Latin America is one of the most persistently “unequal” regions of the world. Beyond striking inequality rates in terms of income distribution, the region is also characterized by large disparities in access to education, land, basic services, and other dimensions of well-being.

Considering that persistent inequality has been documented as an underlying source of adverse effects on growth and development, the current context in Latin America is worrisome.

Inequality traps: “A process whereby pre-existing unequal opportunities tend to generate outcome disparities between social groups, which are perpetuated across generations”

According to recent theoretical research work on the subject, inequality traps may partly explain the situation in Latin America. These studies argue that two conditions are necessary (or must be verified) in order to identify the existence of an “inequality trap”: (i) persistent inequality of opportunity, and (ii) non-convergence in mobility patterns between groups.

**KEY FINDINGS**

Overall, the results suggest that, while average education and mobility are increasing for younger generations, ethnic differences remain prominent in these two countries. In particular, evidence points to larger disparities at higher levels of education. Below are brief summaries of the results for each case study:

- **In Brazil**, educational opportunities remain persistently unequal between ethnic groups and disparities in mobility are not decreasing. Evidence shows that even though intergenerational persistence in educational mobility has fallen within groups, it has also remained unchanged between them. A plausible explanation of this finding is the higher relative improvement in educational outcomes by White-Brazilians, which leaves Afro-Brazilians lagging behind.

  *In other words, Afro-Brazilians seem to be caught in an educational inequality trap.*

- **In Chile**, educational opportunities also remain persistently unequal between ethnic groups. However, while mobility patterns are not growing similar, the data does not imply any worsening. In fact, the generalized increase in mobility has been closing the gaps between ethnic groups in basic education. Nevertheless, there remain important disparities at higher levels of education between indigenous and non-indigenous groups.

  *In other words, there is no conclusive evidence that indigenous groups are caught in an educational inequality trap.*

**PEP RESEARCHERS SET OUT TO FILL KNOWLEDGE GAPS**

In this particularly PEP-supported study, a team of researchers from Argentina has decided to focus on verifying the existence of such traps in educational outcomes, more specifically, for two reasons:

i) Educational outcomes are known for their particularly unequal distribution in the region, high degree of intergenerational persistence and importance as one of the main pathways of development

ii) Education policies are a cornerstone of interventions in human development; providing an opportunity for direct application of the findings into concrete policies.

The choice of ethnic groups as the primary partition characteristic reflects the fact that ethnicity has been and remains a significant source of disparity in Latin America.

The selected case studies of Brazil and Chile, in particular, have historically documented inequality between ethnic groups. In each case, the respective ethnic minorities have shown consistently worse socioeconomic outcomes than the more advantaged majority groups across time.

As the empirical study of inequality traps is still at a very early stage in related scientific literature, this project brings forth a new framework to determine whether both conditions for an inequality trap are observed in a given country or region.

**IMPLICATIONS AND RECOMMENDATIONS FOR POLICY**

In terms of policy, efforts should focus on both the current and persistent nature of educational inequalities. Thus, in addition to generalized “opportunity-promoting policies” that are currently in place, interventions should incorporate (or extend) ethnic-specific measures to allow minorities to “catch-up”. This is even more important at higher levels of education, where the observed gap is higher, according to the study findings.

For instance, affirmative action components directed at ethnic minorities, in large-scale antipoverty programs, might contribute to reduce the persistence of initial unequal opportunities.

Moreover, since inequalities appear larger at higher levels of education, targeted inclusion policies may be implemented (or extended) for ethnic groups with reduced access to secondary or college.

Finally, it is also important to point out that as each country’s initial situation differs greatly, any interventions to address inequality traps should focus on the particularities of the countries’ educational system, available resources and respective sizes of targeted populations, to determine the extent and scale of the required policy mechanisms.

This Policy Brief is based on the results from PEP-supported project PMMA-12219 and working paper: 2010-05