life chances in Latin America and the Caribbean are very much bound up with where you are born and your identity, including gender, ethnic group, race, faith or sexuality. Income inequality is one part of the picture, but there are huge gaps in access to basic services (healthcare and education), in social security (pensions and maternity cover), and in access to employment or markets to sell produce. Women suffer disproportionately from the effects of poverty, marginalisation, climate change, discrimination and violence.

Christian Aid Chair Dr Rowan Williams, former Archbishop of Canterbury, has added to a growing chorus of voices, including former US president Barack Obama and French economist Thomas Piketty, who are increasingly concerned at the threat of growing inequality on social cohesion, prosperity and democracy. Inequality levels are rising in many places across the world, including in so-called developed countries such as the UK, Spain and the US.

While inequality is no longer just the domain of Latin America and the Caribbean, it does retain the dubious title as the most unequal region in the world.<sup>1</sup> Inequalities, including those based on gender, sexuality, race, ethnicity, faith, economic situation and geographic location, continue to hold back the region and many people remain entrenched in poverty.

**‘May the cry of the excluded be heard in Latin America and throughout the world... The globalisation of hope, a hope which springs up from peoples and takes root among the poor, must replace the globalisation of exclusion and indifference.’**

Pope Francis

We maintain that tackling inequality – and particularly the way different inequalities overlap in people’s lives – remains just as vital in Latin America and the Caribbean today as when our first report was published. *The Scandal of Inequality in Latin America and the Caribbean*, published by Christian Aid in 2012, highlighted the high levels of inequality faced across the region.<sup>2</sup> This was particularly relevant at a time when donors were increasingly turning away from so-called middle income countries and the topic was not nearly so integrated into the development context as it is today. This report was seminal in placing inequality in all its guises firmly on Christian Aid’s policy and advocacy agenda.

Inequality now features more prominently in general development discourse and it is very strongly bound up in the SDGs. The 17 SDGs, to which all the countries in the region have signed up, include a specific goal on inequality, and have put global equality at the heart of the development debate.<sup>3</sup>

The current regional and global context presents an uphill struggle for policy change to reduce inequality. The increasing impact of climate change, increasing political polarisation and unpredictable political situations in many countries, the power held by elites and multinational companies across the globe, together with a shrinking space throughout Latin America and the Caribbean for civil society to raise its voice, all make real structural change a challenge.

We believe we must rise to the challenge. Inequality is much more firmly on the agenda than ever before. Globally, issues such as the role of tax in the reduction of inequality, violence against women and gender inequality, and support for those facing the impact of climate change are more prominent on global political agendas.

This report highlights some of the key areas where inequality is experienced, linked to Christian Aid’s strategic focus areas, and provides some suggestions as to where and how Christian Aid and its partners believe change needs to happen.

### Poverty and economic inequality

In *The Scandal of Inequality in Latin America and the Caribbean*, we talked about some of the improvements seen in the region over the decade to 2012. Since 2003, more than 72 million people have escaped poverty.<sup>4</sup> Increasing employment, increases in minimum wages, public policies to increase public spending (particularly conditional cash transfer programmes) and improvements in primary education have been identified as important in bringing about this change.<sup>5</sup> While inequality also declined, GDP growth was found to have had a limited impact on income inequality.<sup>6</sup> This reduction in inequality could have been attributed to the commodity boom and high growth rates, but it declined in both fast-growing and slow-growing countries.<sup>7</sup> Available research suggests that it is government policies (particularly inclusive and redistributive social and labour market policies) that have been critical in reducing economic inequality.

Despite some improvements, income, wealth and social inequalities remain deeply entrenched in many sectors of society and across all the countries in which we work. After a decade of economic growth and the improvement of various social indicators (such as access to

The new 2030 Agenda for Sustainable Development bridges the gaps that remain unresolved under the Millennium Development Goals. The social pillar of the Agenda is broader and more ambitious, while establishing a stronger connection with the economic and environmental pillars of sustainable development.<sup>1</sup>

The 17 SDGs at the heart of the Agenda plan of action put emphasis on getting people out of poverty and keeping them out of poverty, and the importance of tackling inequalities beyond the economic. SDG 1 calls for ending poverty in all its forms everywhere, and is complemented by SDG 10, to reduce inequality within and among countries.

The SDGs seek equality not only of opportunities, but also of outcomes. Christian Aid’s report *Leave No One Behind – from goals to implementation* demonstrated how the ‘leave no one behind’ concept is implicit within the ambition to eradicate poverty in all its forms by 2030.

For countries such as Brazil, whose inequality is hidden behind its macroeconomic statistics, this is vital. For example, nationally 3% of Brazilians earn less than half of the minimum wage, but in Quilombola territories this figure rises to 18%.

Christian Aid aims to ensure that no person – regardless of ethnicity, gender, geography, disability, race or other status – is denied universal human rights or basic economic opportunities. Where a target applies to outcomes for individuals, it should only be deemed to be met if every group – defined by income quintile, gender, location or otherwise – has met the target.

There is a clear need for countries in Latin America and the Caribbean to ensure that the implementation of the SDGs means that marginalised communities or vulnerable sectors of the population are not left behind.

<sup>1</sup> Inclusive social development, ECLAC, 2015

basic services), the challenge to overcome structural inequalities hangs in the balance across the region. Although millions of people in the region had moved out of poverty, achieving the SDGs is a challenge because, for the first time in many years, part of the population is in a situation of extreme vulnerability. People have either fallen back into poverty or are at risk of doing so. A reliance on an export-led model at the mercy of commodity prices has left the region vulnerable and an environmentally sustainable development model is vital. The region is now seeing the highest levels of violence in the world and investment in critical areas such as health, education and social security often remains negligible.<sup>8</sup>

The United Nations Development Programme (UNDP) estimates that 1.7 million people in the region fell back into poverty in 2014, and that by the end of 2016 a further 1.5 million will join them.<sup>9</sup> Christian Aid recognises that inequality is not only a result of economic situations, but also that people are at risk of falling back into poverty due to environmental shocks or a lack of supportive social policies. Social policies that tackle inequality based on identity – gender, ethnicity, sexual orientation or geographic location – are vital.

This downturn has highlighted that it is important not only to focus on ways of moving people out of poverty, but also on strategies to ensure that people remain out of poverty. The UNDP highlights that: 'The factors associated with people escaping poverty are not the same as those associated with people's resilience to adverse economic, personal and environmental events. The former tends to be related to educational attainment and the labour market. The latter tend to be related to the existence of social protection (in the form of social transfers or non-contributory pensions) and access to physical and financial assets.'<sup>10</sup>

Poverty levels in the region were estimated by the Economic Commission for Latin America and the Caribbean (ECLAC) to be 29.2% of the population in 2015 (compared to 28.2% in 2014) or 172 million people.<sup>11</sup> The increase in the poverty rate was mainly seen in Honduras, Mexico and Venezuela. Millions of people across the region remain without access to basic services, employment or social protection. The UNDP Human Development Index ranks Haiti at 163 out of 188 countries.<sup>12</sup> Colombia, Guatemala, Haiti and Honduras still have extremely high income inequality levels and stand at more than 55 on the Gini index.<sup>13,14</sup> In the region as a whole, in 2014, the per capita income of people in the richest decile was 14 times greater than those in the bottom four deciles.<sup>15</sup> This also hides some extreme differences – for example, in Brazil, Colombia and Guatemala the income of those in the richest decile is at least 17% higher and in Honduras 21.4% higher than people in the lowest four deciles.<sup>16</sup> Furthermore, in Colombia the richest 1% of the population earns 20% of the total income, compared to below 10% in Europe.

This report highlights that inequality and exclusion are experienced due to a huge number of intersecting factors based on racial, gender, sexuality, age, ethnicity, disability, geographic and economic differences. This requires attention in the region and there is still much to be done to tackle inequality at these levels.

The UNDP Human Development Report for the region discusses tackling inequalities both above and below the poverty line and the

## Historical roots of inequality in Latin America and the Caribbean

The current situation of inequality in the region has deep historical roots in the unequal distribution of land and other forms of wealth and political power that benefited a small agrarian and commercial oligarchy. However, there is also no doubt that the policies implemented in the recent past under the Washington Consensus have much to answer for.<sup>1</sup>

The evidence from the final two decades of the last century shows that where equality is concerned the region was actually regressing.<sup>2</sup> The debt crisis in the early 1980s, followed by structural adjustment programmes and implementation of a free market model, led to widespread cutting of social spending, the deregulation of labour markets and sweeping privatisation. The negative impacts included poor job creation, high under-employment, rapid growth of the informal economy, a weakening of trade unions, lower wages, increases in job insecurity and worsening social service provision.

Since the financial crisis of 2008, the credibility of the Washington Consensus has been undermined, although unfortunately many of its structures remain in place in the region.

<sup>1</sup> The Washington Consensus emphasised unfettered free trade, financial liberalisation, deregulation and privatisation.

<sup>2</sup> *Time for Equality. Closing Gaps, Opening Trails*, ECLAC, 2010.



importance of focusing on issues including decent work, social protection, care systems and the gender divisions associated with care work.<sup>17,18</sup>

## **Ethnic and racial inequality and violence**

Indigenous people and Afro-descendent populations have not experienced the economic growth and reductions in poverty of the previous decade in the same way as other sectors of the population in Latin America and the Caribbean. Indigenous women and men and Afro-descendent people face exclusion and discrimination in access to land, education, basic services, political participation and decent work, as well as suffering from structural racism and increased levels of violence. The issue of inequality, ethnicity and race is discussed in the next chapter. This report explores the issue of inequality and violence, including violence faced by indigenous populations, gender-based violence (GBV) and the ways in which inequality is contributing to the region's position as one of the most violent places in the world.

## **Gender inequality**

Gender inequality manifests itself in many ways in the region. While women have taken up more roles in politics in recent years, they are under-represented in leadership positions. More girls and young women are attending school and gaining access to higher education, but poorer, indigenous girls from rural areas often miss out compared to their more affluent urban counterparts. While increasing numbers of women are entering the labour market, their incomes are lower than those of men and they often work in the 'invisible' informal sector in poor conditions. Women spend a disproportionate amount of time caring for children and family members and carrying out domestic chores compared to men, and this affects their employment opportunities, economic autonomy, independence and quality of life.

Gender-based violence is prevalent in the region, including rape and femicide, which is often carried out with impunity. In Brazil, 52% of judges and police do not think such violence is an issue.<sup>19</sup> Therefore, even with laws to support victims of this violence, such as Lei Maria da Penha in Brazil, implementation has failed. Public and social policies are required to bring about change, but a cultural change is needed in the underlying patriarchal system, which promotes machismo. The media, formal education and health services can be tools of advancement, but they can also be detrimental in improving equality between women and men.

## **Territorial inequalities**

There is a great deal of divergence between countries in terms of progress, and the large divergences within countries are also important. Territorial inequalities within states are rarely given enough attention in national policy making, and narrowing these gaps should be a national priority if equality is on the agenda. For example, in 2013, just over 40% of the rural population in Latin America and the Caribbean was living in income poverty compared to 20% of the urban population. If those living in economically vulnerable situations are added to this analysis, the percentages rise

## **Side by Side: Faith and gender justice**

Christian Aid supports Side By Side, the global faith movement for gender justice. Many of our Latin American and Caribbean partners are members. At their Latin American Symposium, held in São Paulo in 2015, they released a Declaration of Commitment, in which they highlighted how gender inequality plays a central part in the region's inequality and their commitment to overcome this.

They stated: 'We recognise that faith-based organisations have made various efforts to overcome oppression experienced by women, through prophetic acts of condemnation and proclamation. However, we also recognise that there are situations where religious institutions strengthen values that sustain the subordination of, and are complicit in patriarchal systems. Such situations demand self-criticism and emphasise the need to reaffirm the transformative role of faith-based organisations in promoting values such as fairness, inclusion and solidarity.'



even further, to 80% of the rural population and 59% of the urban population.<sup>20</sup> Access to land is also a big issue in the region; the guarantee of land and cultural rights for rural ethnic groups is essential and a structural demand to tackle inequality. The topic of land and inequality is discussed further in the chapter on governance and power.

## Development policy, fiscal policy and inequality

Location matters greatly for poverty and inequality, so it should matter equally for public policy. There should be a bias towards poorer regions – in terms of tax transfers, social spending on welfare, high quality social services such as health and education, and economic development strategies, which include at the very least job training programmes, MSME support and agricultural development programmes. This report discusses how inequality plays a part in determining employment opportunities and the policies needed to improve fairer access to decent work. The inequality of those living in locations bearing the brunt of the impacts of climate change and the need for low-carbon development is considered.

Fiscal justice has a large part to play in the reduction of inequality in the region, not only through tax transfers, but also through the implementation of more progressive tax systems, the investment of tax revenue in universal social services and fairer and more transparent systems for investment in countries.

## A shift away from the left?

The shift towards left-of-centre governments in the late 1990s and early 2000s is sometimes emphasised as important, given the greater focus on social issues. This shift to the left with the election of leaders – including Hugo Chávez in Venezuela, Luiz Inácio ‘Lula’ da Silva and subsequently Dilma Rousseff in Brazil, Evo Morales in Bolivia and Rafael Correa in Ecuador – appears to have reversed.

The impeachment of Dilma Rousseff, the election of Mauricio Macri to replace Cristina Kirchner as Argentina’s president, the opposition winning control of Venezuela’s National Assembly, the election of a former investment banker in Peru, and the ‘no’ vote in the referendum on the Colombian peace deal are all seen as signs pointing to a push back against the progressive trend seen in the region in recent years. In a region where the economic and political elites (alongside transnational companies) control much of the wealth, natural resources and media, a further shift of political power to them will signal additional challenges for those in the region who are calling for fairer fiscal, social and environmental policies and the reduction of inequality.

Political situations play a large part in shaping development decisions taken in the region. For example, the Colombian peace process will undoubtedly impact on future development policy. In Brazil, Christian Aid partner Instituto de Estudos Socioeconômicos (INESC) highlighted that after Dilma Rousseff’s impeachment in 2016, the government reduced key areas of the budget which aimed to tackle inequality, including a 23% reduction of the budget to the National Foundation for Indigenous Peoples and a reduction of

In Brazil and beyond, as political positions are shifting in the region there is a real threat for marginalised populations of the loss of recently acquired policies and rights. Haiti also merits a special mention due to its lack of political stability and the effects this has on decision making structures and development planning in the country.

56.3% in discretionary resources to the Brazilian Secretariat of Policies for the Promotion of Racial Equality.<sup>21</sup> The Secretariat for Human Rights also experienced a 56.3% cut. INESC points out that an even bigger threat to social rights in Brazil is Draft Constitutional Amendment (PEC) 241, which prevents a real increase in primary governmental expenditure (social spending that promotes rights) for 20 years, although there are big increases in the budgets for agribusiness and military investment.

### The importance of a regional approach

Christian Aid recognises the importance of a regional approach in Latin America and the Caribbean. For example, we are supporting our partner Centro Regional Ecu­mé­nico de Asesoría y Servicio (CREAS), the Inter-American Development Bank, the Development Bank of Latin America, key economists and theologians to work together to build a high-level dialogue on the international financial architecture: exploring opportunities for a more inclusive and ethical economy for the region. Also, Christian Aid partner Latindadd continues to speak out on global fiscal issues affecting the region and to work with the objective of opening up the civil society spaces of regional bodies, such as the Union of South American Nations.

Across the region, civil society organisations are reporting a reduction in civil society space, with causes including restrictions in media, changes to laws on NGOs and civil society organisations, and violence towards and murder of activists.

The ongoing political and economic turmoil, the polarisation and confrontation between the government and the opposition and increasing violence in Venezuela affects not only its close neighbours (in particular Colombia), but also the prospects of bilateral agreements with countries such as Nicaragua, Haiti and Dominican Republic and regional spaces such as the Bolivarian Alliance for the Peoples of Our Americas.

### Conclusion

Latin America and the Caribbean remains the most unequal region in the world. Experience has shown that while economic growth can bring about reductions in poverty, inequalities can significantly hold back that process. Tackling inequality in all its guises requires political change to ensure inclusive social policies that leave no one behind and economic change to promote more progressive tax systems. Sustainable development must not pose a threat to the environment. Civil society, faith-based organisations and social movements have a key role in holding governments to account, demanding change and speaking out about experiences of inequality. All policies – social, political and environmental – must include the needs of the most vulnerable and aim to reduce inequality. A change in power relations is vital to ensure the rights of all.

## 1. Inequality, ethnic and racial identity



Above: Members of the Ch'orti' communities in Guatemala.

Latin America and the Caribbean is a racially and ethnically diverse region. There are at least 44.8 million indigenous people and 150 million of African descent,<sup>22</sup> together representing over 30% of the region's population.<sup>23</sup> Indigenous populations are largest in Mexico, Peru, Bolivia and Guatemala,<sup>24</sup> and there are approximately 420 indigenous languages spoken in the region.<sup>25</sup> In Latin American countries such as Brazil, Venezuela and the Dominican Republic, more than half the population is black.<sup>26</sup>

Often little recognised, racial discrimination is rife in many countries, with both indigenous and Afro-descendent groups having direct experience of racism – facing abuse, threats and violence, and suffering heavily from discriminatory social, economic and environmental policies. Many countries in Latin America and the Caribbean are noted for their poor performance on income equality, but it is commonly recognised that poverty levels of ethnic groups are significantly worse than for the rest of the population. Indigenous and Afro-descendent people are poorer, more excluded from access to good quality social services and from the political system.

Christian Aid has stated its commitment to the 'leave no one behind' principle within the ambition to eradicate poverty in all its forms by 2030 and in a human rights-based approach to development. Monitoring performance with regards to ethnicity is problematic in Latin America and the Caribbean, however, as up-to-date disaggregated data for each country is often difficult to find.<sup>27</sup>

**'Discrimination on the basis of identity prevents the opportunity for a dignified life, leaving people either in a state of poverty or dependency.'**

Christian Aid



For indigenous groups, who reside mainly in remote rural areas, land issues are also critical because land is the main resource upon which their livelihoods depend. About 45% of the Amazon – the area of highest ethnic diversity and with the largest proportion of indigenous languages in the region – is protected under different legal jurisdictions. While 21.5% of the land is considered indigenous territory, there are few de facto guarantees for indigenous people, even within these protected areas.<sup>28</sup> In Brazil, civil society has developed the term 'environmental racism' to describe the racist constructs and stereotypes that are used to dismiss the rights that indigenous and Afro-descendants have to their land.

## Guatemala

Guatemala is a country shaped in every way by its appalling levels of inequality. High levels of poverty and inequality fuelled one of the region's bloodiest armed conflicts, with human rights abuses committed on a massive scale and which disproportionately affected indigenous communities. There are more than 6 million indigenous people in Guatemala (60% of the country's population), made up of 22 Mayan groups, the Xinka and the Garifuna.<sup>29</sup>

Poverty in Guatemala is primarily experienced in rural, indigenous areas, with poverty rates estimated at 79% for the indigenous population, far above the 46.6% experienced by others.<sup>30</sup> This situation extends to those living in extreme poverty, which has grown from 13.3% in 2011 to 23.4% in 2014. While 4 out of 10 people living in rural areas or belonging to indigenous groups are in extreme poverty, only 1 in 10 non-indigenous people or living in urban areas are in extreme poverty.<sup>31</sup>

Guatemala's social indicators continue to reflect the under-investment the state makes in its own people. Guatemala does very poorly on many indicators of basic needs. Its chronic malnutrition rate in children under five was around 46% in 2014,<sup>32</sup> and while it has made slight improvements since 2000, it has only managed a decline of 6.3 percentage points in 15 years.<sup>33</sup> As with the poverty rate, once this is disaggregated by gender and ethnicity, a much more worrying picture emerges.

The rate of malnutrition among indigenous children is 61.2%, almost double that of non-indigenous children, where the rate is 34.5%.<sup>34</sup> An indigenous woman is twice as likely to die in childbirth than a non-indigenous woman. The literacy rate of indigenous women (aged 15 or older) is only 57.6%, the lowest rate by ethnicity and sex.<sup>35</sup> The figure for non-indigenous girls is 83.7%.<sup>36</sup>

The Guatemalan gender gap in education is also striking, with the greatest disparity between boys and girls completing primary school in Latin America. As with many countries in the region, Guatemala has advanced towards achieving universal primary education coverage and national statistics give the impression of acceptable progress. However, data on the primary school completion rate for indigenous girls in rural areas is not available. According to a World Bank report, more than one-fifth of girls were dropping out too early to complete school, and Guatemala failed to achieve its goal of 100% of children completing primary school by 2015.<sup>37</sup>

## Kitchen gardens transforming lives



Sandra (right) and Ingrid are sisters. Sandra was very ill at a young age and diagnosed with chronic malnutrition. Christian Aid's Guatemalan partner Bethania helped the girls' mother Irma to set up a kitchen garden, where she grows tomatoes, radishes, *chipilín* and nightshade. These vegetables supply the vitamins and minerals which had been lacking in the family diet and which are essential for the children's growth.

Bethania has also taught Irma about hygiene and how to improve the family's diet. This has made a significant difference to Ingrid, who at the age of four is almost as tall and weighs more than her six-year-old sister. Irma attributes this to the better diet now available to her family.

Christian Aid, Guatemala Hunger and Urban Violence, trip report (internal document), 2014.



Child deaths from malnutrition in Guatemala remain a very concerning issue. It is one of the five worst countries in the world in terms of malnutrition, only being surpassed by countries such as Afghanistan and Yemen.<sup>38</sup> Despite a sustained reduction in malnutrition from 62% in 1987 to 46.5% in 2014/15,<sup>39</sup> it is not clear how much is being done to tackle this urgent issue. For the last 11 years, Christian Aid's partner Bethania has worked among Ch'orti communities on child malnutrition.

## Brazil

When it comes to inequality, Brazil can claim the dubious honour of recording a Gini coefficient of 0.62 in certain years, 'almost a historical and worldwide record'.<sup>40</sup>

Despite progress, there are still glaring inequalities present in Brazil. There have been increases in school enrolment and improvements in educational achievements by women and girls, except in indigenous and Afro-descendent communities, where girls are more likely to be left behind and none of this translates into better career outcomes for them. There continues to be a pay and employment gap as well as occupational and hierarchical segregation.<sup>41</sup>

Ethnicity and inequality between races is a growing issue in Brazil. The total population in Brazil is 207 million.<sup>42</sup> Afro-descendants make up 53.6% of the population, with whites at 45.5%.<sup>43</sup>

Quilombola people are descendants of black people who fled slavery in the 19th century and built a new life in the forest. Among Afro-descendent communities, the Quilombolas merit special attention because of the high rates of exclusion and criminalisation to which they have been subjected.<sup>44</sup> There are more than 2,800 Quilombola communities spread throughout Brazil,<sup>45</sup> mainly located in rural areas, representing around 1.7 million people.<sup>46</sup>

Given Brazil's progressive reputation in recent years, it is relevant to question how public policies promote equality based on race. The Quilombola communities provide a useful case study. There have been undeniable successes, for example Article 68 in Brazil's Constitution, which confers collective land rights on Quilombola communities. There have also been some specific targeted government programmes, such as the Quilombola Brazil Programme. This and other special support programmes set up at state level have provided water, electricity, homes, nutritional and health support and education services. These programmes were long overdue, given the critical state in which many communities have been living. Chronic malnutrition in Quilombola children has reduced by 38.2% in recent years (18.6 % in 2012 to 11.5% in 2014),<sup>47</sup> but malnutrition remains a serious inequity.

Over the last decade, the Quilombola movement has emerged more strongly and visibly than ever. The constitutional guarantee regarding Quilombola land ownership is unique, as it is the only form of collective land entitlement in Brazil. More than a quarter of a century after the constitutional changes, only around 230 Quilombola communities have acquired titles to their lands,<sup>48</sup> representing just 8% of what is estimated to be more than 3,000 communities. This is further discussed in chapter 3.

The indigenous population in Brazil is small but diverse. There are 305 different ethnic groups and 274 different languages.<sup>1</sup> The Tikúna is the largest indigenous group. There are around 51,000 Guarani living in seven states,<sup>2</sup> and it is estimated that 80 indigenous groups live in either uncontacted or voluntary isolation.<sup>3</sup>

<sup>1</sup> 'No Brasil, população indígena é de 896,9 mil', Portal Brasil, 2015.

<sup>2</sup> Brazilian Indians, Survival International.

<sup>3</sup> *The Indigenous World 2011*, International Work Group for Indigenous Affairs, 2011.

Obstacles include an ineffective land regularisation agency that is funded, but fails to spend its budget, and the introduction of slower and costlier bureaucratic processes. This inertia has left Quilombola communities vulnerable to pressure from the private and the public sector. In turn, this has brought about local conflicts, criminalisation of community leaders and human rights defenders, and smear campaigns against Quilombola and indigenous communities – further exacerbating their social exclusion.<sup>49</sup>

Political action to tackle this issue has been inconsistent and poorly managed. In fact, as we mentioned earlier in this report, decisions were taken to reduce the budget in 2016, including a reduction of 56.3% in discretionary resources for the Brazilian Secretariat of Policies for the Promotion of Racial Equality. Christian Aid's partner INESC states that this reduction will hamper the ability to coordinate affirmative policies to promote racial equality and local development actions for Quilombola groups and other traditional communities.<sup>50</sup>

Land conflicts involve indigenous communities as well. A report by Conselho Indigenista Missionário in 2014 highlighted that more than 130 murders of indigenous people were reported, many of them linked to land conflict with the purpose of undermining resistance and frightening indigenous leaders.<sup>51</sup> The same report also highlighted that 600 indigenous lands were claimed by families, but only two were officially recognised by the authorities as indigenous territories: Xeta Herarekã, in Paraná, and Xakriabá, in Minas Gerais. Neither of these, however, has been officially handed over to the families.<sup>52</sup>

The strength of opposition to progress on inequality of land ownership, particularly in the case of ethnic minority populations, cannot be underestimated. It is strong, well organised and accompanied by violence where necessary. It is a volatile situation that brings to the fore 'two of the oldest national wounds – access to land and racism'.<sup>53</sup> The unequal struggle of rural workers, landless peoples, Quilombolas and indigenous peoples against powerful agrarian and business elites shows no signs of abating.

## Bolivia

Political inequality is another area of relevance in Latin America and the Caribbean. Historically, racism and discrimination have excluded indigenous peoples and Afro-descendants from decision making. This is changing in some places across the region, as indigenous and Afro-descendent movements are emerging as key political actors.

In both Ecuador and Bolivia, there are organised indigenous political parties, and, of course, in Bolivia an indigenous president.

Change has been fast, and since the election of Evo Morales in 2005 the government began to implement an ambitious reform agenda to enshrine political, social and economic rights for indigenous and Afro-descendent communities. Morales was given considerable support from the country's indigenous majority (and small Afro-descendent population), with a clear mandate to reverse the historical inequalities faced by Bolivia's marginalised majority. But the government has had to face fierce political opposition on addressing structural inequalities from the outset.<sup>54</sup>

## Quilombola women and institutional markets

The inability to market products or to access institutional market programmes are particular problems faced by Quilombola women. This is in part because the official documentation required is allocated only to their husbands, although access to education and responsibility for care and domestic work are also issues.

Christian Aid partner CPI (Comissão Pró-Índio de São Paulo) has been working with a community in the remote area of Oriximiná, in the northern part of the Brazilian Amazon, creating the conditions for these women to feel empowered and prepared to demand from government officials the implementation of institutional market programmes in their communities. In 2016, 30 women obtained licences allowing them to officially commercialise their products in regular and institutional markets. This allows them to issue invoices and sell their products to government programmes such as the National Programme of School Meals and National Food Procurement Programme.

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CPI-SP, 'Mulheres Quilombolas de Oriximiná comemoram a emissão da DAP', [www.cpis.org.br/html/atuacao.html](http://www.cpis.org.br/html/atuacao.html)

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While it is true that the new constitution recognises the 36 indigenous groups in the country and aims to guarantee many rights for these communities, Morales' reform process has been beset by problems, not only due to political opposition but also because of the sheer size and ambition of the agenda. Still, there have been some changes, particularly in relation to the political participation of indigenous groups.

Despite progress in reducing poverty, falling from 63.1% in 2004 to 39.3% in 2014, and reducing extreme poverty in rural areas from 65.6% (2005) to 36% (2014),<sup>55</sup> dramatic inequalities persist. Socioeconomic discrimination continues to affect indigenous people, particularly women and those living in rural areas.<sup>56</sup>

Bolivia remains a deeply conflicted society, with frequent bouts of protests. Conflicts arise both from government clashes with the elites, who are resistant to structural reforms that might challenge their political and economic power, and clashes between Morales and those groups often considered to be his core supporters. This has most recently been illustrated by the controversial road project known as TIPNIS (see box).

The expansion of extractive industries also highlights some of the major contradictions of the Morales administration's discourse on indigenous and environmental rights of Mother Earth. Under Morales, hydrocarbon operations have significantly expanded in the country's northern Amazon basin.<sup>57</sup> While the ownership of extractive ventures may well have changed – given greater state ownership and participation in the sector – environmental and social implications are unchanged. The hydrocarbon expansion has also generated significant tension between indigenous groups across the country and the authorities, and it is highly likely that conflicts over land use will continue.

## Dominican Republic

Despite sharing the island of Hispaniola, there are marked contrasts between Haiti and the Dominican Republic. Haiti was the first independent Caribbean state and the first black-led republic, whereas in the 15th century, the Dominican Republic became the first permanent settlement of Europeans in the Americas. In recent decades, the uneven economic and social development between the two countries has led to a steady stream of Haitians migrating to the Dominican Republic, hoping that this relatively richer country will provide them with economic opportunities not available at home.

Despite the contribution they make to the growing Dominican economy, Haitian migrants and their descendants represent the poorest of the poor. They are treated unequally and suffer widespread racism and discrimination because of their country of origin and the colour of their skin.

Although Goal 16 of the SDGs (peace, justice and strong institutions) is to provide legal identity for all, including birth registration by 2030, thousands of Dominicans of Haitian descent (Dominico-Haitians) live without recognition of Dominican nationality and have no access to social services based on their perceived or actual lack of legal status in the country.

## Amazon in danger

In October 2011, the Bolivian president backtracked spectacularly on the construction of a road project in the Amazon that had triggered protests by indigenous people.

Construction of the road stalled in 2011, when indigenous organisations undertook a gruelling two-month, 425 km (264 miles) protest march from the Amazon basin up the peaks of the Andes and Bolivia's seat of government in La Paz. The march, which drew thousands of urban supporters and the attention of global media, forced the government to put the project on hold.

However, more than four years of sporadic political conflict came to a head in June 2015, when President Evo Morales announced plans to resume construction on a controversial highway that would pass directly through a national park and protected indigenous reserve known as the Isiboro Secure Indigenous Territory and National Park (TIPNIS).

'Bolivia's Morales pushes controversial TIPNIS highway forward', Mongabay, 2015.

While they make an important contribution to the Dominican economy and remain a key source of labour for many employers, for example in agriculture, construction and domestic service, Haitian illegal migrants and Dominico-Haitians are often abused by employers as a result of their lack of legal documentation.

Historic migratory patterns led to large numbers of migrants and their descendants living in *bateyes* (originally temporary sugar plantation workers' communities). As the sugar industry has declined, these communities have remained, with levels of unemployment increasing. Living conditions in the *bateyes* are notoriously bad and can only be described as bleak. More recently, Haitian migrants and their descendants have also become more concentrated in poor urban neighbourhoods.

On 23 September 2013, the Constitutional Court of the Dominican Republic issued a ruling to revoke the citizenship of the children of unauthorised migrants born in the Dominican Republic since 1929, considering them 'in transit' and therefore ineligible for citizenship. The government proposed a plan of naturalisation that some could apply for.<sup>58</sup>

For Dominicans of Haitian descent, pathways to recognition of their citizenship or naturalisation remain extremely difficult due to lack of the required documentation and cost, among other reasons. Thousands of them are still in a legal limbo despite the Dominican Government's rhetoric to the contrary. Public support and political action to ensure the restoration of full citizenship for Dominican-born children of Haitian migrants has dwindled. For migrant Haitian workers, the situation remains equally uncertain with the risk of either enforced or 'voluntary' repatriation from the Dominican Republic.

In both countries, access to identity documents is a critical problem, and a clear political will to resolve the issue is lacking. On the Dominican side, decades of systemic objections are the main obstacle to the acquisition of Dominican nationality documents. In Haiti, decades-long neglect of most human rights and poor government capacity are primarily to blame.

Nevertheless, the effect is the same in both countries: thousands of people possess neither Haitian nor Dominican identity documents which are necessary to fulfil basic economic, social, cultural, civil and political rights. At the same time, the refusal of both countries to hammer out a commonly agreed and mutually owned migration policy has jeopardised the lives and livelihoods of hundreds of thousands, who have very limited – if any – access to legal recourse.

Christian Aid, in collaboration with local partners such as the Jesuit Refugee and Migrants Service and the Movement of Dominico-Haitian Women, has campaigned for many years to protect and defend the rights of Haitian migrants and their descendants.

In 2016, Christian Aid, with the Dominican Episcopal Church, World Vision, Norwegian Church Aid and Centro Bonó, organised the first Caribbean ecumenical conference on migration in the region, with 25 representatives from countries including Dominican Republic, Haiti, Cuba, Puerto Rico, US, Panama, Costa Rica and Guatemala. The main objective was to collaborate in building a culture of peace in Caribbean societies and to foster a culture of migration based on

## Intersecting inequality in the Dominican Republic

The situation for Dominico-Haitian women is even worse than for men. Women who are poor, uneducated and black, often living in rural areas, face further discrimination and marginalisation due to the way these different inequalities intersect and impact on their lives.

Often women will develop relationships with men to establish a male figure in their life who can protect them from local persecution and support them in obtaining their ID papers in the Dominican Republic.

Persecution against these women can take different forms. Some living alone were obliged to leave their communities to go to Haiti, a country they did not know much about, except that their grandparents came from there.

In the *bateyes* (former sugarcane plantations), where many live, 43% of children under five have no birth certificate and 35% of over-16s have no identification papers.<sup>1</sup> A lack of ID excludes them from senior school, formal work, marriage, university, opening a bank account and other civil activities.

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<sup>1</sup> Encuesta Sociodemográfica y sobre VIH/SIDA en los Bateyes Estatales de la República Dominicana 2013, USAID, 2015.

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rights, solidarity and faith. This conference allowed participants to see how to improve pastoral action towards migrants from a rights perspective and from the perspective of the Christian faith.<sup>59</sup>

However, the country is still far from implementing the necessary reforms and genuinely tackling the widespread discrimination and inequalities that persist in the Dominican Republic. The human rights abuses suffered by Haitian immigrants and Dominico-Haitians seem to pass many by on this little-noticed island, a premier tourist destination for Europeans. The abysmal situation deserves far more attention from the international community than has been the case to date.

## Conclusion

Discrimination based on race and ethnicity is clearly an unresolved issue in the region, leading to racist actions. Inequalities between ethnic groups prevail. Gaps are large and there is clear evidence that they are growing in some cases. There should be great concern in the region that while progress over the last decade has been moderately positive, indigenous and Afro-descendent groups are being left behind. The lack of reliable, consistent, disaggregated data compounds the issue, making it harder to evaluate and address this problem properly.

The land issue also remains unresolved. It disproportionately affects indigenous and Afro-descendent groups. There is a hugely unequal struggle underway between privileged white political and economic elites and poor, isolated, indigenous or Afro-descendent populations, often seen as 'inferior' and as a peasant underclass. Overall, there is far from enough formal recognition of the prevailing ethnic inequalities and racial discrimination in the region. There are few public policies specifically to address these problems and to correct the imbalances in favour of disadvantaged groups and territories.

## 2. Inequality, governance and power



**Above:** Indigenous and Afro-descendent children at the event marking the extension of the 'humanitarian space' in Buenaventura to include the community port of Punta Icaoco. They hold up a sign which translates as 'Lest we forget', referring to the history of human rights violations

Inequality is not simply about income maldistribution, but is primarily an issue of who controls power. Using macroeconomic indicators for measuring inequality is deficient, because it does not capture this. The abuse of power has led to major corruption scandals in Brazil, Honduras and Guatemala, triggering widespread protests. And yet instead of reform, these led to crackdowns and shrinking civil society space. This provides a stark warning about rising populism or increasing support for less democratically minded leaders in Latin America and the Caribbean. Unless reforms are carried out, it is likely that the region's electorate will vote not just for a comedian like Jimmy Morales (in Guatemala), or force a postponement of the vote, as occurred in Haiti, but more worryingly vote into power candidates like Donald Trump in the US or Rodrigo Duterte in the Philippines. This suggests that the region has much work to do to fulfil SDG 16: 'Promote peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels'.<sup>60</sup>

Societies create powerful institutions – local and national governments, the private sector and intergovernmental agencies. These institutions have the ability to serve citizens' needs, but they can also become unaccountable, at the expense of vulnerable and marginalised groups. If poverty is to end, the voices of vulnerable and marginalised people need to be heard, and institutions must be held to account by all citizens on the basis of equality.

**'Civil society is challenging established forms of leadership but have yet to invent new ones. Although Latin Americans have little appetite for the dictators of the past, new types of anti-democratic politics could emerge. Unless elected politicians offer answers to crime, low growth, inequality and corruption, less democratically minded leaders may provide them instead.'**

Marta Lagos, founding director of Latinobarómetro.

Everyone has the right to exercise power to shape their future and to take part in making key decisions that affect their lives, irrespective of their wealth, status, gender, or sexual or ethnic/racial identity.

While it rings true that money buys power, in Latin America and the Caribbean previously existing unequal power structures give rise to highly unequal socioeconomic outcomes. The role and influence of the elite, both economic and political, has for centuries exacerbated an imbalance in governance structures, which has led to persisting inequality and greater social conflict. This has been exacerbated by the increasing influence that multinational companies have over governments in the region and their effects on decision making in these countries. Haiti, the poorest country in the Western hemisphere, has been in the hands of an interim government since February 2016, when protestors and the opposition forced a postponement after opposition candidate Jude Celestin alleged fraud and refused to participate in the run-off vote. Elections were eventually held, albeit more than half a year later than planned.<sup>61</sup>

In the previous report, we analysed elite influence and, more specifically, the relationship on land reform within the framework of political settlements.<sup>62</sup> Christian Aid's occasional paper on political settlements observed that 'powerful local and national elites remain the "elephants in the room" during discussions about international development. They are always in a position, and by definition have the power, to flout, co-opt, thwart or even reverse good governance reforms and development-enhancing institutional change.'<sup>63</sup>

## Land rights

Land ownership is another key area responsible for the ingrained structural inequality in the region. The focus on export-oriented agribusiness and the extractive industries has driven a reconcentration of land ownership over the last 10 years – in a region where wealth and land ownership have been major areas of concern for decades.

The elites (with strong connections to multinational corporations) benefit significantly from this situation; not only is land concentrated in the hands of a few (predominantly white, male) individuals and big businesses, but national tax systems demand they pay little tax on these assets.

Furthermore, in some cases where attempts have been made to improve the situation, land reform that benefits the rural poor has been met with violent opposition.

Christian Aid Ireland highlighted the power imbalances linked to land, and stated: 'Power imbalances on land can perpetuate gender inequality. In many countries, access and rights over lands are based on hierarchical, patriarchal and segregated systems in which the poor, less educated and a majority of women do not hold security of land tenure.'<sup>64</sup>

Many of these problems gravely affect indigenous and Afro-descendent populations. For indigenous groups – which are mainly located in rural areas – the land issue is critical, as land is their main resource upon which livelihood strategies depend. Nowhere are ethnic divides more visible than in relation to land ownership.

The expansion of agribusiness, extractive industries, tourism, biofuels industries and others go at best unchecked, at worst actively promoted, even where such activity is directly to the detriment of poor, ethnic communities.

This rapid territorial expansion is a feature of many countries in which Christian Aid works (Bolivia, Colombia, Brazil and increasingly in Central America, particularly Honduras, Guatemala and Nicaragua). There is a widespread failure of governments to protect these communities from threats and harm, and the land concentration issue is one that has been poorly dealt with in the region.

### **Brazil: the greatest land concentration in the world**

While past governments of Lula and Dilma oversaw some expansion of rural land distribution programmes and increased the number of small- and medium-sized registrations of rural land holdings, the overall area is still tiny.

*Continued overleaf*

*Continued from p23*

In fact, in Brazil – already a country with the greatest land concentration in the world – there has been an increase in the concentration of property in the hands of large national and international landowners over the past decade. Large landowners are now more intensive in their use of capital and technology, allowing them quickly to gain shares in external markets and further concentrate their dominant position. There is huge potential for property taxes to improve equality if designed properly. The 5,000 richest families own property worth an estimated 40% of the country's GDP, yet property taxes continue to be neglected as a viable – and equitable – source of tax revenue. Currently, the main property tax administered by the federal government is the rural property tax. Its contribution to overall tax collection is derisory, amounting to only 0.06% of tax collection in 2008.<sup>65</sup>

### **Land tenure as an obstacle to development in Haiti**

Haiti is a prime example where property rights and the land tenure system act as a barrier to both growth and reduction of inequality. Land is concentrated in the hands of a few. In addition, an informal land rights system combined with a complex and archaic legal system pose a serious obstacle to development. The International Monetary Fund notes that a clear system that accurately outlined each parcel of land and established clear ownership would allow land to be used as collateral as well as reducing costly and time consuming conflicts over land rights.<sup>66</sup> Furthermore, a clear and transparent system of land ownership would also set out the parameters for increased fairer taxation on land and property.

### **Land at the heart of armed conflict in Colombia**

The heart of Colombia's internal armed conflict has revolved around economic interests and land. A recent report by Christian Aid partner ABColombia states that as of May 2016, almost 7 million people had been internally forcibly displaced.<sup>67</sup>

It is hoped that ultimately the revised peace accord, approved by the Colombian Senate and Congress,<sup>68</sup> will bring to an end the serious violence that leads to people losing their homes and land. For example, ABColombia notes that in two months in the first half of 2016 more than 6,000 people fled their homes in Chocó (one of Colombia's 32 departments).

They were escaping armed clashes, as groups fought for territorial control. Many landowners who had obtained their land as a result of the forced displacement of peasant farmers by right-wing paramilitary groups were among those who voted 'no' in the referendum on the Colombian peace deal.

Furthermore, there is still a need for support to those who have managed to recover their land. Under Law 1448, which recognised land ownership and the rights of victims to have their land returned, communities can embark on the process for land restitution. However, ABColombia also noted that peasant farmers and ethnic groups that recover land under this law report a lack of state support over the long term.<sup>69</sup>

### **Megaprojects**

The advancement of so-called megaprojects (large mining or infrastructure projects) is another example of power imbalances – in this case the power of multinational companies over communities and the control of their land and livelihoods. This issue is of increasing concern to communities (predominantly indigenous or Afro-descendent people) across the whole region. Extensive mining and extractive projects, hydroelectric dams for energy production or large-scale transport links such as highways or the proposed canal for Nicaragua threaten communities across the region. This is an issue closely linked to land rights, but it also moves beyond this to threaten sustainable development, the local environment and human rights.

The application of tax incentives to deals on megaprojects with foreign companies means that tax revenue for the country is often lost.

Megaprojects are considered by many to be a threat to social justice in Latin America. While they propose grand schemes for energy production, transport or mining, they also rely on deregulation, wealth concentration, and unfair tax policies for their success, increasing inequality and, in some areas, violence and GBV.

Legislation and control of land, as well as lack of or insufficient local consultation, and even criminalisation of protestors are increasingly used by governments to ensure megaprojects go ahead. *Continued overleaf*



*Continued from p24*

This is despite many governments having signed up to the International Labour Organization's Convention 169 (ILO C169) on the rights of Indigenous and Tribal Peoples. In October 2015, registering the high levels of concern about this issue across the region, 12 women's organisations (including Christian Aid's Colombian partner Peace Brigades International) presented a report on the criminalisation of women environmental rights defenders to the Inter-American Commission on Human Rights. They presented documented cases of abuse and action at a regional level. Christian Aid partners such as the Movement of People Affected by Dams (MAB) in Brazil are engaged in raising the visibility of and opposing the threats to land, the environment and human rights and also questioning the investment in such projects across the region.

In Brazil, in April 2016, around 160 Quilombola men and women travelled two days from their communities in Oriximiná in the Amazon rainforest to the city of Santarém to protest against the delay in receiving titles to their lands, as they are entitled to under the Brazilian Constitution. The Quilombolas reported that the proceedings started over 10 years ago and are paralysed. This situation makes this population more vulnerable to the advancement of mining on their lands.

'To authorise mining and logging the government has no problem in putting pen to paper, but when it comes to granting titles to Quilombola land, they seem to have lost that pen. We want our land titled. I'm here together with the all the Quilombolas to say "Land Rights Now!'", Aluizio Silverio dos Santos, Quilombola leadership.

In Oriximiná, there are about 10,000 Quilombolas. The rights of Quilombolas to own their lands were recognised in 1988 in the Brazilian Constitution and are provided by ILO C169. Despite this, Quilombolas find it difficult to obtain ownership of their lands and protect their forests. However, in stark contrast, logging and extraction of bauxite has been authorised, threatening the Quilombolas and riverine families in those areas.

Following a visit to affected areas facilitated by Christian Aid partner CPI, the Special Rapporteur on the rights of indigenous peoples emphasised the situation of the Quilombolas in Brazil in her report in 2016, and declared that 'a number of megaprojects that have serious implications for indigenous peoples' rights. These include projects for which no prior consultation took place with indigenous peoples or other minority groups, such as the Quilombola in Oriximiná in Pará.'<sup>70</sup>

Christian Aid partner MAB also works in Brazil with women affected by dams, supporting their capacity to influence the community and local authorities for their rights. Women affected by these infrastructure projects report that changes in the community happen even before a project gets the go ahead.

'Due to the news that the dam was going to be built people became afraid to invest in their agricultural production and to lose everything to the dam. Some people already start selling their land. I do not want to leave.' Josefina Maria das Graças Oliveira, retired, a resident for 50 years of Pimental community, which is threatened by the construction of a hydroelectric dam.

ICEFI states that the problems associated with mining in Guatemala are causing social and environmental conflict in rural communities close to mines.<sup>71</sup> Displacement and contamination of land, air and water sources, as well as increased reports of human rights violations and the lack of consultation and transparency around agreements and profits all contribute to conflict over such projects. In Guatemala, foreign-owned mining companies regularly have agreements with the government which mean they pay very little or no VAT or other taxes, generating little income to be reinvested in development projects.

ICEFI highlights the need for increased public debate on the costs and benefits of mining as an option for development. This statement rings true for megaprojects in the whole of Latin America and the Caribbean. Their cost in social and environmental terms, particularly on indigenous and Afro-descendent communities, cannot be underestimated.

It is worth delving deeper into regional perceptions of this ongoing challenge around governance, power and inequality by looking at the results of the Latinobarómetro 2016 public opinion survey.<sup>72</sup> It found that the proportion of Latin Americans who think the elites govern in their own interests is on average 73%, the highest level in 12 years. For the first time, the share of people who say their countries are going backwards is bigger than that of people who think they are progressing.<sup>73</sup>

In countries where the antics of political leaders are most rebuked, support for democracy has declined. In a shocking, yet understandable, turn of events, from 2015 to 2016 support for democracy in Brazil plummeted by 22%, to only 32%, and is strongly linked to the current struggle against corruption and political crisis. In three of the four Central America countries where Christian Aid works, El Salvador, Guatemala and Nicaragua, it is the lowest it has been in 10 years.<sup>74</sup>

The Guatemalans' response was to elect a comedian as president. Jimmy Morales had no previous political track record. He campaigned on an anti-corruption ticket, at a time when corruption scandals, specifically the La Línea corruption case, led to the resignations of the vice-president and the president. La Línea (The Line) refers to a customs fraud network that lowered taxes on importers in exchange for financial kickbacks. Evidence from wiretaps seemed to indicate that the president and vice-president oversaw the network's operations.<sup>75</sup> Prosecutors say millions of dollars were paid in bribes.

Given the election of Donald Trump in the US in November 2016, one could argue that reactions towards the 'political elite' in the region reflect a global trend. Although the Latinobarómetro survey shows that 54% of respondents still believe that democracy is better than any other system, this does mark a drop of two percentage points compared with 2015.<sup>76</sup> Regional events underline the public's growing frustrations over the lack of reforms and may lead them to tactically support 'less democratically minded leaders'. They may say democracy is better, but since it could not solve our problems, let us try something else. Civil society throughout the region is channelling its outrage over corrupt politicians and institutions through massive demonstrations, for example in Brazil, Guatemala and Honduras.

In some cases, such as Guatemala, street protests have led to high-level political change. However, protests have often been met with a violent state response, which is indicative of a broader trend of reducing civil society space. Over the last few years, and capitalising on its role hosting two major global sporting events – the 2016 football World Cup and the 2016 Olympics – Brazil has seen an increase in street protests. Initially this was due to public outrage against corruption, poor public services, rising crime rates against the backdrop of huge (assumed) public expenses for these events. Gradually the protests became an outlet against the political establishment as an increasing number of corruption scandals came to light. Human rights organisations voiced concerns at the criminalisation of social protest and targeting of civil society and social movements.<sup>77</sup>

In Bolivia and Brazil, corruption comes first or second on people's list of worries, and across the region two-fifths of people think that corruption is increasing. It will be important to monitor if and/or how these countries demonstrate any political will to 'substantially reduce corruption and bribery in all their forms', as stated under SDG 16 (Target 16.5).

## Inequality and political participation in Bolivia



**Above:** Blanca Pia Poma Coronel (left) is an adviser in her local municipal government in Laja.

Political participation of women and indigenous people remains a challenge in the region. In Bolivia, quota laws and gender parity rules may be successful in getting women into elected seats, but once in parliament, women are pressured to vote along party lines, preventing them from challenging the status quo and limiting their potential to promote 'women's interests' and advancing the gender equality agenda. There have been reports of harassment and incidents of public humiliation of female elected officials to force them to resign so that the alternative candidate, usually a male, can take the post.<sup>78</sup>

Certainly, there are significant areas of political progress for indigenous and Afro-descendent groups, and evidence is emerging of a national trend in relation to socio-economic improvements.

On 11 October 2016, Bolivian National Women's Day, the government passed a law to: 'Establish mechanisms to prevent, attend to and sanction against cases of political harassment and/or violence toward women, to guarantee their political rights.'<sup>79</sup>

The introduction of these quota laws since 1997 resulted in a bigger presence of women in the ballots, with women occupying 47% of positions in municipal councils across Bolivia.

However, there are many challenges in the implementation of the law. It does not include the protection of women who participate in civil society organisations and many public servants are not aware of this law or what it entails. In addition, the harasser sometimes becomes the judge, and women who want to report a situation of harassment or violence toward them need to resign first.

Although progressive, this law does not affect the traditional gender roles in Bolivian society, and thus, does not help eliminate the barriers to women's participation. Often women are not perceived as the best choice for leadership because they have a double work burden, as the responsibility for care tasks falls on them, but they also do productive tasks; leaving them little time for political participation.

Despite the improvement in education levels in Bolivia, women in rural areas still struggle to reach similar educational levels as men. In some cases they cannot read or write as easily in Spanish and they do not have the same access to meetings where men learn about legislation and state policies. Besides this, men are often seen as the heads of the household because they are the ones who can own land; this means that usually it will be the husband or the eldest son who will be invited to represent the family.

## Shrinking civil society space: civil society organisations under threat

The shrinking of civil society space is a global trend, seen around the world in countries as diverse as the Philippines, the Democratic Republic of Congo and the US, among others. However, it is a trend that has disproportionately affected Latin America and the Caribbean, as illustrated in the findings of Civicus' Civil Society Watch Report 2016.<sup>80</sup>

The report documents serious violations of the freedoms of association, expression and peaceful assembly in 109 countries during 2015, 14 of which are in Latin America, including El Salvador, Guatemala, Honduras, Nicaragua, Bolivia, Brazil and Colombia.

Oxfam echoes this sentiment in its report *The Risks of Defending Human Rights*, which documents the rising tide of attacks against human rights activists in the region. Oxfam believes that this 'is linked to an economic model that creates extreme inequality and undermines people's fundamental rights. Other key factors include the co-optation of state institutions by powerful groups and the scant attention paid by governments to fulfilling their obligations to respect, protect and promote human rights.'<sup>81</sup>

## **Bolivia faces an uphill struggle**

Bolivia's indigenous President, Evo Morales, was elected into office in 2005. With broad popular support and a majority in government, he has been able to push through transformational reforms to economic and social policies. However, in recent years, independent media and national and international NGOs which question the government have been accused by the government of pursuing foreign-led free market agendas to undermine the interests of the state. Social movements, especially those in the Amazonian region, have been delegitimised by constant accusations and parallel state-supported entities have been established.

## **Danger for human rights defenders in Colombia**

Colombia is still one of the most dangerous countries in the world for human rights defenders (HRDs).<sup>82</sup> Since the official start of the peace talks in 2012 in Havana between the Colombian Government and the left-wing guerrilla group the Fuerzas Armadas Revolucionarias de Colombia – Ejército del Pueblo (FARC), the number of HRDs killed annually has risen year-on-year and remained the highest in the world in 2015.<sup>83</sup>

According to the UN Office of the High Commissioner for Human Rights (UNOHCHR) in Bogota, 729 HRDs were killed in Colombia between 1994 and 2015, and there is near total impunity for these crimes.<sup>84</sup> While this equates to an average of 33 killings per year, since the start of the peace process in October 2012, HRDs have been killed in consistently higher numbers. For example, in 2015, 63 HRDs were killed and 682 attacked (an increase of 9% on 2014),<sup>85</sup> including 310 women.<sup>86</sup> The HRDs most targeted in these attacks have been victims working on land and environmental issues; recently attacks have increased against those involved in peace activism and political leadership.<sup>87</sup> During President Juan Manuel Santos' administration certain government officials have publicly recognised the importance of the work undertaken by HRDs, but there is a lack of consistent messaging.<sup>88</sup>

Rural HRDs have suffered disproportionately from being attacked and killed. Somos Defensores reported that in the last five years, the HRDs most frequently killed have been indigenous peoples.<sup>89</sup>

Documented evidence states that the main perpetrators of the attacks and killings against rural HRDs are right-wing demobilised paramilitary groups, which carried out 66% of attacks in 2015.<sup>90</sup>

Therefore the peace accord with FARC will not necessarily guarantee a reduction in attacks against HRDs. Christian Aid advocacy partner ABColombia believes that a key element to creating a safer and more enabling environment for HRDs is tackling

Civicus' Civil Society Watch Report states that 2015 was a dismal year 'for civil society around the world. Civicus colleagues tracked serious threats to one or more civic freedoms in over 100 countries. Particularly for those activists who dare to challenge economic and political elites, the environment in which civil society operates has continued to deteriorate. Some of the most brave and inspiring activists, from Brazil, Colombia, Honduras, Peru, the Philippines and South Africa, paid the ultimate price in 2015, simply for exercising their rights as citizens to organise and mobilise.'

## **Attacks against human rights defenders in Colombia**

The UNOHCHR states that attacks and killings of defenders in 2015 focused principally on four areas:

- Conflicts over land, particularly Afro-descendent and indigenous territories, in the context of opposition to illegal and legal mining and actions to protect their territories.
- Defenders demanding justice for the victims – victims' representatives are targeted, especially those that litigate human rights violations by State actors. Surveillance of HRDs and information theft coincide with key moments in criminal proceedings.
- Social and political leadership.
- Peace activists – people and organisations that participated in victims' dialogues in Havana.



impunity. Although rural HRDs have been affected disproportionately, those in urban settings, such as Buenaventura, are not immune.

### **Guatemalan public stands up to poor governance**

In a 2015 report on corruption, Christian Aid local partner organisation ICEFI, together with Oxfam, stated that countries in the region still find corruption an almost insurmountable obstacle to consolidate their democratic systems.<sup>91</sup> In Guatemala, corruption has been **the** constant characteristic in public sector management, especially at governmental level, with private sector complicity. Notwithstanding, 2015 marked something of a sea change when, between April and August, serious cases of corruption were uncovered involving the president and vice president, ministers, judges, parliament, mayors and businessmen.<sup>92</sup> The International Commission Against Impunity in Guatemala and the Public Ministry unveiled a structure of corruption within the national health and customs systems.

The public reaction was swift and social networks became platforms for a call to demonstrate public discontent.<sup>93</sup> Dozens of protests took place in Guatemala City's Constitutional Square. Every Saturday for hours at a time, men, women and children gathered to express their repudiation of then President Otto Pérez Molina and Vice President Roxana Baldetti, as well as parliament. Since then, Guatemalan society has energetically rejected corruption and demanded deep change to guarantee transparent public services (in line with SDG 16, Target 16.6: develop effective, accountable and transparent institutions at all levels).<sup>94</sup>

### **Honduran women human rights defenders amongst the most targeted**

A further illustration of the shrinking space for civil society is manifested in increasing threats against HRDs. The Honduran Lenca indigenous leader and coordinator of the Civic Council of Popular and Indigenous Organisations of Honduras (COPINH), Berta Cáceres, was murdered at home on 3 March 2016,<sup>95</sup> despite being the beneficiary of precautionary measures granted by the Inter-American Commission on Human Rights in 2009.<sup>96</sup> She had repeatedly denounced the situation of great risk in which she found herself. Cáceres defended the territorial and cultural rights of the Lenca indigenous people, the Garifuna people and peasants. She was recognised nationally and internationally as a human rights defender, particularly for the rights of women and indigenous peoples.

In recent years, Cáceres was the victim of harassment, persecution, intimidation, stigmatisation and discrimination, both by state and non-state actors, because of her activities defending the territorial and human rights of communities opposed to hydroelectric and mining projects imposed on their territories without meaningful free, prior and informed consent.<sup>97</sup> As a female human rights defender, Cáceres also faced additional risks associated with her gender, such as rape threats and intimidation of her family members, including her children, in a bid to discourage her from pursuing her work.

**'There was an increase in crimes against journalists and civil society activists, especially LGBTI defenders and women human rights defenders. Although a law was enacted to protect human rights defenders, it was not adequately implemented and civil society was not widely consulted. The government was reported to have purchased spyware software. Civil society continues to face burdensome administrative requirements.'**

Civicus

'Berta Cáceres' death was not the result of a random crime, but part of a worrying trend of serious attacks in Honduras to silence activists who work to defend the rights of others,' said Inés Pousadela, Policy and Research Officer from Civicus.

A long-time environmental activist and the co-founder of COPINH, Cáceres was leading a struggle against a hydroelectric dam project that would have flooded indigenous people's lands and displaced the local population.<sup>98</sup> She repeatedly denounced the alleged collusion between economic and political interests, resulting in judicial harassment along with escalating intimidation and aggression from various fronts.

## Conclusion

Unless inequality is addressed, Latin America and the Caribbean, like elsewhere in the world, are headed towards supporting less democratically minded leaderships. It is urgent that governments and civil society in the region start to make the case convincingly that equality is good for everyone.

Ordinary citizens want reforms and decisive changes to deal with crime, low growth, inequality and corruption. While there is still support for democracy, frustration is contributing to a perhaps irreversible drift towards populism. Alternative governments, like that of Bolivia's Evo Morales, have been unable to deliver on their promises, and are responding to protests with increasing repression. Across the region, we have witnessed the growing global trend of shrinking space for civil society imposed by authorities, which, in turn, makes international advocacy support even more crucial.

Inequality is holding back growth and stunting private sector development, as internal markets underperform – unsurprising, given the extremely limited purchasing power of millions of poor families and the low productivity of undernourished and poorly educated workers.

Inequality in the region goes beyond wealth and is deeply rooted in unequal power structures – who holds power and who is excluded. The countries with the highest poverty rates also have some of the most polarised societies in the region, both politically and economically. Political instability is fuelled by extremely high income inequality levels, and those structural changes necessary to address inequality continue to be heavily resisted by elites. Achieving deep structural reforms that can deliver significant benefits for the poorest will only be possible (and sustainable) with the cooperation of the region's elite. Without this, attempts at reforms will continue to end in deadlock and most probably lead to even greater polarisation within society.

There is an urgent need for governments and civil society, including elites, to come together to negotiate a new political settlement for countries in the region. Progressive elite voices may not always be heard, but they certainly exist. These voices must be encouraged and harnessed in the ongoing struggle for change.

### 3. Inequality and violence



**Above:** Young men display their home-made weapons in a deprived neighbourhood of Managua.

Ending violence is a key objective within the SDGs.<sup>99</sup> For example, Goal 5.2 seeks to ‘Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation’.

Violence, which is rife throughout Latin America and the Caribbean, is among the top concerns for people in the region, and a major impediment to development.

According to a 2016 poll,<sup>100</sup> Latin Americans say that violence from street crime is the most common sort; that a country’s most important problem is economic and the most damaging type of violence to their countries is domestic violence. Therefore, social and economic inequality is perceived as the root of the violence.

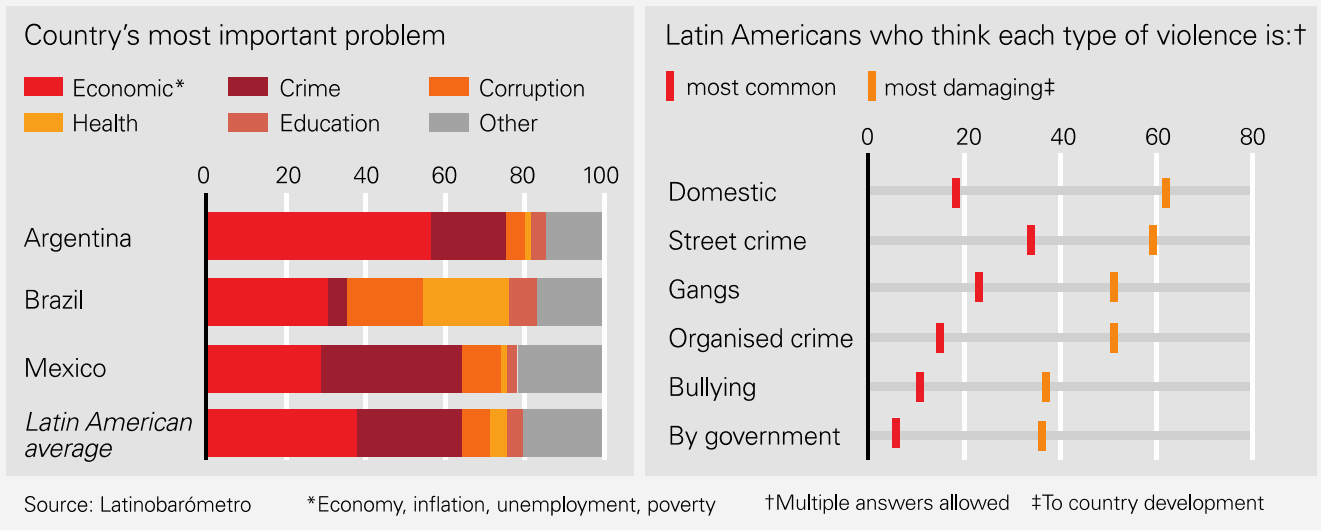
Latin America has the highest homicide rates in the world. Approximately one out of every three people intentionally killed is killed in Latin America,<sup>101</sup> even though only 8% of the world’s population lives there. Around 25% of all homicides take place in just four countries in the region – Brazil, Colombia, Mexico and Venezuela. Of the 50 most violent cities on the list, 41 are in Latin America, including 21 in Brazil.<sup>102</sup>

**‘Inequalities of power, in the form of radically unequal levels of access to decision-making, process of law, education and civic freedoms, are often described as forms of “structural” violence. And this should help us see why inequalities in these areas are so often generators of other sorts of violence’**

Rowan Williams, *Redistributing power is crucial to tackle violence and poverty*, May 2014

## Figure 1: Perceptions of crime and violence in Latin America

Share of Latinobarómetro respondents, 2016, %



### Defining violence

Christian Aid's strategic change objective of tackling violence and building peace acknowledges the importance of tackling violence in a world where the majority of violent deaths occur outside of armed conflict. But direct physical violence is often underpinned by structural violence that arises when the structures of society systematically expose certain groups to risk, or prevent their access to services or opportunities. This insidious form of violence has outcomes that are almost identical to those of more direct violence – injury, trauma, disability and early death. And cultural violence is manifested in attitudes, such as machismo in Latin America and the Caribbean, which normalise direct or structural violence.

### Violence in Latin America and the Caribbean

In Christian Aid, tackling violence and building peace provides the focus of our programmes in Colombia and Central America. Our programmes in Bolivia, Haiti, Dominican Republic and Brazil also tackle violence.

Tackling violence and building peace is also our focus in other parts of the world, such as in Egypt, Israel and the occupied Palestinian territory, Syria, Iraq, Angola, Democratic Republic of Congo, South Sudan, Zimbabwe and Myanmar. Many of these countries face similar challenges to Latin American and the Caribbean around repression of human rights defenders and high levels of inequality.

An end to formal conflict and a return to economic growth do not necessarily mean an end to violence. Peace agreements formally ended the civil wars in Guatemala, El Salvador and Nicaragua. But today, according to the Geneva Declaration on Armed Violence and Development, more people in Central America die violently due to crime than during the civil wars of these three countries.<sup>103</sup> Violence is pervasive in these societies.

Violence and displacement tend to affect the most vulnerable and poorest. The proportion of people forced to leave violent



municipalities in Central America is four to five times higher than that of people leaving non-violent municipalities with similar socio-economic conditions.<sup>104</sup>

There are forced displacements of populations, both internally and across borders, and migration of unaccompanied minors. Most of the 566,700 internally displaced people in El Salvador, Guatemala and Honduras have been forced to flee as a result of organised crime and gang violence.<sup>105</sup> Guatemala is also unwilling to accept that its citizens are forcibly displaced. None of the Northern Triangle (El Salvador, Honduras and Guatemala) countries has adopted a national law on displacement.

Haiti and the Dominican Republic have critical levels of crime and sexual violence, and are also drug trafficking countries. There is ongoing violence in the Dominican Republic against migrants and Dominicans of Haitian descent.

According to UN Women, Bolivia has the highest levels of physical violence against women in Latin America,<sup>106</sup> and is second to Haiti in relation to sexual violence. Brazil is suffering from gang violence and crime at critical levels, particularly in the slums of the country's major cities. Violence against women and girls is prevalent and in Brazil, deeply racialised – while murders of black and mixed race women grew by 54% between 2003 and 2013, murders of white women fell by about 10% over the same period.<sup>107</sup>

Colombia is recently emerging from an internal armed conflict, which began over 50 years ago and has left 8 million victims, who have been killed, disappeared, injured, displaced or are survivors of sexual violence. It also has one of the highest numbers of internally displaced people in the world. In parallel, the country also has a high level of organised crime, which to some extent becomes invisible and hard to tackle because the internal armed conflict overshadows other problems. Recently, the government reached a peace agreement with the largest insurgent group, FARC, and in October 2016 it officially began peace talks with Colombia's second largest insurgent group, the National Liberation Army (Ejército de Liberación Nacional).<sup>108</sup>

As discussed earlier in this report, the region experiences violent persecution of marginalised groups, human rights defenders, activists and NGO workers. Despite progress at the legislative level, there is an alarming rate of harassment, physical violence and targeted assassinations directed at these groups, by both state and non-state actors. These events link closely to the serious structural violence in the region – many states are failing to protect civil society spaces and their actors. In Brazil and Guatemala, activists fighting for indigenous people's rights and environmental issues have become particular targets for attacks and assassinations. Colombia is the most dangerous place in the world to be a journalist or human rights defender. In El Salvador and Honduras, women's human rights defenders are particularly persecuted.

## **Why are there such high levels of violence?**

Inequality is the root cause of violence in the region. While poverty levels have reduced in economic terms over the past decade, social and political inequalities persist. Latin America has the most unequal

distribution of income in the world,<sup>109</sup> and the quality of social mobilisation has been poor, for example, the prevalence of low-paid roles and cash transfers instead of decent work.<sup>110</sup> Social norms related to gender relations such as machismo exacerbate violence, particularly in the domestic sphere.

Low investment in state-funded education by governments across the region exacerbates levels of violence. Quality and access to this basic human right are affected; between 2000 and 2010 there was only a slight increase in investment from 14% to 16%,<sup>111</sup> despite substantial economic growth across the region.

This has limited the opportunities of marginalised young people, particularly for males, some of whom have turned to violence for economic security and a sense of belonging (in the case of gangs) as they bear the brunt of deeply entrenched social inequalities.

High youth unemployment persists (13% in Latin America and the Caribbean),<sup>112</sup> particularly in rural areas, triggering the migration of young, disaffected males into slums where they are sometimes recruited to gangs.

Weak institutions do not enforce the rule of law, and worse, perpetuate violence in the name of protecting powerful elites and maintaining structures from times of military rule and conflict. Organised crime thrives in an environment of weak governance, particularly drug trafficking. Unregulated urbanisation and gun ownership are also key problems.

### Gender-based violence

The finding, mentioned earlier in this chapter, that survey respondents regard domestic violence as more damaging than street crime, gangs, and organised crime highlights the need to prioritise tackling gender-based violence.<sup>113</sup> While underreporting and a lack of quality data makes it difficult to know the full scope of the problem, we know GBV persists and – in some places – may be getting worse.

According to a 2013 study,<sup>114</sup> across the region, women who reported physical or sexual violence by an intimate partner were also more likely to report unwanted or unintended pregnancies. In Bolivia, more than 50% of women reported experiencing physical or sexual violence from an intimate partner.

In Colombia, UNDP statistics show 37.4% of women aged between 15 and 49 report suffering from some kind of physical violence and 9.7% report suffering some kind of sexual violence. These figures are also high for Bolivia: 24.2% and 6.4%, Haiti: 20% and 10.8%, and Dominican Republic: 17.2% and 5.5%.<sup>115</sup>

Public policies and social norms are at fault as both can affect the levels of gender inequality in any country. Free market policies, religious conservatism, a prevailing culture of machismo – based on an overall patriarchal system – and other societal attitudes have all worsened gender inequality.

Dr Rowan Williams has highlighted the role women around the world play in peacebuilding while at the same time suffering disproportionate levels of violence. One of the most powerful and troubling elements of trying to resolve conflict, he said, is 'the prevalence of violence and discrimination against women in so many situations of conflict or deprivation or both, which robs half the human race of its freedom to nurture, educate and develop its own capacity and that of the next generation'.

Redistributing power is crucial to tackle violence and poverty, Rowan Williams, Christian Aid, 2014.

## GBV and gangs in El Salvador

In August 2015, El Salvador witnessed a death rate that surpassed the war in Iraq. Out of 5.7 million people living in El Salvador, 70,000 individuals are members of gangs, with another 280,000 indirectly affiliated with or otherwise dependent on gang networks. A recent report highlights that between 2007 and 2012 El Salvador had the highest rate of femicides in the world, with an average of 14 assassinations for every 100,000 women.

So, why the violence? Causes include social exclusion and inequality, which mainly affect poor and marginalised communities and young people; family breakdown because of migration; a culture of machismo; and impunity, due to a very ineffective criminal justice system.

Women often suffer physical violence from male gang members who say that they have 'not behaved themselves', reinforcing the model of domination perpetuated in the wider society. Gang members also invade homes that do not have a male figure in order to escape police patrols or to demand care work.

Often psychological violence is inflicted on women who refuse to respond to the demands, and sometimes women's partners who do not belong to gangs are killed to secure sexual desires or economic needs. If a woman does not have a partner and refuses a gang member's advances, she may be killed. Schools have not escaped this violence – there are cases of students being forced into prostitution.

Among the most prevalent forms of violence is gender-based violence against women and gang violence, often associated with organised crime. In the last 20 years, the phenomenon of gangs has developed as a result of the deportation of young Salvadoran men from the US. The area most affected is the capital San Salvador.

Christian Aid partner ORMUSA's recent research explores the violence that women experience in the communities where they live and where gangs operate.<sup>116</sup> El Salvador's public security policies are very much focused on the gang phenomenon, but these policies lack a gender perspective and do not consider the different impact of violence on men and women, and the serious problem of violence, especially sexual, against women and young Salvadorans.

In prisons, wives of inmates are forced to have sexual encounters with other gang members because the bodies of these women are seen as the 'property' of all. As a result of sexual violence by gangs, El Salvador has a high rate of teenage pregnancy, based on the socially tolerated belief that women should begin sexual activity and reproductive cycles at an early age, which is demonstrative of a patriarchal culture that promotes machismo.

ORMUSA and other Christian Aid partners in El Salvador are working tirelessly to dismantle the institutional structures that reproduce unequal power relationships where men are perceived to be superior and violence is tolerated.

## Faith in action on GBV

GBV is massively underreported in Colombia, and hence difficult to address. More than half of the 8 million victims of the Colombian armed conflict are women. Cases of domestic violence against women increased by 36% between 2014 and 2015,<sup>117</sup> and in 2015, 147 femicides were reported.

According to the Colombian National Institute of Legal Medicine and Forensic Sciences, every day, three to four women are killed, 156 are victims of domestic violence and 45 are victims of sexual violence.

The national peace agreement between the government and FARC has led to the establishment of a special gender sub-committee that listened to the

testimonies of victims of sexual violence, thanks to relentless advocacy by women's groups.

Despite the end of the conflict, sexual violence continues, due to deeply entrenched discrimination and inequality that condones gender violence and, impunity, particularly of military perpetrators.

Although important achievements in women's empowerment in terms of access to education, decision-making roles, political participation and demand for justice have been reached in recent years, and the peace accord recognises sexual violence as a grave crime in the context of armed conflict, a pronounced patriarchal order persists in Colombia, which favours gender inequality and GBV.

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*Continued from p35*

Christian Aid has supported the Inter-Church Justice and Peace Commission (CIJP), to develop its work on addressing GBV, benefiting nearly 400 people so far. CIJP exchanged learning with the Anglican Service for Diaconia and Development (SADD) in Brazil and the Social Mission of Haitian Churches (MISSEH).

All these organisations have joined Side by Side, a regional and global movement of faith leaders and communities, faith-based organisations and individuals of faith who are committed to removing barriers to gender justice.

These faith-based organisations work in countries where GBV is linked to the highest levels of inequality in the world.

CIJP represents victims of human rights violations and provides accompaniment to displaced and marginalised communities. Thanks to this learning experience, CIJP conducted a baseline study on case documentation; psycho-social attention for victims; strategic litigation; communication and campaigning; reflection on feminism, masculinities, women's empowerment and leadership; as well as a reflection on religious beliefs, traditions and cultural values that can perpetuate women's exclusion and GBV.

This allowed CIJP to strengthen its analysis on the element of faith to obtain significant change in religious perceptions that legitimate a patriarchal order and women's exclusion.

In Latin America as elsewhere, religious discourse has been used to oppress women. However, liberation theology contributed to changing unjust structures and to build new social relations. Theology was used in a positive way to raise awareness and influence social norms that contribute to gender inequality.

MISSEH and SADD also learned from CIJP's experience. SADD highlighted CIJP's ability to work in diverse contexts and with different social groups, such as indigenous peoples, Afro-Colombian communities, farmers and victims of urban violence, which will inspire and improve its work in Brazil. CIJP's broad approach to peace building is now more precise – the organisation is deepening its analysis on the relationship between gender identity and faith.

CIJP is also engaging with other Christian Aid Colombian partners, including secular organisations, on sexual violence responses in a post peace agreement environment.

### **A theological focus on rethinking masculinities from a gender perspective in Nicaragua**

In Nicaragua, Christian Aid worked with faith-based partner Centro Intereclesial de Estudios Teologicos y Sociales in collaboration with the Evangelical University on the design and implementation of a course with 30 religious leaders who represent a variety of churches in Nicaragua.

The course, 'Rethinking Masculinities from a Gender Perspective: A Biblical-Theological Focus', builds from the premise of the role that churches play in constructing socio-cultural, symbolic and religious norms in society through the speech and imagery.

The issues of knowledge, power and sexuality have a gender dimension where the issue of masculinity requires serious reflection and dialogue that contributes to the deconstruction of hegemonic social representations (legitimately) affirmed by theological teachings.

Working with local religious leaders, who maintain close community ties and whose word is respected, provides Christian Aid with a unique opportunity to contribute to the reduction of GBV. Participants, now sensitised and trained on issues of masculinity, can position themselves in favour of gender equality, rejecting GBV and supporting new models of masculinity from a liberating biblical perspective.



## Violence and sexual diversity

Many lesbian, gay, bisexual, transgender and intersex (LGBTI) people know what it is like to suffer because of their sexuality or gender identity. Exclusion, humiliation and violence are commonplace. The injustice of inequality is based on identity, where the powerful discriminate against others because of who they are.

Despite significant achievements regarding the rights of LGBTI people, the high level of violence against them is increasing across the region, according to a 2015 report.<sup>118</sup> Gay men and women and transgender people suffered the majority of murders. Lesbian and bisexual women were more affected by domestic and sexual violence. Women are the most affected by the violence perpetrated by the police, mainly towards sex workers. They are part of a cycle of violence, discrimination and criminalisation which begins very early in their lives due to the violence suffered in their homes and communities.

### Transgender in El Salvador



**Above:** Karla Avelar, Executive Director of Comcavis Trans.

Inspirational Salvadoran transgender activist Karla Avelar has survived rape, attempted murder, kidnap and incarceration in a male prison. Now, she is executive director of Comcavis Trans, an organisation that fights for the rights of El Salvador's transgender population.

Karla's troubles began in her childhood home. 'I fled from my home when I was 11 years old,' she says. 'I was terrified that my family would find out about my true gender identity. I had also been raped by cousins. One of them threw me out of the home saying, "in this family, there aren't any fags". I moved to the capital and started to do sex work. When you don't have anything to eat or anywhere to live, it's your only option.'

On the streets of San Salvador, Karla found violence on all sides. Older transgender women involved in sex work were jealous and abused her, while members of the city's notorious gangs tried to take money from her in exchange for security. 'I never gave them anything', Karla recalls, 'and that's why they tried to kill me. After one attempted murder, I had 14 bullets in my body – just because I wouldn't pay extortion. When I was in hospital recovering, they diagnosed me with HIV. That really destroyed me, but I never gave up hope.'

Caught up in violence, which Karla says was in self-defence, she found herself locked up in a male prison for six years. She was immediately targeted by authorities and gang members alike. 'The day I was imprisoned, over 100 men raped me. My health deteriorated rapidly.'

When Karla was released, she was determined to act. Along with other transgender activists, she set up Comcavis Trans, an organisation that works for the defence and human rights of trans people in El Salvador and is supported by Christian Aid through its partner FESPAD.

'I think there is something very important that unites us [trans communities]. It's our reality. The best thing we can do is work together. Look for strategies that allow the recognition of equality and of our rights.'

The work of Karla and others puts them constantly at risk. So, what keeps her going, when she's endured so much? 'I survive for love, for the struggle, for dignity. I was given the opportunity to leave this country but I refused because of pride. For me, it's not fair that they treat us like this. And that gives me strength and courage. That's why I don't leave.'

Sexual orientation intersects with other elements of identity, including ethnicity, race, migration status, economic status, etc, and these groups suffer a continual process of discrimination caused by impunity and the lack of access to justice.

LGBTI people who live in poverty are the most vulnerable to police harassment, with the highest levels of imprisonment. Government inefficiency to prevent, investigate and punish the murders and other crimes is closely linked to the high levels of prejudice that state agents have against LGBTI people. Every time impunity wins, a strong message to society is that this violence is tolerated.

## **Conclusion**

Latin America and the Caribbean's economic climates mask deeply entrenched inequalities which are driving staggering levels of physical and structural violence in the region. Intersecting inequalities, based on gender, race, sexuality, ethnicity and economic status compound the problem.

Christian Aid and its partners are dedicated to implementing programmes that tackle the root causes of violence. Law enforcement alone is very inadequate to tackling violence. Government needs to consider that policies to generate employment, provide protection, access justice and tackle attitudinal change are equally as important. Government institutions at different levels need to work together to guarantee the respect and exercising of human rights to live in a society with justice, peace and democracy, with women free of violence. Laws need to take into account the different impact of violence on men and women.

## 4. Inequality and fiscal justice



**Above:** Iara Pietricovsky de Oliveira of INESC, one of Christian Aid's partners in Brazil, at a Christian Aid tax campaign event in London.

Fair fiscal policies have the potential to play a huge part in reducing inequality in Latin America and the Caribbean. Fiscal justice should be a priority for the region's governments, given the declining levels of international development aid and the need to finance essential public services to guarantee inclusive development and human rights in the region, as envisaged by the SDGs.

The SDGs represent real ambition but if they are to be realised, the world needs to fill an estimated funding gap of some \$2.5 trillion annually.<sup>119</sup> In a push to address this gap, the role of private sector investment in SDG-related sectors has come to the fore, with calls for the least developed countries to seek twice the current growth rate of private investment.

### Unfair tax systems

Currently, the region is blighted by low levels of tax collection and regressive tax structures. Table 1 shows tax revenue as a percentage of GDP in the countries where Christian Aid works (with the exception of Haiti where this data is not available).

Most countries in Latin America as well as the Dominican Republic collect a much lower level of tax than they should for their level of development. According to ECLAC, 20% is the minimum amount that needs to be collected to achieve the SDGs.<sup>120</sup>

Globally, Latin America is one of the lowest regions in terms of tax collection, with an average of 21.7% of GDP – below sub-Saharan Africa, the US, the EU and the OECD.<sup>121</sup> This means there is considerable scope for raising more tax revenue.

**'The collection of taxes... should never be used to support the structures of the state to the detriment of its citizens, and certainly should not be used as a mechanism for maintaining privileges among an elite. Taxes used for the wellbeing of society will enable the redistribution of wealth and the reduction of inequalities.'**

Christian Aid, *Tax for the Common Good: A Study of Tax and Morality*, 2014

**Table 1:** Tax revenue as % of GDP

Country	Tax revenue as % of GDP <sup>122</sup>
Bolivia	28.7
Brazil	33.4
Colombia	20.3
Dominican Republic	14.1
El Salvador	16.5
Guatemala	12.6
Haiti	n/a
Honduras	19.8
Nicaragua	20.3
Latin America and Caribbean average	21.7
OECD countries average	34.2

Tax policy in Latin America and the Caribbean has huge potential as a tool for redistribution; it should correct the excesses of unequal income distribution.

There have been some good examples, such as Bolivia where the reformulation of its hydrocarbons tax regime provided resources dedicated to a new social protection programme. But overall, in Latin America and the Caribbean, the poor generally bear a much heavier tax burden than the rich. Thus, in many cases tax systems are doing very little to increase redistribution. Tax collection relies largely on indirect taxes (such as value added tax on goods and services, over half of all tax revenue) and to a lesser extent on direct taxes, mostly on income from labour rather than on wealth. This means that the burden of tax is carried by those least able to pay it, leaving high concentrations of wealth largely untouched. In Latin America and the Caribbean, the average revenue on personal income tax is 1.4% of GDP, compared to an average of 8.4% for OECD members. As it can be the most progressive tax, a larger share of personal income tax in the tax take could make a major contribution to equity within the tax system.

Comparing capital gains tax, the OECD captures 11.4% of GDP compared to 5.2% of GDP in Latin America and the Caribbean, which again tends to favour the rich. In the worst cases – Paraguay, Dominican Republic and Guatemala – this figure is less than 3.5%.<sup>123</sup> In Latin America, the tax rate actually paid by individuals belonging to the wealthiest 10% of the population averages only 5.4%, compared to 20% in the European Union.<sup>124</sup> Redistribution is also hampered by the low levels of property tax, which in Latin America brings in about 0.85% of GDP – a ridiculously low level. Three of the lowest performers include Dominican Republic, Honduras and El Salvador, all bringing in less than 0.2% of GDP.<sup>125</sup> According to ECLAC, the impact of fiscal policy in improving income distribution remains limited – after tax in Latin America the Gini coefficient is only 3 percentage points lower, whereas in OECD countries it is 17 percentage points lower.<sup>126</sup>

As Christian Aid partner Latindadd states: ‘To combat inequality in the region we need states to invest more in social protection policies with a feminist and human rights approach. Nevertheless, this is not possible if we maintain an unfair tax system that allows the rich not

## Unfair tax systems – the case of Guatemala

Guatemala’s economy has grown in the last two decades and the country is now classified as middle income. Even though tax reform was included in the 1996 Peace Accords, this has not been implemented in favour of the poorest. A near absence of public services and social protection, high levels of inequality and concentration of wealth – among the key drivers of the internal conflict – remain in place.

Guatemala continues to have the lowest tax revenue rate as a percentage of GDP (10% or 13%, depending on estimates) and one of the smallest government budgets in the region. This means that there is a severe lack of government resources to confront Guatemala’s acute problems, which include high levels of child malnutrition, and poverty rates that are twice the Latin American average.

In a recent report by ICEFI,<sup>1</sup> which considered the impact of fiscal policy on poverty and inequality in Guatemala, the conclusion was that overall fiscal interventions (taxes and social spending) increase poverty. Social spending, specifically, investment in education and healthcare, as well as cash transfers, have a slight influence in reducing inequality. However, once the tax system is introduced into the equation, overall fiscal policy results in an increase in poverty. ‘The increase in poverty occurs when the disposable income turns into post-fiscal income; that is, after the payment of indirect taxes; this is because such taxes are regressive.’

<sup>1</sup> Por qué los impuestos aumentan la desigualdad en América Latina?, Red de Justicia Fiscal de América Latina y El Caribe



to pay or pay very low taxes and provides unjustified tax privileges to multinationals who in addition employ complicated strategies to avoid taxes.<sup>127</sup>

## Tax evasion

Tax evasion continues to be a key issue in the loss of tax revenue in the region. It is estimated that in 2014, the equivalent of 2.2 points of GDP was lost through non-compliance with VAT and 4.1 points of GDP in the case of income tax, giving a total of \$320 billion. Corporate tax evasion levels reach 70% in some countries.<sup>128</sup>

Structural factors used to explain tax evasion rates include the complexity of systems, lack of awareness or tax education and high levels of informality.

## Tax and gender

Tax and fiscal policy have a key role to play, beyond overall redistribution, in reducing gender inequality. Tax can mobilise resources that can contribute to reducing gender inequality but further change is needed in tax policy to remove inbuilt gender biases that impact on women's economic inequality.

A recent report on women and fiscal policy from Christian Aid partner IEEPP highlighted the following aspects of bias in the tax system against women in Nicaragua.<sup>129</sup>

♀ Women generally carry out the daily household shopping, thus contributing more in VAT. Furthermore, products more commonly purchased by women (sanitary towels, hair conditioner) have a higher VAT than those consumed mainly by men such as shaving foam.

♂ The Nicaraguan tax system has lower tax rates on capital gains (property rental, bank accounts) than income tax, which benefits men as they have more goods and wealth than women.

In Colombia, Christian Aid supported the launch of a campaign *Menstruación Libre de Impuestos*, which loosely translates to 'the right to have a period without being taxed'. The aim was to generate public awareness about the unfairness of the tax system to women and convince politicians to make the tax system fair. The unfairness not only lies with the fact that hygiene products for women are taxed as luxury items, but also in the fact that women pay more taxes than men as a proportion of their income.

In December 2016, the Colombian Congress approved the tax reform. While this reform was not overly progressive, it did grant that hygiene products like tampons and sanitary towels are exempted from the general VAT of 19% and will be taxed at 5%.

This is good news for approximately 13 million Colombian women who use these products. The win came after the intense campaign was supported by more than 50 members of Congress from six different political parties.

Women are often heads of households and spend more of their money on household goods including food, clothing and medicines all of which mean they pay more in VAT. There is a lack of gender focus within tax policy and the current situation results in extra strain on the pockets of women including single mothers or women working in low paid work who can little afford this extra burden. In general, women earn 20% less than men for similar jobs and have fewer opportunities to access the labour market in Colombia.<sup>130</sup>

Gender-responsive budgeting has been one way in which civil society has held governments to account. In Guatemala, Christian Aid partner CODEFEM, together with other women's rights groups campaigned for more than 10 years to obtain legislation guaranteeing the use of a gender classifier in the national budget. This was to overcome the issue of having to negotiate with the government each year for a way to make gender visible in budgets, from local to national level.

CODEFEM shared information, trained public authorities, and organised advocacy activities to explain how to use this tool and to denounce the lack of its implementation by public bodies. The use of the classifier highlighted that, in 2014 despite an increase in the gender-responsive budget (ie, money marked up with the gender classifier) from 1.33% (2012) to 8.6% (2014) this still translates to less than \$2 per day per woman, which can hardly represent an investment in Guatemalan women.

There is increasing awareness that tax evasion needs to be confronted at national and global levels. The economic consequences as well as the exacerbation of inequality but also this means the state is unable to adopt appropriate tax policies. The lack of tax revenue means that funds are not there to support developmental and redistributive public policies.

El Salvador is a prime example of this. Christian Aid partner *Iniciativa Social para la Democracia* published a report in 2016 which highlighted that the Salvadoran tax system, characterised by its regressive nature, also showed high levels of tax evasion (in 2013, 40% of income tax and 53% of VAT was evaded).<sup>131</sup> This situation will only serve to discriminate against the poorest populations in El Salvador because the government does not have sufficient financial means to deliver adequate, basic services such as health, education and water. At present, some tax avoidance and evasion practices are not covered in law, limiting the ability of the state to take action.

A further challenge, highlighted recently in the Dominican Republic, is that when taxpayers do not see quality in spending of their taxes they are unlikely to reduce practices of general tax avoidance. The Dominican Fiscal Justice Network found that confidence in the state and the use of taxes is important to ensure that positive changes in the tax system are recognised and supported.<sup>132</sup>

### **Highlighting fiscal (in)justice in the region**

Latindadd, the coordinating organisation of the Latin America Fiscal Justice Network (a Christian Aid partner), seeks to improve understanding on issues of fiscal justice and how these affect people in Latin America and the Caribbean.

Latindadd works through member organisations to promote popular education on key topics. It also works with important tax authorities in the region to engage in dialogue and encourage alternatives and improvements for fiscal justice.

Latindadd is a member of the Global Alliance for Tax Justice (GATJ) which means it can link global fiscal justice issues such as tax avoidance (eg, profit shifting by multinationals and the financing of the SDGs) with the effects these have in Latin America and the Caribbean.

Latindadd has promoted the global campaign organised by the GATJ, 'Multinationals – pay your share'. After the first year of this campaign in 2015 it stated: 'Everything carried out in the first 365 days with events and marches in different countries in the region, builds awareness about the problems of tax avoidance and evasion.'<sup>133</sup>

Latindadd regularly coordinates meetings with civil society organisations and governments.

For example, in October 2016 it held a meeting with members of 14 tax administrations from across the region. This was one of a series of annual events aiming to create a space for dialogue between tax administrators and civil society on international tax to strengthen the fight against evasion and avoidance by multinationals and combat the accumulation of wealth in offshore territories and tax havens.

Centro Interamericano de Administraciones Tributarias (the Inter American Center of Tax Administrations) has welcomed the work of the Latin America Fiscal Justice Network as a way of strengthening the cooperation of tax administrations and creating further space for dialogue.

The Panama Papers leak in 2016 served to highlight once again the global nature of tax evasion and implicated key figures across the region, including President Macri of Argentina. It also highlighted the huge sums of money hidden in tax havens. For example, in Colombia alone it brought to light the fact that there are an estimated \$100,000 million held in tax havens.<sup>134</sup>

Between 2002 and 2015, the fortunes of Latin America's billionaires grew by an average of 21% per year and Oxfam estimates this is six times greater than the growth of GDP in the entire region. As this wealth is predominantly kept offshore in tax havens, it means a high amount of the benefits of growth in the region remain in the hands of a few and the benefits are not seen by the majority of the population.<sup>135</sup> ECLAC estimates that evasion and avoidance of personal and corporate income tax cost Latin America more than \$190 billion, or 4% of GDP, in 2014.<sup>136</sup>

### The morality of tax

**'Poorly designed tax systems, tax evasion and tax avoidance are costing Latin America billions of dollars in unpaid tax revenues – revenues which could and should be invested in tackling poverty and inequality.'**<sup>137</sup>

Christian Aid has considered the theological and moral aspects of fair tax, something which resonated strongly with church partners in Brazil.

In *Tax for the Common Good: A Study of Tax and Morality*,<sup>138</sup> the Most Rev Francisco de Assis da Silva, Primate Bishop of the Episcopal Anglican Church of Brazil stated: 'If the state is to be based on a foundation comprised of ethical and moral values, it must ensure that these values extend throughout its institutions and its processes to fulfil its purpose.'

'In this sense, if taxation is the state's main source of income, the distribution of the funds raised through taxation will always depend on the understanding of the different authorities within the state. Tax revenues could be used to reinforce domination, or could be directed by ethical and political criteria of service to society, particularly in the vulnerable or excluded sectors (in the Bible, these are represented by the poor, foreigners, orphans and widows).'

Indeed, throughout Latin America and the Caribbean, liberation theology emphasised the role of the state as an upholder of social justice. In more recent times, more conservative sectors of the church have gained prominence in the discourse in the region, but many churches and faith organisations continue to highlight the morality and ethics that should be associated with a fair and transparent state.

### Tax incentives

In Latin America and the Caribbean, the most dynamic and profitable sectors are often those that benefit from the most tax concessions. Tax incentives – deductions, exclusions or exemptions from tax liability offered as an enticement to investors – are a big part of this overall picture of fiscal policy and how it contributes or not to reducing inequality. Since the 1980s, tax incentives have been a common mechanism used by governments in the region, ostensibly to attract foreign direct investment (FDI). Incentives can be a legitimate way to stimulate certain sectors of the economy, but if poorly planned or granted as part of opaque or corrupt agreements then they can add to the burden of the poorest taxpayers, depleting government budgets and creating unfair market competition.

Action Aid estimates that the annual corporate income tax foregone as a result of tax incentives in Latin America and the Caribbean is likely to run at \$33.2 billion a year.<sup>139</sup> Benefits associated with tax incentives include attraction of foreign investment, competitiveness,

job creation and boosting local economies. However, in many cases decisions on foreign investment are based on other factors, such as a skilled workforce, infrastructure, and economic and political stability, over tax incentives.

### No incentive for gender equality

No tax – or tax incentive – is ever gender neutral and will have different consequences for men and women, given the existing social and economic inequality between the sexes. However, if used effectively, progressive taxation and well thought out incentives could help tackle inequality and gender imbalance. For example, incentives could be designed to reduce pay gaps and inequality among workers and taxpayers. But instead, we often see incentives leading to more inequality and exploitation, as seen in the case of women workers in Special Economic Zones.

Christian Aid partner CEDLA has conducted gender analysis on tax and spending policies in Bolivia. It found that there are few incentives on offer to support businesses willing to help address gender inequality.

For example, there are no special tax treatments for those companies with informal workers to help them formalise the status of their employees – and most of these workers tend to be women.

Neither are there any incentives to prioritise the employment of those who are most discriminated against and disadvantaged, such as tax breaks offered for companies that offer training or hire more women, younger people or ethnic minorities.

Finally, there are no incentives for companies to provide care arrangements such as childcare in the workplace, educational grants, canteens or flexible working. Clearly, employers could be encouraged to introduce such staff benefits by offering them tax breaks as an incentive.

### Popularising a complex matter



FIFA's Foul Play (Las Jugadas de la FIFA) was a tax campaign led by InspirAction Spain (Christian Aid in Spain) in conjunction with Christian Aid and partners from across Latin America and the Caribbean.

The 2014 World Cup provided an opportunity to campaign on the extensive tax exemptions imposed on

Brazil by FIFA and its sponsors as part of FIFA's conditions for countries hosting a World Cup. The exemptions were estimated by the Brazilian Public Accounts Tribunal to be about £228m.

This is a sum that Brazil, an extremely unequal country and with high levels of poverty, can ill afford to grant, especially as the total bill of the sporting event came to a massive £7bn, half of which was footed by Brazilian federal, state and local authorities.<sup>140</sup>

The campaign gained public support, thanks to existing discontent for the enormous financial and social cost of the event, as well as the accessible way in which the campaign exposed links between tax incentives, poverty and inequality.

Securing coverage of the campaign in Spanish, Latin American and British media also helped raise awareness of a little-known issue.

A regional study by ECLAC found that incentives tend to play only a secondary role in the decision to invest in a particular country,<sup>141</sup> while an Inter-American Development Bank study found that incentives in Colombia have failed to stimulate FDI.<sup>142</sup> What *has* been found to play a far more decisive role in attracting FDI are business enabling factors such as skilled workforce, infrastructure, economic and political stability, legal certainty, security and market access.



All of these require a state that is able to provide public goods, services and institutions, paid through taxation. However, governments seem to be stuck in a catch-22 situation, trying to use incentives to attract investment, but in doing so eroding their tax revenue and reducing their ability to invest in ways that will genuinely increase the prospects of attracting useful FDI.

Instead of increasing competitiveness, tax incentives can lead to a race to the bottom as countries try to outdo each other. Jobs created are often low paid, precarious and workers (generally women) lack basic labour rights. Foreign investment also often brings few benefits to the local economy and profits are exported.

## Social spending

In addition to issues of tax collection and regressive tax structures, other areas of fiscal policy also play a part in enhancing inequality in the region, in particular the decisions made by governments on social spending. The two decades up to 2012 saw an increase in social spending, mainly in social security and assistance/welfare, in part because of increasing ageing populations.

Some countries in the Caribbean have been the exception to this increase in spending. Unsurprisingly, given the major earthquake in January 2010 and the continuing challenges facing the country, Haitian social spending trends are erratic. The population's access to basic social services is particularly worrying. Spending on education has increased, rising to 4.2% of GDP by 2014, which is close to the average for Latin America and the Caribbean, but access to and quality of education remain obstacles.<sup>143</sup> Increased investment in health, housing and security remains key.

One social spending approach that has gained much attention is the conditional cash transfer programme. This model provides welfare payments in cash directly to poor households, targeted on the basis of means testing, and often combined with conditions – such as prenatal checks or children attending school – being met. As cash is directly transferred into the hands of the poor (often linked to the take up of education or health services), there is a high potential for this to reduce income inequality. Welfare programmes such as these are critical to guarantee the poorest have at least a minimal income to ensure their basic right to food is guaranteed.

However, cash transfer programmes are very different between countries. In Central America, the Dominican Republic and Haiti, basic welfare assistance is especially poor. One key reason social spending increases have not had big impacts is that amounts spent on cash transfer programmes are very small in reality. Perhaps unsurprisingly, the conclusion is that to have a significant impact on poverty and inequality the national programmes must cover sufficiently large numbers of poor and transfer sufficiently generous amounts. Further challenges include expanding cash transfers to link with other policies on education, health and workplace inclusion.<sup>144</sup>

A key challenge of cash transfer programmes is that they can reinforce conventional thinking around gender divisions of labour as mothers must carry out unpaid work, attend meetings and clinics (and often more) to comply with the conditions attached to the payments, while also caring for their children. In addition, women

throughout Latin America have expressed a preference for training to enhance their employment prospects, for example in setting up microenterprises, marketing and managing finances – instead of workshops on health and education.<sup>145</sup> As cash transfer programmes are not combined with job creation for women, this hinders their rights, their potential to earn an income and limits their ability to engage in a role beyond that of primary caregiver.

Since 2012, slower growth rates and weakening economies have reduced opportunities for expanding social spending. The end of high commodities prices, political change and global economic shocks have all impacted on social spending in the region. Social spending should not be reliant on the economic cycle and some countries have created minimum spending on certain sectors, eg, health and education. In many countries, new financing sources and mechanisms need to be found to safeguard advances that have been made.

Many organisations are now highlighting the need for universal social services to go beyond targeted cash transfer schemes to provide long-term, sustainable reductions in inequality. ECLAC maintains that universal social services are key to implement the SDGs in the region.<sup>146</sup> The prominence of targeting is essentially following the US model, however evidence shows that the creation of generous and universal public transfers and services is the best instrument to secure redistribution of income.<sup>147</sup>

The latter is a model that the region should not ignore. It brings a range of benefits – including support from the middle classes, less segmented societies and higher-quality service provision.

## Conclusion

Fiscal policy has a huge potential for decreasing inequality. Conditional cash transfer programmes are much lauded, but coverage still leaves a great deal to be desired and it is not a model that can be genuinely transformative unless combined with a range of complementary measures. Much higher social spending is needed to move towards the provision of high quality, universal social services. Social spending also needs to be guaranteed in the face of economic downturns or political change. There is a need for a dramatic overhaul of the regressive, gender-biased tax systems in the region. Attention must be given to increasing the tax take from personal income and corporate taxes and property taxes.

There is also a growing recognition that economic growth in Latin America and the Caribbean, which has predominantly relied on export-led growth, has failed to combat inequality and poverty. Profits from this growth have not reached large swathes of the population and have been significantly reduced by the use of tax incentives. Furthermore, this model is unsustainable: economically, socially and environmentally. The SDGs have highlighted this need to balance economic, social and environmental factors as future development models are designed. Fiscal policies covering investment – both public and private will need to take this into account. Combating evasion and avoidance as well as ensuring tax incentives are fair and transparent are also key to overhauling tax systems. The region's rich are long overdue in paying their fair share.

There is of course much variety between countries and it is clear priorities are not the same. The low spenders in Latin America are Guatemala, Honduras, Nicaragua and Bolivia (which all spend less than \$300 per capita).<sup>1</sup>

In the case of Honduras, the share of the budget designated for education and health spending were 32.8% and 14.7% respectively in 2010, but by 2016 these had fallen to 20.1% and 10.1% respectively. Meanwhile, spending on security and defence grew from 11.7% in 2010 to 13.6% in 2016.<sup>2</sup>

The high spenders include Argentina, Chile, Costa Rica and Uruguay, which spend more than \$2,000 per capita. In Colombia, social spending is 30.6% of total budget compared to 39.5% in Peru and 63.5% in Argentina.<sup>3</sup> Still, social spending has not had a large redistributive impact in the region. One reason is a large proportion of social spending goes on social security and this payment is of most benefit to those with higher incomes.

1 Social Panorama of Latin America, ECLAC, 2015.

2 ¿Hacia Dónde va la Política Fiscal Hondureña?, ICEFI, 2016.

3. Mario Valenciana of Red por la Justicia Tributaria, quoted in *El Tiempo*.

## 5. Inequality and decent work



**Above:** A family planting bean seeds in a very steep slope in the village of Despagne near Jeremie in Haiti.

Everyone should have access to quality and secure employment, access to labour markets with equal opportunities, and a fair share of the benefits of economic growth. The link between decent work and development has come to the fore as one of the most effective ways to ensure that the benefits of development are shared.<sup>148</sup>

Goal 8 of the SDGs states: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.'

In an internal paper on decent work, Christian Aid said: 'Two dimensions of sustainability are important: for the environment, itself; but also for people's ability to enjoy a decent standard of living as well as core rights in their workplaces. An agenda that leaves no one behind should therefore provide *decent* employment opportunities: jobs in safe working conditions that pay at least a living wage, and offer progression and security.'

Access to quality jobs constitutes one of the big challenges to be addressed in the region, and it is also an obstacle to achieving future reductions in inequality. There is a growing consensus that poverty, extreme poverty and inequality in Latin America and the Caribbean cannot be sustainably overcome without actions to create sustainable jobs in urban and rural areas, particularly for those who are most marginalised.

**'Employment and changes in employment affect inequality in Latin America more than economic growth does'**

World Bank, *Education and productivity, key to reducing inequality during low-growth periods*



## Informality

The region is characterised by a high level of precarious, informal and low-productivity jobs. More than half of the 300 million people employed in Latin America and the Caribbean work in micro-enterprises, as unqualified self-employed workers or as unpaid workers.

Furthermore, of the 50 million small and medium enterprises in the region, 37 million are informal, highlighting the huge issue of informality in the region.<sup>149</sup> The percentage of informal workers has not reduced in recent years despite economic growth, leading the ILO to identify informal work as one of the key challenges for human development and inequality in the region.<sup>150</sup> Informality particularly affects women, migrants, indigenous, Afro-descendants and those with lower educational levels, which contributes to ongoing inequality.

Those in informal work generally do not have any kind of social security nets. Improved policies on pensions, healthcare and maternity leave are vital in both formal and informal work to reduce vulnerability of women and men. Another critical policy is that governing minimum wage, which has great potential to reduce inequality and the poverty of low-income workers. We already know that trade unions play a critical role in reducing wage inequality, as well as in improving conditions and the broader benefits workers receive. Trade unions, however, do not have a happy history in the region, where there are widespread anti-union policies and practices.

### Rights for informal workers in Brazil



**Above:** One of the street vendors in São Paulo.

In São Paulo, Christian Aid's partner Gaspar Garcia Human Rights Centre (CGGDH) works with some of the most excluded categories of informal workers in the city, including Bolivian migrants, often working in conditions of semi-slavery.

São Paulo is a metropolis of more than 20 million people. A large proportion of people live in poverty because they earn salaries insufficient to meet their needs and public social policies do not cover this gap.

CGGDH supports street vendors with a range of activities, including legal advice, support with organising, and advocacy with local institutions and authorities to make the vendors more visible and highlight the needs of informal workers (eg, lack of access to credit, welfare benefits, access to housing). It also facilitates dialogue and negotiation of rights with local authorities.

The creation of the Street Vendors Forum for informal vendors from across the city has been successful in supporting vendors to engage with local institutions and authorities. This has helped create a democratic space for these workers to organise. Recently, CGGDH has strengthened its work on empowering women informal vendors, who often face added levels of harassment and violence at the hands of police, as well as violence at home and on the streets. The current work focuses on strengthening women's participation in the Street Vendors Forum, and creating more opportunities for them to become leaders in the sector and organising the defence of their rights. This includes legal aid, legal surgeries and advocacy workshops to address GBV. Women who have been part of this work have already been able to influence local leaders and also train other women facing similar situations.



## MSMEs

The progress of micro-, small- and medium-sized enterprises (MSMEs) is critical, given the bulk of employment in Latin America and the Caribbean is created by these. Over half of the 300 million people employed in the region work as salaried employees in micro-enterprises with fewer than five workers, as unqualified self-employed workers, or as unpaid workers. These conditions employ 7 out of 10 working people who live in poverty, and 5 out of 10 working people who are in a vulnerable situation.<sup>151</sup>

Investment in and support to MSMEs has been minimal and yet has the potential to create work in economically marginalised areas. However, it is unsurprising, given attention has clearly been focused on the export-oriented extractive model promoting sectors such as agro-export, biofuels, mining, and oil and gas. The last decade has seen a huge expansion in these sectors. There are many shortcomings inherent in this approach, particularly land concentration and all the social, environmental and human rights impacts implied by this. This also results in few policies to promote sustained MSME development. Policies are needed that include more access to credit, procedures that facilitate the registration of workers, fewer unfair advantages given to large foreign companies through tax incentives and more progressive tax structures.

## (In)decent wages

Tax policy such as the use of tax incentives means that in many cases the quality and wages of jobs created through foreign investment is poor. Many countries in the region have minimum salaries set by law; these wages often do not reflect the real needs of workers and can legitimise employers who pay low wages. Workers' groups (ie, not just trade unions, but also informal workers' organisations) have started advocating for the right to a decent salary or living wage. According to a study of apparel worker wages between 2001 and 2011, the real value of salaries in Mexico, Honduras and El Salvador decreased on average by 14.6%, while average wages of apparel workers only reached 41% of estimated living wages in El Salvador, 50% in Guatemala, 47% in Honduras, and 40% in the Dominican Republic.<sup>152</sup> A recent study in Haiti found that 'the current cost of living is more than four times higher than the minimum wage of reference'.<sup>153</sup>

Two further issues in the stagnation of inequality reduction are lower growth in labour income at the bottom of the income pyramid and less effective social assistance.<sup>154</sup> In Brazil, for example, the decline of inequality during the 2000s resulted more from the effect of salaries and pension plans indexed to the minimum wage than from cash transfers, such as Bolsa Familia.<sup>155</sup> If salaries and pensions do not keep up with the cost of living, as has been the case in the last few years, then we are bound to see a regression in the progress made.

## Unfair labour markets

Labour markets in Latin America and the Caribbean are characterised by deep divisions between quality, earnings, formality of jobs, opportunity for upward occupational mobility and access to social protection. These intersect with inequalities based on gender,

## Support for small dairy farmers in Haiti

MSMEs struggle to compete against large, often foreign owned companies that receive tax incentives or preferential access to markets.

In Haiti, Christian Aid has supported partner Veterimed's Lèt Agogo programme in its research into sustainable actions that can enhance local milk production and allow small farmers to participate in the effective revival of national milk production. Since the launch of the first production of sterilised milk in 2006, Veterimed now has 36 dairies throughout Haiti.

Veterimed had begun to discuss opportunities to diversify production and in 2015 they restarted cheese production (on hold since the earthquake). Veterimed now produces Cheddar and Gouda cheeses. These have the potential to enhance the Lèt Agogo network and continue to promote the production of local milk.

Many efforts have been made to build the capacity of dairy staff to be a core driver of cheese production and learn the process. Four dairies of the network are involved in the production of cheese – Forêt des Pins, Bon Repos, Verrettes and Hinche. These dairies currently have an annual output of 40,000 pounds of cheese and have potential to quickly double their production according to the market need. Milk collected from more than 260 farmers is used in cheese production at these dairies.

The main clients for the cheese produced by Lèt Agogo are large hotels in Port-au-Prince, supermarkets and restaurants.

race, ethnicity, age, geographic location and disability to create further obstacles to overcoming poverty and inequality in the region. For example, an indigenous woman from a rural area is far more likely to be employed informally or in minimally protected sectors such as domestic work.

To break this cycle, governments and civil society need to recognise and proactively address this problem. Some ways this can be done include supporting informal businesses (particularly small and micro businesses) with registration and accessing finance, so more workers employed by them can also access better livelihoods and social safety nets including increased access to pensions, maternity leave, enforcing the basic rights of workers, such as health and safety and working time regulations and living wages; and investing more in young people's education (including professional and vocational education) and in adult learning, because the skills gap is often identified as a major hindrance to finding a job, and ultimately to the future of a country's economy.

It is also important to ensure that all these measures take into account the different dimensions of inequality and exclusion and prioritise those most affected by gender norms, ethnic/racial, age discrimination. This includes fostering changes in employment policies and practices (for example by supporting women to enter sectors that are traditionally dominated by men, providing childcare or other caring arrangements, or introducing quotas in certain professions or roles) to address gender inequality and accelerate the closing of disparities, and introducing affirmative action to overcome ethnic and racial discrimination in the workplace.

A further example is the Special Economic Zones in Central America. The workers, predominantly young women with only basic education, earn low salaries, work unpredictable and long hours with precarious contracts and regular flouting of national laws regarding employment rights and benefits (eg, maternity provisions, health insurance and pension contributions).<sup>1</sup> Gender pay gaps are common.

<sup>1</sup> Agenda de los derechos laborales de mujeres trabajadoras de la industria maquiladora en Centroamérica

## Work and the gender gap

**Employment opportunities:** Though the gap has narrowed, women still participate less in the labour market compared to men: 50% versus 71%.<sup>156</sup> Women are more likely to be unemployed than men across all socioeconomic strata. On average, women earn 22% less than men and are more likely to be in temporary, low paid, precarious work with no benefits such as maternity leave.

The biggest gaps in terms of quality work distribution between men and women can be found in Nicaragua, Bolivia, Peru and Colombia,<sup>157</sup> even though women in Latin America and the Caribbean have better access to education than ever before. Furthermore, male, white managers with female, minority subordinates are regularly accepted as the norm.<sup>158</sup>

**Unpaid care work:** Women also shoulder the burden in terms of unpaid care work – housework (including collecting firewood and water) and care of family members. For example, in Honduras in 2009, employed women spent on average seven hours a day in unpaid work compared to one hour for men.<sup>159</sup>

This disparity is even starker among the unemployed. For example, in Colombia unemployed women work 35 hours per week, compared to 12 hours per week for men.<sup>160</sup>

Unpaid care work generally carried out by women is further increased in rural areas. A lack of services such as water and electricity mean that women spend longer fetching water and firewood. A lack of access to energy (electricity) means no domestic appliances, which increases the time spent on daily tasks such as cooking and washing clothes.

Care policies need to be designed as universal policies with a focus on rights. This is particularly important where countries are facing ageing populations. A cultural shift to more equitably dividing household tasks between men and women will also be necessary.

A recent study by Christian Aid partner IEEPP highlighted some key issues and statistics about women and employment in Nicaragua:<sup>161</sup>

- Women have fewer opportunities for work due to unpaid care responsibilities.

*Continued overleaf*

*Continued from p50*

- Women are considered to be less productive. Often women set up small or micro businesses in the home to ensure they can also cover domestic duties, but this takes them away from the business.
- Women who work in health, manufacturing, commerce and agriculture earn less than men.
- Women are much less likely to be owners of small- or medium-sized businesses (9.7% of women are small businesses owners, compared to 58.1% of men, and for medium-sized businesses the gap is even larger, 7.9% women and 61.1% men).
- Of the women who own businesses, more than 50% are heads of households, which implies double work.

Christian Aid partner CEDLA's report about women and employment highlighted that despite the economic advances in Bolivia during the last decade and steps forward in some areas of gender inequality in Bolivian society, women have not seen an improvement in their employment opportunities.<sup>162</sup> Women continue to make up a majority of workers in the informal sector, in low qualified jobs and poorly paid and precarious jobs, limiting their access to social and employment rights.

According to CEDLA: 'Employment, salaries and other labour conditions continue to be the main variables for adjustment to maintain a subordinate insertion in the global economy and to mitigate the effects of the capitalist crisis on the national economy.' This has increased the precarious nature of labour and affected women the most. In 2014, 34% of salaried women and 75% of independent workers faced extreme employment instability, with an income below the cost of the food basket. It is not only women in the informal sector who are affected – in general women in Bolivia also face higher unemployment levels than men.

### Rural employment

The gender gap in rural settings is even more striking. Agricultural work is still the main economic activity in rural areas and women often work in subsistence farming, provide unpaid work to support male 'heads of family', have little access to land of their own or to commercialisation channels.

One of the key obstacles for rural women is their low education levels. In a 2010 study in 13 countries, over half of rural women had between zero and five years of schooling, and many countries had very high levels of illiteracy among agricultural female workers: Peru (65.9%), Guatemala (60.7%), Bolivia (45.8%) and El Salvador (37.5%).<sup>163</sup>

In areas where crops are grown for export – such as the flower industry in Colombia – women are recruited in higher proportions, but tend to be employed for low salaries on a temporary or seasonal basis, with little protection of their rights.

In the Bolivian Amazon, Christian Aid has explored opportunities to combine women's employment with strengthening women's participation in decision making. Christian Aid has worked with young women in Amazon communities, who often become mothers at a very young age, have few opportunities to finish their education, take up income generating opportunities or follow their dreams for personal development outside the home.

Christian Aid, CIP and Soluciones Prácticas are embarking on a project to contribute to strengthening the organisation and effective participation of young people in decision making forums on issues that affect them and to build local commitment and capacity to support youth entrepreneurship in the southern and western Bolivian Amazon.

## Sustainable jobs

Discourse on 'green jobs' has become much more common within the development agenda.<sup>164</sup> The UNDP Human Development Report for 2015 talks about work as a means to tackle poverty and overcome inequality by empowering minority groups, as well as protecting the environment through green jobs.<sup>165</sup>

The need for increased employment to reduce inequality cannot be at the expense of the environment. Equality and sustainability are at the heart of the SDGs and it is not only the quality of jobs that needs to change. Growth in Latin America and the Caribbean has been characterised by the export of extractives and large agri-business.

With the exception of Bolivia, where the profits of the oil and gas industries have been invested in social protection programmes, past

windfalls resulting from export-led growth have not been used efficiently to tackle inequality or to create more inclusive, diversified economies, or to strengthen the labour force and worker's rights.<sup>166</sup> This is leading the region well away from a model of fiscal policy and development that is inclusive, green and sustainable.

### **Faith and youth participation to develop social responsibility and sustainability in Dominican Republic**

In Latin America and the Caribbean, young people are three times more likely to be unemployed than adults.<sup>167</sup> The Dominican Republic is one of the countries where regional partner CREAS runs an international diploma in leadership, social responsibility and sustainability in conjunction with the Evangelical National University. This aims to build the capacity of young entrepreneurs to develop socially responsible and sustainable economic projects.

Modesto Ventura, one of the participants, said the course is 'an opportunity to exchange ideas and explore new ways to add a social sustainability angle to our work.' Modesto's business Modest Details creates furniture and decorations with raw and recycled wood. He explains: 'We take what large companies throw away... and using a range of materials, colours and textures, transform them into exclusive furniture.'

Modesto is coordinating a pilot called 'Study, learn and work' in the Los Corales neighbourhood of El Almirante, a very poor area in the city of Santo

Domingo, where most people's incomes come from informal work.

Modesto's dream is 'to create job opportunities for young people who do not have a job or income, like Pablo, who recently came to us with no job and wishes to study. We welcomed him and now he is studying for his career and works in the administrative area of Modest Details.'

This initiative is creating new relationships in the community and generating awareness about the need to take care of the environment. Modesto and his team are talking with cardboard recyclers to link them to the project.

He added: 'We want to be a company which contributes to community education, not simply profiting from economic goods... it is not our vision to become wealthy, but to create more opportunities for young leaders.'

According to Modesto, there are opportunities in the Dominican Republic, but they require university level education. 'There are so many talented young people, and this international diploma programme has been an opportunity to take advantage of those skills and to allow us to gain access to education to break out of the cycle of inequality,' he says.

## **Conclusion**

While there have been some reductions in unemployment and increases in productivity, wealth in the region continues to be concentrated in the hands of the few and a large portion of the workforce remains trapped in informal or low quality jobs, where workers' rights are often not respected. People in this group include those facing long-standing obstacles due to their gender, age, class or ethnicity and who end up being routinely left behind from one generation to the next. These dimensions of inequality represent a phenomenal barrier, especially when they intersect. As Latindadd states: 'It is important to highlight the issues that need tackling together such as the high levels of informality, generation of dignified work, measures to protect the environment and the respect of human rights and of indigenous peoples.'<sup>168</sup>

Decent jobs can create real and shared wealth. Yet not enough decent jobs will be created unless states diversify their economies, invest in their labour force (education and ongoing training), strengthen and enforce labour rights, and introduce social protection mechanisms for all.



## 6. Inequality and low-carbon development



**Above:** A mine site in Ariquemes, Rondônia state, Brazil. Mining, cattle ranching and soya cultivation have resulted in Rondônia becoming one of the most deforested places in the Amazon, and caused tensions and violence between the migrant and indigenous populations.

Former UN Secretary-General Ban Ki Moon, among others, has acknowledged that climate change is the ‘defining issue of our time.’ In his report, *Progress Towards the Sustainable Development Goals*, he states that: ‘Climate change presents the single biggest threat to development, and its widespread, unprecedented impacts disproportionately burden the poorest and most vulnerable. Urgent action to combat climate change and minimize its disruptions is integral to the successful implementation of the Sustainable Development Goals.’<sup>169</sup>

The impacts of climate change in Latin America and the Caribbean are being and will be felt much more strongly by the poorest and most vulnerable in society, those who have no alternatives to where they live or how they earn a living. Therefore climate change is likely to lead to further increases in inequality in the region.

The global nature of climate change calls for broad international cooperation in building climate resilience and adaptive capacity to its adverse effects, developing sustainable low-carbon pathways to the future, and accelerating the reduction of global greenhouse gas emissions. On 22 April 2016, 175 member states signed the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). The new agreement, which officially came into force on 4 November 2016,<sup>170</sup> aims to reduce the pace of climate change and commits countries to transition to a zero-carbon climate-resilient future, by limiting the increase in global average temperature to well below 2°C above pre-industrial levels, while

**‘Although LAC is likely to continue to be the region with lowest carbon content of any regional energy mix through 2050, current patterns of economic development will result in increased carbon emissions in the region. There is therefore a need for countries to seek ways to better green their economies, and reduce their dependence on fossil fuels.’**

Global Environment Outlook GEO-6  
Regional Assessment for Latin America  
and the Caribbean, 2016

pursuing further efforts to limit the temperature increase to 1.5°C above pre-industrial levels.<sup>171</sup>

There is huge potential for renewable energy throughout Latin America and the Caribbean, which is largely untapped. Yet to have a chance of reaching the 1.5°C goal, countries need a big shift to renewables and to stop investing in and remove subsidies for fossil fuels. This must be coupled with a strategy for demand-side management approaches to reduce energy consumption and promote energy efficiency.<sup>172</sup>

For Latin America and the Caribbean to effectively achieve the commitments of the Paris Agreement, it is imperative that countries shift from public and private investments in fossil fuels towards zero-carbon energy, which in turn will support sustainable and equitable economies. However, given the region's current economic model which is dependent on extractive industries, agribusiness and mega-projects (including fossil fuels, large hydro and industrial biofuels), this will be quite a challenge. Furthermore, the region still faces unequal access to energy – the poorest and most vulnerable, primarily in rural areas, are those with least access, showing that energy investments are not benefiting those most in need.

Yet these are challenges that, at least on paper, those countries in the region that are members of the Climate Vulnerable Forum – Haiti, Dominican Republic, Guatemala and Honduras – pledged to tackle during the UNFCCC's COP22 climate negotiations in Marrakesh.<sup>173</sup> We believe that public opinion in the region still needs to be mobilised to force bold government and private sector action, and that finance lies at the heart of the problem and solution on climate change.

Governments in the region cannot act alone, and must ally with the progressive business and investor community, which made a valuable contribution to the success of Paris with their public support for an ambitious deal.<sup>174</sup> Both public and private finance and investment must shift from fossil fuels and high-carbon infrastructure and development towards low-carbon, clean and climate-resilient options for a cleaner, safer and brighter future.

Countries with a lack of access to modern energy services must also be supported to achieve universal energy access, giving priority to decentralised and off-grid technology to break the energy poverty trap and deliver energy access directly to hundreds of millions of people in rural areas who live off the electricity grid and cook on wood or charcoal fires.

The UNFCCC and SDGs need to become important drivers of national climate and development policies. The Paris Agreement, as an integral component of SDG 13 to 'take urgent action to combat climate change and its impacts', will provide the world, even during uncertain times, with the basis for collective climate action and climate-compatible development, which could not have been achieved through purely domestic policy, bilateral and regional relations. As these agreements are being implemented, actions taken to tackle climate change will constitute a step towards addressing the current and future factors that deepen poverty in the region or undermine the progress that has already been made. Tackling climate change is thus a fundamental action for poverty

Breaking the power relationship between fossil fuel companies and our financial and political institutions is necessary to enable the sustainable economy that we know we need to flourish. We understand that the solution must be systemic, and a strategic mass movement of investment capital from fossil fuels into renewables could prompt such a systemic shift.

eradication and getting closer to ensuring more equitable and sustainable development for people and communities in Latin America and the Caribbean.

## Climate vulnerability

A number of Latin American and Caribbean countries are counted among the most vulnerable in the world to climate change, a phenomenon that comes with significant inequality at its core. Climate change is likely to lead to deepening inequality for the countries and people who have contributed least, yet who suffer most from its impact and consequences.

The economic cost of such destruction to the region is potentially massive, with one study calculating that it is 'estimated to gradually increase and reach approximately \$100 billion annually by 2050'.<sup>175</sup> This makes it more crucial for climate change to occupy an increasingly prominent place in the debate on sustainable development. It will also help to ensure that sustainable development is approached integrally, considering not only its economic aspects but also environmental and social dimensions.

Despite some improvement in socioeconomic conditions across most of Latin America and the Caribbean in recent years, the most recent report from the Intergovernmental Panel on Climate Change stated that 'there is still a high and persistent level of poverty in most countries resulting in high vulnerability and increasing risk to climate variability and change'.<sup>176</sup> This is likely to lead to deepening of the inequality between the haves and the have-nots. Increasingly unpredictable weather patterns in the region will directly threaten the livelihoods of thousands of small-scale farmers, water supply and heavily water-dependent agro-export models.

It is the poorest, living without early warning systems, emergency plans, infrastructure or financial support to cope with disasters, who will disproportionately suffer from climate change. The increasingly serious effects of climate change expose the region's poor to ever-greater threats with major and slow-onset emergencies eroding their income and assets. Therefore, the link between climate change and poverty becomes progressively more obvious, particularly in the Central American 'hotspot' which is home to some of the poorest people in the region.<sup>177</sup>

Haiti is another country where vulnerability to disasters (including an increasing frequency of extreme weather events) and high levels of poverty collide. In 2016, Hurricane Matthew provided an opportunity for Christian Aid and partners responding to this humanitarian crisis to call for the implementation of commitments made at the World Humanitarian Summit (WHS). The first WHS in 2016 resulted in the Grand Bargain, a commitment by major donors and the largest humanitarian organisations to make their spending more flexible, efficient, transparent and effective at a local level.<sup>178</sup> Christian Aid and partners in Haiti called for response to Hurricane Matthew to 'use rather than replace local capacities; ensure at least 25% of aid was directly channelled to national NGOs; and ensure accountability to affected communities was strengthened'.

Latin America and the Caribbean is home to a significant portion of the planet's natural wealth.<sup>179</sup> The future of the region's economies,

## Long-Term Climate Risk Index

According to Germanwatch's 2017 Long-Term Climate Risk Index, four countries from Latin America and the Caribbean have been identified in its top 10 countries most affected by the impacts of weather-related loss events over a 20-year period from 1996 to 2015 – Honduras (first), Haiti (third), Nicaragua (fourth), and Guatemala (ninth). The Dominican Republic and El Salvador ranked 11th and 15th, respectively.<sup>1</sup> These countries are mainly located in the Central America 'hotspot' and/or in common hurricane corridors.

'The frequency and intensity of weather and climate extremes is likely to increase,'<sup>2</sup> and thus due to its geographical location, population distribution and the over-reliance on natural resources, Latin American and the Caribbean is under threat of experiencing often irreversible consequences of climate change, including degradation of the Amazon basin, melting of Andean glaciers, floods, food shortages and even increase in tropical diseases.<sup>3</sup>

1 *Global Climate Risk Index 2017: Who Suffers Most from Extreme Weather Events? Weather-related Loss Events in 2015 and 1996 to 2015*, Sönke Kreft, David Eckstein and Inga Melchior, Germanwatch, 2017.

2 *Climate Change 2014 Impacts, Adaptation, and Vulnerability*, Intergovernmental Panel on Climate Change, 2014, Chapter 27, Central and South America.

3 *The Climate and Development Challenge for Latin America and the Caribbean: Options for climate-resilient, low-carbon development*, Walter Vergara, Ana R Rios, Luis M Galindo, et al, IADB, 2013.



as well as the ability of these countries to fight poverty and reverse inequality, depends heavily on the region's natural capital, and the ability of governments to effectively manage it.

There are several critical driving forces that will shape the future of the region. Climate change is a major concern for countries in Latin America and the Caribbean because of the anticipated impacts on access to water, food production, health, land use, and physical and natural capital.<sup>180</sup> Unsustainable patterns of production and consumption are placing increasing pressures on resources such as land, water and biodiversity. This includes the expansion of agribusiness activities which continue to pose a great threat to the region's natural systems, coupled with increasing global and regional consumption (greater demand for food and raw materials). Higher levels of urbanisation are accompanied by both higher levels of poverty and greater consumption needs from a growing population.<sup>181</sup> Lack of attention to these drivers can have far reaching environmental and socio-economic consequences.

Christian Aid has long argued that climate change is a catalyst of poverty, and poverty is the result of the inequality of power. While fossil fuel companies continue to exert disproportionate power in our political systems, our economies and even our culture, we can expect them to do so in the climate talks as well, to the detriment of voices from the most affected countries of the global south.

### **Moving to low-carbon development to tackle (energy) inequality**

When it comes to zero carbon, there are two global crises in the energy sector which often seem to have contradictory solutions: the urgency of tackling climate change through a rapid global shift to zero-carbon energy; and more than 2 billion people continuing to live in poverty partly because they have little or no energy access. Lack of modern energy limits women's empowerment, access to basic services, small enterprise development and ultimately limits equitably shared prosperity or growth. Through a shift away from centralised fossil fuel based energy towards diverse renewable energy sources, we can effectively deliver clean energy access to developing countries, helping to overcome energy poverty in a way that will not exacerbate global warming.

Latin America and the Caribbean's development model is based primarily on extractive industries and the expansion of agribusiness, both of which are accompanied by a range of often negative environmental, economic and social impacts. As of 2015, Venezuela is one of the world's top producers and exporters of crude oil – responsible for some 300 thousand million barrels, 17.7% of the world total.<sup>182</sup> Coal is extensively mined in Colombia, aluminium in Brazil and Argentina, and Peru, Mexico, Brazil and Chile are among the top gold-producing nations globally.<sup>183</sup> Brazil, meanwhile, has more arable land than any other country on earth, which it uses to farm soya beans, maize, cotton and beef, among other products.

Research commissioned by Christian Aid in 2014 showed that such development models are simply not conducive to low-carbon economic development.<sup>184</sup> Although there is limited recognition of this among stakeholders in the region, there is some evidence that countries are seeking a new direction.

### **Guatemala: Micro and small hydro facilities**

We should be wary of false 'green' solutions, such as large dams and industrial biofuels, which can have detrimental social and environmental impacts and have significant land use and rights concerns.

In contrast to the problems created by large-scale hydropower plants, micro and small hydropower facilities have generally been acknowledged as successful. For example, in Guatemala, Christian Aid's partner Madre Selva Collective has implemented community-based, small-scale hydropower plants that benefit indigenous communities. The plants are widely accepted by the population because they are not accompanied by any negative environmental or socio-economic effects, and instead bring a number of benefits.<sup>1</sup>

In addition to the small-scale community focus of this project, another added value is that it is a means for indigenous people to 'defend' their lands – by this we also mean they are able to directly manage the lands' natural resources, of which they are the traditional custodians.

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<sup>1</sup> *Low-Carbon Development in Latin America and the Caribbean: Evolution, experiences and challenges*, Christian Aid Briefing Paper.

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For Christian Aid's local partner organisations in Latin America and the Caribbean, energy is not considered to be just a commodity, but rather a human right. It is argued that realising such a right, by accessing sustainable and low-carbon energy, is harder (and therefore should be prioritised) for the rural poor and women in particular.

However, a number of factors affect the development of renewable energy and energy efficiency in Latin America and the Caribbean, including an absence of political will on the part of governments, often combined with a lack of technical knowledge that hampers sustainable development in the energy sector and reinforces the market power and dominance exercised by electricity, gas and oil companies.

The sustainability of low-carbon development plans throughout the region is dependent on the reduction of energy consumption using energy efficiency and energy saving measures, development of sustainable renewable energy and the strengthening of governments' institutional and technical capacity. In order to achieve this and to overcome challenges, we believe that what is required is a people-centred approach to sustainable levels of energy supply and consumption, which is inclusive and delivers the energy needs of the energy poor. Such an approach must incorporate greater involvement of the private sector, and more proactive dialogue between the public and private sectors, including civil society.

### **Brazil: Linking gender inequality and energy**

The link between gender inequality and energy is particularly evident when considering the impact of mega projects, such as large-scale hydropower plants, on women.

Our Brazilian partner the Movement of People Affected by Dams (MAB), together with UN Women, carried out a programme of participatory assessments with women from communities affected by dams in the state of Rondônia, north-west Brazil. This showed that with the arrival of the dams, women faced even fewer job opportunities, as they were displaced from their homes and land to urban areas where no provision had been made for their employment.<sup>185</sup>

The participatory assessments also found that women were more likely to be excluded than men from decision-making processes relating to their development and were given the status in the study of 'unrecognised affected person'.

Overall, the study found that women were the main victims of impoverishment and marginalisation arising from the planning, implementation and commissioning of the dams, yet also held the least influence over these processes.<sup>186</sup>

MAB is also supporting women in communities affected by the São Luiz do Tapajós hydroelectric dam. This was planned for the Tapajós river, with a capacity of 8040MW and firm energy of about 4,000MW. The reservoir would occupy an area of 729km<sup>2</sup>. At least 40 other dams are planned for the basin. The dams would flood part of the indigenous territory and cause the removal of the indigenous people, which is forbidden by law. With the support of EU, MAB is providing resources to increase the capacity of these women to influence the community and local authorities for their rights. Demonstrating some success, in mid-2016 Brazil's federal environmental body suspended the licence for the project. However, the decision does not mean the cancellation of the licensing process, but certainly makes it more difficult.

There is also much evidence of gender inequality in relation to energy use.<sup>187</sup> This can be seen particularly in rural areas, where there is, for example, a high incidence of illnesses such as chronic lung disease caused by indoor smoke pollution from wood and charcoal cooking fires, which affect women disproportionately. The provision of clean cooking through energy efficient stoves, coupled with efforts to challenge and change traditional gender roles, can play a crucial role in freeing up women's time and productive capacity. In Central America, some progress has been made on this. Guatemala, Honduras, El Salvador and Nicaragua have launched the Regional Gender and Energy Network, an initiative that seeks to promote equal access to sustainable energy for all through influencing government policy.

### **Bolivian Amazon: energy access challenges versus low-carbon solutions**

The Bolivian Amazon covers nearly 230,000 square miles (59.6 million hectares – nearly 2.5 times the size of the UK) and is home to over 30 indigenous communities. The Bolivian Amazon is at the heart of debate on sustainable development models as an area of global importance, due to its key role as a climate regulator and mega-biodiversity for the planet. However, it is increasingly under threat from the predatory logging companies, extractive industries, agri-businesses and large infrastructure projects such as roads and dams.

Christian Aid works to build the resilience and improve the quality of lives of forest communities in the Bolivian Amazon. These communities are extremely vulnerable to the exacerbated effects of climate change such as floods and forest fires due to prolonged and more intense rainy and dry seasons over the past decades. Indeed, in the last 10 years, especially in 2008 and 2014, Christian Aid and local partners have had to respond to some of the worst floods since records began in this region. Floods bring with them landslides, they destroy crops, drown livestock and forest game, destroy infrastructure and contaminate natural water sources.

One of the key priorities of Christian Aid's work with local partner organisations in the Amazon is to develop community based disaster preparedness plans and build resilience through agroforestry systems, increasing access to fair markets and strengthening community-based organisations.

To this end, Christian Aid, through national organisations Inti Illimani, Soluciones Prácticas, Centro de Investigación y Promoción del Campesinado and the Plataforma Boliviana Frente al Cambio



**Above:** A solar oven provided by Christian Aid's partner Soluciones Prácticas to a family in the pilot project.

Climático – UNITAS, piloted a project in Bolivia to provide Amazonian communities with solar ovens to reduce their dependence on firewood. Dependency on firewood as the main fuel for cooking leads to deforestation and it is estimated that each family uses up to 3kg of firewood every day.

Collecting this firewood is mainly a burden for women (in terms of physical burden and the time it takes). Deforestation means that women must walk increasingly further from their community to look for fuel. It is estimated that women spend approximately one hour a day collecting firewood and up to four hours a day cooking over firewood. Burning fossil fuels on open fires in small family homes is also a hazard for the health and wellbeing of families.

One of the main concerns was whether the families would use the ovens. After all, preparing meals in one way for so long can be a difficult habit to change. The first four months were complicated for the women using the ovens, because the cooking methods were very different, but over time they adapted to solar cooking.

*Continued overleaf*

*Continued from p59*

One of the participants in the project, Doña Natividad Matareco, explained: 'At 6am the oven must be in a good place to receive the sun's rays. That is how we have been using it. I leave everything ready very early and it is ready by noon.'

She also explained how the solar oven has changed her home. 'Before, there was a lot of discrimination. I could not attend the meetings. I could not organise myself as a woman. The women's organisation in the community has meetings on Sundays in the afternoon. They discuss important issues about the community or the organisation. Now I can attend these meetings, but before, I could not because I thought I cannot go, I have to cook, do the laundry.'

So the solar oven not only has a positive environmental impact, it can also improve the lives of women using them. It is healthier, less polluted, and saves time and money.

Many of the communities with which we work are cut off without communication channels to engage and coordinate with local markets, authorities or to call for help in case of emergencies.

Some communities use diesel motors to power light bulbs at night, but the majority still depends on oil lanterns and candles to read or study, or buy batteries to power torches or to listen to the radio and receive news from beyond the forests.

To date, Christian Aid partners have introduced small solar panels to bring electricity to 34 families in three forest communities in the Amazon region. The batteries are lightweight and portable and can be taken on fishing boats at night or used for other productive activities when the climate is cooler.

**Solar powered water pumps:** In the community of Altamarani, the local spring has been contaminated by a nearby sugar processing plant.

The alternative for families was to use to the river water, but this was contaminated by mining and other industrial processes further upstream. The water-gathering burden fell on women, who generally carried the heavy water buckets back home. With the support of the community, a new 30-metre deep well was dug and a solar powered water pump installed.

**Solar driers:** Women who belong to the producers' association Asociación de Mujeres Emprendedoras Tucupí in the municipality of Palos Blancos received technical assistance from our partner Soluciones Prácticas to build a solar drier for cocoa beans.

The cocoa harvest takes place during the rainy season and often the beans go mouldy and to waste because there is no opportunity to dry them.

The aim of the solar drier is to increase the quality – and therefore the price – that the beans can fetch on the market and also to save women time as they do not have to constantly turn the beans during the drying period.

## Conclusion

Growth in the world needs to be constrained and its benefits shared more fairly.<sup>188</sup> We need alternative low-carbon models of economic development and transformation of global systems to allow everyone to play a productive role, and we need to move the world to a low-carbon future while ensuring more sustainable and equitable use of resources for all. One way to address that inequality is to build a regional energy policy based on a sustainable approach that promotes diversification of types of energy consumed using existing resources, instead of promoting greater consumption.<sup>189</sup>

In 2015, there were many opportunities – primarily the SDGs and the Paris Agreement – to set the global energy sector on a low-carbon trajectory, to inject investment in renewable energy and to set clear targets. Even if the increasing global political polarisation sees politicians questioning this trajectory and even climate change itself, low carbon development makes increasingly sound economic sense.

For Latin America and the Caribbean to effectively achieve the commitments of the Paris Agreement, it is imperative that countries shift public and private investment in fossil fuels towards zero-carbon energy, which in turn will support sustainable and equitable

Breaking the power relationship between fossil fuel companies and our financial and political institutions is necessary to enable the sustainable economy that we know we need to flourish. We understand that the solution must be systemic, and a strategic mass movement of investment capital from fossil fuels into renewables could prompt such a systemic shift.

economies. However, given the region's current economic model, which is dependent on extractive industries, agribusiness and mega-projects (including fossil fuels, large hydro and industrial biofuels), this will be quite a challenge. Furthermore, the region still faces issues of energy access for the poorest and most vulnerable, primarily in rural areas, showing that energy investments in the region are not benefiting those most in need.

There is huge potential for renewable energy throughout Latin America and the Caribbean which is largely untapped. Yet to have a chance of reaching the 1.5°C goal, countries need to make a big shift to renewables and to stop investing in and remove subsidies for fossil fuels. This must be coupled with a strategy for demand-side management approaches to reduce energy consumption and promote energy efficiency.<sup>190</sup>



## Conclusion and recommendations

Inequality remains a major feature of the landscape in Latin America and the Caribbean. Social exclusion, income inequality, political marginalisation and vulnerability to climate change are some of the many faces of inequality. There is ample evidence that stark inequality levels are holding back progress, making the eradication of poverty much more difficult, and denying citizens full enjoyment of their rights. To tackle the roots of inequality in Latin America and the Caribbean it is important to understand the full picture. Identity (ethnicity, gender and sexuality), economic and employment possibilities, political opportunity, and the ability to cope with the impacts of climate change or violence – all of these inequalities intertwine and mean that efforts to tackle inequality must be context specific.

Women are affected more than men in all focus areas of this report – they are more often victims of violence, fiscal systems are weighted against them, they have fewer opportunities for decent work and are often the most affected by climate change. Discrimination based on race and ethnicity is widespread and ethnic groups are demonstrably poorer and more excluded. Power is concentrated in the hands of a few rich elites and multinationals. The growing trend of land concentration, resulting land conflicts and the lack of progress with land reform and land regularisation should be a major concern for policy makers as it is a prism through which most faces of inequality can be seen.

Civil society members and faith-based organisations, such as our partners, have an important role to play in calling attention to the impact of inequality, speaking out and holding governments, regional and global institutions and members of the private sector to account.

We have shown how unfair tax systems actually increase levels of inequality. More growth is not enough. In highly unequal societies, growth is an inefficient way of dealing with poverty – precisely because it requires significant increases in GDP to lift the poorest out of poverty. This is particularly important in the context of the world's environmental limits. This additional – and critical – factor also obliges us to think much more deeply about the new sustainable economic models that the region so desperately needs. These models, called for by both global North and South, must be demonstrably pro-equity. Low carbon development is vital for all.

Inequality should be the defining issue for governments in the region when designing new policies, and must be fully implemented to be effective, alongside the guarantee of civil society accompaniment and monitoring. Our recommendations call for an overhaul of weak and regressive tax systems to allow for spending to tackle poverty and inequality effectively. Greatly enhanced social spending (with appropriate gender and ethnic biases built in) is needed. As a priority, government spending must also be directed to job creation schemes, regional economic development strategies, territorial cohesion funds and climate change adaptation and mitigation strategies to protect the poor. It is also long overdue to reform national economic development strategies across the region and to look at what other (fair and low-carbon) models might serve society better.

Christian Aid firmly believes that reducing inequalities is an effective way to accelerate poverty reduction. For too long, policy makers have propagated the notion that we should primarily focus on growth and take care of inequality later. We believe that now is the moment to focus on reducing inequality. The SDGs provide the opportunity to 'leave no one behind' and the importance of tackling inequality for development is now recognised much more widely beyond social movements and development circles.

## Recommendations

Governments, regional and international institutions and civil society in Latin America and the Caribbean must urgently tackle inequality in all its guises and between all disadvantaged groups. Many of the recommendations below include the development of policies, but it is important to stress the correct implementation and monitoring of these is also vital. Civil society, including faith organisations, has a key role to play in accompanying and monitoring implementation of these policies. Civil society is also key to raising awareness and holding governments, regional actors, donors and the private sector to account to deal with inequality.

### Ethnic and racial discrimination

Urgently tackle inequality between ethnic groups. Measures should include:

- A re-prioritisation of spending on basic services to give higher priority to welfare in areas where ethnic groups live.
- Urgent measures to address the unacceptably high levels of chronic malnutrition among children from ethnic groups. This should be a national priority in Guatemala, Honduras and Bolivia.
- Investment in the disaggregated data required to track progress on the SDGs and development of national 'leave no one behind' action plans, including the setting of 'stepping stone' equity targets.
- Long-term, publicly funded initiatives to encourage attitudinal and behavioural change in relation to the social norms that reinforce racial discrimination.

### Governance, land and power

Urgently tackle the inequality concerning control of political power, political participation and access to land. Measures should include:

- Actions to improve accountability and transparency in government decisions and development and implementation of policies specific to vulnerable and marginalised communities.
- The proper application of quotas to promote women's participation in politics.
- Efforts to reverse the trend of land concentration via the promotion of land titling for poor, rural communities, actions to address land conflicts and limitations on the granting of land concessions to extractive industries and other sectors.

- Full implementation of ILO Convention 169 to ensure free, prior informed consultation and consent of indigenous and Afro-descendent communities is guaranteed before concessions are granted and land use is changed.
- Actions to tackle impunity and to ensure the protection of human rights defenders.

### Violence

Urgently tackle the rising issue of violence, both resulting from crime and gangs and gender-based violence. Measures should include:

- Implementation of policies and investment to generate opportunities to reduce violence – education, employment, access to land in rural areas.
- Provision of protection and access to justice. A lack of access to justice and high levels of impunity have become important drivers of crime and gangs.
- Taking into account the differentiated impact of violence on men and women and implement publicly funded initiatives to encourage attitudinal and behavioural change in relation to the social norms that reinforce gender inequality and LGBTI discrimination.
- Addressing displacement due to organised crime and gang violence. Specifically in Central America, El Salvador, Honduras and Guatemala need to adopt and implement national laws on displacement.

### Fiscal justice

Actions should be taken to use the tax system to address the concentration of wealth head on and enable the region to self-finance its development comprehensively. Measures should include

- An increase in the tax take, based on a comprehensive overhaul of direct income and, corporate and property taxation policy.
- Ensuring transparency and accountability in all tax exemptions and working towards the removal of discretionary exemptions and incentives.
- Tackling cross-border tax evasion through the development of a regional framework for automatic exchange of tax information, pushing actively in international spheres for a crackdown on financial secrecy and tax havens, and calling for the implementation of corporate transparency measures such as country-by-country reporting.

- The adoption of a gender-responsive budgeting approach nationally and regionally to ensure gender is systematically taken into account.
- Reprioritisation and reprogramming of social spending to reflect equity concerns clearly, including commitments to work towards universal social service provision and high quality public education.

### Decent work

Urgently improve access to decent jobs to sustainably overcome poverty and inequality. Measures should include:

- Reformulation of minimum wage policies, bringing minimum wages in line with the household basket of essential goods and inflationary pressures.
- Linking development and economic development strategies to prioritise support for MSMEs, agricultural development programmes and the exploration of sectors with the potential to deliver sustainable green jobs. Funding unemployment strategies, including technical training and apprenticeships, particularly in disadvantaged regions and for young people, and upgrading skills in labour intensive, low-productivity sectors.
- Labour legislation and practical monitoring to promote the economic empowerment of women and ethnic groups, including stamping out wage discrimination, allowing trade union activities and ensuring proper protection of labour rights.
- Realistic regional and national development strategies with the private sector promoting the advantages of pro-poor business practice, and of business models based on relationships of respect and trust, up and down the supply chain.

### Low-carbon development and inequality

Urgently rise to the challenges presented by climate change and the urgent need to move to low-carbon development. Measures should include:

- Support low-carbon economic development as part of the 2030 Agenda for Sustainable Development and climate framework, and set ambitious renewable energy and energy efficiency goals at global and national levels.
- Removing subsidies for fossil fuel production and consumption in the region to ensure a level playing field for low-carbon investment.
- National energy policies must favour the poorest and most vulnerable to support equitable and sustainable energy access for all.
- Urgent measures to focus on poor people who are particularly vulnerable to climate change and desperately need support to adapt their livelihoods and reduce their vulnerability to extreme weather events and loss of existing livelihoods.
- Creating and implementing regulations to promote low-carbon development that will determine standards to be applied, and will include the participation of private sector actors to develop strategies, plans, programmes, projects and initiatives.

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