



**Human Opportunities in a
Global Context:
Benchmarking LAC to Other
Regions of the World**

Human Opportunities in a Global Context: Benchmarking LAC to Other Regions of the World

The previous chapter showed that the Latin America and the Caribbean (LAC) region has made progress in improving equality of opportunities for children to access basic goods and services, but that there still is an important challenge to achieve universality. To build consensus around the agenda ahead, in this chapter we compare Human Opportunity Indices (HOIs) in educational achievement and housing between LAC and other countries in North America and Europe. How much progress does LAC need to make to reach OECD countries minimum standards? What are the main sources of the differences between LAC and OECD countries? Are the observed differences similar across education and housing dimensions?

The chapter finds that despite gains in recent years, the gap between LAC and OECD countries in Europe and North America remains large in both education and housing HOIs. Education quality outcomes were notably worse for LAC, with even the best country scores falling below the worst scores of Europe, Canada and the US. Much of the education HOI gap is attributed to inequality of opportunity levels often two or three times higher in LAC than European and North American countries. LAC fared somewhat better

in housing indicators, with HOIs for access to sanitation and freedom from overcrowding exceeding the European average in two and three LAC countries, respectively. As with education, much of the housing HOI gap is attributed to inequality of opportunity levels often twice as high in LAC than European and North American countries.

In the case of two countries (United States and France), we exploit the availability of a long time series to draw some lessons on the evolution of the HOI over multiple decades that could be relevant to LAC. Analyzing the expansion of the HOI for housing opportunities in the US and France from the 1960s indicates that HOI levels are initially low, experience fast growth rates, and then slow down as the HOI reaches a high level.

The chapter is organized as follows. Section 3.1 describes the data underlying the construction of the HOI for educational achievement, and presents results. Section 3.2 describes the data used in constructing HOIs for access to sanitation and freedom from overcrowding, and presents results. Section 3.3 selects the longest time horizon available for two countries—the US and France—and describes how the HOI evolves over long time periods. Section 3.4 concludes.

3.1 Human Opportunity Index for Quality Education

Educational achievement measured by test scores better captures the true chances of children to meet the challenges of the future than educational attainment measured by years of schooling or even completion on time, because of considerable heterogeneity in the quality of education across schools. To some extent, educational achievement is a good proxy for the quality of schools. Therefore, to estimate the HOIs for quality education, we use data on educational achievement.

The OECD Programme for International Student Assessment (PISA) is an internationally comparable dataset on key competencies of 15 year-old students in reading, mathematics, and science. PISA assesses the degree to which students near the end of compulsory education can extrapolate from what they have learned and apply their knowledge both in school and non-school contexts, thus giving an indication of how well they have gained the skills and knowledge needed for full participation in society (OECD 2007).

Estimating the HOI for Quality Education

The HOI for quality education is built using PISA data. PISA is a triennial

survey of the knowledge and skills of 15 year-olds, originally created by the governments of OECD countries (Box 3.1). Students are tested in reading, mathematics and science. Reading literacy is measured in terms of students' abilities to use written information in situations that they encounter in their lives. Mathematical literacy measures students' abilities to pose, solve and interpret mathematical problems in a variety of situations involving quantitative, spatial, probabilistic or other mathematical concepts. Scientific literacy measures students' abilities to identify, explain and apply scientific knowledge and knowledge about science in a variety of complex life situations.

Students are placed in different proficiency groups according to the difficulty of tasks that they can complete. There are six proficiency groups for reading, and seven groups for mathematics and science.¹ Proficiency level 2 is usually considered the level that requires the basic tasks students need to apply the subject area in real life contexts. About 80 percent of students in OECD countries are at level 2 or above. Longitudinal follow-up studies in Australia, Canada and Denmark find that the minority of students classified either at level 1 or below are very likely to face difficulties using reading materials to fulfill their goals and to acquire knowledge (OECD 2007:46). The average for students in

¹The groups are below level 1, and levels 1 to 5 for reading, and levels 1 to 6 for science and mathematics.

OECD countries is level 3.

For the HOI for quality education, we focus on whether or not a student achieves a minimum score to place herself at proficiency level 2. Hence, the coverage rate of quality education used in the HOI is the proportion of students that took the test and achieve a score that place the student at least at proficiency level 2.

PISA surveys contain information on a common set of six circumstances: gender of the child, father's and mother's education, school location, father's

occupation, and household asset items that allows us to generate a wealth index (see Annex Table A.3.1 for more details).

We compute the HOI for quality education by estimating a logistic model on whether student i had achieved at least proficiency level 2 as a function of her or his circumstances. Based on the predicted probabilities, we compute the coverage rate, the dissimilarity index, the penalty for inequality of opportunity and the HOI, following the methodology described in Chapter 1.

Box 3.1: The PISA Data

The first PISA survey was conducted in 2000, and in 2006 the third survey included 30 OECD and 27 non-OECD countries. PISA surveys are administered in countries that together make up close to 90 percent of the world economy.²

The samples of students are nationally representative of the populations of 15 year-olds attending schools in grade 7 and above (Table 3.1). In 2006, the samples used were representative of 20 million 15 year-olds. More than 400,000 students in 57 countries took a two-hour comparable test for PISA 2006. Students also completed a questionnaire about themselves, and their principals completed a questionnaire about their schools. The samples do not cover drop outs and students attending grades below 7.

While the enrollment of 15 year-olds is generally universal in Europe, it is not so in LAC. With the exception of Portugal, all European countries considered have enrollment rates of 98 percent and above for 15 year-olds. By contrast, the proportion of 15 year-olds enrolled in the school system is as low as 61 and 63 percent in Colombia and Mexico.³ To the extent that 15 year-olds not enrolled in schools would not be able to achieve minimum expected knowledge, a low proportion of enrollment may over-estimate a national measure of the educational achievement of 15 year-olds.

²In 2009, PISA was administered in 30 OECD countries and 37 non-OECD countries/economies. Hong Kong-China is included.

³The proportion of enrolled 15 year-olds that are below 7th grade (not targeted population) is negligible in all countries, except France.

Table 3.1

Sampling and Coverage Rates (PISA 2006)

Sampling and Coverage Rates (PISA 2006)							
Country	All 15- year-olds (a)	Enrolled 15 year- olds (b)	Ratio (b)/(a)	Target population (c)	Ratio (c)/(b)	Participants	Coverage Index
Latin America							
Argentina	662,686	579,222	0.87	579,222	1.00	4,339	0.99
Brazil	3,390,471	2,374,044	0.70	2,357,355	0.99	9,295	0.99
Chile	299,426	255,459	0.85	255,393	1.00	5,235	0.99
Colombia	897,477	543,630	0.61	543,630	1.00	4,478	0.99
Mexico	2,200,916	1,383,364	0.63	1,383,364	1.00	30,971	1.00
Uruguay	52,119	40,815	0.78	40,815	1.00	4,839	1.00
Europe							
France	809,375	809,375	1.00	777,194	0.96	4,716	0.91
Germany	951,535	1,062,920	1.12	1,062,920	1.00	4,891	0.99
Italy	578,131	639,971	1.11	639,971	1.00	21,773	0.98
Norway	61,708	61,449	1.00	61,373	1.00	4,692	0.96
Portugal	115,426	100,816	0.87	100,816	1.00	5,109	0.98
Spain	439,415	436,885	0.99	436,885	1.00	19,604	0.96
Sweden	129,734	127,036	0.98	127,036	1.00	4,443	0.96
United Kingdom	779,076	767,248	0.98	767,248	1.00	13,252	0.97
North America							
Canada	426,967	428,876	1.00	424,238	0.99	22,646	0.93
USA	4,192,939	4,192,939	1.00	4,192,939	1.00	5,611	0.96

Source: PISA 2006

The Human Opportunity Index for Reading Literacy

The Human Opportunity Indices (HOI) for reading literacy in LAC countries are consistently lower than in European countries and Canada, according to findings from 16 countries from the 2006 PISA (Table 3.2).⁴ The HOI for

reading proficiency ranges from a high of 89 for Canada to a low of 35 for Argentina. Among the six Latin American countries included in PISA 2006, Chile performs best, with a HOI for reading of 58. However, even Chile is considerably below the lowest performing European country in the sample, Italy, with an HOI of 69.

⁴ Data for reading in the USA PISA 2006 is not available due to an error in the printed test booklet that distorted the results.

Table 3.2

Human Opportunity Index for Reading 2006

Human Opportunity Index for Reading, 2006				
	Coverage 2006	D-index 2006	Penalty 2006	HOI PISA (percent)
LATIN AMERICAN COUNTRIES				
Argentina	44	22	10	35
Brazil	45	20	9	36
Colombia	46	17	8	38
Mexico	53	18	10	44
Uruguay	56	15	9	47
Chile	66	12	8	58
EUROPEAN COUNTRIES				
Italy	75	8	6	69
Spain	76	8	6	70
Portugal	77	9	7	70
France	82	7	6	76
Norway	82	7	5	76
Germany	85	7	6	80
The U.K	87	5	4	82
Sweden	88	5	4	83
NORTH AMERICAN COUNTRIES				
Canada	91	3	3	89
USA	nd	nd	nd	nd

Source: Estimates produced based on PISA data, 2000 - 2006.
Canada and France don't include school location as exogenous variable

The HOI discounts the coverage rate with a penalty that is proportional to the degree of inequality of opportunity in the allocation of existing basic services. The inequality of opportunity for acquiring adequate reading in LAC countries, as measured by the D-indices, is about twice the magnitude observed in European and North American countries (Table 3.2). To reduce inequality of opportunity more effectively, policy makers need to know the inequality of opportunity profile for a given society to design effective public policies.

To build this profile, we report the specific D-indices that inform us about the inequality of opportunity associated with each specific circumstance (Table 3.3).

A profile of inequality of opportunity can be defined by the relative size of each D-index to a specific circumstance (parental income, gender, etc.).⁵ These specific D-indices represent the percentage of the available opportunity for adequate reading ability that would have to be reallocated among children for equality of opportunity to prevail, if only one circumstance were considered. For instance, if we only considered gender of child, roughly 13 percent of available opportunities for accessing adequate reading in Argentina would need to be reallocated, compared to 3.8 percent of available opportunities if we considered only father's education.

⁵ It is important to remember that the specific D-indices do not add up to the overall D-index. That is, this exercise does not have additive properties.

Table 3.3

Profile of Inequality of Opportunity: Specific D-Indices for Proficiency at Level 2 in Reading (PISA 2006)

D-Index for Proficiency at level 2 in reading, PISA 2006 (percent)

Country	Gender	School location	Father education	Mother education	Socio-Economic Status	Father occupation	Overall D-Index
LATIN AMERICAN COUNTRIES							
Argentina	12.9	5.4	3.8	4.6	13.3	9.2	22.2
Brazil	9.3	4.0	5.0	4.3	11.4	7.8	20.2
Chile	3.8	3.7	2.0	3.4	5.3	3.4	12.2
Colombia	3.3	6.3	3.5	4.2	9.6	4.6	17.1
Mexico	7.7	8.9	3.1	4.2	5.1	3.4	18.0
Uruguay	8.6	2.8	2.4	5.0	7.2	4.9	15.3
EUROPE							
France	2.3		0.5	1.1	3.8	3.1	7.3
Germany	2.2	1.0	1.1	1.8	2.5	2.2	6.6
Italy	4.8	2.9	1.6	1.6	4.2	2.3	8.0
Norway	3.9	0.4	0.6	0.9	3.6	3.3	6.6
Portugal	2.8	1.3	1.5	2.6	4.5	3.8	9.1
Spain	3.4	1.0	1.1	2.1	3.7	3.5	8.1
Sweden	2.4	0.5	1.1	0.5	2.2	2.1	4.7
The U.K.	1.9	0.7	0.9	0.4	2.5	2.9	5.0
NORTH AMERICA							
Canada	1.6		0.3	0.2	1.7	1.0	2.9
Average	4.7	3.0	1.9	2.5	5.4	3.8	10.9

Source: Author's calculations based on PISA data

Overall, wealth status is the most important circumstance associated with inequality of opportunity for reading in Canada, Latin America, and European countries. It is the most important circumstance in four out of six LAC countries considered, in four out of eight European countries considered, and in Canada. However, the weight of the circumstance is much higher in Latin

America: only 1.7 percent of the available opportunities for accessing quality reading would need to be reallocated in Canada for equality of opportunity to prevail if the only circumstance considered was wealth status, compared to 13 percent in Argentina. Gender of the child is the second most important circumstance, and school location is also important in some LAC countries, notably Mexico and Colombia.

The Human Opportunity Index for Mathematical Literacy

The HOIs for mathematical literacy in LAC countries are substantially lower than in European and North American countries (Table 3.4). The HOI for mathematics ranges from a high of 90 for Canada to a low of 18 for Argentina.

Among the six Latin American countries included in PISA 2006, Uruguay is the best-performing country, with an HOI for mathematics of 47. However, even Uruguay is considerably below the lowest performing European country in our sample, Italy (63), as well as compared to the US (69), the low performer in North America.

Table 3.4

Human Opportunity Index for Mathematics (PISA 2006)

Human Opportunity Index for Mathematics, 2006

	Coverage 2006	D-index 2006	Penalty 2006	HOI Math 2006
LATIN AMERICAN COUNTRIES				
Brazil	27	32	9	18
Colombia	28	27	8	20
Argentina	37	25	9	28
Mexico	43	20	9	34
Chile	45	23	11	35
Uruguay	56	15	9	47
EUROPEAN COUNTRIES				
Italy	69	9	6	63
Portugal	71	10	7	64
Spain	77	7	6	72
France	82	7	6	76
Norway	81	6	4	77
Sweden	84	5	5	80
Germany	85	6	5	80
The U.K	86	5	5	81
NORTH AMERICAN COUNTRIES				
Canada	92	2	2	90
USA	75	8	6	69

Source: Estimates produced based on PISA data, 2000 - 2006.

Canada and France don't include school location as exogenous variable

Wealth status is the circumstance most strongly associated with inequality of opportunity for accessing quality education in mathematics in Latin America and Europe (Table 3.5). It is the

most important circumstance in five out of six LAC countries considered and in seven out of eight European countries considered. Father's occupation is the second most important circumstance.

Table 3.5

Profile of Inequality of Opportunity: Specific D-Indices for Proficiency at level 2 in Mathematics (PISA 2006)

D-Index for Proficiency at level 2 in mathematics, PISA 2006 (percent)

Country	Gender	School location	Father education	Mother education	Socio-Economic Status	Father occupation	Overall D-Index
LATIN AMERICAN COUNTRIES							
Argentina	3.2	7.6	6.0	5.6	17.3	8.5	25.5
Brazil	6.8	5.4	8.2	9.2	19.7	11.1	31.7
Chile	7.2	4.9	4.8	8.7	9.8	8.4	23.2
Colombia	11.4	6.2	5.6	6.4	16.5	10.8	27.4
Mexico	3.6	10.8	2.7	7.3	6.1	4.2	20.4
Uruguay	1.7	3.5	3.2	6.0	7.8	4.5	15.4
EUROPE							
France	0.5		1.4	1.8	4.0	3.2	7.4
Germany	1.1	0.9	0.9	1.6	3.2	2.5	6.2
Italy	2.2	2.8	1.3	1.6	5.4	3.2	8.8
Norway	0.6	0.7	0.9	0.9	3.6	3.3	5.5
Portugal	1.5	1.8	3.2	2.7	5.4	5.3	10.2
Spain	0.4	0.5	0.7	2.1	4.0	3.5	7.2
Sweden	0.4	0.4	1.7	0.8	2.4	3.4	5.4
The U.K.	0.8	0.9	1.4	0.6	3.1	2.7	5.3
NORTH AMERICA							
USA	0.9	2.9	0.4	1.2	3.3	5.0	8.4
Canada	0.3		0.2	0.2	1.4	1.3	2.1
Average	2.7	3.5	2.7	3.6	7.1	5.0	13.1

Source: Author's calculations based on PISA data

The Human Opportunity Index for Science Literacy

The HOIs for science literacy in LAC countries are also substantially lower than in European and North American countries (Table 3.6). Scores range from 90 for Canada to 30 for Brazil. Among the

six Latin American countries included in PISA 2006, Chile is the best-performing country with a HOI for science of 53. However, even Chile is considerably below the lowest performing European countries in our sample, Italy and Portugal, with HOIs of 71.

Table 3.6

Human Opportunity Index for Science (PISA 2006)

Human Opportunity Index for Science, 2006

	Coverage 2006	D-index 2006	Penalty 2006	PISA 2006 (percent)
LATIN AMERICAN COUNTRIES				
Brazil	40	24	9	30
Colombia	40	18	7	33
Argentina	46	22	10	36
Mexico	49	19	9	40
Uruguay	60	14	8	51
Chile	62	14	9	53
EUROPEAN COUNTRIES				
Italy	76	7	6	71
Portugal	78	8	6	71
France	83	7	6	77
Spain	82	6	5	78
Norway	83	5	4	78
Sweden	86	4	4	83
Germany	88	5	4	84
The U.K	88	4	4	84
NORTH AMERICAN COUNTRIES				
USA	79	8	6	73
Canada	92	2	2	90

Source: Estimates produced based on PISA data, 2000 - 2006.
Canada and France don't include school location as exogenous variable

Wealth status, again, is the circumstance most strongly associated with inequality of opportunity for accessing quality education in science in Latin America (Table 3.7). It is the most

important circumstance in five out of six LAC countries considered. Father's occupation is the second most important circumstance.

Table 3.7

Profile of Inequality of Opportunity: Specific D-Indices for Proficiency at level 2 in Science (PISA 2006)

D-Index for Proficiency at level 2 in science, PISA 2006 (percent)

Country	Gender	School location	Father education	Mother education	Socio-Economic		Overall D-Index
					Status	Father occupation	
LATIN AMERICAN COUNTRIES							
Argentina	3.3	6.3	4.6	6.5	13.9	8.1	22.0
Brazil	2.6	5.3	4.5	7.2	14.8	9.3	23.7
Chile	2.8	3.0	3.4	4.5	5.5	3.6	13.8
Colombia	4.1	4.3	2.7	4.1	10.6	6.9	18.0
Mexico	1.9	10.5	3.0	5.0	5.8	4.1	19.0
Uruguay	2.3	2.3	3.9	4.2	6.5	4.1	13.8
EUROPE							
France	0.0		0.9	1.4	3.7	3.1	7.1
Germany	0.4	0.9	0.7	1.3	1.9	1.9	5.0
Italy	0.4	2.4	1.6	1.4	4.5	2.5	7.3
Norway	0.5	1.0	0.5	1.0	3.4	2.9	5.1
Portugal	0.2	0.7	2.0	2.5	4.0	4.3	8.0
Spain	0.2	0.6	0.7	1.8	2.6	2.6	5.7
Sweden	0.3	0.3	1.3	0.9	1.7	2.8	4.2
The U.K.	0.0	0.5	1.0	0.5	2.4	2.4	4.5
NORTH AMERICA							
USA	0.8	2.9	0.5	0.9	3.0	4.3	7.6
Canada	0.2		0.4	0.3	1.3	1.1	2.2
Average	1.3	2.9	2.1	2.9	5.6	4.2	11.0

Source: Author's calculations based on PISA data

3.2 Human Opportunity Index for Housing

In this section we examine how LAC countries compare to other regions around the world on access to sanitation and the degree of overcrowding within the home. While the importance of access to sanitation has been underscored in Chapter 1, the importance of overcrowded housing bears discussion here.

Evidence on the negative impact of overcrowding based on clear causal relationships has been compiled in a number of studies around the world. This ranges from evidence on the link between mental health and overcrowding in Thailand (Fuller et al., 1993) to evidence that relationships between parents and children suffer in overcrowded settings in the US (Gove et al., 1979). Studies have examined the link between overcrowding and the likelihood of being exposed to unhygienic conditions and the causal link between overcrowding and educational attainment and progress (Coggan et al., 1993; Currie and Yelowitz, 2000; and Goux and Maurin, 2005). This confluence of evidence has led some countries to develop statutory overcrowding standards (UK) and others to develop targeting indicators

to monitor the proportion of households living in overcrowded conditions (US). Due to the growing awareness of its importance, this study compares freedom from severe overcrowding among different countries.

The Data

For non-LAC countries, we use census micro-samples from the Integrated Public Use Microdata Series (IPUMS) International databases. The IPUMS data contains information on access to sanitation services. Data also include the gender of the child, the gender of the head of the household, urban or rural residence, number of siblings, whether or not the child lives with both parents, and the completed education level of the head of the household. Since total household income was not comparable across samples, this circumstance variable was excluded.⁶ Because these are samples of the census data, all calculations were weighted (see Annex Table A.3.3 for more details). For LAC countries, we use the harmonized household surveys from the SEDLAC database described in Chapter 2.

Severe overcrowding is generally considered to exist when there are more than 1.5 people per room on average

⁶ When data were available, a series of variables for assets owned by the household were included. The annex reports results both with and without information on asset ownership as a measure of wealth.

(although the US considers overcrowding any level above one person per room). By combining IPUMS data on number of rooms with information on the number of people in the household, we derive the number of people per room to use in the overcrowding HOI.

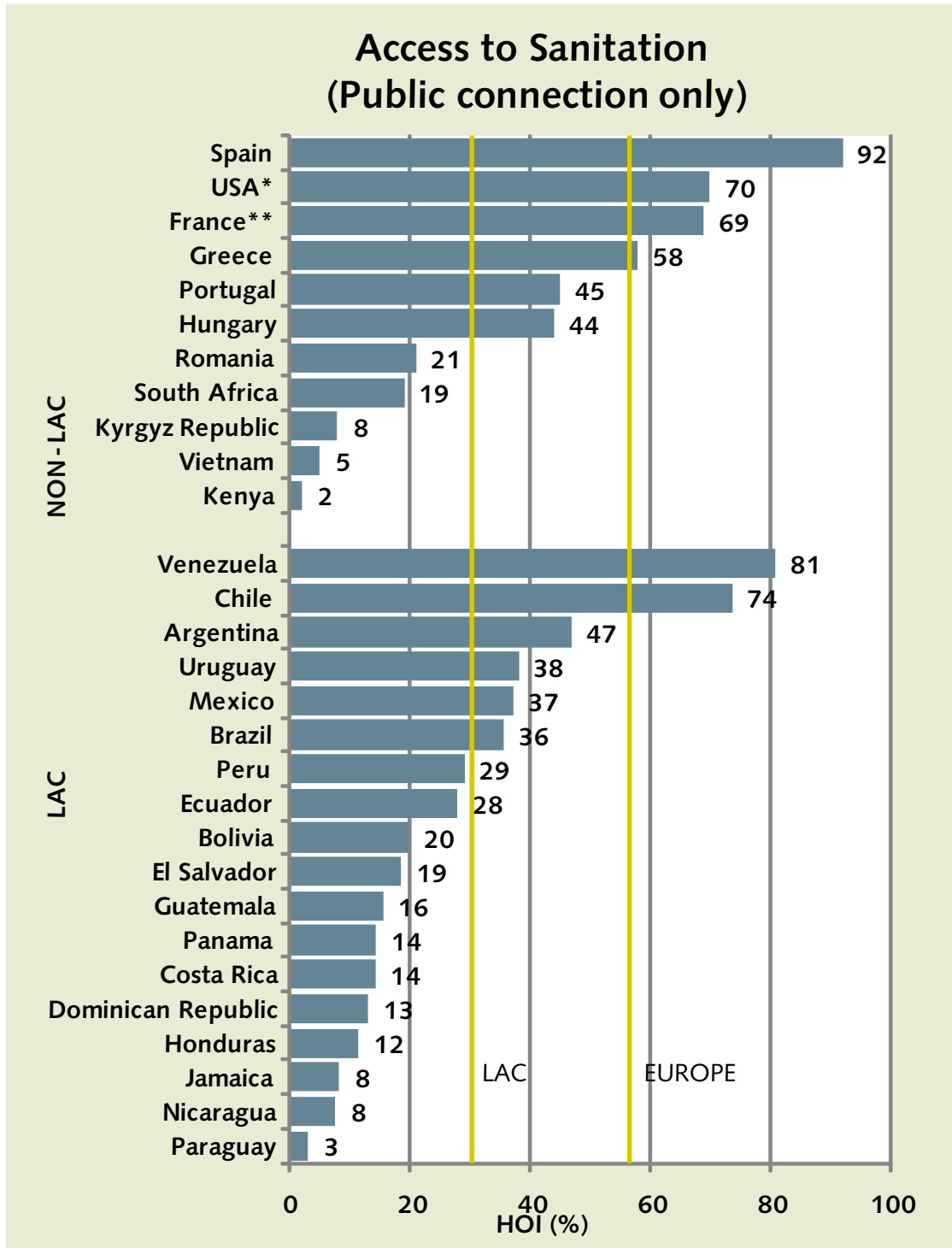
The Human Opportunity Index for Sanitation

When only access to a public sanitation connection is considered, the majority of LAC countries we analyzed were below the average for all available European countries of approximately 60 (Figure

3.1). Only two LAC countries, Venezuela (81) and Chile (74), report HOI levels above the European average. When the definition is broadened to include septic tanks, five countries are above the European average (Figure 3.2). The remaining countries also improve when considering septic systems, but remain below the average of the European countries.⁷ Much of the sanitation HOI gap is attributed to inequality of opportunity levels approximately twice as high in LAC than European and North American countries when considering septic systems (Tables A3.5 A-B).

⁷ Annex Table 3.4A reports the results from the most recent round of household surveys analyzed in Chapter 2. Annex Table 3.4B complements these results using data from censuses available in the IPUMS database.

Figure 3.1: HOI Sanitation

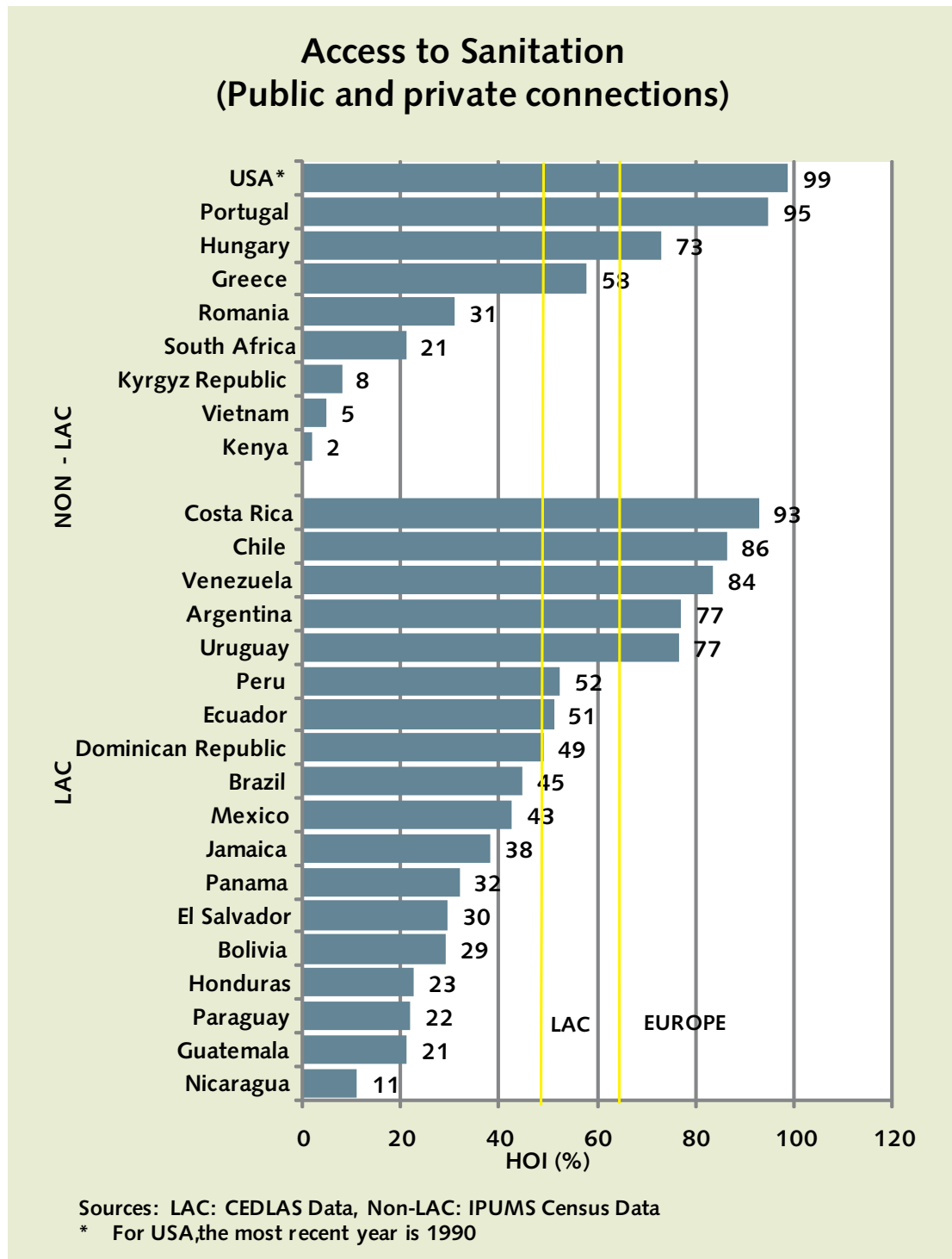


Sources: LAC: CEDLAS Data, Non-LAC: IPUMS Census Data

* For USA, the most recent year is 1990

** For France, the most recent year is 1982

Figure 3.2: HOI Sanitation (Public + Septic Tank)

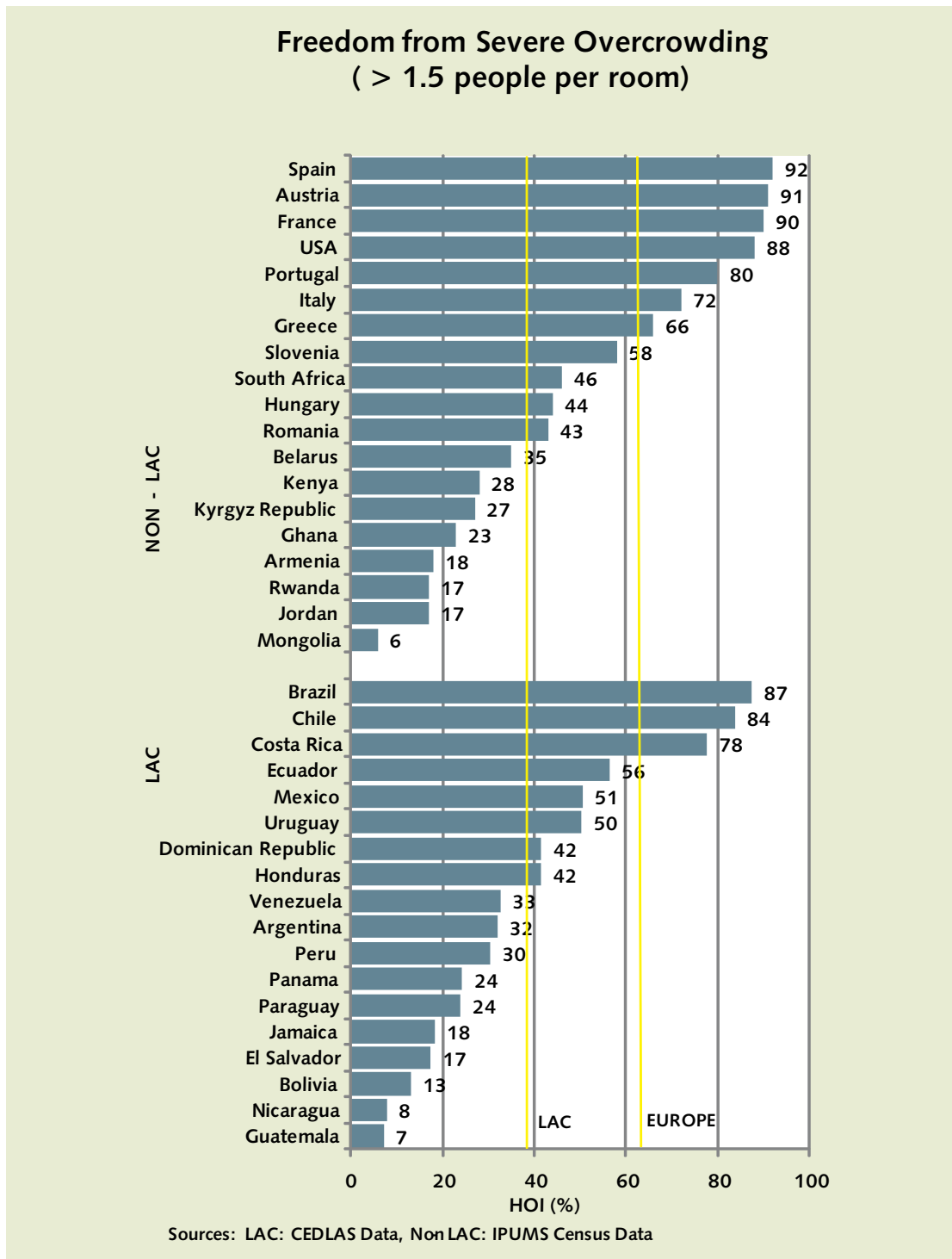


Human Opportunity Index for Freedom from Severe Overcrowding

The mean value of the freedom from severe overcrowding HOI in European countries is 60. Only three LAC countries are above this value—Brazil (87), Chile (84) and Costa Rica (78). The remaining countries are five or more percentage points below the mean (Figure 3.3). In Spain—the highest scorer in this

HOI—92 percent of the opportunities for access to overcrowded homes needed for universality are available and equitably distributed, compared to only 30 percent in Peru. Much of the freedom from severe overcrowding HOI gap is attributed to inequality of opportunity levels more than twice as high in LAC than European and North American countries (Tables A3.6 A-B)

Figure 3.3. HOI Freedom from Severe Overcrowding



3.3 Understanding the Long-run Evolution of the HOI

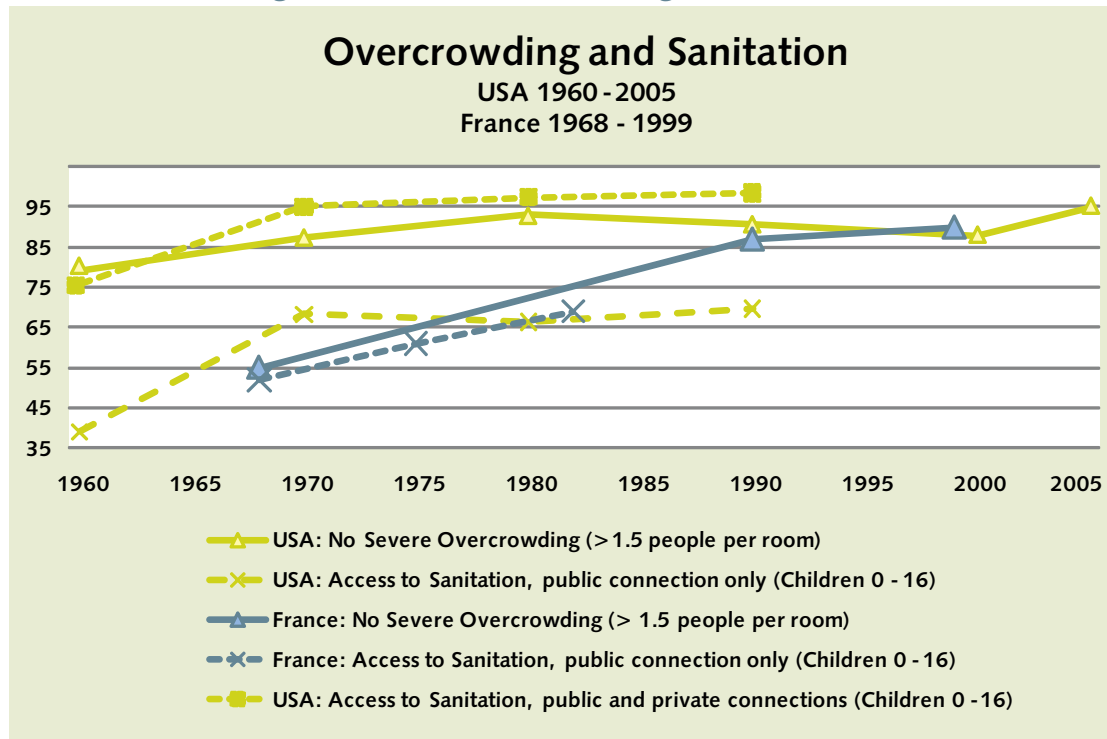
The IPUMS-International database contains information on multiple rounds of census data for several countries. The longest two time series available and analyzable were from the US and France. This section exploits that time series by exploring the long-run evolution of the housing and sanitation HOI in these two countries. For the US, data is available from each decennial census from 1960 to 2000, and then in 2005 data from the American Community Survey is used. In the case of France, the data are less consistently available though they span an equally long time period.

The long-run evolution of the HOI for Severe Overcrowding

Over the past 45 years, the US's HOI for freedom from severe overcrowding has improved by roughly 15 points (Figure 3.4). The HOI improved rapidly in the first part of the period analyzed, and then growth slowed as the HOI approached universality (Annex Table A.3.8). This might be in line with a notion that the last unit of a good or service is more costly to provide than the first.⁸ The freedom from overcrowding HOI in France began from a much lower base than in the US, but improved much more quickly over a shorter period of time—from about 55 in 1968 to about 87 in 1999. Similar to the US, improvements slowed as the HOI reached higher levels.

⁸ This slowing down of the HOI growth rate as approach to universality would imply in most cases that the actual arrival time to universality would be slower than what a linear growth assumption would suggest. In light with this finding, the arrival time to universality in LAC discussed in Chapter 2 should be consider as "optimist" projections of the LAC expected trend.

Figure 3.4: HOI Overcrowding and Sanitation



Note: We report all available data in this figure. Data are not available to compute access to septic tanks for France (see annex for details).

The long-run evolution of the HOI for Adequate Sanitation

The HOI of access to adequate sanitation (public system only) shows much more similar values in US and France than the overcrowding index, although improvement in the US stagnates after 1970 while France shows steady growth. However the French time series for this HOI is much shorter, making direct comparisons difficult. Including septic systems into the calculation brings the US HOI up to near universality after 1970,

but no data were available in France on septic systems to make a comparison. As with overcrowding, both countries showed faster growth rates when the HOI was low, with progress slowing as the HOI increases. For instance, for the USA while in 1960 the HOI for sanitation (public system + septic tanks) grew roughly 2 points per year between 1960 and 1970, but then only 0.3 points per year in 1970-1980 and 0.1 points in 1980-1990 (see Annex Table A.3.7 for more details).

3.4 Conclusion

The analysis in this chapter illustrates that LAC countries still need to make significant progress to achieve the levels of equal opportunity most OECD countries have achieved in the provision of basic services. This is particularly true regarding the quality of education, where LAC countries all score below even the lowest-achieving countries in Europe and North America. Housing HOIs are also below European averages, but in this case some LAC countries have reached and even exceeded the median European HOI scores.

Despite gains in educational outcomes, the gap between the education HOI in LAC and Europe and North America remains large. All LAC countries included in this study have a lower HOI than any of the countries analyzed in Europe and North America on opportunities for accessing quality education. The countries with the highest HOIs for reading, mathematics and science in LAC are considerably behind the countries with the lowest performance in Europe and North America. Much of the overall education HOI gap is attributed to inequality of opportunity levels often two or three times higher in LAC than European and North American countries. Wealth status is the circumstance most strongly associated with inequality of opportunity in reading, mathematics and science in LAC countries.

The results on housing cover two areas relevant for policy makers: access to sanitation and freedom from severe overcrowding. Only two of 18 LAC countries analyzed were above the average for European countries in access to sanitation via a public connection, and only five were above the European average when the definition included septic tanks. The average value of the freedom from overcrowding HOI was 60 among European countries. Only three LAC countries—Costa Rica, Chile and Brazil—are above this value, with the remaining countries five or more points below.

Analyzing the expansion of the HOI for housing opportunities in the US and France from the 1960s indicates that HOI levels are initially low, experience fast growth rates, and then slow down as the HOI reaches a high level. This suggests that LAC countries may follow a similar pattern—achieving strong gains in the equitable provision of basic services earlier in the development process, and then slowing down as countries come close to universal provision. The evidence from Chapter 2 on trends in LAC over time coincides with this finding in certain respects.

This chapter underscores that the current generation of children in Latin America have fewer opportunities of accessing key goods and services than their counterparts in Europe and North America, and that existing opportunities

are distributed less equitably. Endowed with these more limited opportunities, the literature suggests that it will be more difficult for these children to enjoy psychological and physical good health as children and to be motivated and equipped to pursue their interests and

reach their potential as adults. This suggests important barriers remain in all regions analyzed, but particularly in Latin America, to ensure that the next generation of children faces a level playing field in obtaining opportunities needed to develop themselves.