



Development with Identity: African Descendants

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Overview

- **Role of the Bank**
- **Objective**
- **Priority Areas for Bank Investment: African Descendants**
- **Research Agenda**
- **Civil Society Engagement**

Role of the Bank

- The IDB continues to be one of the most consistent supporters of work on peoples of African Descent in LAC – division is operational and analytical
- The IDB aims to promote the development of African descendant communities through direct investments mainstreaming, and the application of safeguards
 - The Gender and Diversity Fund committed \$13+ million in grants and \$6 million in contributions to support mainstreaming of African descendants, indigenous peoples, and women
- Closing the gaps between African descendants and the population as a whole is one of the strategic priorities of the IDB's Ninth General Capital Increase (GCI-9)
- As part of the GCI-9, the Bank committed itself to disaggregating eleven regional output contribution indicators by sex, race, and/or ethnicity (eight of these proposed indicators disaggregate data for African descendants)



Objective

- Enhance the institutional, technical, and financial capacity of the Bank to advance development with identity for peoples of African descent and indigenous peoples
- Through the following actions:
 - Develop country-level and sector specific analytical work on African descendants and indigenous peoples
 - Provide capacity building support for IDB staff, private sector clients and governments
 - Develop new direct investment projects to promote development with identity
 - Provide technical support to expand operations to make development an integral part of loan opportunities and technical assistance programs
 - Improve IDB information systems to enable tracking of Bank actions in development with identity

Priority Areas for Investment

Largest Afro Descendant and Indigenous Populations (Absolute numbers)

African Descendants				Indigenous Peoples			
Country	Year	Population	%	Country	Year	Population	%
Brazil	2010	96,795,294	50.7	Mexico	2005	9,533,097	9.2
Colombia	2005	4,223,468	10.3	Peru	2007	6,489,109	25.0
Ecuador	2010	1,041,559	7.2	Bolivia	2001	5,008,997	62.2
Peru	2010	573,633	1.9	Guatemala	2002	4,610,440	41.0
Mexico	2010	427,601	0.4	Colombia	2005	1,387,641	3.4

Largest Afro Descendant and Indigenous Populations (Percentages)

African Descendants				Indigenous Peoples			
Country	Year	Population	%	Country	Year	Population	%
Brazil	2010	96,795,294	50.7	Bolivia	2001	5,008,997	62.2
Colombia	2005	4,223,468	10.3	Guatemala	2002	4,610,440	41.0
Panama	2010	285,024	8.4	Peru	2007	6,489,109	25.0
Costa Rica	2011	334,437	8.0	Panama	2010	411,592	12.1
Uruguay	2011	255,074	7.8	Mexico	2005	9,533,097	9.2

Source: ECLAC and National Statistics Institutes based on national censuses. Data points in italics come from IDB tabulations using household survey data.

Note: The actual size and percentage vary according to the sources being used and how indigenous peoples and African descendants are defined by these sources.



Priority Areas for Investment

Geographic Areas

- The Bank prioritizes the countries of the region with a high concentration of African descendants and indigenous peoples
- However, the Bank also supports borrowing member countries where there is:
 - Opportunity for analytical work that can inform the agenda for the country dialogue
 - Interest on the part of the member country government in addressing development with identity at the legislative, policy or operational levels

Strategic Areas and Products

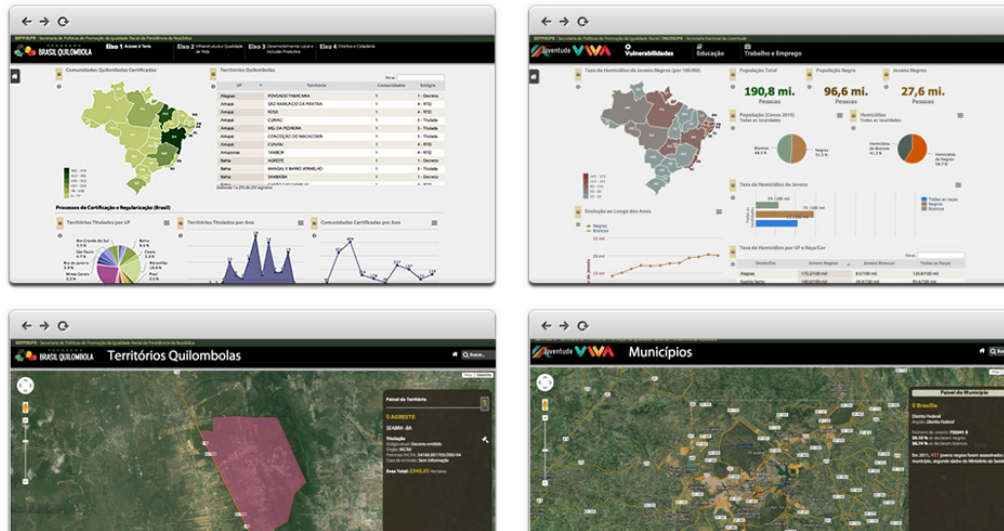
- **Knowledge generation**
 - Analytical work
 - Sector-specific technical notes
 - Country profile notes
- **Institutional capacity building**
 - For IDB staff to mainstream race and ethnicity in operational sectors
 - For private sector clients to link corporate practices that improve the competitiveness and provide socio-economic opportunities
 - For governments through regional policy dialogues in relevant themes
- **Expanding operations and developing instruments to make development with identity an integral part of loan operations**
 - Work with sectoral divisions, governments and private sector clients to design components of loans and strengthen concepts of development with identity
 - Policy-based loans (PBLs)
 - Technical cooperations to pilot new interventions, support government strategies and integrate development with identity, identify larger scale investments



Monitoring of Social Inclusion at Federal and State Levels in Brazil

SMPPIR Sistema de Monitoramento das Políticas de Promoção da Igualdade Racial

Acesse aqui informações de diagnóstico e monitoramento de duas políticas estratégicas para a promoção da igualdade racial no Brasil.



- Secretaria para a Promoção da Igualdade Racial – SEPPIR. Monitoring system to track demographic and socio-economic indicators disaggregated by race and ethnicity for public policy
- Create indicators that focus on :

- rural development (quilombolos)
- violence prevention for youth-at-risk (Juventude Viva)
- education.

Preliminary version of tool available at

<http://monitoramento.seppir.gov.br>
(best viewed in Mozilla)

National African-descendent survey in Peru

- Nationally-representative survey of African descendants
- National Statistics Institute of Peru (Instituto Nacional de Estadística de Perú - INEI) and the Ministry of Culture of Peru (Ministerio de Cultura), in collaboration with GRADE (Grupo de Análisis para el Desarrollo)
- Data collection in progress, preliminary results expected first half of 2014.



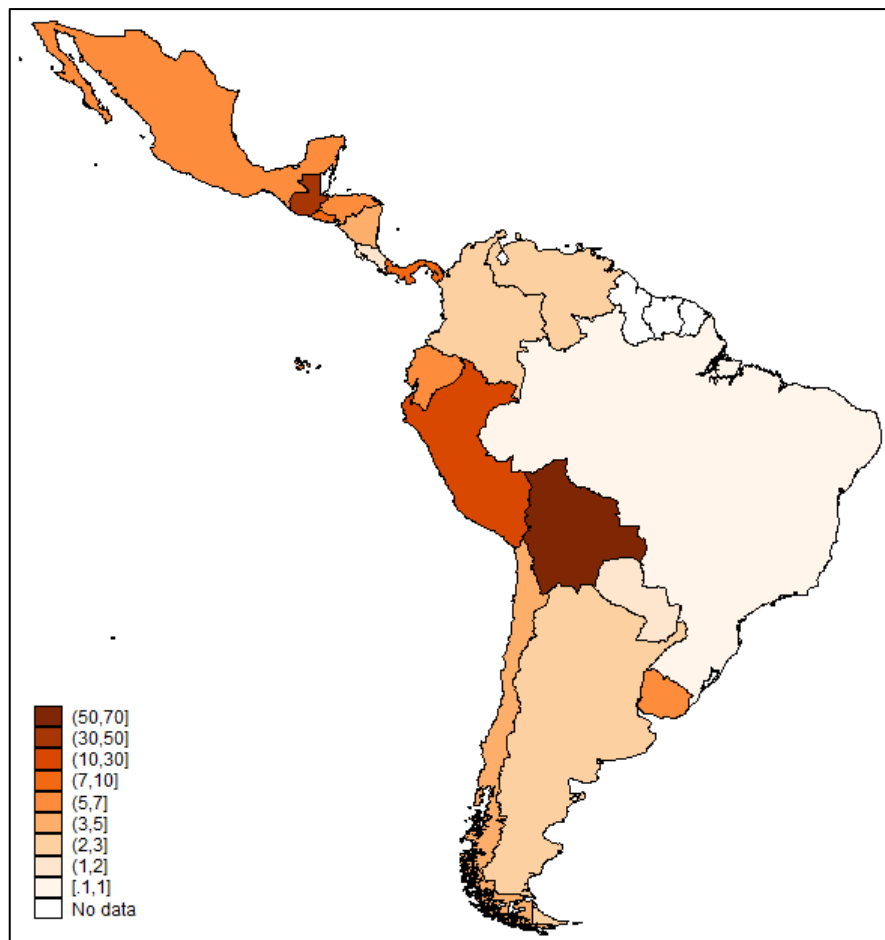
Strategic Areas and Products

■ **Strengthening the Bank's existing information systems**

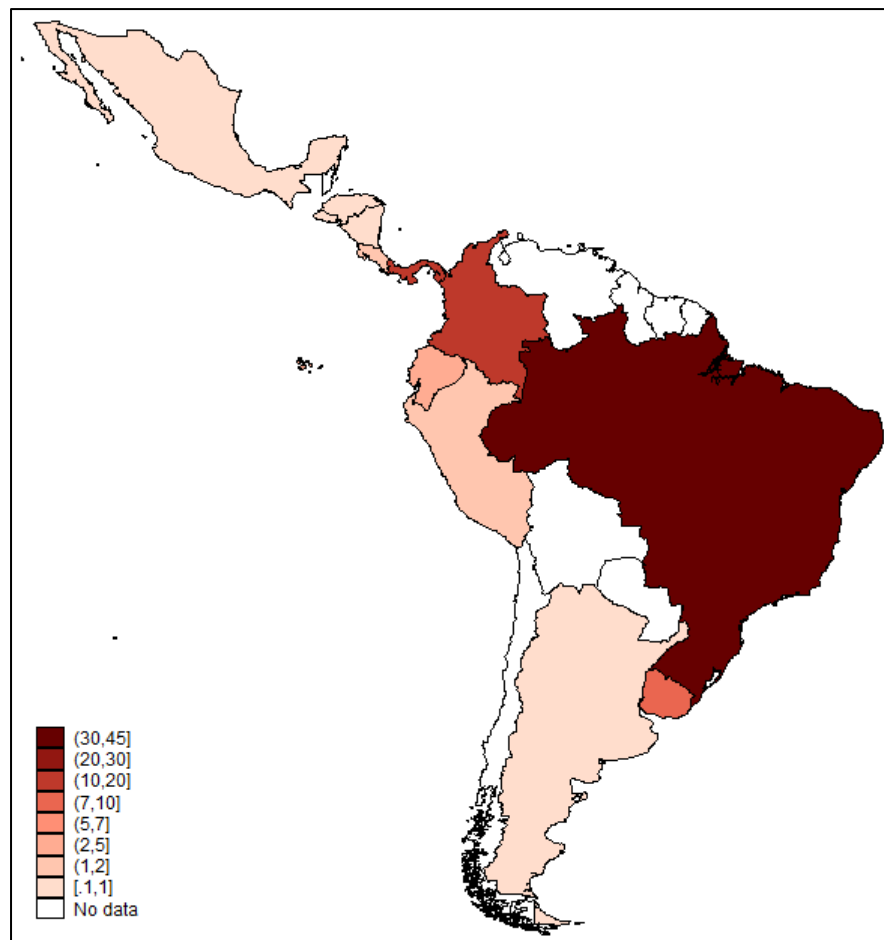
- Design a Bank-wide classification system with categories within the IDB systems to identify all operations related to African Descendants
- Analyze the necessary modifications to the monitoring and results systems to effectively monitor and report the Bank's work with African descendants and indigenous peoples and the GCI-9
- In addition, the IDB works to improve Bank systems
 - Establish systematic reports on the addition of GCI-9 disaggregation in results matrices of country strategies and financial operations
 - Develop baseline indicators and expected results for the GCI-9 indicators disaggregated by race and ethnicity for the Bank's Output Contribution to Regional Development Goals 2012-2015

Concentración de pueblos indígenas y afro descendientes en América Latina

Población indígena (% población del país)



Población afro descendiente (% población del país)



Fuente: BID con base en encuestas de hogares



Greater Background on Exclusion

- Exclusion affects not only equity and conflicts, but also economic growth
- Taste-based exclusion
 - Economically detrimental when minority is a large proportion of the population
- Statistical exclusion
 - Beliefs that minority members are less productive can be self-fulfilling and cause minorities to underinvest in education, training, skills

Major Sources of Exclusion?

Potential Points of Exclusion within Four Domains

Points	Labor Markets	Education	Housing	Health Care
Access	Recruitment	Enrollment	Searching	Access to care
	Hiring	Financial aid	Mortgage redlining	Access to insurance
	Unemployment			
Functioning	Wages	Completion	Interest rates on loans	Health referrals
	Evaluation	Retention		
	Work environment	Grades		
	Trainings	Evaluations		
		Learning environment		
Movement	Promotion		Resale	
	Layoffs		Wealth accumulation	

Measuring Exclusion: Experimental Designs

- “Manipulation” of the race/ethnicity variable to answer: What would have happened if the individual had been of a different racial group other than white?
- Laboratory experiments
 - Two individuals of different race/ethnicity but same script and dress interact with participants
- Randomized control trials
 - Change subjects’ apparent race/ethnicity
 - Audit testing: Subjects randomly assigned to pairs (one of each ethnicity) and matched on equivalent characteristics, then sent to apply for jobs or housing. [Bertrand and Mullainathan (2004), Bosch et al. (2010)]
- Natural experiments
 - Observe changes before and after a time period where an intervention is introduced [Telles (2004)]

Measuring Exclusion: Observational Data

- Statistical decompositions
 - Decomposing racial/ethnic differences in outcomes, usually for labor market [Kelley (1988), Patrinos and Sakellariou (1992)]
- Exclusion and GDP loss
 - Measures gains in aggregate production and income if human capital and wage gaps between ethnic groups were closed [Brimmer (1997)]
- Panel data
 - Tracking individuals over time [Altonji and Pierret (2001)]
- Cross sectional analysis
 - Study exclusion as a phenomenon that occurs at one point in time [Reich (1978), Alesina et al. (2012)]
- General equilibrium models
 - Model-based macroeconomic estimate of cost of discrimination to aggregate output [Bayer et al. (2003)]

Future Research

- Race and Ethnicity CEQ expansion
- Output cost of exclusion
- Context of exclusion
- Program evaluations
- Collective action
- Cumulative effects of exclusion
- Identity economics and cumulative effects of exclusion
- Other market-related discrimination

Civil Society and External Communication

- **Civil society participation (primarily through CONSOC)**

- The Bank promotes the participation of African descendants, indigenous peoples, their organizations, and advocacy groups that represent their interests
- CONSOC ensures the incorporation of topics of interest to indigenous peoples and African descendants.
- Resources from the CONSOC are leveraged to increase the participation of these groups in regional civil society-Bank dialogues

- **Communication**

- Dissemination of IDB publications to highlight policy-oriented research, good practices, and lessons learned
- Press releases to inform the public of the Bank's major events on development with identity
- Special featured stories on the Bank's website about development with identity
- Audience includes governments and policymakers in member countries, private sector, civil society (including NGOs and the academia), and other MDBs.





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