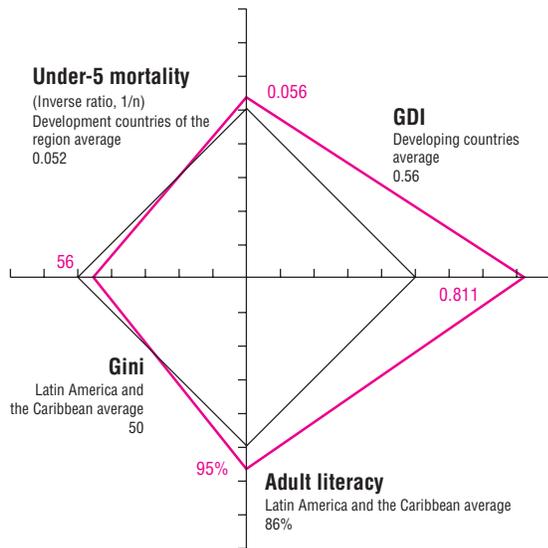


• XIMENA VALDÉS



The Equity Diamond: National values in terracotta compared to regional ones in blue.

The nineties show no reduction of social inequality in the countries of Latin America and the Caribbean. The region maintains growth rates of greater than 5% per year but this is not reflected in a reduction of inequality. High and sustained economic growth has not assured greater social equity. On the contrary, economic processes have increased income concentration. (United Nations, ECLAC, «The Equity Gap. Latin America and the Caribbean in the Social Summit»).

The Chilean economy is characterised by high and sustained growth rates. In the last decade, it has shown the enduring nature of income concentration in the hands of the rich and a tendency towards regression in income distribution.

INEQUALITY: THE LATEST DATA

Chile has followed this tendency. It has maintained annual growth rates of higher than 7%. The income share of the poorest 40% of households remained the same, while the richest 10% of households increased their share of the total income from 1990 to 1994, according to ECLAC figures. This situation was unchanged in 1996.

Towards the end of 1996, MIDEPLAN carried out the CASEN survey for the sixth time. This survey measures the development of income distribution, poverty and employment in the country from 1987 onwards. The latest results of this survey show the following:

CONSTRAINTS TO OVERCOMING SOCIAL INEQUALITIES

Figures show that the richest 10% of the population has maintained a concentration of income of over 41% of the total income for the population as a whole for nearly a decade. At the other extreme, the lowest earning 10% have taken no more than 1.5%, 1.6%, 1.7%, 1.5%, and 1.4% of the total income from 1987, 1990, 1992, 1994 and 1996 respectively.

The richest 20% of the population took 57.2% of the total income in 1987 and 56.7% in 1996. The poorest 20% took 3.3% of the total income in 1987 and 4.1% in 1996. This slight tendency could show a partial deconcentration in income. However, the difference between the lowest and highest incomes was 13.3% for 1987 and 13.83% for 1996. From 1994 to 1996, the gap between the incomes of the richest and poorest groups widened with the earnings of the richest increasing from 13.12 to 13.83 times those of the poor.

In absolute terms, according to the CASEN survey, in 1996 the monetary income of the poorest 10% of households was 57,693 Chilean pesos (\$137.36) while that of the richest households was 1,654,518 Chilean pesos (\$3,939.32). **The difference between the lowest and highest incomes was approximately 29 times. (See table 1)**

As was shown in the United Nations Economic and Social Council Document «La Realisation des Droits Economiques, Sociaux et Culturels,» of June 1997, Chile ranks 50th of the 54 countries

TABLE 1.

Development of the monetary income distribution by deciles of independent income 1987– 1996 (in %)					
independent income decile	1987	1990	1992	1994	1996
I	1.5	1.6	1.7	1.5	1.4
II	2.8	2.8	2.9	2.8	2.7
III	3.6	3.7	3.8	3.6	3.6
IV	4.3	4.5	4.7	4.6	4.6
V	5.4	5.4	5.6	5.6	5.5
VI	6.3	6.9	6.6	6.4	6.4
VII	8.1	7.8	8.0	8.0	8.1
VIII	10.9	10.3	10.4	10.5	11.0
IX	15.9	15.1	14.7	15.3	15.4
X	41.3	41.8	41.6	41.6	41.3
total	100.0	100.0	100.0	100.0	100.0
20/20			12.24	13.12	13.83

Source: MIDEPLAN, *Poverty and income distribution in Chile, 1996, July 1997*, pp 9.

considered, in the relation between the highest and lowest income quintiles in the last decade, with no variations between 1985 and 1995. Chile maintains a relation of 17.4 between the two extreme quintiles while, for example, in Spain, which occupies the 10th position, this relation was 5.8 between 1985 and 1990 and 4.4 between 1990 and 1995. For Poland, in 23rd position, it was 3.9 and 5.7 respectively; for China and Bolivia, in 36th and 34th position respectively it was 8.6 in the decade; and for South Africa, in 51st position, it was 19.2 for the decade.

POVERTY

The latest CASEN survey shows that poverty affected 3,300,000 people or 23.2% of the total population at the close of 1996. Nearly 800,000 of these people, 5.8% of the total population, were living in indigence. Poverty and indigence are greater in rural areas, where 30.6% of people live in poverty and 9.4% in indigence. In urban zones, these percentages are 21.8% and 5% respectively.

Nationally, persons living in non-indigent poverty declined from 27.7% in 1987 to 17.4% in 1996. Those living in indigence declined from 17.4% in 1987 to 5.8% in 1996. This indicates a reduction of poverty and abject poverty.

However, **poverty is becoming more difficult to reduce**. From 1987 to 1990, poverty declined from 45.1% to 38.6% (6.5 points); from 1990 to 1992 the reduction was from 38.6% to 32.2% (6 points); from 1992 to 1994 it went from 32.6% to 27.5% (5.1 points); and from 1994 to 1996, it moved down from 27.5% to 23.2% (4.3 points).

Disaggregated poverty statistics from 1990– 1996 based on CASEN data for the whole population show that women have been more affected than men and that this situation has held steady throughout the period.

TABLE 2.

Total population and female population in a situation of non-indigent poverty and indigence between 1990 and 1996.				
	1990	1992	1994	1996
% total poor population	38.6	32.6	27.5	23.2
% total female pop. poor	39.3	33.1	28.0	23.5
% non indigent poor population	25.7	23.8	19.9	17.4
% non indigent poor female population	26.1	24.1	20.3	17.7
% total indigent population	12.9	8.8	7.6	5.8
% female indigent population	13.0	8.0	7.7	5.9

Sources: MIDEPLAN, CASEN Survey, poverty and income distribution in Chile, 1996, July 1997 and *Situation of women in Chile 1996, August 1997*.

- Grupo Iniciativa Chile Co-ordination of NGOs for the followup of the Beijing Platform of Action made up of CEDEM, CEM, FLACSO, ISIS, Instituto de la Mujer, IDEAS, FEMPRESS, La Morada, MEMCH.