Human Capital, Labour Market Outcomes, and Horizontal Inequality in Guatemala

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Why?

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- Guatemala has the second largest indigenous population by percentage in Latin America and a clear history of horizontal inequality and violent state-sponsored oppression.
- Comparative weakness of indigenous political mobilisation at the national level with respect to other Latin American countries.

Context

- Guatemala, home to some 15 million people, is among the poorest and most unequal countries in Latin America.
- Most of the indigenous population is of Maya descent and classified into some 21 language groups.
- A long history of socioeconomic inequality between indigenous and ladino populations is well-documented.
- During the 2011 elections, only 22 indigenous candidates won seats in Congress out of 158 seats available (14 per cent).

Civil war

- Guatemala's civil war began in November 1960 and ended in December 1996 with the signing of Peace Accords between the government and the Unidad Revolucionaria Nacional Guatemalteca (URNG)
- Indigenous populations were disproportionate victims of the war: among identified individual victims, 83.3 per cent were Maya and 16.5 per cent ladino

Descriptive statistics

Table: Educational outcomes statistics

	Ladino	Indigenous	Quiché	Kekchí	Kakchiquel	Mam	Other Indigenous
Panel A: 2000							
School attendance	0.74	0.60	0.59	0.50	0.64	0.63	0.62
School entry age	7.10	7.50	7.48	7.87	7.08	7.64	7.55
Primary completed	0.65	0.35	0.37	**0.25**	0.51	0.31	0.32
Panel B: 2011							
School attendance	0.81	0.79	0.78	0.82	0.78	0.78	0.77
School entry age	7.01	7.06	6.94	7.27	6.95	7.18	7.2
Primary completed	0.74	0.63	0.62	**0.52**	0.73	0.70	0.60

Source: Author's calculation based on the ENCOVI 2000 and 2011. Primary completed computed for children 13+.

Earnings distribution

Figure: Kernel density of log real earnings, 2000 and 2011

Data
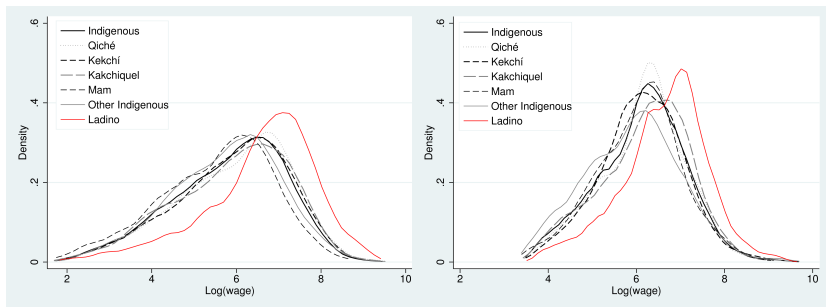
- **Household Surveys
  (ENCOVI - Encuesta de Hogares)**
- Guatemala's National Statistics Institute (INE)
- National representative survey
- Repeated cross-sections
- 2000 and 2011

Estimation

Human capital outcomes:

School enrolment; the age at which children enter formal schooling; schooling completion (primary school)

Probit models

Estimation

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Labour market outcomes:

Earnings differentials

Quintile decomposition

Results: human capital

Table: Educational outcomes. Probit models (marginal effects)

	Indigenous	Quiché	Kekchí	Kakchiquel	Mam	Other Indigenous
Panel A: 2000						
School attendance	-0.040***	-0.066***	-0.082***	-0.079***	0.018	0.031
	(0.014)	(0.022)	(0.028)	(0.027)	(0.023)	(0.019)
School entry age	-0.113***	-0.062*	-0.120***	-0.115***	-0.122***	-0.143***
	(0.026)	(0.037)	(0.048)	(0.040)	(0.044)	(0.034)
Primary completed	-0.108***	-0.107***	-0.147***	-0.079***	-0.132***	-0.093***
	(0.014)	(0.022)	(0.027)	(0.024)	(0.023)	(0.020)
Panel B: 2011						
School attendance	-0.016	-0.018	0.026	-0.040***	-0.013	-0.011
	(0.010)	(0.014)	(0.016)	(0.016)	(0.019)	(0.019)
School entry age	-0.023	-0.073***	-0.020	-0.010	0.043	-0.008
	(0.020)	(0.030)	(0.041)	(0.034)	(0.039)	(0.034)
Primary completed	-0.041***	-0.038***	-0.057***	-0.030*	-0.082***	-0.029***
	(0.008)	(0.013)	(0.018)	(0.016)	(0.018)	(0.015)

*Note: Standard errors in parenthesis. Significance level at *p<0.05, **p<0.01, ***p<0.001*

Results: earnings gap

Table: Blinder-Oaxaca decomposition

	Indigenous	Quiché	Kekchí	Kakchiquel	Mam	Other Indigenous
Panel A: 2000						
Total Gap	0.747	0.639	0.683	0.684	1.058	0.830
Explained	0.579	0.564	0.590	0.485	0.865	0.579
Unexplained	0.168	0.075	0.093	0.199	0.194	0.251
Panel B: 2011						
Total Gap	0.503	0.464	0.503	0.427	0.565	0.702
Explained	0.373	0.363	0.373	0.196	0.566	0.544
Unexplained	**0.130**	**0.101**	**0.129**	**0.231**	**-0.002**	**0.158**

Note: Author's calculation based on the ENCOVI 2000 and 2011.

Conclusion:

• Our findings suggest that the focus on the indigenous/non-indigenous divide found in much of the economic literature on Latin America obscures meaningful diversity within the indigenous population.

• We posit that further consideration of such within-group diversity has implications for broader theories of ethnic politics, and in particular for understanding the comparative weakness of indigenous political mobilisation in Guatemala at the national level.

Thanks!