Poverty Reduction Policies Promoting Population Health: Where does Latin America Stand?

**Poverty Reduction Policies: Mediating Effects on Health**

Poverty impacts health in a variety of direct and indirect ways, including by limiting access to necessary components of good health such as safe housing, nutritious food, and critical health services.

- Evidence shows that substandard housing is associated with increased risk for a range of illnesses and health complications, including tuberculosis due to overcrowding, asthma as a result of moldy housing and pest infestations, and developmental problems associated with exposure to lead paint, which adversely affects millions of children each year. ¹
- Studies have found that grocery stores in lower-income neighborhoods are more expensive and stock less fresh produce than those in wealthier neighborhoods, making it even more difficult for people residing in these neighborhoods to follow recommended dietary guidelines. ²
- Poverty limits access to critical medications. One study found that 40% of people fail to fill prescriptions due to lack of money and a lack of comprehensive health care coverage. ³ Similarly, low-income children with asthma have been found to be less likely to receive inhaled corticosteroid prescriptions than higher-income children, independent of asthma severity. ⁴

Decent jobs and wages for adults provide the most likely path for families to exit poverty. When working adults can earn enough to lift themselves and their families out of poverty, the worst impacts of poverty on health can be avoided.

- Substantial research demonstrates the poverty alleviation benefits and minimal disemployment effects of providing an adequate minimum wage. ⁵

Earned income is critical, but policy must also address the need for income support during periods of unemployment.

- Evidence shows a connection between unemployment and poorer health outcomes. An important part of this relationship is linked to the associated financial strains, which income protection mechanisms such as unemployment insurance can mitigate. ⁶

Until earnings are able to lift all families out of poverty, increasing family income through direct financial assistance has been shown to be a successful approach to reducing poverty’s impacts on health.

- Studies conducted in Latin America show that cash transfers improved indicators of physical health and cognitive development, including stunting, underweight, overweight, language development, and memory. ⁷
Areas of Strength

- Minimum wages in 21 countries, or two-thirds of the region, are high enough so that an adult earning minimum wage, with one dependent, earns above $5.00 PPP per person per day.
- Virtually all countries in the region for which data are available, 30 of 31, guarantee income protection for households during unemployment.

Areas Needing Action

- While most countries guarantee income protection during unemployment, in 30 of 31 countries there is no coverage for those in the informal economy; this is a serious gap given the prevalence of informal employment in the region.
- In nearly three-quarters of the region, 23 countries, minimum wage workers do not receive government-provided financial assistance during periods of unemployment.
- In 18 out of 33 countries, or more than half the region, families do not receive government-provided direct financial assistance.
Maps show policies in place as of March 2012. Findings reflect information contained in Social Security Programs Throughout the World (SSPTW) reports available by that time. If you are aware of relevant policy or legislation updates, please contact Nicolas de Guzman at ndeguzman@ph.ucla.
<table>
<thead>
<tr>
<th>No government assistance</th>
<th>23 (74%)</th>
<th>82 (59%)</th>
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</thead>
<tbody>
<tr>
<td>$2.00 PPP or less</td>
<td>1 (3%)</td>
<td>6 (4%)</td>
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<tr>
<td>$2.01 - $4.00 PPP</td>
<td>0 (0%)</td>
<td>5 (4%)</td>
</tr>
<tr>
<td>$4.01 - $10.00 PPP</td>
<td>2 (6%)</td>
<td>17 (12%)</td>
</tr>
<tr>
<td>More than $10.00 PPP</td>
<td>5 (16%)</td>
<td>28 (20%)</td>
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<table>
<thead>
<tr>
<th>Do families receive income support?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No known family cash benefits</td>
</tr>
<tr>
<td>Provided only in certain circumstances</td>
</tr>
<tr>
<td>Provided subject only to a means test</td>
</tr>
<tr>
<td>Provided without a means test</td>
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The WORLD Policy Analysis Center aims to improve the quantity and quality of globally comparative data on policies affecting human health, development, well-being, and equity. With this data, WORLD informs policy debates, facilitates comparative studies of policy progress, feasibility, and effectiveness, and advances efforts to hold decision-makers accountable.