

**Indigenous Peoples, Poverty and Human
Development in Latin America: 1994-2004**

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Executive Summary

Introduction

Indigenous Peoples represent 10 percent of the region's population. Income levels among this group, as well as human development indicators such as education and health conditions, have consistently lagged behind those of the rest of the population. The past ten years have seen a notable increase in attention to the concerns of Indigenous Peoples worldwide. The United Nations proclaimed the opening of the International Decade of the World's Indigenous Peoples on 10 December 1994. And in Latin America, perhaps more than in any other region, the decade was marked by a groundswell of indigenous movements exercising greater and greater political power, from the 1994 Chiapas rebellion to the toppling of governments in Bolivia and Ecuador.

The purpose of the report is to examine whether the Indigenous Peoples' decade (1994-2004) was also accompanied by material and human development gains for Indigenous Peoples. This report updates findings from a 1994 book that established a baseline of conditions among Indigenous Peoples in Latin America for the early 1990s. The current study considers how conditions have evolved since then in the five Latin American countries with the largest indigenous populations, which include Bolivia, Ecuador, Guatemala, Mexico and Peru.

The study poses four main questions:

- Have income poverty rates increased or decreased among Indigenous Peoples over the past decade, and what are the main determinants of observed trends? How does this evolution compare to changes observed in poverty rates for the rest of the population?
- Have the main human capital indicators (education and health outcomes) improved over this period for indigenous and non-indigenous groups? What factors explain those trends?
- How have income returns to human capital changed for indigenous and non-indigenous people? What explains differences in labor market earnings?
- How does access to major social and poverty reduction programs differ between indigenous and non-indigenous people?

The report defines poverty in quantitative and material terms, and it is both strengthened and handicapped by that approach. The strength of this approach is that it speaks in quantitative terms that are familiar and meaningful to national and international policymakers—and as such can hope to have a direct impact on the decisions they take, which in turn vastly affect the lives of indigenous peoples. Indigenous people do describe poor education, malnutrition and bad health, unemployment, discrimination, and other subjects that this report addresses as constitutive of “poverty.” But they also consider themselves to be rich from a set of cultural and spiritual traditions that larger societies generally may emphasize less, and which cannot be measured numerically. Those elements are little captured in this report. By assessing poverty in quantifiable

terms, this report presents what can be measured about the lives of Indigenous Peoples today, yet it recognizes that this approach is limited from reflecting all the needs and values of Latin America's Indigenous Peoples.

Indigenous political influence has grown in the 1990s. The political influence of Indigenous Peoples in Latin America, measured by indigenous political parties, indigenous elected representatives, constitutional provisions for indigenous people or indigenous-tailored health and education policies has grown remarkably in the last 15 years. Democratization, globalization, and international pressure are reasons offered to explain the marked change; though other factors most likely contribute as well. In the last 20 years, voters in Bolivia, Guatemala and elsewhere have significantly increased the portion of the national legislature that is indigenous. Indigenous people and indigenous political parties have also won municipal and mayoral elections across Latin America. The portion of national legislatures that is indigenous, in every country, remains far below the portion that is indigenous, implying that indigenous people remain under-represented in national lawmaking bodies. Nonetheless, representation has quickly increased.

NGOs play a very large role in indigenous political influence. In Mexico, Ecuador, Bolivia and elsewhere, non-governmental organizations of indigenous people have marshaled protests to change national legislation or, in several cases, national governments. In some cases, these NGOs have played more influence in changing policy than has a nationwide vote or national legislature. Yet despite increased political influence, indigenous people still consider themselves extremely limited in terms of voice in governmental affairs, and associate this condition with continued poverty.

International organizations and national governments have passed progressive policies and important constitutional resolutions for Indigenous Peoples, but the rights guaranteed in those documents are often unrealized. Many countries have passed a legal guarantee of bilingual education or constitutional declaration against discrimination, but discrimination remains frequent and bilingual education continues to have limited reach. Though passing such legislation is an important first step, legislation alone does not guarantee rights.

Bilingual education has expanded, though it is not universal among indigenous children, and it continues to have low quality and poorly qualified teachers. In 1980, fewer than half the countries in Latin America had bilingual programs for indigenous students; by 2004, only a few did not. Although most countries have implemented bilingual education programs, many of the programs have limited coverage, and some have inferior quality.

Indigenous health initiatives are scattered but growing. Tailored health programs for indigenous people remain uncommon, and most such programs were developed in the last 10 to 20 years. Little evaluation of those programs has been conducted; however, such evaluation may show their effectiveness in improving health outcomes for indigenous peoples.

Very few social protection policies exist that are differentiated and specifically targeted to indigenous people. However, several countries have made major innovations in social protection policy for poor people in general. These programs, which direct cash resources to poor families in exchange for keeping children in school and obtaining basic health care, show positive results both in terms of targeting and outcomes.

Few if any policy interventions are designed to address labor market discrimination and equalize labor earnings. Across Latin America, indigenous people earn less than non-indigenous people and the proportion of earnings inequality between indigenous and non-indigenous people attributable to labor market discrimination is high. Few countries have enacted legislation in this area.

Main Findings

1. Few gains were made in income poverty reduction among Indigenous Peoples during the Indigenous Peoples' decade (1994-2004). In four of the five countries studied, virtually no reduction occurred in the share of indigenous people in poverty, from the earliest to latest year for which data are available (Table 1). In two of these countries, poverty rates did fall for non-indigenous people (Mexico and Bolivia). This pattern suggests that where gains in poverty reduction are being made, indigenous people are benefiting less, and is repeated in the case of Guatemala (1989-2000), where indigenous poverty rates fell, but at a slower pace than for non-indigenous people. In two cases (Ecuador and Peru), national poverty rates rose over the period, yet indigenous peoples were less affected by that increase. Taken together, these findings indicate that incomes of indigenous people are less affected by macroeconomic trends, whether positive or negative.

Table 1: Poverty rates changed little for indigenous people over the 1990s, and where poverty declined, progress was slower for indigenous peoples
Percent change in headcount poverty rate between earliest and latest survey year

Country	Non-Indigenous	Indigenous
Bolivia (1997-2002)	- 8	Change of less than 0.1
Ecuador (1994-2003)	+ 14	Change of less than 0.1
Guatemala (1989-2000)	- 25	-15
Mexico (1992-2002)	- 5	Change of less than 0.1
Peru (1994-2000)	+ 3	Change of less than 0.1

2. Indigenous people recover more slowly from economic crisis. In two countries, Ecuador and Mexico, the data permit closer analysis of how poverty rates evolve over economic crises (Table 2). In both cases similar patterns emerge. Indigenous people were less affected by the crisis as it unfolded, but they also recovered more slowly from the losses incurred, and in fact, so slowly that the net impact of the crisis was actually worse for indigenous people. There are two particularly bad pieces of news associated with these findings. First, a policy environment that successfully brings about poverty

reduction for the population at large may not equally benefit indigenous people. Second, crises may be particularly harmful to indigenous people's well-being; even though the negative impact of the shock tends to be less severe, the recovery of their incomes post-shock is severely constrained, such that the net effect of the crisis is more negative for the indigenous than non-indigenous.

Table 2: Indigenous poverty rates climbed less rapidly during crises, but also recovered more slowly

Percent change in headcount poverty rate

Country	Non-Indigenous	Indigenous
Ecuador Crisis (1998-1999)	+ 6	+ 5
Recovery (2000-2003)	- 14	- 5
Mexico Crisis (1994-1996)	+ 27	+ 8
Recovery (1996-2000)	- 25	- 1

3. The indigenous poverty gap is deeper, and shrank more slowly over the 1990s.

These generally unfavorable trends for indigenous peoples occurred alongside the fact that a greater share of them began the decade in poverty. Their poverty was also 'deeper' as measured by the poverty gap – that is, the average incomes of the indigenous poor were further below the poverty line. Against this backdrop, it is plausible to wonder whether indigenous poverty rates declined more slowly simply because indigenous people began the decade at such low income levels. In other words, where national poverty rates were improving, did income gains actually accrue equally for indigenous people, but because of low initial incomes, fewer moved across the poverty line as a result of those gains? If so, this would suggest that the gains from growth are being shared equally, and it is simply a matter of time for these gains to move indigenous households high enough on the income scale so as to cross the poverty line. Disappointingly, this is not the case (Table 3). In the three countries where national poverty rates declined (Mexico, Guatemala and Bolivia), the poverty gap, as well as the poverty rate, shrank more slowly for indigenous people relative to the rest of the population. In fact, in Bolivia, the indigenous poverty gap actually increased.

Table 3: In countries where national poverty rates were falling, the size of the poverty gap decreased more slowly for indigenous peoples

Percent change in size of poverty gap, earliest and latest survey year

Country	Non-Indigenous	Indigenous
Bolivia (1997-2002)	-2	+8
Guatemala (1989-2000)	- 29	- 22
Mexico (1992-2002)	- 7	- 6

4. Being indigenous increases an individual's probability of being poor, and this relationship was about the same at the beginning and at the close of the decade.

Controlling for basic factors known to be strongly associated with poverty, such as age, education, employment status and region within a country, being indigenous still significantly increases one's chances of being poor (Table 4). In the five countries included in this report, being indigenous increases the probability of being poor by 13 to

30 percent, depending on the country. These results are very similar to those found in 1994, suggesting that this relationship has remained fairly stable over the decade. The important question for policy is what is driving this continued strong association between being indigenous and poverty.

Table 4: Being indigenous increases the probability of being poor, even controlling for other common predictors of poverty

Percent increase in probability of being poor if indigenous

Country	Early 1990s	Latest Available Year
Bolivia	16	13
Ecuador	--	16
Guatemala	11	14
Mexico	25	30
Peru	--	11

5. Evidence of labor earnings disadvantage is strong across the region, but also suggests it may be falling. In addition to lower quality education, low labor market returns to schooling explain a significant proportion of the earnings gap between indigenous and non-indigenous people (Table 5). At the end of the decade, the portion of the indigenous/non-indigenous labor earnings that is ‘unexplained’ due to discrimination or other unidentified factors represents between one-quarter to over one-half of the total earnings differential. While this is discouraging news, trends may be improving. In three countries (Guatemala, Mexico and Bolivia) estimates for the unexplained component can be directly compared with those generated in 1994. In all three cases, the percent of the earnings difference that is unexplained is falling.

Table 5: Unexplained portion of earnings differentials accounts for one -quarter to one-half of the labor earnings gap between indigenous and non-indigenous people, but may be falling

Percent of labor earnings gap among males estimated to be unexplained by productive characteristics

Country	Early 1990s	Latest Available Year
Bolivia (urban only)	28	26
Ecuador	33	45
Guatemala	52	42
Mexico	48	42
Peru	50	58

6. Indigenous people continue to have fewer years of education, but the gap is narrowing. There is a sizeable gap between the average education level of indigenous and non-indigenous people (over age 15) in all five countries. The gap ranges from 2.3 years of schooling (Peru) to 3.7 years (Ecuador). Guatemala registers the lowest absolute levels of indigenous education, averaging just 2.5 years of schooling at the close of the decade; Peru registers the highest, at 6.4 years. In all countries the schooling gap continued to shrink over the 1990s, following trends established in earlier decades. In Mexico, for example, the difference between indigenous and non-indigenous education levels has fallen by two-thirds in the past 30 years. Why, if the education gap is closing,

is the poverty gap not closing? Why have these educational gains not translated into faster progress in poverty reduction for indigenous people? Part of the explanation comes from the lower earnings of indigenous peoples.

Table 6: A sizeable gap continues between indigenous and non-indigenous years of schooling (Average years of schooling, population 15 and older, latest available year)

Country	Non-Indigenous	Indigenous	Schooling Gap in Years
Bolivia	9.6	5.9	3.7
Ecuador	6.9	4.3	2.6
Guatemala	5.7	2.5	3.2
Mexico	7.9	4.6	3.3
Peru	8.7	6.4	2.3

7. The labor earnings that indigenous people derive from each year of schooling are lower, and this gap widens at higher education levels. The average earnings gain that results from each additional year of education is lower for indigenous peoples in four of the five countries studied (Bolivia, Ecuador, Guatemala and Mexico) (Table 7). But differences in returns to schooling are not huge; the largest is in Bolivia, where each year of education results in a 9 percent earnings increase for non-indigenous and only 6 percent for indigenous. However the gap between education returns widens at higher education levels. In Ecuador, for example, the average return to each year of schooling is 7 percent for indigenous people and 8 percent for non-indigenous; but for those who have completed higher education, the gap between returns rises. Non-indigenous receive an earnings gain of 15 percent for completed higher education, versus a gain of just 9 percent for indigenous people. Despite the narrowing of the education gap, evidence from Mexico indicates that the earnings gap has widened. In 1989, indigenous people's monthly earnings were about one-third the level of non-indigenous people. By 2002, indigenous earnings had fallen to just one-quarter of non-indigenous earnings. It is particularly concerning to note that the widening earnings gap driven by major declines in relative earnings for three population groups who are most likely to have benefited from the education gains: young workers, those with completed secondary education, and those employed in the non-agricultural sector (Table 8).

Table 7: The average earnings gain for an additional year of schooling is less for indigenous people (Average increase in labor market earnings for each additional year of schooling, latest available year (percent))

Country	Non-Indigenous	Indigenous
Bolivia	9	6
Ecuador	8	7
Guatemala	13	12
Mexico	10	8
Peru	12	13

Table 8: Relative incomes for indigenous people have declined in Mexico, particularly for younger and more educated workers

Ratio (shown as percent) of indigenous and non-indigenous average monthly income, by population category

Mexico	1989	2002
20-29 year olds	44	36
Secondary school graduates	56	50
Non-agricultural workers	61	48
Total	36	26

8. Education outcomes are substantially worse for indigenous peoples, indicative of problems in education quality. The narrowing education gap may not be yielding higher earnings for indigenous peoples in part because of the quality of education services they receive. The participation of countries in international and regional standardized tests and more extensive usage of national school testing during the past decade bring to light major differences in student performance (Table 9). In each of the five countries, indigenous students receive significantly lower scores on reading and math tests. Indigenous schools also present higher dropout, repetition and failure rates.

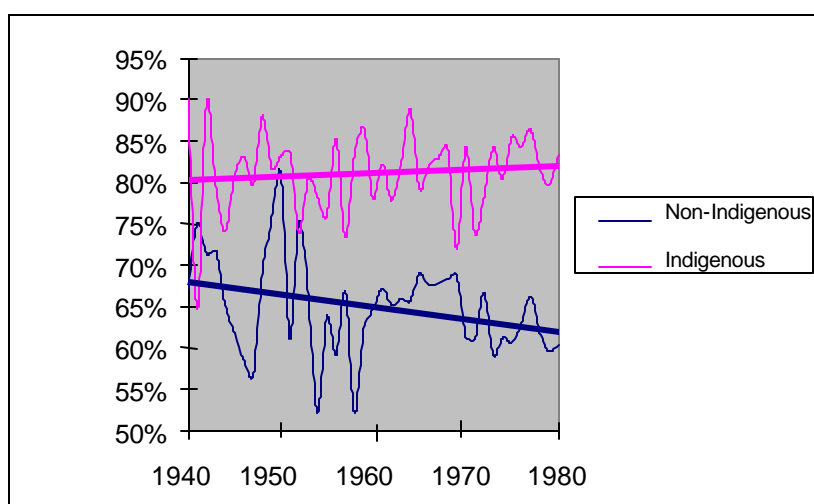
Table 9: Standardized test scores are lower for indigenous children

Indigenous and non-indigenous children's national mathematics test scores, 5th (or nearest) grade

Country	Non-Indigenous	Indigenous	Gap
Bolivia 1997 (OREALC)	16	14	12%
Guatemala 2000 (3rd grade)	48	40	17%
Mexico 2001 (5th grade)	463	430	7%
Peru 1997 (OREALC)	14	10	27%

9. High child labor rates may also be limiting the learning outcomes of indigenous children. In all five countries, indigenous children continue to work to a far higher degree than do non-indigenous children, despite increases in the total years of schooling. Thus, not only are there more indigenous children who are working and not in school, but the probability of combining work and school also rises significantly for indigenous children. Individual country data also suggests that trends in child labor rates are vastly different: in Guatemala, for example, the share of non-indigenous children working declined steadily over the decade, while the share of indigenous children working changed barely at all (Chart 1). In all countries child labor is more prevalent in rural areas, and its continued prevalence despite increasing enrollment rates may derive in large part from the cultural norms of traditional communities. These cultural norms may in many senses be positive, instilling identity and work values in children. However, for some children, working while attending school may constrain learning. The possible association of high child labor rates with low schooling outcomes is a question that deserves policy attention.

Chart 1. Child labor in Guatemala is falling for non-indigenous children, but stable for indigenous children



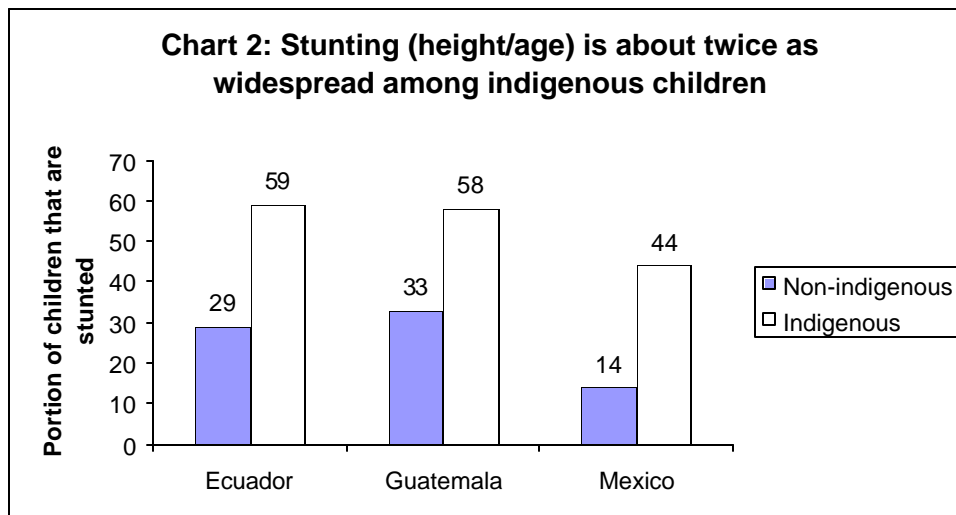
Percent of children who first worked at age 14 or earlier by age cohort, 1940-1980

10. Indigenous people, especially women and children, continue to have less access to basic health services; therefore, major differences in indigenous and non-indigenous health indicators persist. Health indicators, ranging from maternal mortality to in-hospital births and vaccination coverage, are systematically worse for indigenous people (Table 10). Underpinning this result is the fact that basic health care coverage remains a problem, particularly for indigenous peoples. For example, in all five countries health insurance coverage remains relatively low, failing to surpass 50 percent of the population. In three of the five countries (Bolivia, Mexico and Guatemala) coverage of indigenous families lags substantially behind that of the rest of the population. In virtually every basic health indicator indigenous people exhibit worse health outcomes. Among these, one of the most important gaps to emerge from this report may be the fact that indigenous children continue to exhibit extremely high malnutrition rates, another likely factor constraining learning outcomes (Chart 2). This problem exists on a major scale even in countries such as Mexico, where overall malnutrition rates are low, signaling a particular failure in addressing this basic need for indigenous people.

Table 10: Health insurance covers less than half of the population in all five countries, and is particularly low for indigenous people

Percent of population that has health insurance coverage, latest available year

Country	Non-Indigenous	Indigenous
Bolivia (2002)	19	12
Ecuador (1998)	12	12
Guatemala (2000)	18	5
Mexico (2000)	43	17
Peru (2001)	47	41



11. Some poverty-targeted programs successfully reach indigenous people; others do not. Household surveys in three of the five countries now incorporate questions on the incidence of major poverty reduction programs, thus allowing targeting outcomes to be assessed (Mexico, Peru and Guatemala). Since indigenous people are over-represented among the poor, if well-targeted, these programs should reach indigenous people in at least equal, if not greater proportion than non-indigenous people. The evidence here is mixed. In Guatemala, four of the five major school supplies and school-based nutrition programs only slightly favor indigenous people, though they are vastly over-represented among the poor, and one favors the non-indigenous. None of these programs is strongly progressive either (some exhibit high incidence rates through quintile four of the income distribution). In Peru, only one major school program has higher incidence among indigenous people, the rest favor non-indigenous. In Mexico, two major rural poverty programs do show progressive incidence, and strongly favor indigenous households.

Agenda for Action

Significant political and policy changes occurred over the last decade with potential bearing on poverty and human development outcomes among Indigenous Peoples. These changes range from constitutional mandates and greater political representation, to increased social spending and the proliferation of differentiated programs such as bilingual education. Yet as documented in this report, while some improvements have occurred in human development outcomes, particularly in education, these changes have yet to bring about substantial reductions in indigenous poverty.

This report focuses on how improvements in human development can help reduce the earnings gap and contribute to poverty reduction in the medium to long term. The results also show that education is perhaps the single most important driver of income levels. Therefore, the first major recommendation //of this study is a renewed emphasis on more (quantity) and better (quality) education for indigenous people.

Second, this study uncovers evidence of persistent health gaps between indigenous and non-indigenous people, including significantly higher malnutrition rates among young children, poor indicators of maternal health, and limited access to health insurance. Therefore, a second recommendation is to focus health efforts on young children, and in particular, on ‘head start’ initiatives targeted to indigenous children designed to tackle the malnutrition and associated educational gaps.

It is striking nonetheless to consider the lack of gains in poverty reduction among indigenous people set against some major changes in political representation and public policy. In other words, indigenous people lack voice or effective choice to influence the services they receive. Their access to policy makers is very distant. Thus, a third recommendation is to improve accountability in the delivery of social services for indigenous people in order to improve the quality of the services they receive and to increase the amount of services they receive.

A fourth, technical but nevertheless crucial area of action is related to data collection efforts. At present, there is no systematic way of accurately identifying indigenous people in census or household surveys. It is, therefore, recommended that a list of standardized questions for surveys in different years and countries be developed and used.

To summarize, there are four specific areas for action evolving from the country-level analyses to help improve the quantity and quality of human capital for the Indigenous Peoples of the region:

1. **Provide more and better education** in order to decrease the gap in years of schooling and improve the quality of education through such programs as bilingual/bicultural education for Indigenous Peoples.
2. **Promote equal opportunities for indigenous children through improved health** – a sort of head start for Indigenous Peoples – through maternal and child health interventions.

3. **Improve accountability in the delivery of social services for Indigenous Peoples.**
4. **Improve data collection efforts related to identifying Indigenous Peoples.**

Provide more and better education

Over the last decade, in all countries studied here, significant increases in schooling attainment and labor market earnings are documented. However, there is strong and credible evidence of significantly lower achievement scores in math and reading for Indigenous Peoples in the region. This could be the reason for the estimated significantly lower return to schooling for Indigenous Peoples – in all countries except Peru, indigenous workers receive less pay for each additional year of schooling. To improve learning outcomes, as well as to further increase schooling attainment, and to reduce the gap between indigenous and non-indigenous workers, it is necessary to:

1. **Implement functional bilingual and multicultural education programs ;**
2. **Increase efforts to get all children in school—with incentives as necessary—full parental and community participation, and quality education programs ;**
3. **Focus on quality; and**
4. **Increase secondary school access.**

Implement functional bilingual and multicultural education programs. These programs would include bilingual schools where the teachers speak the same language as the students; where teachers are prepared to teach in a bilingual classroom environment; and where parents and the community participate in the design of curricular materials and other activities. Bilingual education programs should serve to welcome the children in their mother tongue, and over the course of four to five years teach them Spanish as a second language, as they transition to Spanish-only classes as fully fluent Spanish and indigenous language speakers. The bilingual schools should teach the national curriculum, but use materials developed by the local community. Teaching of indigenous history is also welcome.

Well-designed, implemented, and rigorously evaluated programs can produce significant returns. Students of bilingual schools in Guatemala's national bilingual program have higher attendance and promotion rates, and lower repetition and dropout rates. Bilingual students receive higher scores on all subject matters, including mastery of Spanish. It is estimated that a shift to bilingual schooling would result in considerable cost savings as a result of reduced repetition. The costs saving due to bilingual education were estimated at \$5 million in 1996, equal to primary education for 100,000 students.

Increase efforts to get all children in school—with incentives as necessary—and full parental and community participation, and quality education programs. With rapidly increasing enrollments and near universal enrollments in middle-income countries, the only children not enrolled are the very poor in rural and urban areas, including many children from indigenous families. Poor and indigenous children often attend the worst schools, are served by the least educated teachers, have the least amount

of didactic resources, and are more likely to arrive at school hungry and ill. As a consequence, they have less opportunity to learn than their better-off peers, have lower attendance rates, and are less likely to be promoted to the next grade level and complete the primary cycle. Finally, out-of-pocket expenses associated with free public education, which include transportation, uniforms, shoes and school supplies, are often insurmountable for the destitute. Poor parents also experience higher opportunity costs for children's attendance at school to the degree that they depend on child labor to help make ends meet. The resulting reduced demand for education from these families means that governments' efforts to raise the schooling level of the poor and marginalized populations are affected by severely diminishing returns.

Therefore, programs that provide incentives for enrollments can help offset the burdens of poverty, reduce opportunity costs, and increase human capital attainment for indigenous children. One program – completely undifferentiated for indigenous peoples – that is producing these results and reaching indigenous peoples in significantly large numbers is *Oportunidades* (formerly *Progresá*) in Mexico. This program has been rigorously evaluated and is credited with producing significant increases in schooling attainment, health and nutrition outcomes, and short term poverty reduction.

Focus on quality. Not only do indigenous children learn less than their non-indigenous counterparts, but non-indigenous children do not perform very well in the region or in international achievement tests such as the OECD's Programme for International Student Assessment (PISA). Latin American participating countries perform poorly in international achievement tests. In PISA 2000, the five participating Latin American countries (Argentina, Brazil, Chile, Mexico and Peru) were among the bottom eight.

Increase secondary school access, especially in countries nearing or surpassing universal access to primary schooling, with appropriate options for distance education. In contrast to the successful expansion of primary enrollment, Latin American and Caribbean countries perform poorly at the secondary level in terms of net enrollment and completion relative to their levels of income. Secondary school expansion is necessary given the high primary enrollments in the region, and the fact that the availability of secondary schools will serve as an incentive for students to stay in school and complete the primary cycle. Given the high cost of schooling investments for the public sector, distance education alternatives and other models using new technology, should be actively pursued.

Promote equal opportunities for indigenous children through improved health

There are major gaps in health care access and outcomes between the indigenous and non-indigenous. Of particular importance to human capital development are the persistently high levels of malnutrition rates among indigenous women and children, which in turn produce high infant mortality rates, vulnerability to diseases and low schooling outcomes in turn. Attainment of the Millennium Development Goals in both health and education thus hinge critically on tackling malnutrition and other basic health issues among indigenous people.

To address these issues, it is recommended that policies promoting equal opportunities for indigenous peoples, and particularly mothers and children – a sort of "head start" – be implemented. These would include programs of maternal and child health interventions, specifically those that address mother and child malnutrition issues, child education and development, and that facilitate and encourage family planning. Specific recommendations include:

1. **Expand and increase funding for successful programs that improve outcomes and effectively target indigenous peoples;**
2. **Investigate effectiveness of using indigenous practices in health systems;**
3. **Train skilled providers for language/culture sensitivity for indigenous peoples;**
4. **Develop active outreach programs to indigenous communities;** and
5. **Address malnutrition in indigenous communities.**

Expand and increase funding for successful programs that improve outcomes and effectively target indigenous peoples. Of critical importance is the prioritization of programs that actually work in bringing about better basic health care outcomes among indigenous peoples, and in order to achieve this, evaluations of existing programs are critically needed.

Investigate effectiveness of using indigenous practices in health systems. In some cases it is not enough to simply target indigenous people and make sure they have access to health facilities. Rather, it is sometimes necessary that indigenous health practices that are effective be made available via national health systems. Some countries, such as Ecuador, are experimenting with means for combined services that offer a choice between modern and traditional medicine, and more experimentation and evaluation of such initiatives is recommended.

Train skilled providers for language/culture sensitivity in treating indigenous peoples. To effectively target, treat and care for indigenous people, it will be necessary to train providers to treat and interact effectively with indigenous people. This would include sensitivity training and in some cases language training so that health providers can communicate with indigenous peoples who only speak their native language. National health systems should actively recruit indigenous health care practitioners to ensure that the health system is adequately incorporating and serving indigenous people.

Develop active outreach programs to indigenous communities. Many of the poorest indigenous people reside in very remote areas not often served by public health systems, and are also likely to have a high prevalence of non-Spanish speakers. In these communities, effective strategies for delivering health services will incorporate efforts to increase both the supply and the demand for appropriate health care. The health system will need to use indigenous health providers, para-professionals and facilitators to deliver health services (for example by mobile units) and to offer information and education regarding sound health practices in these remote communities. As an example, several countries in the region, including Argentina, Bolivia and Peru, have recently developed

maternal-child health insurance programs accompanied by active outreach programs to accompany the implementation of the program in indigenous areas.

Address malnutrition in indigenous communities. The prevalence of malnutrition among Latin America's indigenous people is one of the core factors underpinning poor human development outcomes in Latin America. The rate of stunting for Guatemala overall is 44 percent, but for indigenous children the rate is 58 percent, higher than either Yemen or Bangladesh, and almost twice the rate for non-indigenous children. In Ecuador, chronic malnutrition is more than twice as high in indigenous as compared to non-indigenous communities. It remains critical that countries emphasize inclusive policies that improve the health of indigenous peoples.

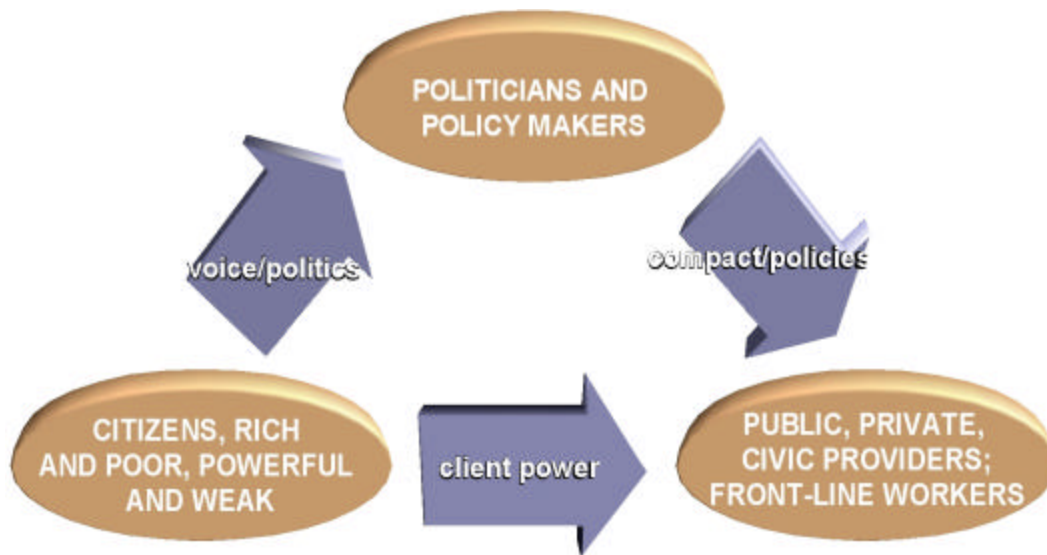
Community-based intervention programs that provide micronutrient supplements and child growth monitoring programs, as well as nutrition education for parents (particularly mothers), have all shown promising results in Latin America and other regions of the world as cost-effective means to fight malnutrition. Countries with such high malnutrition rates among indigenous people should target these kinds of interventions to reach those isolated indigenous communities where rates of malnutrition are highest, and explore the effectiveness of training indigenous promoters.

Improve accountability in the delivery of social services for indigenous peoples

The substantial progress in human capital indicators for indigenous peoples over the 1990s may not have led to significant impact on gains to earnings because the accountability measures do not allow indigenous significant voice in the delivery of services. That is, while the quantity of schooling and health services for indigenous peoples increased, their quality may not have because indigenous people have little influence on the actual services provided. This may explain the continuing quality gap in schooling between indigenous and non-indigenous peoples.

Increased indigenous political power, as measured through such indicators as indigenous people elected to legislatures, could significantly increase indigenous voice in the delivery of social services. However, that could take time. Thus, increased political power could be the long route to accountability – which flows from the ultimate beneficiary via government channels back to service providers (Chart 3). Still, there may be a need to look for strategies to strengthen the short route to accountability, the direct influence of beneficiaries on service providers. This could include enhancing client power or leverage of parents through choice or voice directly at the school level. Increased parental participation, choice of school or health service provider, demand-side financing for health and education, are all examples of mechanisms that may increase the short route to accountability. More specifically, putting indigenous peoples at the center of service provision can help make services work, by enabling indigenous peoples to monitor and discipline service providers and amplifying their voice in policymaking, and by strengthening the incentives for providers to serve indigenous peoples.

Chart 3: Accountability Relationships



Increasing participation is not only possible in theory, but there are a few examples. Mexico's compensatory education programs give indigenous people a role in the management of the school and learning process. In health, accountability can be strengthened through information about best practices in health through NGOs and other groups; population-based services such as immunizations can be contracted out (but publicly financed); and clinical care can be delivered through demand-side subsidies. Through a formal competitive process, Nicaragua, Honduras, El Salvador and Panama award contracts to NGOs to provide coverage to remote (often indigenous) populations with little or no access to health care, in return for a fixed, annual, capitation payment.

Improve data collection efforts related to identifying indigenous populations

Many sources had to be used to compile estimates of the indigenous population. Therefore, reliable and consistent data remain a problem. Better data are required in order to improve the analysis of the socioeconomic conditions of indigenous people. The challenge is to define a set of operational indicators in order to accurately identify indigenous people in census or sample surveys. It is, therefore, recommended that a list of standardized questions for surveys in different years and countries is developed and used.

That list could include self-identification, language (mother tongue, commonly used language, language used at home, secondary language), dominant group in the local community, parents' mother tongues and others. Ideally, each question would allow respondents to identify a specific indigenous group (for example, Quechua, Aymara) rather than merely selecting "indigenous." Statistics agencies could include a special survey module for indigenous peoples. That module could study traditional medicine practice, religious/community activities, land ownership, bilingual schooling, inter-marriage and others. Some countries have used separate surveys for indigenous peoples,

such as Mexico's National Survey of Employment in Indigenous Areas in 1997 and Venezuela's indigenous census in 2001.