Part V
The Latin American Region

Poverty research in Latin America demonstrates the close relationship between politics and academia in the search for useful knowledge. Much of the poverty research is applied, in the sense that studies are geared towards finding solutions to overwhelming poverty problems and providing data that can be used as a base for national social policies. During this process academics are developing a political role that involves them in debates and public consultations on poverty issues, as well as in the making of concrete social policy measures.

The Latin American continent has undergone economic and political turbulence during the past couple of decades, which has had an impact on the incidence of poverty. A succession of adjustment and restructuring policies has run its course in most of the countries, many of which used to have wealthy economies. Macroeconomic policies aimed at poverty alleviation have not been too successful. Poverty seems to have increased both in metropolises and in the rural areas, as have income differences. This development has influenced research on poverty in several ways. Powerful theories on the macro level have appeared, trying to explain the causes and consequences of economic and social changes, directly or indirectly including poverty. Indicators have been developed to capture the manifestations of changing policies and compare them across the different Latin American nations. The eruption of research on poverty lines can likewise be seen as part of this picture.

Here, as elsewhere, a major aim in applied research is to create a poverty line that adequately portrays poverty and at the same time is easy to administer. Politicians and bureaucrats alike are pressing the researchers to come up with an efficient and unambiguous social policy instrument. So researchers and official data collecting institutions are attacking the problems of constructing a fair and unambiguous poverty line as fiercely as if they were attacking the complex problem of poverty itself. Numerous poverty lines are constructed, and poverty lines created elsewhere are tried out in a Latin American context.
The debate on various aspects of poverty is widespread and influenced by structural explanations of poverty. The many economic crises have spurred an overall feeling that poverty is produced in the social and economic system, and the redistribution of resources and a more equitable development are proposed as necessary to curb injustices and poverty.

Chapter 22
Latin America: Poverty as a Challenge for Government and Society
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Introduction
Poverty has been a persistent problem throughout the history of most Latin American countries (LACs). The typical problems of developing regions – their economic dependence, their position in international trade as producers of primary products, the behaviour of their dominant classes, the existence of “enclave economies” in many countries, the predominance of large landed estates, and the intensity of the distributional struggle among different groups – explain the widespread presence of poverty, especially in rural areas. However, this general pattern does not apply to every country. For example, Argentina and Uruguay, which experienced the processes of industrialization and urbanization prior to other countries in the region, have performed better in terms of income distribution and access to social services.

By the end of the Second World War, Latin America was one of the fastest-growing areas of the developing world. Between 1950 and 1980, the average annual formal employment growth in urban areas reached levels comparable to those of the industrialized countries. However, this growth was not enough to absorb the marked increase in the urban labour supply caused by high urban demographic growth, rural–urban migration, and the increase in labour force participation. Furthermore, by the mid 1970s, the import-substitution model adopted by most LACs began to show signs of decay.

At the beginning of the 1980s, Latin America underwent a series of shocks as a result of the crisis in the developed world.