

# Indigenous Peoples



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## Still among the poorest of the poor

**As the global community looks for ways to meet the Millennium Development Goal (MDG) of halving the share of people in poverty by 2015 from its 1990 level, it cannot afford to ignore the plight of indigenous peoples. Although they make up roughly 4.5 percent of the global population, they account for about 10 percent of the poor—with nearly 80 percent of them in Asia. Turning the situation around will require widespread and sustainable economic growth and poverty reduction, along with strategies to address multiple sources of disadvantage to reach those who need a special lift.**

Indigenous peoples are widely believed to be among the world's poorest. Yet there is no global source that draws together the available evidence to assess the degree to which this holds across countries and over time. Poverty is a nuanced concept, and particularly so for indigenous peoples for whom poverty is a more comprehensive concept than that which standard poverty measures capture. This brief recognizes these important nuances but uses standard national poverty measures to allow comparison of indigenous poverty rates and national poverty rates and tracking of changes over time. To date, most of the research on the world's indigenous peoples has concentrated on rich countries (the United States, Australia, Canada, and New Zealand) and more recently, Latin America. Not only does that leave out some of the most populous and poorest areas of the world but it also ignores more than half the world's indigenous peoples.

Moreover, what we know from these studies is reason for grave concern. Without exception, they show that indigenous peoples are severely disadvantaged, based on a range of socioeconomic indicators. In 1994, the first regional analysis of indigenous peoples in Latin America found systematic evidence of poverty rates far worse than those of the population on average (Psacharopoulos and Patrinos 1994). In 2004 a major World Bank

follow-up study found that while programs have been launched to improve access to health care and education, indigenous peoples still consistently account for the highest and “stickiest” poverty rates in the region (Hall and Patrinos 2006).

To try to paint a global picture, the World Bank and the United Nations Permanent Focus on Indigenous Issues (UNPFII) recently requested a study that would assess poverty and socioeconomic indicators for a number of African and Asian countries for which there were identifiable populations and data. Here, it should be noted that the term “indigenous peoples” needed to be rather loosely defined (see box). The findings confirm the dire state of indigenous peoples globally—still among the poorest of the poor. But they also give hope that widespread and sustainable growth and poverty reduction can lift vast segments of the poor.

### A global snapshot

So, how many indigenous peoples are there worldwide? Our estimate is roughly 300 million (table 1), which is very close to that of the International Working Group for Indigenous Affairs, and thus numbers cited by the UNPFII, among others. This figure accounts for roughly 4.5 percent of the world's population, with almost 80 percent of indigenous peoples

### Who are indigenous peoples?

There is no widely accepted definition of indigenous peoples. The World Bank’s official position is that “because of the varied and changing contexts in which Indigenous Peoples live and because there is no universally accepted definition of Indigenous Peoples, this policy does not define the term. Indigenous Peoples may be referred to in different countries by such terms as ‘indigenous ethnic minorities,’ ‘aboriginals,’ ‘hill tribes,’ ‘minority nationalities,’ ‘scheduled tribes,’ or ‘tribal groups’ (Operational Directive 4.10).” The UN system has chosen not to adopt a definition, but rather to develop a modern understanding of this term based on a variety of characteristics—self-identification at the individual level and accepted by the community as their member; historical continuity with precolonial or presettler societies; a strong link to territories and surrounding natural resources; a distinct social, economic, or political system; a distinct language, culture, and beliefs; individuals that form non-dominant groups of society; and

those that resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

Moreover, there is growing evidence that the phenomenon of joining together under a common identity as indigenous peoples is relatively new and has accompanied a process among some groups of “reclaiming” identity—for example, among the Manchu in China.

Against this backdrop, this study does not put forth a rule of what does or does not constitute indigenous—that would contribute little and only invite controversy over perceived errors of inclusion or omission. For global data, it includes indicators for any people whom any government or recognized organization (including self-identified indigenous organizations such as the International Working Group for Indigenous Affairs) has described as indigenous. For the countries studied in Asia and Africa, it uses terminology and population breakdowns typical in those countries. Thus, in China, Lao People’s Democratic Republic, and Vietnam, it uses “ethnic minority”; in India, “Scheduled Tribes”.

located in Asia—and more than one-third in China alone (figure 1).

From past studies, we know that the quality of life of indigenous peoples in rich countries is far inferior to that of the general population. Our study asked whether the same held true in developing countries. We used a set of five

Millennium Development Goal (MDG)–like indicators (under-five mortality, water deprivation, malnutrition, literacy, and net primary school enrollment).

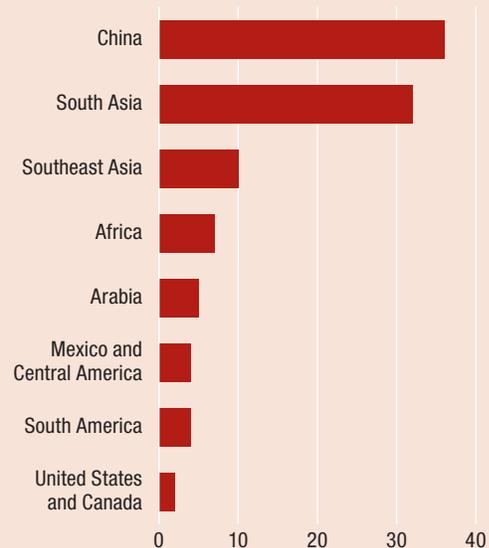
In Asia we found that, with some exceptions, the MDG-like indicators for indigenous peoples are worse than population averages. In India under-five mortality and male literacy among

TABLE 1  
**Globally, there are roughly 300 million indigenous peoples, one-third of them poor**

Country or region	Indigenous peoples (millions)	Number of indigenous poor (millions)
China	106	5
South Asia	95	42
Southeast Asia	30	15
Africa	22	17
Arabia	15	1
Central America and Mexico	12	9
South America	11	9
Rest of world	9	2
Total	299	100

a. Not representative.  
*Source:* Own estimates computed from country studies and reports using national poverty lines, which are not strictly comparable across countries and regions but give a crude and preliminary overview of relative well-being in the absence of more representative data and agreed upon global poverty indicators and definitions.

FIGURE 1  
**Share of world’s indigenous peoples, by country or region**  
Percent



*Source:* Hall and Patrinos forthcoming.

the Scheduled Tribes are uniformly worse than the national average. Among the Hill Tribes in Thailand, the Kammu and Leu samples in Lao People's Democratic Republic, and the Hmong, Muong, and BaNa peoples in Vietnam, access rates to improved water sources are the worst in the regions. And the lowest female literacy rates are among the Hmong samples in Vietnam and Lao PDR.

In Latin America indigenous peoples have uniformly worse outcomes across all five MDG indicators, again with some exceptions. Infant mortality levels are mostly higher than the national averages with the worse being Mam speakers in Guatemala and Quechua in Bolivia. Water deprivation rates tend to be evenly dispersed around the national levels, the worst being Q'eqchi speakers. Child nutrition deprivation rates are generally higher, especially among Mam speakers in Guatemala and Quechua in Peru. The lowest female literacy rates are among the Quechua in Peru.

In Africa data coverage is far more limited, making overarching conclusions difficult. In many cases, available data do not cover core groups widely considered to be indigenous because of their small size (the Ogiek in Kenya), while covering groups for which there is less consistent agreement on status as indigenous (the Maasai in Kenya and the Fulani in West Africa). That said, the data that do exist show that under-five mortality rates tend to be highest among West African groups, such as the Fulani and Tuareg, and lowest among the Maasai and Ethiopian groups. However, these latter groups also experience the lowest rates of access to an improved water source. Education indicators are uniformly worse, even in countries with higher levels of literacy, such as Namibia.

## The indigenous peoples in Asia and Africa

To get a more in-depth look at socioeconomic conditions for indigenous peoples in Asia and Africa, our study examined seven countries in these regions—China, India, Lao PDR, Vietnam, Central African Republic, Democratic Republic of the Congo, and Gabon—which together account for 72 percent of the world's indigenous peoples. Combined with earlier case studies for five Latin American countries (Hall and Patrinos

2006), we now have detailed results for almost 80 percent of the world's indigenous peoples. In each of the seven countries studied, the population of interest ranges from very large to very small. China and India alone account for more than two-thirds of the world's indigenous peoples.

*Poverty.* Our estimates confirm that worldwide, indigenous peoples are over-represented among the poor—up to 10 percent of the world's poor, even though they account for only 4 percent of the world's total population. Moreover, one-third of indigenous peoples are poor (see table 1). In China, the national and indigenous poverty rates are strikingly low. Elsewhere, indigenous poverty rates approach or exceed 50 percent. While the majority of indigenous peoples come from China and India, the proportion of the indigenous poor is more spread out across regions, given lower poverty rates in these two countries, particularly China. In other countries, indigenous peoples have disproportionately high poverty rates—meaning that they deviate from the nonindigenous poverty rate by a great margin (figure 2).

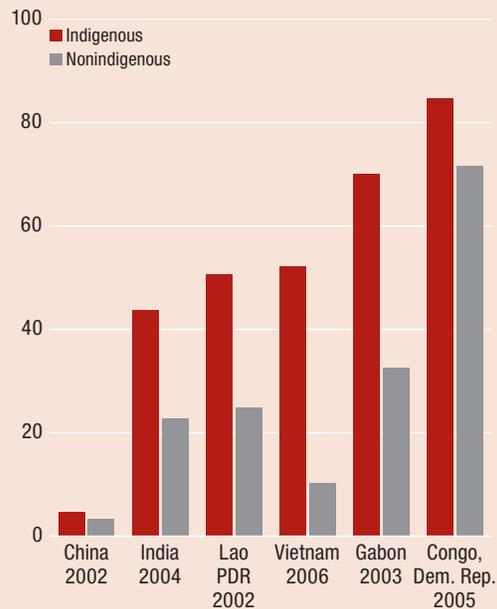
The good news is that over time, there is evidence of rapidly declining poverty rates, even among indigenous peoples, in emerging Asia (notably, China, India, and Vietnam). But research from Latin America—and to some degree Australia, Canada, New Zealand, and the United States—shows a sticky persistence of poverty rates for indigenous peoples over time (figure 3). Moreover, a sizeable poverty gap—in effect, the depth of poverty—remains globally. It is expressed as the total amount of money that would be needed to raise the poor from their present incomes to the poverty line, as a proportion of the poverty line, and averaged over the total population. In our study sample not only do indigenous peoples continue to have a higher poverty gap than nonindigenous peoples but this gap also has been widening over time—ranging from slight in China to significant in Vietnam.

*Education.* Minority groups have increased their overall schooling attainment, but so has the majority population—meaning that the schooling gap remains. In India, while almost 60 percent of non-Scheduled Tribes attend secondary school, only 40 percent of the Scheduled

FIGURE 2

### Indigenous peoples have disproportionately high poverty rates . . .

Poverty headcount (percent)



Source: Hall and Patrinos forthcoming.

Tribes do—a gap that has held pretty constant since 1945. Moreover, while there is progress in schooling attainment overall in Africa, there is a widening gap in the share of indigenous peoples who report ever having attended school—especially females. Even in countries with far higher average schooling rates, there are hidden pockets of low schooling for rural areas and girls. In rural Lao PDR, 34 percent of non-Lao-Tai women have never attended school, while only 17 percent of non-Lao-Tai men never attended and only 6 percent of Lao-Tai women never attended.

There is also evidence of a greater vulnerability to shocks. In Vietnam, over time, there has been a significant increase in schooling attainment overall for all groups. But there is a large break in the trend beginning in the 1970s and coinciding with the Vietnam War, affecting the ethnic minorities more than the rest of the population—that is, the gap in schooling widens during the war and is larger after the war. This finding adds further evidence that crises and interruptions affect indigenous peoples more or

FIGURE 3

### . . . But poverty rates among indigenous peoples have fallen more quickly in Asia than in Latin America

Annual change in poverty headcount rate (percent)



Source: Hall and Patrinos forthcoming.

differently, as was the case after economic crises in Latin America (Hall and Patrinos 2006).

**Earnings.** Much of the earnings disadvantage of indigenous peoples stems from lower levels of human capital endowments. Yet, the returns to schooling globally are not necessarily lower for indigenous peoples. In Latin America indigenous peoples face significant labor market disadvantages. The portion of the difference in earnings between indigenous and nonindigenous peoples that is “unexplained” was an average 42 percent. This means that while about half the earnings differential can be influenced by better human capital (education, skills, and abilities), another half may result from discrimination or other factors over which indigenous peoples have little control. As for earnings, indigenous peoples receive significantly lower returns—about 40 percent—to a year of education.

In Asia, however, there is evidence—in China, Lao PDR, and Vietnam—of strong returns to education for indigenous peoples. In China they enjoy even higher returns to schooling than

nonindigenous peoples. Even so, earnings in these countries are significantly lower for indigenous peoples, and there is evidence of labor market discrimination. In Vietnam in 2006, unexplained differences in the wage structure accounted for 26–34 percent of the wage differential.

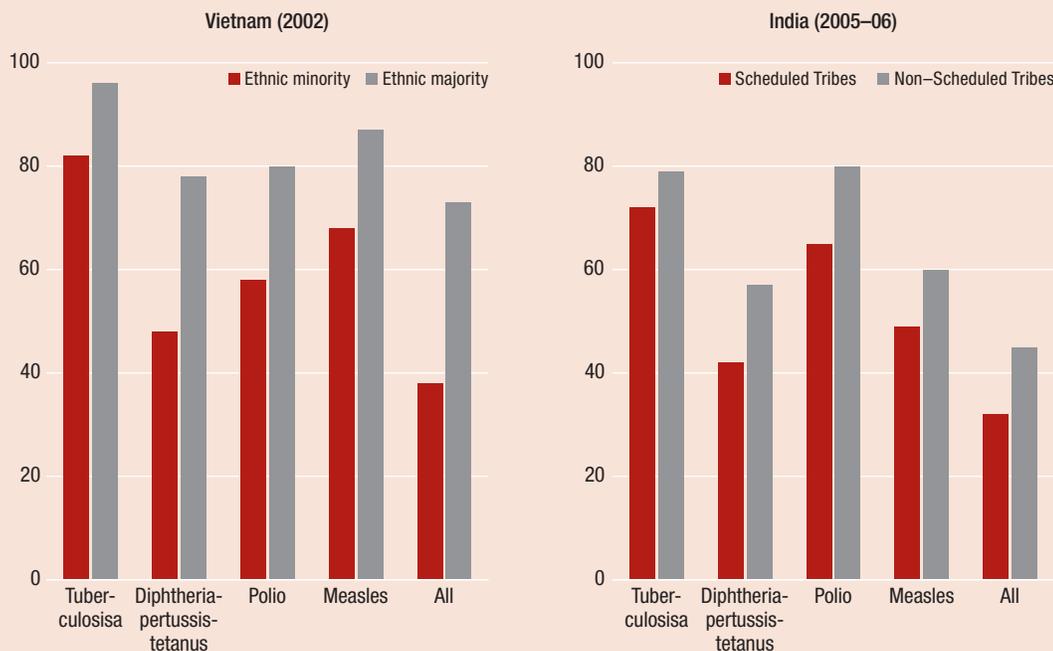
**Health.** Despite generally improving conditions in many countries, health deficits among indigenous peoples are severe. Indigenous peoples are more likely to suffer from health issues, and they are less likely to seek or receive medical attention, even the most basic preventive care. In India and Vietnam, where poverty reduction achievements have been sizeable, indigenous peoples are less likely to be covered by health programs or receive vital vaccinations. While there is good coverage against tuberculosis, indigenous peoples in Vietnam and India are less likely to receive vaccines against diphtheria-pertussis-tetanus, measles, and polio. And only about one-third of them are vaccinated against all diseases—this is as true in Vietnam, where overall vaccination

rates are high, as in India, where overall vaccinations are relatively low (figure 4).

**Social.** There are significant discrepancies in access to basic infrastructure and services. In Vietnam only 5 percent of minorities have access to an improved water source, compared with 25 percent of the ethnic majority population. While electricity and Internet connections are fairly evenly available to both groups, ethnic minorities are less likely to have trash collection services and more likely to live in temporary housing.

But ethnic minorities tend to benefit the most from major social programs. In Vietnam they receive a higher percent of preferential credit, free health care, tuition exemption and reduction, and agriculture, forestry, and aquaculture promotion. In India they are more likely (especially the poorest 20 percent) to benefit from the Integrated Child Development Services program, and they appear well represented as beneficiaries of the National Rural Employment

**FIGURE 4**  
**Indigenous peoples get poorer health care**  
 Percent of children ages 12–23 months



a. Refers to bacille Calmette-Guérin.

Source: Vietnam Demographic and Health Survey 2002; India National Family Health Survey 2005/06.

Guarantee scheme. In China the Manchu and Hui fare well on social benefits, but only half of the rural Uyghur have medical coverage. In Lao PDR access to pension and life insurance is less than 1 percent, with all populations hard hit.

### A better future for indigenous peoples

The most encouraging news from our study is that contrary to earlier worries about little progress in poverty reduction for indigenous peoples, based on studies in rich countries and Latin America, we now know that poverty rates have declined substantially among indigenous peoples in Asia. This insight suggests that the Asian success at achieving sustained growth and poverty reduction has helped its indigenous peoples achieve better poverty, health, and education outcomes.

Even so, a poverty gap persists between indigenous and nonindigenous peoples, and while the gap is narrowing in China, it is stable or widening in most other countries. Further, within countries, some subgroups are particularly hard hit. The reasons are many: geography, topography, and climate; limited access to services and infrastructure; low levels of human capital (education and health); the lack of a critical “threshold” level or combination of assets (low human capital, poor land, and poor access to credit); and discrimination (ethnic and gender).

In some countries spatial or geographic factors may be the predominant stumbling block (China, Lao PDR, and to some extent India). Yet, it is not obvious how to address these constraints most effectively. Delivering basic infrastructure to small, dispersed populations in remote areas is not cost effective, and resettlement strategies, where they have been attempted, are not only contentious but have also largely failed (Lao PDR). In Latin America indigenous disadvantage appears to be more complex, driven by geography, along with low returns on human capital and other assets. That these differences have endured despite decades of progress in reducing human capital gaps may be indicative of the lack of complementary investments and less than optimal national growth and poverty reduction strategies.

Will programs aimed specifically at indigenous peoples help, especially in the absence

of broad-based growth and poverty reduction? Countries that have not focused on delivering rapid shared growth—such as those in Latin America—show limited to nonexistent poverty reduction among indigenous peoples, even in the face of targeted programs. In Latin America we found only poorly performing targeted programs, and even where programs could help—such as bilingual education—they were poorly implemented. Moreover, the one program that as of 2006 had successfully reached indigenous peoples—*Oportunidades* in Mexico—did so as a poverty-targeted as opposed to an indigenous-targeted program. China, like India, has implemented some pro-indigenous policies—easing access to political office, looser fertility restrictions, and affirmative action policies for matriculations into colleges and universities along with subsidies—but even here, the verdict is mixed.

Thus, widespread and sustainable growth and poverty reduction may be the necessary but insufficient condition in eliminating the indigenous poverty gap. This means that policymakers might want to focus first on identifying and tackling the binding national country constraints to poverty reduction. This alone should benefit vast segments of indigenous peoples. After that, strategies to address multiple sources of disadvantage can be undertaken to reach those who need a special lift. But to accomplish all this, policymakers around the world will need help from statisticians, economists, and anthropologists—in the form of better disaggregated data on indigenous peoples, more insight into why indigenous peoples are poor, a deeper understanding of what has determined the success of some “outlier” or successful groups, and better evaluations of bilingual education and targeted programs.

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