



Territorial dynamics of consumerism, poverty and inequality in Guatemala 1998 - 2006¹

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Executive Summary

The present study corresponds to the first stage of the Rural Territorial Dynamics Programme that Rimisp is implementing in various Latin American countries, with funding from the International Development Research Centre (IDRC, Canada).

The objective of this stage is to identify rural territories that are appropriate for public policies to promote development, taking into account that development generally occurs asymmetrically within countries. Consequently, it is possible to identify regions with greater growth, poverty reduction and inequality, albeit with extensive territories with underdeveloped infrastructure and high levels of poverty and social exclusion.

The main statistical source regarding socioeconomic conditions in Guatemala are the National Survey of Family Income and Expenditure (ENIGFAM) carried out in 1998, and the National Survey of Living Conditions (ENCOVI) in 2006, both of which were coordinated by the National Institute of Statistics (INE). However, comparative information between both surveys can only be ascertained at the level of each one of the country's eight regions. To determine estimates at municipal level, we used the Small Area Estimates

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methodology (Elbers, Lanjouw and Lanjouw, 2003) combining surveys with population and household census data gathered by INE in 1994 and 2002.

The main results show that in spite of sustained growth in per capita income from the mid-1990s until the middle of the present decade, the development model has not allowed the fruits of this growth to reach all sectors of society or all of the country's territories. Through the mapping of territories at municipal level, it was possible to estimate those sectors where consumption grew quicker and where it was slower or even fell, while the same pattern of inequality remained. This work underlines how, almost ten years later, the same territorial differences persist.

In the period between the two population census surveys, poverty fell from 63% to 52% at national level, representing a reduction of eleven percentage points. This benefited the majority of municipalities, although to a different extent. Nevertheless, in the group of municipalities located in the departments of Huehuetenango, Quiché, Alta Verapaz and Izabal (four municipalities in the north of the country) poverty levels increased.

Estimates for consumer inequality measured by the Gini index indicate that the departments of Alta Verapaz, Quiché, Escuintla and in the north-east of the country witnessed a moderate reduction in inequality; in various municipalities in El Petén and Chiquimula inequality was more severe. In the rest of the country there was a slight fall.

Combining the three variables: consumption, poverty and inequality, a classification was made of 330 municipalities that were represented on a map in order to spatially identify changes over time, indicating those municipalities that witnessed significant increases in consumption, poverty reduction and inequality, as well as those municipalities that posted negative results for these three indicators.

Departments such as Huehuetenango, Quiché, Izabal and Escuintla witnessed a deterioration in indicators in the majority of their municipalities, although the worst cases were found in Quiché and Huehuetenango, departments where most of the population is indigenous. Conversely, four territories were identified which had made clear progress in development: in the south-west of the country (in the vicinity of Lake Atitlán), the department of Guatemala and in the south-east. Of these, the region showing the strongest economic development is the south-east of the country. These figures coincide with the results of studies undertaken by the World Bank (2009) and the Institute of Social and Economic Studies (IDIES, 2008), indicating that poverty had fallen by 14.1 percentage points.

Results suggest that adoption of a uniform level of development that reduces territorial inequalities is not taking place, rather, the form of development adopted over the last few decades in Guatemala tends to reinforce social inequality and marginalisation, and in spite of the fact that the country has grown over the last 50 years by around 4%, which is much higher than the 2.6% growth recorded for the population. The public sector, therefore, has an important role to play in promoting development and undertaking appropriate and major interventions to correct territorial inequalities as well as social marginalisation and exclusion.

Based on the results obtained from the mapping process at municipal level, two possible territories have been identified for further study: one is in the south-west of the country and consists of the municipalities of El Quetzal, La Reforma and San Cristóbal, in the San Marcos department, along with the municipality of Colomba in Quetzaltenango. The other is in the south-east of the country and consists of the neighbouring municipalities of El Progreso and Santa Catarina Mita in the Jutiapa department, and Monjas and San Manuel Chaparrón in Jalapa.