

# Indigenous Peoples



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## Indigenous peoples and poverty in Mexico

Vicente A. Garcia-Moreno and Harry Anthony Patrinos

Mexico's more than 10 million indigenous peoples constitute about 11 percent of the country's population (Hall and Patrinos 2006). While accounting for a smaller percentage of the country's total population than in some other Latin American countries, Mexico's indigenous population is the largest in Latin America and represents a third of the continent's total indigenous population.

That Mexico's indigenous peoples are far poorer than its nonindigenous peoples is well known: about three-quarters of indigenous peoples in Mexico are poor, while only half of non-indigenous people live below the official poverty line (Panagides 1994; Ramirez 2006). But such figures lack precision. Previously, studies relied on indirect sources to identify the indigenous population because the national household survey did not collect information on identity or language. Researchers used the census to identify indigenous people by municipality and then used the household survey to estimate poverty based on the indigenous concentration at the municipality level. This methodology had a rural bias and was prone to overestimation. However, in 2008 the National Income and Expenditure Household Survey (Encuesta Nacional de Ingresos y Gastos de Hogares, or ENIGH) for the first time included a question about indigenous language use.

This brief analyzes the determinants of poverty in Mexico using the 2008 household survey.

The analysis defines as indigenous those who speak an indigenous language themselves or who live in a household where at least one household member speaks an indigenous language. Using these definitions, the study calculates a more precise poverty rate for indigenous peoples in Mexico than previous studies have. This poverty rate includes rural and urban indigenous peoples, and not just rural ones, as in the geographic definition used previously.

### Results

According to the indirect measure, poverty rates for indigenous peoples in Mexico remain high, as does the gap between indigenous and nonindigenous groups (figure 1). The direct measure of indigenous identity produces a similar rate of poverty, thus validating previous estimates using the indirect approach (for more details, see Garcia-Moreno and Patrinos forthcoming). However, regardless of the definition used, poverty rates for indigenous groups have been decreasing over the last decade, especially between 2004 and 2008. Significant for Mexico, this is perhaps the first time that the indigenous population has seen an improvement.

Nevertheless a sizable gap in poverty incidence remains between indigenous and non-indigenous peoples. How much of this gap is due to a lack of productive characteristics and access to services and how much is due to discrimination against indigenous peoples? Using

*Harry Anthony Patrinos (hpatrinos@worldbank.org) is lead education economist in the Human Development Network at the World Bank. Vicente A. Garcia-Moreno (vag2120@columbia.edu) is a Ph.D. candidate at Teachers College, Columbia University.*

an econometric technique, the difference in poverty has been decomposed into its “explained” and “unexplained” components. The explained component is the amount of the gap attributed to observable characteristics such as education, age, occupation, region of residence, and so on. The unexplained component is often taken as an upper bound estimate of the level of discrimination.

The results show that the unexplained component accounts for a quarter of the poverty gap between indigenous and nonindigenous peoples, and the other three-quarters can be attributed to explained or observable factors. Among the observable characteristics, education and access to services, both policy-amenable variables, are important.

### Conclusions

Indigenous peoples in Mexico have faced, and continue to face, significant disadvantages in economic and social outcomes, leaving them the country’s poorest of the poor. Public policy cannot continue to ignore indigenous peoples’ socioeconomic conditions.

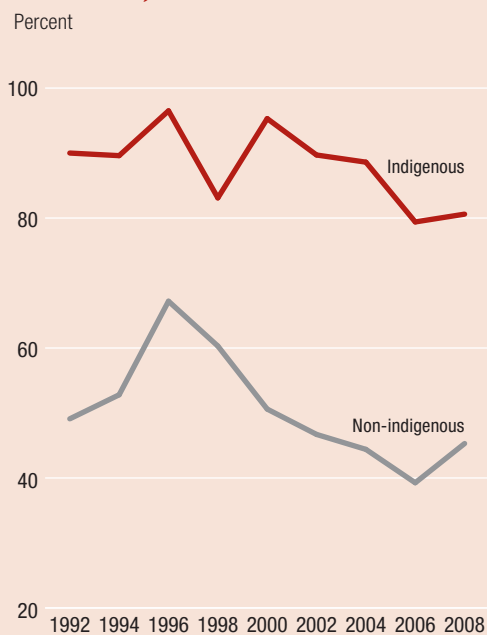
However, it appears that discrimination against indigenous peoples is decreasing and that poverty rates are decreasing among indigenous peoples faster than among nonindigenous peoples, thus reducing the poverty gap. This trend provides the opportunity to explore the observable factors that explain the poverty gap. This analysis suggests that education and government services are important factors.

### References

García-Moreno, Vicente, and Harry Anthony Patrinos. Forthcoming. “Education and Poverty in Mexico: Indigenous Peoples.” Columbia University, Teachers

FIGURE 1

### Poverty rates for indigenous and nonindigenous peoples in Mexico, 1992–2008



Source: Panagides (1994); Ramirez (2005); and authors’ calculations.

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