macro study

Indigenous Peoples and Poverty: The Cases of Bolivia, Guatemala, Honduras and Nicaragua

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Executive summary

This paper addresses some of the most pressing issues for indigenous peoples in Latin America. It looks at the poverty situation of indigenous peoples in four poor countries in Latin America – Bolivia, Guatemala, Honduras and Nicaragua. Despite there being little or no disaggregated data for indigenous women and men in Latin America, it can easily be concluded that indigenous peoples are disproportionately represented among the poor.

Governments and donors, however, have judged indigenous peoples to be poor without asking indigenous peoples themselves how they see their situation. It may be that measured within the economic parameters of mainstream society, indigenous peoples are among the poorest but the official *Poverty Maps* do not necessarily reflect the real poverty situation as perceived by indigenous peoples. In some cases, poverty indicators may even reflect a discriminatory disregard for indigenous values as such, whereby expressions of indigenous identity become an indicator of poverty.

Due to the current political marginalization, indigenous peoples are largely absent from the planning, design and implementation of development policies and programmes that directly affect their lives and territories. This study explains some of the impacts of this marginalization and offers a path towards an inclusive system of development.

This inclusivity is sorely needed – arguably more now than ever – given that international development cooperation is working closer and closer with recipient governments, based on a globalized mainstreaming of tools and methodologies. Development processes are based on national poverty reduction strategies that are oblivious to indigenous peoples' perception of wealth and poverty, and of the steps that indigenous peoples would like to take to reduce their poverty.

Indigenous peoples' own notions of poverty go far beyond a simplistic understanding of poverty as lack of income; their rights and identities as distinct peoples are at the centre of their concepts of wellbeing and quality of life.

Indigenous peoples' views have been sought in the writing of this study. Studies have been made for the four countries and several themes have emerged as common to indigenous peoples across the region with regards to poverty and poverty alleviation. Following these, a series of recommendations have been designed to ensure that policies and programmes are drawn up with indigenous peoples' full participation and consent.

Kallawaya woman, Bolivia. Photo: Jeremy Horner/Panos Pictures

Background

This study follows an MRG project on indigenous peoples, discrimination and economic exclusion in Latin America. The project was undertaken in cooperation with indigenous organizations from Bolivia (THOA), Guatemala (MEN-MAGUA), Honduras (Lakia Tara) and Nicaragua (CDHCA)[1] and aims to:

- provide key data and share experiences on the economic exclusion and poverty of indigenous peoples in Latin America,
- analyse the links between indigenous peoples and poverty, and
- draw conclusions and recommendations for more effective strategies to overcome poverty among indigenous peoples.

A three-day workshop was held in July 2002, in Guatemala, that brought indigenous representatives from the above-mentioned organizations together to contribute to this study, and to facilitate further research and data-gathering.

Bolivia, Guatemala, Honduras and Nicaragua are, with the exception of Haiti, the poorest of the Latin American countries and all have significant indigenous populations. These countries have been targeted by the international donor community for poverty reduction and therefore provide an opportunity to explore whether these strategies and programmes have taken the specific concerns of indigenous peoples into account. However, in most cases there is no disaggregated data to provide an exact description of indigenous peoples' poverty. This points to the need for further field-based research and analysis to improve strategies to overcome indigenous peoples' poverty.

While this study does not give an exhaustive account of the situation in the four countries, it contributes to the

debates on improving the targeting of poverty reduction strategies, with an indigenous perspective on the fundamental questions:

- How are the issues of poverty and indigenous peoples related?
- How do indigenous peoples understand poverty?
- How best to address indigenous peoples in poverty reduction strategies?

Poverty and indigenous peoples

The United Nations (UN) estimates that there are over 350 million indigenous people in the world, of whom over 40 million live in Latin America and constitute approximately 8 per cent of the population.[2]

No universal definition of indigenous peoples exists and, because power and the legitimacy of political representation have often been monopolized by states, indigenous peoples generally reject external attempts at defining them. Certain UN member states have insisted on a formal definition of the term 'indigenous peoples' with a view to excluding indigenous peoples rather than achieving clarity about the meaning of the term. States have used the categorization and labelling of different groups to exclude them from influence and participation. From an indigenous perspective, the right to self-identification is a fundamental right, which is the basis for a broader recognition, to include culture, language and religion.

In order to identify rather than define indigenous identities, the working definitions provided by the International Labour Organization (ILO) Convention 169 and the UN Special Rapporteur José Martinez Cobo[3] are generally used as reference points. These underline the following aspects of indigenous identities:

- historical continuity with pre-colonial societies;
- strong link to territories;
- distinct social, economic or political systems;
- distinct language, culture and beliefs;
- form non-dominant sectors of society; and
- identify themselves as different from national society.

ILO Convention 169 emphasizes that self-identification as indigenous shall be regarded as a fundamental criterion.

These characteristics give indigenous peoples a special position – they are the keepers of cultural diversity, however, this implies a degree of vulnerability in the development process. The concept of being indigenous is a relational term, which refers to historical processes of colonization and nation-building, through which their development as peoples has been subordinated to state control. Indigenous peoples' fundamental claim is therefore to be recognized as peoples with the right to self-determination.

> 'To identify as an indigenous person does not imply obeying a colonial master. On the contrary, it is a source of revaluation and decolonization.'[4]

Due to pressure from indigenous organizations, many Latin American states have to some extent recognized the existence of indigenous peoples and the need to reflect specific indigenous peoples' rights in constitutions and national legislation however, implementation is generally unsatisfactory. While the situation varies, Latin America has generally made more progress than countries in Africa and Asia.

Identifying and defining indigenous peoples in Latin America is a highly contested field. Some governments may

Data 2001	Bolivia	Guatemala	Honduras	Nicaragua
Population (millions)	8.5	11.7	6.6	5.2
GNI per capita (US $)	950	1,670	890	n/d
Poverty (% of population below national poverty line)	60	56	n/d	n/d
Urban population (% of total)	64	40	54	57
Life expectancy at birth (years)	63	65	66	69
Infant mortality rate (per 1,000 live births)	61	39	35	33
Child malnutrition (% of children under 5)	5	44	25	12
Illiteracy (% of population age 15+)	14	31	25	33
% indigenous population (estimated)	50.6	50–60	7–8	3–4

TABLE 1: (SOURCE: BASED ON WORLD BANK DEVELOPMENT DATA BANK FIGURES)

wish to underestimate the percentage of the population who are indigenous in order to minimize indigenous peoples' political role or deny them access to land. Other governments reject the use of the term 'peoples' as it has consequences for the definition of collective rights. Some may choose to reject an indigenous identity due to the stigmatization associated with being indigenous.

Adequate country-specific data about indigenous peoples is a prerequisite for any study of indigenous peoples and poverty. However, the reliability of data can often be questioned, as the criteria for identifying and defining indigenous peoples are political tools in the struggle for identity and rights. Factors that contribute to the lack of reliable data about indigenous peoples in Latin America are:

- The issue of identity is intrinsically linked to issues of conflict and violence, created through a systematic marginalization of indigenous peoples in both colonial and republican history. Identity is a highly politicized issue.
- For some indigenous peoples, institutionalized racism has resulted in low self-esteem and a rejection of indigenous identity, language and names.
- Some states are reluctant to acknowledge the existence of indigenous peoples, as this has implications for the allocation of collective rights, for example, to land and territories.
- The level of recognition of the existence of indigenous peoples is closely linked to the political pressure exercized by indigenous organizations and is therefore a reflection of indigenous peoples' organizational processes.
- ILO Convention 169 emphasizes the importance of self-identification for the definition of indigenous peoples. The Convention has been ratified by Bolivia, Guatemala and Honduras, but official statistics are mainly based on external criteria for defining indigenous peoples.

It is the struggle for recognition as peoples with collective rights that distinguishes indigenous peoples from other disadvantaged or vulnerable groups. Indigenous peoples have their own concepts of poverty. These are not usually taken into account in government policies and programmes, and government programmes may even have adverse effects on indigenous peoples, further eroding indigenous peoples' rights. Therefore there is a need to tackle indigenous peoples' poverty through rights-based strategies, which include indigenous peoples' collective rights and their cultural integrity.

> Indigenous peoples' rights are under discussion within the framework of the UN Commission on Human Rights. Article 3 of the UN Draft Declaration on the Rights of Indigenous Peoples, reads: *'Indigenous peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.'*

Poverty

Since the UN World Social Summit in Copenhagen in 1995, poverty reduction has been recognized internationally as the main development goal. The importance of poverty reduction was reaffirmed in September 2000, when 191 nations adopted the UN Millennium Declaration. The Declaration's target regarding poverty is to reduce by half the proportion of people living on less than a dollar a day, by 2015.

According to the *World Development Indicators Database* (2001) Nicaragua is a low-income country with an average Gross National Income (GNI) of less than US $745 per person, while Bolivia, Guatemala and Honduras are lower middle-income countries with a GNI per person ranging from US $746–2,975.

Country	GNI per person (Atlas method) – US $
Bolivia (2001)	940
Guatemala (2001)	1,670
Honduras (2001)	900
Nicaragua (1997)	380

TABLE 2: (SOURCE: *WORLD DEVELOPMENT INDICATORS DATABASE*, WORLD BANK, 2002)

Income poverty

At the country level, poverty is normally based on income level. A person is considered poor if their income falls below the minimum necessary to meet basic needs. This minimum level is usually called the 'poverty line'. What is necessary to satisfy basic needs varies through time and across societies, and is country-specific.

In order to measure poverty globally, the World Bank uses reference lines set at US $1 and $2 a day. In 1998, it was estimated that 1.2 billion people lived on less than US $1 a day and 2.8 billion lived on less than $2 a day.[5]

Approximately 88 per cent of the developing world's population is covered by the household surveys used to construct the dollar poverty estimates. Remote rural areas are often not covered by surveys yet this is often where many indigenous peoples live. So the extent to which this estimate reflects the true extent of poverty in a given country, particularly for indigenous peoples, is questionable.

Country	Percentage of people living on less than US $1 per day	% share of income or consumption held by the poorest 20%
Bolivia (1999)	14.4	4.0
Guatemala (1998)	10.0	3.8
Honduras (1998)	24.3	2.2
Nicaragua (1999)	n/d	2.3

TABLE 3: (SOURCE: *WORLD DEVELOPMENT INDICATORS DATABASE*, WORLD BANK, 2002)

The multiple dimensions of poverty

It is broadly recognized that there are many more dimensions to poverty than a lack of income and financial resources. The non-income dimensions of poverty include social aspects such as access to services and infrastructure, education and health, as well as less tangible dimensions such as decision-making power, social and political exclusion, vulnerability, etc. It is common to measure poverty as 'unsatisfied basic needs', by looking at indicators related to access to education and employment, housing and sanitation.

In the *Human Development Reports*, the United Nations Development Programme (UNDP) focuses on three basic indicators for human development: access to the necessary resources for living a decent life, educational level and life expectancy. Human development is defined by the UNDP as:

'A process of enlarging people's choices. Enlarging people's choices is achieved by expanding human capabilities and functionings. At all levels of development the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable and to have a decent standard of living. If these basic capabilities are not achieved, many choices are simply not available and many opportunities remain inaccessible. But the realm of human development goes further: essential areas of choice, highly valued by people, range from political, economic and social opportunities for being creative and productive, to enjoying self-respect, empowerment and a sense of belonging to a community.'

In the UNDP Human Development Index (HDI),

countries are ranked according to their achievements regarding human development, (see Table 4).

Internal variations and inequalities

All of the above-mentioned figures provide national averages and cover variations in wealth and human development within each country. One of the most notable variations is between men and women, as women generally hold a marginalized position compared to men (see Table 5).

The recognition of gender-based inequalities regarding poverty and human development has led institutions like the UNDP and World Bank to systematically provide gender-specific data. Gender is also an important aspect within indigenous communities, and should be systematically reflected in all analyses.

However, these national statistics do not readily provide disaggregated data on indigenous peoples, so it is difficult to make a direct correlation between indigenous peoples and poverty. The poverty picture in a given country, and its ability to reflect indigenous peoples' poverty situation, will be shaped by fundamental questions such as:
- what definition of indigenous peoples is applied;
- how poverty is defined and which indicators are applied;
- what data is collected, and how it is collected; and
- how these data are interpreted.

Poverty reduction strategies

The main tools developed by the International Monetary Fund (IMF), World Bank, governments and international donors for reducing poverty in the poorest countries are:
- The Highly Indebted Poor Countries (HIPC) initiative. The HIPC initiative was agreed by governments, the IMF and World Bank in 1996. It is intended as a comprehensive initiative to reduce the external debt of the world's poorest and most heavily indebted countries, within an overall framework of poverty reduction. The countries eligible for the HIPC initiative commit themselves to a sustained implementation of integrated poverty reduction and economic reform programmes, while the creditors commit themselves to cancel part of the countries' foreign debt.
- The Poverty Reduction Strategy Paper (PRSP). In September 1999, the IMF and World Bank determined that all low-income countries should develop a PRSP to get access to concessional lending and debt relief under the HIPC initiative. The PRSPs are to be developed by governments following a participatory process, involving

Human Development Index (HDI), 2002	Bolivia HDI rank: 114	Guatemala HDI rank: 120	Honduras HDI rank: 116	Nicaragua HDI rank: 118
Life expectancy at birth (years)	62.4	64.8	65.7	68.4
Adult literacy rate (% age 15 and above)	85.5	68.6	74.6	66.5

TABLE 4: (SOURCE: *WORLD DEVELOPMENT INDICATORS DATABASE*, WORLD BANK, 2002)

World Development Indicators Database (2002)	Bolivia	Guatemala	Honduras	Nicaragua
Illiteracy rate, adult male	7.64	23.27	24.85	33.41
Illiteracy rate, adult female	19.95	38.11	24.9	32.88

TABLE 5: (SOURCE: *WORLD DEVELOPMENT INDICATORS DATABASE*, WORLD BANK, 2002)

civil society as well as development partners, including the IMF and World Bank. The PRSP describes a country's macro- economic, structural and social policies and programmes to promote growth and reduce poverty, as well as associated external financing needs.

- The Comprehensive Development Framework (CDF). The implementation of the PRSP is supposed to take place within the CDF. The CDF emphasizes the interdependence of all elements of development (economic and financial, environmental, governance, and human). Based on a holistic, long-term development strategy for the country, each donor and other partners should define their support within the CDF. Obviously, this approach requires close coordination among all partners as well as clear indicators and monitoring procedures to assess the achieved results.

> Of the four countries discussed in this study, Bolivia, Honduras and Nicaragua have developed formal PRSPs, while Guatemala is in the process of developing a comprehensive poverty reduction strategy. In Bolivia, Honduras and Nicaragua, the PRSPs are based on the CDF principles, which are specifically being explored in a number of pilot countries, including Bolivia.

Within this general approach, most donors base their programming on the following:
- definition of country strategies and sector priorities;
- implementation through government structures;
- annual consultations with recipient countries; and
- dialogue with civil society.

The implication of the globalized mainstreaming of development tools is that donors base their work on a common analysis of the poverty situation in a given country, plan their interventions within a common framework and follow common strategies for overcoming poverty. Further, donors are generally moving away from projects and towards a 'sector programme approach', which implies close government-to-government cooperation and builds on government structures for its implementation. Ultimately development cooperation could be given in the form of general budgetary support, without the donor deciding on the prioritization of the funds within the sectors. Donors also state that the development process should be country-driven, i.e. building on nationally-defined strategies and priorities, and that civil society should be involved in a national dialogue on these issues.

Indigenous peoples are struggling to control their own development as peoples and are generally politically marginalized. Therefore, indigenous peoples are not necessarily included in the dialogue about national development priorities, their specific concerns are not necessarily reflected in the national sector approach (for example, intercultural bilingual education, indigenous health practices and medicine), their institutions are seldom involved in the implementation of projects and programmes, and they are not regularly consulted in the annual consultations and dialogues.

Therefore there are some inherent contradictions between the centralized development approach implemented by most donors and governments, and indigenous peoples' struggle for their rights as peoples. Recognizing indigenous peoples' right to self-determination implies establishing methodologies for the entire development process that respects this right.

The question of participation is complicated due to indigenous peoples having no single formal institutional

framework for legitimizing authority. In some cases, donor requirements force indigenous peoples to adopt new organizational forms which erode social structures and institutions, and cause increased dependency. It is important to include these structures and institutions in the dialogue about, and implementation of, development initiatives, thereby validating and strengthening their role. The identification of indigenous organizations and the extent to which they are representative is a subject of permanent discussion. External parties should be encouraged to follow an inclusive approach, recognizing the diversity of indigenous societies, rather than being over-selective.

Supporting indigenous peoples in development cooperation

Some development agencies and donors, including Denmark, the European Union (EU), Spain, the UNDP, and World Bank, have adopted specific policies and strategies for addressing and supporting indigenous peoples. While this is positive, implementation is unsatisfactory: the degree of knowledge and understanding of indigenous issues in donor agencies is generally low; indigenous issues have not been adequately mainstreamed into existing policies, procedures and programmes; monitoring mechanisms are often absent; and the dialogue between indigenous peoples and donor agencies is weak.

> Some agencies make explicit mention of indigenous peoples' poverty as an argument for developing specific strategies: *'The Bank recognizes that indigenous peoples are commonly among the poorest and most vulnerable segments of society and in many countries they have not fully benefited from the development process.'* [6]
>
> *'The vast majority of indigenous peoples live in developing countries where they experience economic, social and political marginalization.'* [7]

These policies reflect an increasing recognition that indigenous peoples are central to the objective of poverty reduction, and indigenous peoples are often said to be the 'poorest of the poor'. However, very few systematic attempts have been made to explore and document how the concerns of indigenous peoples can be specifically addressed in poverty reduction strategies. An even more fundamental question is to what extent indigenous peoples share governments' and development agencies' concepts of poverty. As noted in the UNDP's policy on cooperation with indigenous peoples:

'It is important to note that indigenous peoples are often categorized as poor; however, they do not regard the term as appropriate since they consider themselves rich in knowledge and culture.' [8]

It may be that according to the economic parameters of mainstream society, indigenous peoples are the poorest of the poor. However, this does not necessarily reflect indigenous peoples' view. Further, mainstream development has often been destructive to indigenous peoples as it has led to increased dependency, the undermining of indigenous institutions, and a loss of land and resources.

The economic argument for overcoming indigenous peoples' poverty

Psacharopoulos and Patrinos[9] regard poverty as low economic income and living conditions – such as lack of access to

water and sanitation, or material possessions – and juxtapose this with low schooling attainment. Their study concludes that there is a strong correlation between low educational achievement and poverty, and that indigenous peoples' socio-economic conditions could be improved were the policies to be improved. There is an 'unrealized potential' for increasing indigenous peoples' productivity and living conditions, if means are found to enhance their human capital, for example, through education.

Zoninstein[10] examines the economic value of this 'unrealized potential' by looking at two interrelated aspects of poverty: social exclusion and low income. Indigenous peoples and Afro-descendants lag behind other population groups in Latin America because of:

- lack of investment in human capital (i.e. the knowledge and facilities which are relevant for economic production;
- discrimination and segmentation along ethnic lines in the labour market; and
- a subordinate role in the economy.

Zoninstein calculates the projected economic gains, if indigenous peoples and Afro-descendants' existing potential was to be realized in their current jobs (i.e. if they earned as much as other population groups with the same educational level and skills); and if their potential was expanded by raising their educational levels to those of other population groups (i.e. they had the same skills and earned the same as other population groups). Zoninstein concludes that, in the case of Bolivia, if indigenous peoples' social exclusion was ended, the economy would expand by at least 36.7 per cent. This would only be achieved if a multifaceted systematic policy for ending their social exclusion were implemented over many years.

While such economic arguments against economic exclusion and discrimination are helpful, there is a risk of overlooking some of the other characteristics of indigenous peoples' poverty, and these are directly linked to the distinctiveness of indigenous peoples as collective rights holders:

- Poverty is a relational phenomenon, some are rich because others are poor. This is especially true for Latin American countries, which generally have a higher GDP than, for example, the poor countries in Africa. Poverty is a question of the distribution of resources rather than a lack of resources. Land resources are of paramount importance. In order to achieve sustainable development and overcome unsustainable patterns of consumption, it is perhaps more relevant to develop strategies for 'wealth reduction' based on the definition of a 'greed line'.
- Indigenous peoples are not excluded from the national economies but are included in a marginalized way. Some indigenous peoples maintain their own economy, based on the use and management of natural resources, but this economy is generally not recognized or reflected in national statistics.
- Poverty is a collective phenomenon for indigenous peoples, with historical and structural causes, that cannot be overcome at an individual level. Poverty should be addressed via the recognition of indigenous peoples' collective rights.
- The economic arguments are based on the idea of one single national economy, thus ignoring the existence and the diversity of indigenous peoples' economies.

If these elements are not recognized in the strategies for reducing indigenous peoples' poverty, there is a risk that these strategies will fail or even have a negative effect.

Indigenous peoples' experiences with poverty

This section is based mainly on the input from the indigenous participants at the MRG workshop in Guatemala, July 2002.

Bolivia

In Bolivia, official figures estimate that approximately 4.2 million Bolivians (50.6 per cent of the population) are indigenous, compising 37 different indigenous and aboriginal peoples.[11] Of these, most live in the Andean highlands.

The institutionalized racism in the Andean region has led many indigenous people to internalize this racism and negate their indigenous identity, by changing their indigenous surnames into more 'civilized' ones, or rejecting their indigenous language. This 'whitening' process is well known in Latin America and is synonymous with social and economic elevation. As for education, a separate curriculum was specified for rural populations, building on colonial concepts of the 'civilizing' mission of the state regarding indigenous peoples. Teachers generally reproduced these state concepts, reiterating the idea that indigenous children from the highlands were 'dirty' due to their colour, and that indigenous languages should be replaced with Spanish.[12]

Indigenous peoples in the history of Bolivia
The colonization, which started in 1527, led to the end of the powerful indigenous states in the Andean region and a catastrophic decline in the indigenous population (up to 80 per cent of the population died, mainly due to disease, war and forced labour).[13] In pre-colonial times, the *ayllus*[14] in Bolivia had land in the valleys and highlands that allowed differentiated production. Today, the *ayllus* of the highlands can no longer sustain their livelihoods and many indigenous peoples leave for the urban areas or cultivate coca in the lowlands.

The Spanish colonizers recognized some of the indigenous institutions and authorities but this changed during the Republican era, when all Bolivians were considered citizens – as long as they were literate and had capital. It was not until 1952 that indigenous peoples were allowed to vote, and it was only in 1994 that the state recognized some of the indigenous peoples' collective rights, although these are still not fully implemented.

In Bolivia, the indigenous peoples are often labelled as the rural population, and the non-indigenous as urban. This language uses geographical features to describe profound differences in culture, language, economic power and political influence. The rural/urban division is still used by the government, for example, in official poverty statistics.

The Bolivian Poverty Map

The Bolivian *Poverty Map 2001*, is produced by the National Institute for Statistics and is based on a national census of population and housing. The *Poverty Map* operates with two categories, rural and urban, and concludes that of the approximately 8.2 million Bolivians, 62.4 per cent are 'urban' and 37.6 per cent are 'rural'. The concept of indigenous peoples is not included in the census, therefore there is no way of directly correlating poverty and indigenous peoples, but there is an implicit understanding that 'rural' is generally synonymous with 'indigenous'. This categorization ignores migration patterns – many indigenous peoples work

in the city but maintain relationships with their community and the cultivated land of their family. Further, it builds on the discriminatory concept of a static indigenous identity.

The Bolivian *Poverty Map* is based on six indicators for unsatisfied basic needs:

- Building materials – these are considered inadequate if the residence has walls made of cane, palm or stones, an earth floor and/or roof made of straw, cane or rubbish materials.
- Rooms available – people are living below the norm if there are more than five people sleeping in two rooms, and they do not have at least one additional room for eating or living, and/or do not have a separate room for cooking.
- Water and sanitation services – these are inadequate if a residence does not have piped water, or if the residence does not have sewage facilities or a septic tank. These parameters are less demanding in the rural areas.
- Energy input – this is inadequate if there is no electricity in the residence and/or residents use carbon, dung, firewood or kerosene for cooking.
- Education – the educational level is considered inadequate if some members of the family cannot read or write, or there are children who do not go to school, and/or are falling behind at school.
- Health – this is inadequate if only a small proportion of women receive treatment from doctors, nurses or other professional staff, in a given area.

Based on these indicators, 58.6 per cent of the Bolivian population is poor. However, this poverty is not distributed equally within Bolivia. The highest rates are in the departments of Potosí and Beni, while the department of Sta Cruz shows the smallest percentage. Also, regarding the indicators, there are important differences between the departments. While more than 60 per cent of the population in Beni and Potosí live in houses constructed of 'inadequate' building materials, only 23 per cent of the population in Sta Cruz do. Sta Cruz is the largest and most modern city in Bolivia, and is the centre of agricultural production as well as the illegal coca economy, while Potosí and Beni are predominantly indigenous and the architecture is characterized by traditional building materials, which are in themselves regarded as indicators of poverty (see Table 6).

The question is to what extent this *Poverty Map* reflects indigenous peoples' poverty in Bolivia. On the one hand, it does not speak specifically about indigenous peoples' poverty. On the other, the indicators are built on cultural constructions of adequacy and inadequacy. An *adobe* house is automatically an indicator of poverty, while constructions of sheet metal roofs and cement are indicators of wealth, even if these are not suited to the cold highlands climate. Similarly, an extended family in the Amazon, living in one large, common house constructed with local materials, is by definition poor as the building materials are 'inadequate' and

the family does not have 'sufficient rooms'. The indicator related to adequate medical care, measures the proportion of women treated by professional health care staff. However, in many indigenous cultures births are conceptualized differently and are not seen to need the involvement of professional doctors. The existence of indigenous health care systems is also ignored in the poverty indicator's definitions.

> 'The basic question is, what is poverty in economic and in spiritual terms? Many peoples may be economically poor but at the same time they can be qualitatively rich in knowledge and values. The contributions of these peoples to humanity, in the areas of medicine, music, textiles, architecture, oral tradition etc. should also be taken into consideration. Establishing indicators of poverty should not be a unilateral process but a dialogue between cultures.' [15]

The indicators for the official *Poverty Map* of Bolivia draw upon urban norms, which are discriminatory in their disregard for indigenous values. Moreover, the official *Poverty Map* confirms the 'civilizing' mission of the state re the indigenous population. In this account, 'civilization' and wealth are seen as synonymous with urbanization, while indigenous peoples often perceive urban poverty to be more dramatic than rural poverty.

National framework and poverty reduction strategies

In 1991, large-scale protests by indigenous organizations led the Bolivian government to ratify ILO Convention 169, and this served as the foundation for constitutional reforms in 1994. Through these reforms, a legal framework for the recognition of indigenous territories, and the decentralization and transfer of power to the departmental and municipal levels was established. The development of a favourable national framework has enabled donors to directly address indigenous peoples' needs through sectoral programmes. For example, Danida supports a sectoral programme for bilingual education, the strengthening of indigenous municipalities and the titling of indigenous land.[16]

The development of the Bolivian PRSP was based on a participatory process named 'National Dialogue 2000', which to some extent involved representatives from indigenous organizations. One of the cross-cutting themes of the poverty reduction strategy is that:

> *actions directed to seeking equity will be promoted through policies designed to improve opportunities for ethnic groups and indigenous peoples…*' [17]

The strategy identifies three such actions:

- development and implementation of training programmes for indigenous organizations in the sustainable use of natural resources and the environment;
- increased access to the educational system for indigenous peoples, and their continued attendance at school; and

Department	% of poor	Inedequate building materials	Inedequate health service	Insufficient space
Potosí	79.7	60.3	59.6	67.1
Beni	76.1	63.2	54.6	85.0
Sta Cruz	38.0	23.0	43.6	77.0
Total population	**58.6**	**39.1**	**37.9**	**70.8**

TABLE 6: POVERTY MAP

- periodic dissemination of information related to indicators broken down by ethnic groups.

Further, the strategy suggests strengthening and implementing development with a distinct indigenous peoples' identity. This objective is to be reached through economic, institutional, legal and political development, and improved social services. This ambitious approach reflects some of the major concerns of indigenous peoples, and provides a specific focus on the indigenous populations at all levels of policy-making and implementation. However, indigenous organizations fear that the progressive provisions will not be properly implemented. Despite Bolivia's ratification of ILO Convention 169, resources on indigenous land are still being exploited without consultation.

Guatemala

In Guatemala, independent estimates calculate that 50–60 per cent of the approximately 11 million inhabitants are indigenous, belonging to 23 different Maya groups. The official figure of the Guatemalan state is lower (41.8 per cent) and is based mainly on linguistic indicators (first language [mother tongue] and ability to speak an indigenous language).[18] This is regarded as a simplistic definition by indigenous organizations, which call for a broader spectrum of criteria, such as:

- historical continuity of the peoples, including the persistence of cultural, social, political and legal institutions;
- descend from pre-Columbian peoples;
- the existence of a distinct identity; and
- self-identification as indigenous.

The low official estimate may reflect a deliberate effort of the state to minimize the existence of indigenous peoples in Guatemala.

Indigenous peoples in the recent history of Guatemala
The history of Guatemala is characterized by a policy of extermination of the Maya. In 1996, 36 years of internal war were ended when peace accords were signed. The exact number of people killed and displaced during the conflict will never be known but independent sources estimate that from 1980–4, at least 50,000 adults were killed, 1 million people were displaced from the highlands and 120,000 people fled to neighbouring countries.[19] Mayan social and political organization was disrupted, due to the militarization of society and the establishment of the so-called 'development villages', where large portions of the Mayan population had to live under strict military control.

Indigenous poverty in Guatemala

In Guatemala, it is generally acknowledged that there is a correlation between the Mayan population and the poor population, even if official statistics do not allow for a direct comparison. In 1998, MENMAGUA undertook a study[20] of Mayan poverty in Guatemala. It explores poverty via:

- a poverty line (income as related to the cost of basic food requirements);
- unsatisfied basic needs (housing, education); and
- human development (life expectancy, technical/scientific knowledge).

Official data is gathered according to geographical regions, and the conclusion is that poverty is more severe in regions with a predominantly Mayan population. The highest percentage of those living in poverty (91.7 per cent) is seen in region II where there is a high Mayan population,

while in the metropolitan area the percentage of those living in poverty is 64.3 per cent and the proportion of Maya is estimated at only 22 per cent. Only 10.5 per cent of the indigenous population are above the poverty line, while 25.8 per cent of the non-indigenous population are not poor.[21]

MENMAGUA underlines the inadequacy of the poverty indicators used in these analyses. For example, the indicators related to education and health do not take Mayan traditional health care, medicine and traditional knowledge into account.

Migration
While most indigenous peoples are involved in small-scale agricultural production, limited access to land leads most indigenous households to supplement their income from a variety of non-farm activities. Plant[22] notes that: *'most adult men and women have at least two additional occupations, and most households depend on the income-generating activities of all family members above approximately twelve years of age'.*

The profitability of export agriculture in Guatemala is based on the use of cheap indigenous migrant labour, and it is estimated that, in recent years, more than 1 million indigenous peoples have moved to coastal farms for one month or more during the year. This happens in almost all indigenous communities in Latin America and can lead to the breakdown of family structures.

International migration is also an important factor in the economy of many indigenous communities. In Guatemala, remittances from migrant workers, mainly in the United States of America (USA), occupy the second position in the Gross Domestic Product (GDP). Migration is a challenge to the conventional perception of indigenous communities as being predominantly remote and 'rural', and also underlines the need for rethinking indigenous rights in light of the complex indigenous economies.

National framework and poverty reduction strategies

The Accord on Identity and Rights of Indigenous Peoples (the Indigenous Accord) was signed in 1995 as part of the peace accords. It contains commitments to constitutional reforms to promote and respect certain indigenous peoples' rights, mainly related to issues of cultural rights and identity, participatory mechanisms, the role of indigenous authorities and customary law.

A series of Commissions was established to formulate proposals to implement the provisions and reforms stipulated in the peace accords. However, a referendum in 1999, in which only 12 per cent of the electorate voted, ended with 57 per cent of the voters rejecting the reforms. This has led to an abandonment of the dialogue and the reform process. Recently, the government unilaterally raised value added tax from 10 to 12 per cent, stating that this was an outcome of the peace accords.[23] The government controls the major means of communication and can therefore convey its viewpoints to the population.

Another outcome of the peace process in Guatemala was a socio-economic accord, aiming at establishing the principles, goals and mechanisms of an

integrated national approach to development and poverty reduction, referring to the situation and institutions of indigenous peoples only when considered relevant'.[24]

Indigenous organizations claim that resources from the government's social funds, as well as funds allocated through

the peace accords, do not reach the population but are distributed to the members of the political party in power, thereby dividing the Maya.[25]

Divide and rule
During the civil war in Guatemala, there were fighters on both sides from indigenous communities. The army obliged more than 900,000 men to serve in the civilian militia PAC *(Patrullas de Autodefensa Civil)*, thereby setting one part of the population against the other. Following the peace accords, the Maya movement has tried to build unity but the government continues to provoke division in order to maintain power. One example is the government's proposal to compensate the PAC for its service during the war. This was not part of the peace accords and while it will probably ensure votes for the ruling party from former PAC members, it will add to the polarization of the society.

Several social funds with specific purposes such as education and health have been established for the army, thereby confirming the role of the military in civil society. This also implies that the budget of the army is rising compared to what was envisaged.

The UN Verification Mission in Guatemala (MINUGUA) expresses its overall evaluation of the implementation of the Indigenous Accord in its 2001 report:

'The Mission has stressed at various times that the commitments regarding the indigenous people are among those showing the greatest non-compliance.'[26]

The political exclusion of indigenous peoples in Guatemala continues, with only 16 indigenous deputies out of 113.[27]

Access to land
One of the main demands of the indigenous organizations is access to land. Guatemala has one of the most unequal distributions of land in the world (65 per cent of the cultivable land is controlled by 2.1 per cent of the population). The peace agreement on agrarian issues and socio-economic development was strongly criticized for not responding to the demand for more radical land reforms and it has only been partially implemented. A mechanism for poor peasants to gain access to land was established in 1998 (FONTIERRA). It was based on the World Bank's model for market-assisted land reform. However, this scheme has not been successful, due to corruption, slow implementation, and because most of the land bought is not very productive.

In 2001, a poverty study was undertaken in Guatemala to elaborate a national strategy for poverty reduction. The proposal was brought to the Consultative Group in Washington in 2002 and was supposed to be funded by the Inter-American Development Bank (IDB), IMF and World Bank. However, the proposal was rejected by civil society and it is again under popular consultation. One problem is that there are no defined processes of consultation, and organizations are fragmented.

In parts of Guatemala, the indigenous communities maintain the *segundo alcaldes* (second mayors), who are elected by the elders. One of their tasks is conflict resolution. A new law proposes that the *segundo alcaldes* will be paid a salary. The risk is that economic power and corruption will start to play a role at the community level and *segundo alcaldes* will be submerged into the state structure.

Honduras

Honduras has a population of 6.7 million inhabitants and a public debt of US $3.9 billion: internal debt, $174 million and foreign debt, $3.814 billion. Every Honduran citizen owes $595 of this debt. Is it possible to implement a poverty reduction strategy under these circumstances, and why should the indigenous peoples pay this debt if they have been ignored so far? The foreign debt could maintain 1,000 peasant families for 1,540 years, paying them the current minimum salary of $70 a month.[28]

In Honduras, nine indigenous peoples are recognized by the state, representing 12.8 per cent of the total population. The Lencas, Maya-Chortís, Nahoas, Pech, Tawahkas and Tolupanes pre-date the European colonization. As a product of the colonization, new peoples arose during the eighteenth and nineteenth centuries. These are the Creoles (black English-speaking people), Garífunas[29] and Miskitos.

Struggling for recognition
The indigenous movement in Honduras gained momentum in 1990 with its response to the official celebration of the 500th anniversary of colonization, and entered an alliance with Creoles, Garífunas and the popular movements. In 1992, a confederation of indigenous and black peoples was established, which put pressure on the government to ratify ILO Convention 169. When issues of definition were discussed in 1995, the term 'autochthonous' was accepted by the state and some academics to characterize indigenous and black peoples.

The situation among different indigenous peoples varies substantially. The Lencas is one of the biggest groups, living in the highlands where they have historically grown maize as their staple. Productive land in the Lenca area is owned by a handful of landlords (for cattle and coffee growing), while most Lencas have very limited or no access to cultivable land. Further, there are big problems with soil erosion and water contamination due to the uncontrolled use of fertilizers and pesticides. Many poor Lencas migrate to the urban areas in search of employment, or enrol in the armed forces or the police.

In contrast, the Moskitia is a vast and thinly populated forest area of 20,000 km² inhabited by 73,000 indigenous peoples. These peoples, the Garífunas, Miskitos, Pech and Tawahkas, practise subsistence agriculture. Most of Honduras' remaining natural resources are in the Moskitia, which was never colonized. There is now great interest in the area from investors who wish to expand the agricultural frontier, exploit timber resources and expand tourism.

The Tawahkas comprise 1,316 people, divided into five communities in the Moskitia, in the middle part of Patuca River.[30] The economic value of their traditional economy (fishing, forest produce, hunting and rotational agriculture) is far larger than the value of their waged work – with only teachers and nurses being employed by the state.

Official data[31] represents the Moskitia as one of the poorest areas of the country. Food insecurity has increased due to the damage caused by Hurricane Mitch and in 2002, food production has still has not been re-established in the area. However, according to the HDI, based on non-monetary indicators, the Moskitia has one of the highest standards of living in the country. In the government's policy for poverty reduction (*Estrategias de combate a la pobreza*), the specific situation of the Moskitia region is not covered.

> The struggle for land rights has been going on for years and the state should give title deeds to the peoples in the Moskitia in order to halt the advancement of the agricultural frontier. There is also a threat from people smuggling timber from protected areas. The Moskitia is now considered a 'biological bridge' between Honduras and Nicaragua, and contains the most important tropical rainforest in Mesoamerica. Moskitia's natural resources could generate a sustained income if these were exploited in a rational way, and this could provide the most promising strategy for the indigenous communities. The state should recognize these peoples and give them legal rights to the ancestral lands; it should also establish a democratic and transparent system for co-management of the indigenous territories.

Other communities in the Caribbean region depend on fishing and are in conflict with the industrial fishing companies. Although it is prohibited to practise industrial fishing closer than 4 nautical miles to the coast, these companies skirt around the law by fishing at night. Young indigenous men work for these companies, diving for lobsters that are exported to the USA. Of these commercial divers, 98 per cent are Miskitos and the fishing areas are located within the Moskitia regions. However, the municipalities do not receive any revenues from this million-dollar business. Further c. 455 out of 2,402 indigenous divers have been partially or completely paralysed due to Decompression Syndrome, as there are no decompression tanks, medical treatment or technical knowledge to prevent diving injuries.

> In the Moskitia, indigenous peoples appear to hold political power in the municipalities. However, they are incorporated into the state system and are criticized for having divorced themselves from their communities' organizational process and from the poor.

PRSP in Honduras

Honduras ranks among the lowest-income countries in the Western hemisphere, a situation which was exacerbated by the disastrous impact of Hurricane Mitch in October 1998.

A PRSP for Honduras was developed in 2000, based on a participatory process involving 3,500 representatives from civil society organizations. The PRSP does not provide disaggregated data on the poverty level of indigenous peoples in Honduras but says that *'belonging to some of these [ethnic] groups increases the risk of becoming part of the most vulnerable groups in the countries'*. The PRSP mentions that specific groups with a high incidence of poverty were identified and that 'ethnic groups' participated in the process. However, none of the indigenous peoples in the Moskitia participated directly.

The Honduran state has partially recognized indigenous peoples' claim for territories and the PRSP also states that a number of proposals from civil society could not be taken into account, as these would require a broader national consensus, for example, on agrarian reform. However, the PRSP specifically mentions security in access to land and increasing indigenous communities' capacities among its key objectives.

This is in line with indigenous priorities, however, looking at the proposal for technical assistance for development of the forestry sector, there is a risk that such positive elements may be undermined. The objectives within the forestry sector are to support the development of commercial forest plantations; enlarge the primary forest industry; expand and develop the secondary forest industry; and establish a programme to attract foreign investment to the forestry sector. These activities are likely to have a negative effect on indigenous peoples' collective rights and the environment.

> The scepticism of the Miskitos and Tawahkas regarding the government's programmes is based on their experiences after Hurricane Mitch. As part of the reconstruction programme, the World Bank funded a programme through the FHIS aiming at 'healthy floors' – providing poor households with cement floors. This programme was probably fine for the Chortis, Lencas, Tolupanes, and others living in the highlands but did not suit the traditional Misquito and Tawahka houses which are wooden constructions, raised from the ground due to the humid climate. The communities explained to the experts from FHIS that the programme would not work, and asked to use the cement for other purposes. This was rejected, because the absence of cement floors was defined as an indicator of poverty. Eventually, the cement was used to construct a floor in some church buildings.

Nicaragua

Nicaragua's Constitution recognizes the multi-ethnicity of the country, composed of Garífunas, Mayangnas (Sumos), Mestizos, Misquitos and Ramas. The vast majority of the population live in the western area and are predominantly Spanish-speaking Mestizos, while the indigenous and black peoples live mainly in the Atlantic region, speaking English and a variety of indigenous languages. The official estimate is that the Northern Atlantic region (RAAN) has a 64 per cent

No.	Municipality	Divers	Active but disabled (a)	Partially paralysed (b)	Totally paralysed (c)	Total
1	Ahuas	172	18	48	11	267
2	Brus Laguna	628	109	40	10	797
3	Walumugu	99	33	8	3	147
4	Puerto Lempira	729	95	20	12	859
5	Raya	305	33	9	4	351
6	Wampusirpi	14	2	-	-	16
Total		**1,947**	**290**	**125**	**40**	**2,402**

TABLE 7: CENSUS OF INDIGENOUS DIVERS IN THE MOSKITIA
A) ACTIVE BUT DISABLED – HAS HAD ONE OR TWO ACCIDENTS, BUT IS STILL DIVING. B) PARTIALLY PARALYSED – CAN NO LONGER WORK AFTER HAVING MORE THAN THREE ACCIDENTS BUT CAN STILL WALK WITH STICKS. C) TOTALLY PARALYSED – CAN NO LONGER WALK AND WILL DEPEND ON ASSISTANCE FROM HIS FAMILY FOR THE REST OF HIS LIFE. (SOURCE: *CENSO DE LA POBLACIÓN DE BUZOS EN LA MOSKITIA*, CONADEH, 2002.)

Misquito population, while 1.2 per cent of the inhabitants of the Southern region (RAAS) are indigenous Ramas. No reliable data exists about the total percentage of indigenous people in Nicaragua but it can be estimated at c. 3–4 per cent of the population.[32]

Internationalized conflict and autonomy

During the Sandinista Revolution (1979–90) a conflict between the Sandinistas and the indigenous peoples arose, as the indigenous peoples opposed the imposition of national governance and development models to the coastal area. Due to the international political dimensions of the conflict, the indigenous peoples received military support from the USA.

In 1987, an autonomous model of governance was established for the Atlantic Coast in an attempt to end the war. The Autonomy Law came into effect in 1990 with elections to the regional parliament, but it was never enabled to function properly. This is because autonomy was proposed mainly as a political instrument to end the war rather than as an instrument of governance. There have been three periods of autonomous governments to date but the current central government is centralizing power and resources, which is an obstacle to autonomous development.

In Nicaragua, in principle, the election law allows the direct representation of indigenous peoples and ethnic groups, and indigenous organizations participated in the elections in 1990. However, the liberal government prohibited the participation of social movements in the elections in 2000, maintaining that participation could only be through political parties.

Poverty and land issues

Nicaragua suffered an economic collapse in the 1980s during the civil war and, of the 33 Latin American countries, Nicaragua is the poorest after Haiti. Measured by level of income, 76.1 per cent of rural population and 31.9 per cent of the urban population is considered poor.[33]

Foreign debt

Nicaragua's foreign debt is generally seen as a colonial debt, which never benefited indigenous peoples. The Nicaraguan indigenous leader Guaicaipuro Cuauhtemoc made the following calculation to the heads of EU states in February 2002: *'The indigenous peoples gave a "loan" of 185,000 kilos of gold and 16 million tons of silver to the Europeans from 1503–1660. With a modest rate of interest of 10 per cent (and not the 20–30 per cent taken by the Europeans today) and giving 200 years of exemption from interest, the Europeans owe 186,000 kilos of gold and 16 million tons of silver, raised to the power of 300. This is an amount of gold and silver that exceed the total weight of the planet.'*[34]

There are no official studies or data available on the economic situation of indigenous peoples, but to some extent the correlation can be explored based on geographical criteria. The indigenous population in Nicaragua lives mainly in the Atlantic region, which is the poorest of the country's three regions. Further, most of the indigenous population is concentrated in the northern area (RAAN), where all municipalities are characterized by severe poverty. According to the Nicaraguan PRSP:

'Nicaragua's ethnic and indigenous groups which live mainly on the Atlantic Coast, are among the poorest in the country. These groups are often excluded from the social benefits enjoyed by others and from the main political and economic processes that affect the country.'

Further, the Atlantic Coast was seriously affected by the war in the 1980s and natural disasters such as Hurricane Mitch. Corruption; inequality; an insecure land tenure system; the lack of access to economic and political power, and social services; a low employment rate; and poor housing add to the region's vulnerability to disasters.

In the Atlantic region of Nicaragua, the regional university URACCAN was established, with the vision of strengthening the identity of the peoples in the coastal area. It offers education from pre-school to university level, supporting indigenous peoples, and enabling them to participate in national consultations.

The PRSP for Nicaragua does not specifically target indigenous peoples but it mentions the Atlantic Coast as a priority area, due to its 'intense poverty'. Further, it states that efforts in the region will be targeted on improving the living conditions, nutrition and productivity of the poor and extremely poor; the demarcation of indigenous lands; improving the region's transport and communications; and addressing the drug problems.

The communities are recognized in the Nicaraguan Constitution as owners of their land but in most cases the boundaries have not been defined. The demarcation of land is the indigenous communities' priority in the region and has caused endless conflicts. The situation is complicated by numerous overlapping land tenure systems. Further, as part of the demilitarization of the area, the government gave individual titles within communal lands to the ex-fighters. This has created internal conflicts in the communities between the holders of individual and collective rights, and with some former fighters who do not respect civil indigenous authorities.

Access to credit

Most indigenous farmers do not have access to credit. A 1999 IDB report[35] notes that the main obstacle for indigenous peoples' access to credit is: *'banks tending to be suspicious of (a) would-be borrowers from rural areas (often perceived to be illiterate or semi-literate), (b) the unfamiliar character of the investments sought by indigenous applicants for credit, and (c) the lack of collateral in the form of alienable land'.*

Recently, micro-credit schemes have been established in most countries; however, these are generally considered to be inappropriate mainly due to the high interest rates and the collective collateral, often based on titled land. These programmes could be useful, if a consensus could be reached on how they could be run.

There is an inherent contradiction in Nicaraguan legislation, which on the one hand recognizes the land rights of the communities, and on the other stipulates that natural resources belong to the state, which can exploit these resources whenever it is in 'the national interest'. Further, the laws favour private companies. The Forest Law, for example, states that indigenous peoples cannot make use of forest resources without a management plan elaborated by an expert (for which they have no resources). Indigenous peo-

ples' customary laws are not recognized and generally they are not knowledgeable about the provisions of the law. As in most other Latin American countries, court cases are conducted in Spanish and the communities do not usually have the economic resources to contract lawyers.

> **Ruling of the Inter-American Court of Human Rights**
> The Mayangna community of Awas Tingni has no land title and was threatened by a 62,000 ha. concession given to a foreign timber company, managed to bring a court case to the Nicaraguan Supreme Court of Justice and to the Inter-American Court of Human Rights. In August 2001, the Court ruled that the government of Nicaragua had violated the community's property rights and imposed an obligation upon the Nicaraguan state to delimit, demarcate and title the Awas Tingni territory.

The World Bank has promoted the establishment of a new law on land tenure, which is currently being discussed in the National Assembly. However, the provision that establishes communal land as 'inalienable' has met resistance from the governing party, as it prevents communal lands from forming part of the land market. To what extent the national poverty reduction strategy succeeds in addressing the fundamental issue of land ownership remains an open question.

General aspects of indigenous peoples' perception of poverty

Apart from providing country-specific information, the MRG consultation in Guatemala also confirmed that many indigenous peoples' experiences are similar. The same concerns are consistently raised by indigenous organizations in international processes, for example, concerning sustainable development. These issues to some extent constitute general aspects of indigenous peoples' perception of poverty in Latin America, and are discussed below:

Governance and development

Conflict, democracy, governance and indigenous rights

Indigenous models of governance, justice and democracy were never taken into account in the construction of Latin American states, which are built on a model of citizenship that has until recently excluded indigenous peoples.

All of the four countries discussed in this study have recent experiences of armed struggle, militarization or violence. In addition, the Contra War facilitated the distribution of drugs and alcohol. This had a negative impact as these communities tried to raise money to satisfy these new needs through diving for lobsters, via fisheries and the exploitation of natural resources, etc., setting aside the production of basic food items for consumption. The climate of war in Central America in the 1970s and 1980s also seriously raised poverty levels in the border areas of El Salvador, Honduras and Nicaragua.

There is a close relationship between the exclusive models of democracy, the violation of indigenous rights and the outbreaks of violence in the region. The accommodation of indigenous rights within the constitutional framework of the states should therefore be regarded as key to peace and social stability in Latin America.

Indigenous communities are generally reluctant to participate in political life, as this has traditionally been only

for rich people. Negative experiences with governments and corruption add to the general lack of confidence in the authorities.

Indigenous peoples' customary laws and judicial systems are not respected and, especially with regard to land and resources, there is a fundamental conflict between rights and legal provisions. Further, these states have promoted one model of development, based on non-indigenous concepts of poverty and progress. This model of development has often had a negative impact on indigenous peoples, through the exploitation of natural resources. Sometimes, it has led to a loss of identity as it promotes homogenizing notions of knowledge and values, with an individualistic approach to development. This has become more marked as external development cooperation has been restructured to provide a greater degree of cooperation and support to national policies, sectors and programmes.

Indigenous peoples have consistently called for more diversified strategies for development, based on their own concepts and indicators. The recognition of indigenous peoples' collective right to self-determination is the fundamental precondition for the implementation of such diverse strategies.

Local governance

Decentralization is under way in many Latin American countries, with new laws to establish or strengthen the municipalities. While this responds to some of the interests of indigenous peoples, it also raises a number of concerns:
* There is a tendency to see local governance as the mechanism to overcome indigenous peoples' political marginalization, but many of the hindrances for the full recognition of their rights have to be discussed and solved at national or even international levels.
* The municipalities in indigenous areas are weak and receive very limited funds from the state. This makes them vulnerable to pressure from, for example, strong companies and some non-governmental organizations (NGOs) which work for their own ends.
* In most cases the laws do not accept the direct participation of indigenous representatives, and the indigenous mayors and councillors are elected through political parties. This erodes indigenous peoples' political identity and the legitimacy of their traditional authorities.

Consultation, participation and control

Regarding the right to self-determination, indigenous peoples are struggling for the recognition of their right to free and prior informed consent, and their right to object to any activities affecting their lives and territories. This has been recognized in only a few policy instruments (for example, the EU policy on support to indigenous peoples in development cooperation)[36] but there is seldom adequate implementation of mechanisms for consultation and participation, and control remains a challenge due to a number of factors:
* Indigenous peoples are marginalized regarding access to information, and generally do not have access to the means of communication or information in their own languages.
* Indigenous institutions have been undermined in the development process and may be weak. They are often not recognized as partners in official consultations.
* The communities have their own forms of consultation but resources are not made available for this, and their need for time and consensus-building is not respected.

- In some countries, such as Guatemala, political leaders and their families are threatened if they pronounce themselves publicly.
- The methodology developed for conducting consultations is project-specific. No adequate mechanisms for effective participation have been explored with regard to international trade agreements, macroeconomic policies and mega-projects affecting indigenous peoples.
- Indigenous peoples are generally not involved in the monitoring of development processes and therefore cannot hold governments and international agencies to account.

The responsibility for the dissemination of information and for proactively involving indigenous peoples in consultation, respecting their right to free and prior consent and to object to projects, must rest with the governments and international donors. However, the responsibility for laying down the conditions for ensuring effective participation rests with the indigenous communities, taking into account issues of age, gender and status, etc.

NGOs

A range of NGOs is active in development in Latin America. There can be a lack of transparency as to the constituencies, the sources of funding and the budgets of the NGOs, and it is difficult to hold them accountable. Further, some of the NGOs have defined their own priorities and do not respect the knowledge and technical skills of the indigenous peoples. Clear principles are needed that will guide the cooperation between NGOs and indigenous
peoples – to include respect for indigenous peoples' right to self-determination, to prior and informed consent and the principle of shared responsibilities.

Globalization

Globalization of the economy

Some claim that globalization has bought tremendous advances, others that globalization is increasing their poverty and marginalization. A report from the World Bank on *Poverty in an Age of Globalization* (2000) states that both positions can be true: while globalization has played a catalytic role in accelerating economic growth it has increased inequality between and within some countries, thereby adding to the vulnerability of already marginalized countries and groups. Most indigenous peoples see globalization as a threat rather than an opportunity:

- It is perceived as a cult for individualism, which overrides the family-based economy in many indigenous societies.
- It homogenizes diverse economies and concepts of knowledge, and promotes homogenized patterns of production and consumption – even if these patterns have been identified as one of the major obstacles to sustainable development.
- It responds to economic interests that are far stronger than the relatively weak national governments, and that lead to increased exploitation and undermining of indigenous peoples' rights to territories and resources. There is no legally-binding regulatory framework to control the activities of private companies.
- It leads to structural adjustments, reducing social programmes for education and health at a time when indigenous peoples are demanding their constitutional rights to social services.

Indigenous knowledge, food production and food security

In Latin America, most indigenous communities are highly dependent on agricultural production for food security and are highly knowledgeable about sustainable practices. Indigenous crops are now being replaced with genetically modified variants, which are dependent on the use of fertilizers and pesticides; further, the market for indigenous products is being ruined by the import of subsidized products, such as genetically modified maize from the USA, which are sold cheaper than the locally grown crops.

Parallel to this, private companies are patenting indigenous crops and indigenous knowledge, for example, related to medicinal plants, through the application of intellectual property rights. This constitutes an impediment to the conservation and development of indigenous knowledge, technology and resources, which become privately-owned commodities. Intellectual property rights do not correspond with the collective character of indigenous knowledge, developed over generations.

Indigenous values, parameters and indicators

Poverty is normally measured by non-indigenous parameters, and indigenous peoples are often seen as poor, as their values and cultures are seen as 'primitive' or 'backward'. Further, poverty reduction concepts convert everything into a commodity, while resources such as air space, forest, sea and water in many indigenous cultures have a spiritual rather than a strictly economic value.

MENMAGUA has compiled a number of poverty concepts defined by its member organizations.[37] In these accounts, poverty is:
- *'The lack of material goods and spiritual virtues, such as the loss of value*s (WAQXAQIB'B'ATZ').
- *The lack of power in the different aspects of the national arena … in order to influence the integrated development of the quality of human life and the conservation and protection of the nature* (KICHIN KONOJEL).
- *It is a degrading and indignant situation that human being are living in, as an effect of social injustice and the ambitious accumulation and concentration of wealth [in] few hands …'* (SAQB'E).

These ideas point to some of the basic aspects of indigenous peoples' concepts of poverty, which were highlighted in the workshop in Guatemala:
- Poverty is the result of violation of indigenous peoples' rights to self-determination and political participation.
- Poverty is the result of greed and unjust distribution of resources.
- Poverty is the loss of identity and spiritual values.
- Poverty is the degradation of the environment.

Indigenous peoples' notions of poverty go far beyond a simplistic understanding of poverty as a lack of income; their rights and identities as distinct peoples are at the centre of their concepts of wellbeing and quality of life. The practical implications of this for poverty reduction strategies will be discussed in the final section.

Conclusions

General conclusions

Indigenous peoples' poverty is not a recent phenomenon but has been constructed through historical processes, where indigenous peoples have lost control over their territories and resources due to colonialism and nation-building. This understanding of indigenous peoples' poverty poses two main challenges for poverty reduction strategies:

- They must start with an indigenous perception of poverty and wealth, otherwise poverty reduction and its promotion of economic growth and uniform indicators of wealth contributes to the undermining of indigenous rights and cultures.
- They must take a rights-based approach, recognizing indigenous peoples' claim for collective rights as distinct peoples.

The extent to which this is happening, or is feasible in the short to medium term, differs from country to country. Some of the decisive factors are:

- The reflection of indigenous rights in national legislation, for example: provisions for bilingual education, political participation and the titling of territories.
- The level of influence and organizational strength of indigenous peoples, for example, institutional capacity to negotiate, plan and monitor development interventions, and alliances with other sectors.
- The recognition of international instruments for protecting indigenous rights (i.e. the ratification of ILO Convention 169).
- The awareness of indigenous issues within the relevant institutions, including donor and government agencies, and NGOs.
- The existence of good communications and consultation between indigenous peoples and the relevant institutions.

Specific conclusions

A rights-based approach

Issues of poverty, democracy, governance and indigenous rights are closely interrelated and are central for sustainable development in Latin American. Strategies that address the multiple dimensions of indigenous peoples' poverty must also address issues of indigenous rights.

The degree to which poverty reduction strategies address indigenous peoples' concerns varies from country to country. Some of these strategies ignore issues of crucial interest to indigenous peoples (such as agrarian reform), while others rightly address issues such as land titling of indigenous communities. There is the risk that the positive impact of some of these strategies may be undermined by other elements, for example, promoting economic growth through foreign investment in the exploitation of natural resources.

The diversity of indigenous communities

In Bolivia and Guatemala, indigenous peoples constitute a majority of the population and a disproportionate percentage of the poor. Efforts to counter indigenous poverty cannot therefore be undertaken as isolated initiatives but should be the main element in all national strategies. In Honduras and Nicaragua, indigenous peoples constitute numerical minorities but are still a disproportionate percentage of the poor. The challenge in these countries is to take into account the specific situation of indigenous peoples, and integrate their concerns in both specific projects and in all national policies and programmes.

Recognizing diversity among indigenous peoples, there is a need for a far more specific approach when defining and measuring poverty. Such an approach should build on indigenous peoples' perception of poverty and their values, and take internal diversity into account, regarding age, gender, etc. It is obvious that such an approach must be carried out by – or in close cooperation with – indigenous peoples.

Measuring indigenous poverty

The extent to which indigenous peoples are reflected in official data and statistics varies from country to country, but in most cases it is not possible to directly explore the correlation between poverty and indigenous peoples. The availability of data is closely related to indigenous peoples' level of political recognition in the national framework, and the lack of reliable data in itself indicates discrimination against indigenous peoples.

All of the existing methods for measuring poverty are based on non-indigenous concepts and indicators of poverty and wealth. Most studies on indigenous peoples and poverty have been undertaken by external actors, and in only a few cases have indigenous peoples themselves been able to define and measure their poverty situation. This needs to be the starting point for any attempt to better address and overcome poverty among indigenous peoples.

Implementing poverty reduction strategies

Indigenous peoples are almost by definition marginalized within national societies and are not generally sufficiently involved in the processes and programmes for poverty reduction. With the increased coordination between governments and donors through the CDF, all major efforts in a given country will build on the same analysis provided in the PRSP. The increased coherence and 'centralization' of development make it crucial to ensure that indigenous peoples can fully participate in the planning, implementation and monitoring of the PRSPs.

The guidelines for the development of PRSPs underline the need for participatory processes, but have no special provisions for indigenous peoples. Subsequently, the level of participation varies as does the quality of these consultations. One of the most obvious weaknesses is that most indigenous peoples are not aware of the PRSPs in their respective countries – and are subsequently not involved in monitoring the implementation. Therefore, there is a risk that resources contribute to strengthening government institutions rather than the intended beneficiaries, as the whole PRSP approach implies a very close cooperation with the national government.

One of the shortcomings to adequate implementation is government and donor institutions' lack of knowledge about indigenous peoples' rights and priorities.

Notes

1   The participants were: Mauricio Alfredo Ambrosio Coguox and Dolores Micaela Orosco Ordoñez, Mesa Nacional Maya de Guatemala (MENMAGUA), Guatemala; Edgardo Benítez Maclin, Asociación Lakia Tara, Honduras; Marcelo Fernandez Osco, Taller de la Historia Oral Andina (THOA), Bolivia; and Daisy George West, Centro de Derechos Humanos, Ciudadanos y Autonómicos, Nicaragua.

2   World Bank, *Indigenous People in Latin America*, HRD Discrimination Notes, Human Resources Development and Operations Policy, no. 8, 1993.

3   *'Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the society now prevailing in those territories, or parts of them. They form at present non-dominant sectors of society and are determined to preserve, develop, and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal systems'.* (UN Doc.No.E/CN.4/Sub.2/1986/87).

4   THOA, Bolivia.

5   *Measuring Poverty at the Global Level*, www.worldbank.org/poverty/mission/wp2.htm

6   *World Bank, Draft Operational Policy* (OP 4.10).

7   *Commission Working Document on Support for Indigenous Peoples in the Development Co-operation of the European Community and the Member States, 1998*

8   *UNDP and Indigenous Peoples: A Policy of Engagement.*

9   *Indigenous People and Poverty in Latin America*, World Bank, 1994.

10 *The Economic Case for Combating Racial and Ethnic Exclusion in Latin American and Caribbean Countries*, IDB, 2001.

11 Translation from the preferred Spanish term '*originario*' used by the Aymara, Quechua and Uru peoples of the Bolivian highlands. The source for these figures is the Ministerio de Desarrollo Sostenible y Planificación, Viceministerio de Asuntos Indígenas y Pueblos Originarios, Política Nacional Indígena y Originaria, Bolivia, 1999, p. 16.

12 Information supplied by THOA.

13 See Newson, L., *Life and Death in Early Colonial Ecuador*, The Civilization of the American Indian Series, University of Oklahoma Press, 1994.

14 *Ayllus* are the political, social, economic and cultural governing structures of the Quechua, which predate the Bolivian state.

15 THOA.

16 *Informe de la Estrategia de Apoyo Danés a los Pueblos Indígenas*, Danida, 2001.

17 Bolivian Poverty Reduction Strategy, 2001.

18 Plant, R., *Indigenous Peoples and Poverty Reduction: A Case Study of Guatemala*, IDB, 1998.

19 Wearne, P., *The Maya of Guatemala*, London, MRG, 1994, p. 23.

20 *Situación de Pobreza de los Pueblos Maya de Guatemala*, MENMAGUA, 1998.

21 *Ibid.*

22 Plant, *op. cit.*

23 This information was gathered at the MRG workshop. See also IWGIA, *The Indigenous World, 2001–2002*, Copenhagen, 2002.

24 Plant, *op. cit.*

25 *Memoria*, II Congreso Nacional de ONG, Foro de Coordinaciones de ONG de Guatemala, 2001.

26 UN Verification Mission in Guatemala (MINUGUA), September 2001, p. 7.

27 Reported at the MRG workshop, see also 1999 figures from ASIES, *Analisis mensual*, julio 1999, www.deguate.com

28 Information supplied by Edgardo Benítez. See *Almanaque Escuela Para Todos*, 2003.

29 The Garífunas are descendents of black slaves who intermarried with indigenous Caribs. Their language (Garífunu) is still used.

30 Information supplied at the MRG workshop by Lakia Tara.

31 Fondo Hondureño de Inversión Social (FHIS), 1999.

32 Jamieson, M., *Poverty among the Indigenous Peoples of Nicaragua*, IDB, 1999.

33 World Bank Group, Poverty Monitoring Database: Poverty Assessment Summaries, 2002; PRSP Nicaragua.

34 Supplied by Daisy George West.

35 Jamieson, *op. cit.*

36 Resolution on Indigenous Peoples within the Framework of the Development Cooperation of the Community and the Member State, November 1998.

37 *Situación de Pobreza de los Pueblos Maya de Guatemala*, MENMAGUA, 1998.

working to secure the rights of minorities and indigenous peoples

minority
rights
group
international

Recommendations

1. Poverty reduction strategies must start with an indigenous perspective of poverty and wealth, and follow a rights-based approach, recognizing indigenous peoples' claim for collective rights as distinct peoples.
2. Disaggregated data should be collected in all countries, based on indigenous peoples' indicators of poverty, and the UNDP and World Bank should include disaggregated data on indigenous men and women's poverty situation in their regular human development and poverty reports.
3. Strategic issues such as agrarian land reform, land rights and reform of the judicial system should be addressed in national poverty reduction strategies, with indigenous peoples' full and direct input.
4. Indigenous peoples' own institutions should be supported so that they have sufficient funding and capacity to provide contextualized empirical data and monitor their poverty situation; and to ensure they contribute to their own development proposals; and fully participate in the planning, design, implementation and monitoring of policies and programmes.
5. Further, indigenous peoples must be enabled to fully participate in national and international gatherings where issues directly affecting them are being discussed – including environmental agreements and global trade negotiations.
6. Systematic training on indigenous peoples' rights should be undertaken by staff in donor agencies and non-governmental organizations (NGOs).
7. Governments should contribute to the ongoing process of discussing and defining indigenous rights in forums such as the OAS and UNHCR, and ratify and adequately implement existing instruments for the recognition of indigenous peoples' rights, for example, ILO Convention 169.
8. Several pilot countries should be selected to explore the opportunities and risks for indigenous peoples in relation to the Poverty Reduction Strategy Papers (PRSP) process.
9. A legally binding instrument for corporate accountability should be developed.