Research Paper

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The Gross Domestic Product (Gdp) and the Poverty Level´S In México and Latin America Context (2000-2013)

Economics

KEYWORDS : Poverty, Economic Growth, Welfare

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ABSTRACT

This paper analyzes the conditions about of the poverty in Latin America like a social condition. So, the main cause has been related about the low level of economic growth. Therefore, analyze this variable as an element of the free market, which is credited with overcoming poverty. However, the main element: the economic growth and their evidence like an indicator hardly help to reduce poverty levels in the extreme; given conditions of the incapacity as elements of trade and education levels to achieve. To achieve this, official figures on the level of economic growth in the Latin American region are used and describe the conditions under which it has been in years.

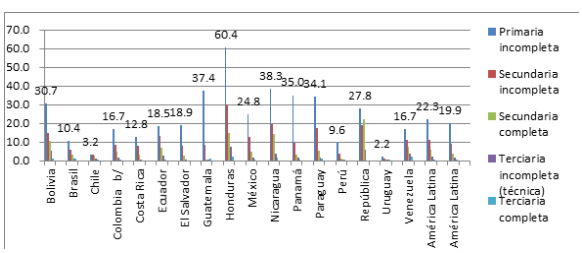
I. INTRODUCTION

The phenomenon of the poverty in Latin America has attracted the interest of academics and researchers about what happens with this situation and its major impact on the social context. So the current theory on the subject of poverty refers similarities with others, such as inequality, human development and social welfare, with mutual relationships on similar methodologies and visions; concluding that poverty reduction was a positive concept to analyze variables such as economic growth and macroeconomic stability (Gonzalez M.O., 2012).

II. UNDERSTANDING POVERTY AND WELFARE

Gonzalez M.O. (April, 2015) consider that the instrumental policies to reduce poverty in the medium and long term, have been launched in the Latin American context. Given the evidence of the lack of education among the population considered poor and living in extreme poverty in countries like Bolivia, 30.7% of the poor had only completed basic education, while in Honduras 60.4% of the poor had incomplete primary, Mexico with 24.8, Chile 3.2%, 18.9% El Salvador. See Figure # 1.

Figure # 1
Education levels obtained

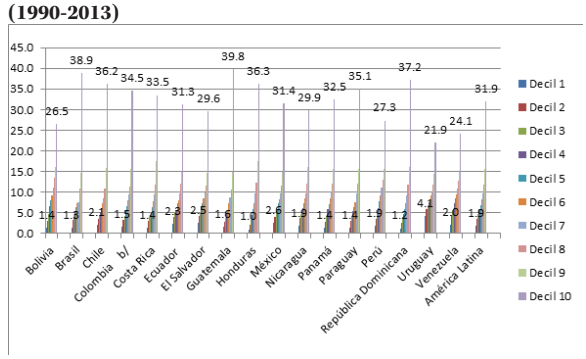


Source: author

However, from 2011, the Southern Cone has better results in reducing the number of poor people. Paraguay started in 2005, to 14.7% of its population in poverty in 2008, and to 11.8% in 2010; Panama started in 2005 to 8.7 of its population living in extreme poverty and 6.6% in 2010; the Plurinational State of Bolivia in 2005 stood at 9.2% of its population living in extreme poverty and 5.2% in 2010, Peru started in 2005 to 6.8% of its population living in extreme poverty and 4.5% in 2010; and Uruguay started in 2005 to 5.6% of its population living in extreme poverty and 4.0% for 2010. A situation due in part to the growth of GDP and increased around 3.0 % in Chile, Colombia, Ecuador, Nicaragua and the Dominican Republic. While, Argentina, Brazil and Costa Rica reported rates close to 2%. El Salvador, Guatemala and Honduras GDP per capita grew at rates close to 1%. And in fewest in Mexico with 0.1% and the Bolivarian Republic of Venezuela with 0.1%

Taking into account the level of GDP growth as a source of reducing poverty involves analyzing economic conditions that favor reducing the number of poor. In this sense, the evolution of labor markets in Latin America and the Caribbean showed that in 2013, the employment rate recorded a slight increase, from 55.3% in 2012 to 55.7% in 2013. The unemployment rate declined further, dropping from 6.4% in 2012 to 6.3% in 2013, reaching historic lows. Among the most representative cases of this situation, it is Bolivia, where the (poorest) decile I participated with 1.4% in the national wealth, while the (richest) decile X does with 26.5%. In Mexico, the decile I participate with 2.6% of the national wealth, while the decile X does with 31.4%. I decile in Brazil participates with 1.3% in the national wealth, while the decile X does with 38.9%. And one of the most representative cases of high inequality is Guatemala, where I decile participates with 1.6% in the national wealth, while the tenth decile does with 39.8%. In Chile, the decile I participated with 2.1% in the national wealth, while the tenth decile does with 36.2%. And in Colombia, I decile participates with 1.5% in the national wealth, while the tenth decile does with 34.5%. See Figure #2.

Figure #2.
Per Capita Income media distribution within Households (1990-2013)



Source: author

Against this, it seems that the evolution of labor markets in Latin America and the Caribbean benefited the employment rate crossing, 55.3% in 2012 to 55.7% in 2013. While unemployment fell to 6, 4% in 2012 and 6.3% in 2013, reaching historic lows. According to the Social Panorama of Latin America (2013), the low levels of unemployment due both to the aforementioned increase in employment and a fall in labor force participation, which decreased from 59.8% to 59.6% between one and another year. It is in terms of population growth where the major opportunity for the development of the labor market, as the growth rate of the total population has decreased from the 2.10% to 0.91%. This reference also got some Preliminary studies of the Economies of Latin America and the Caribbean (2013) and shows a similar behavior. See Figure 3.

Figure # 3.
Estimated media
-total growth by five-year period (1980-2020)-

Axis Title	Argentina	Bolivia (Estado Pl...	Brasil	Chile	Colombia	Costa Rica	Cuba	Ecuador	El Salvador	Guatemala	Haití	Honduras	México	Nicaragua	Panamá	Paraguay	Perú	República Dom...	Uruguay	Venezuela (Rep...	América Latina
1980-1985	1.5	2.1	2.2	1.6	2.2	2.7	0.5	2.5	1.4	2.4	2.3	3.0	1.9	2.6	2.3	2.9	2.3	2.2	0.6	2.7	2.1
1985-1990	1.4	2.2	1.8	1.7	2.0	2.6	0.9	2.4	1.3	2.3	2.1	2.9	1.9	2.1	2.1	2.7	2.1	2.0	0.6	2.6	1.9
1990-1995	1.3	2.3	1.5	1.7	1.8	2.4	0.6	2.2	1.4	2.3	1.9	2.6	2.0	2.3	2.0	2.4	1.9	1.9	0.7	2.2	1.7
1995-2000	1.1	2.1	1.5	1.3	1.7	2.4	0.3	2.0	0.7	2.3	1.8	2.1	1.4	1.8	2.0	2.1	1.6	1.6	0.5	1.9	1.5
2000-2005	0.9	1.9	1.2	1.1	1.5	1.9	0.2	1.8	0.3	2.4	1.5	2.0	1.2	1.3	1.9	1.9	1.2	1.5	0.0	1.8	1.3
2005-2010	0.8	1.6	0.9	0.9	1.4	1.5	0.0	1.6	0.4	2.4	1.3	1.9	1.2	1.2	1.7	1.7	1.0	1.3	0.2	1.6	1.1
2010-2015	0.8	1.4	0.7	0.8	1.3	1.2	-0.	1.6	0.5	2.4	1.2	1.9	1.1	1.4	1.6	1.5	1.1	1.2	0.3	1.4	1.0
2015-2020	0.7	1.3	0.6	0.7	1.1	1.0	-0.	1.4	0.6	2.1	1.1	1.6	0.8	1.2	1.4	1.3	1.0	1.0	0.3	1.3	0.9

Source: author

However, from 2011, the Southern Cone has better results in reducing the number of poor. Paraguay started in 2005, to 14.7% of its population in poverty in 2008, and to 11.8% in 2010; Panama started in 2005 to 8.7 of its population living in extreme poverty and 6.6% in 2010; the plurinational State of Bolivia in 2005 stood at 9.2% of its population living in extreme poverty and 5.2% in 2010, Peru in 2005 stood at 6.8% of its population living in extreme poverty and 4.5% in 2010; and Uruguay started in 2005 to 5.6% of its population living in extreme poverty and 4.0% for 2010. A situation due in part to the growth of GDP and increased around 3.0 % in Chile, Colombia, Ecuador, Nicaragua and the Dominican Republic. While others countries like Argentina, Brazil and Costa Rica reported rates close to 2%. Meanwhile, in El Salvador, Guatemala and Honduras GDP per capita grew at rates close to 1%. And in a fewest rate in Mexico with 0.1% and the Bolivarian Republic of Venezuela with 0.1%.

III. GDP GROWTH AND LABOUR MARKETS

Note that GDP growth is a source of reducing poverty involves analyzing economic conditions that favor reducing the number of poor. In this sense, the evolution of labor markets in Latin America and the Caribbean showed that in 2013, the employment rate recorded a slight increase, from 55.3% in 2012 to 55.7% in 2013. the unemployment rate declined further, dropping from 6.4% in 2012 to 6.3% in 2013, reaching historic lows.

Income levels in the population, continue to be generated in inequality through schemes that demonstrate lack of opportunities for the population in general. Income levels are very far substantially in the participation of people in generating wealth. Among the most representative cases of this situation, it is Bolivia, where the (poorest) decile I participated with 1.4% in the national wealth, while the (richest) decile X does with 26.5%. In Mexico, the decile I participate with 2.6% of the national wealth, while the decile X does with 31.4%. I decile in Brazil participates with 1.3% in the national wealth, while the decile X does with 38.9%. And one of the most representative cases of high inequality is Guatemala, where I decile participates with 1.6% in the national wealth, while the tenth decile does with 39.8%. In Chile, the decile I participated with 2.1% in the national wealth, while the tenth decile does with 36.2%. And in Colombia, I decile participates with 1.5% in the national wealth, while the tenth decile does with 34.5%. ECLAC (2014th).

Given the above, it appears that the evolution of labor markets in Latin America and the Caribbean benefited the employment rate across, from 55.3% in 2012 to 55.7% in 2013. While unemployment fell from 6 4% in 2012 to 6.3% in 2013, reaching historic lows. This decrease was due both to the aforementioned increase in employment and a fall in labor force participation, which decreased from 59.8% to 59.6% between the two years. It is in terms of population growth where the major opportunity for the development of the labor market, as the growth rate of the total population has decreased from the 2.10% to 0.91%. (ECLAC. 2014th).

However, according to the ECLAC (2014) the distribution of income in Latin America since 1900 continues to show high levels of inequality. At the highest income levels in countries like Bolivia capture 26.5% of the national wealth; while 38.9% and Brazil; Chile 36.2%; 34.5% in Colombia; in Costa Rica 33.5%; in Ecuador 31.3%; in El Salvador in Guatemala 29.6% 39.8%; in Honduras 36.3%; 31.4% in Mexico; in Nicaragua 29.9%; in Panama in Paraguay 32.5% 31.5% 27.3% in Peru Dominican Republic in Uruguay 37.2% 21.9% 24.1% in Venezuela. While lower income levels involved in Bolivia with 1.4%; Brazil with 1.3%; in Chile with 2.1%; in Colombia with 1.5%; in Costa Rica with 1.4%; in Ecuador with 2.3%; in El Salvador with 2.5%; in Guatemala with 1.6%; in Honduras with 1.0%; in Mexico with 2.6%; in Nicaragua with 1.9%; in Panama with 1.4%; in Paraguay with 1.4% in Peru with 1.9% in the Dominican Republic with 1.2%; in Uruguay with 4.1% in Venezuela with 2.0%.Economic growth shown in countries of Latin America and in countries like Mexico, is reduced to a low participation of lower-income deciles. Therefore, the current economic inequality can be explained in the context of the difference in the share of wealth among the most prosperous and sparsely favored deciles.

IV. CONCLUSIONS

Referring to the poverty concept like a social phenomenon, the economic condition permit understands the economic distribution source under a distribution of social goods problem. This applies to the interpretation by the Indicator of Human Development and Social Welfare. Two concepts related to the ability to interpret the situation of deprivation in which the population is under limited conditions of exploitation and enjoyment of resources

However, the reality in which the population is embodied in Latin America, leading to a situation of productive organization that constantly questions in singing the impact of economic indicators in the vulnerable population. On the one hand the level of sustained growth has been considered a determinant factor of organization to generate economic conditions opportunity for citizenship. While on the other, the labor market continues without generating opportunities for all structurally. It is in this sense that the precedent of the shortage of opportunities generally created.

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