Uruguay Country Profile

Opportunities and Challenges on the track for Development

Martín Rivero Illa

Economic Development Policy Workshop
Korean Development Institute – Inter American Development Bank

September 29th – October 5th, 2013
CONTENTS

Part I: Country Profile

Part II: Institutional Profile – Uruguayan Agency for International Cooperation (AUCI)

Part III: Uruguay’s approach to development
Part I: General Information (2013 data)

- Population (2011 census): 3.3 millions
- Area: 176,210 sq km
- HDI Ranking (2012): 51 (0,792)
- Life Expectancy (2012): 76 years
- GINI (2012): 0.379
- Literacy Rate (2010): 98%
- Access to drinkable water (2011): 100%
- Unemployment Rate (2012): 6.5%
- Social Public Expenditure (2011): 74.2% of TPE
- Minimum salary (2013): U$S 360
- President (2010 – 2015): Mr. José Mujica
Part I: Main Socio-Economic Indicators

### GNI per capita, Atlas method (current US$)

- **Source:** World Bank

### Poverty (+5000 hab)

- **Source:** National Statistic Institute (INE)
Part I: International Trade

Main exported products by destination in 2012

- United States 3%
  - Beef, Meat preparations, Leather
- Mexico 3%
  - Syrup for beverages, Dairy Products, Wood and Wood -based materials
- Canada 1%
  - Beef, Fruits, Fish

TOTAL: 7%

- Brazil 19%
  - Dairy Products, Cereals, Plastics
- Argentina 5%
  - Automobiles and Auto-Parts, Paper and Cardboard, Plastics
- Venezuela 4%
  - Dairy Products, Beef, Cereals
- Paraguay 2%
  - Tobacco, Fertilizer, Pharmaceutical Products
- Chile 2%
  - Meat, Cereals, Plastics
- Peru 1%
  - Cereals, Wood panels, Beef

TOTAL: 33%

- The Netherlands 6%
  - Cellulose, Beef, Fruits
- United Kingdom 1%
  - Beef, Wood and Wood -based materials, Fruits
- Germany 4%
  - Soy, Beef, Leather
- Italy 1%
  - Beef, Wool and Animal Hair, Fish

TOTAL: 16%

- China 18%
  - Soy, Beef
- Israel 3%
  - Beef, Cereals, Fish
- Irak 1%
  - Cereals
- Thailand 1%
  - Furs and Leathers, Dairy Products, Soy
- Hong Kong 1%
  - Beef, Products from Animal Origin, Furs and Leathers
- India 1%
  - Wool and Animal Hair, Cereals, Cereals, Furs and Leathers
- Japan 1%
  - Syrup for beverages, Wool and Animal Hair

TOTAL: 26%

- Nigeria 1%
  - Fish, Oils and Fats
- South Africa 1%
  - Cereals, Leathers, Oils and Fats
- Morocco 1%
  - Cereals, Dairy Products, Wood and Animal Hair
- Algeria 1%
  - Cereals, Dairy Products, Beef

TOTAL: 4%

Source: Uruguay XXI based on data provided by the National Customs Directorate.
Part I: International Trade (cont.)

Uruguay exports by activity sector

- **Textiles and leather** – 6%
  - Leathers and furs 43%
  - Wool and Animal Hair 35%
  - Clothes 10%
  - Others 11%

- **Manufacture of chemical, plastic and rubber products** – 10%
  - Plastic articles 32%
  - Pharmaceutical products 18%
  - Rubber 15%
  - Others 36%

- **Timber extraction and manufacture of industry products** – 12%
  - Cellulose 69%
  - Sawn wood and wood-based panels 11%
  - Paper and carton 7%
  - Others 13%

- **Others** – 8%
  - Auto parts and automobiles 41%
  - Gold and gemstones 11%
  - Live animals 9%
  - Others 39%

- **Manufacture of Food, Beverages and Tobacco Products** – 43%
  - Beef 33%
  - Dairy 18%
  - Rice 12%
  - Syrup for beverages 12%
  - Others 25%

- **Crops in General** – 21%
  - Soy 68%
  - Wheat 21%
  - Citrus 3%
  - Others 8%

Source: Uruguay XXI based on data from the Central Bank of Uruguay and the National Customs Directorate.
Part I: Remaining Challenges

• Poverty (2012): 12.4%
• Extreme poverty (2012): 0.5%
• At least one Unsatisfied Basic Need (2011): 33.8%
• 27.2% Afro Uruguayans live in poor households (2012)
• Almost ¼ of children under 6 live in poor households (2012)
• 21.3% unemployment rate among poor women (2012)
• Highly educated women earn 19.6% less than men with same education (2012)
• 73.3% of adults above 25 do not complete secondary education (2011)
• 75% of exports are primary products and commodity based products (2012)
Part I: Development Priorities at National Level

- Poverty eradication and tackling inequalities
- “New Agenda” of Human Rights: sexual and reproductive health, gay marriage, universal access to information society
- Health and Tax Reforms
- Housing Policy
- Sustainable Energy Matrix and Infrastructure building
- Diversification of Exports Matrix
- Security and Access to Justice
Part II: Uruguayan Agency for International Cooperation (AUCI)

A. General Information of the organization

- Created in 2010 to adjust country to new challenges of international aid scenario
- Institutionally linked to Presidency
- Steering Committee:
  - President´s delegate (chair)
  - Minister of Foreign Affairs
  - Minister of Development Planning
- 2013 - Analysis of value chain of international cooperation in Uruguay - “Agency of the Future”
B. Role and contribution of AUCI towards national development goals

**Mission**
Contribute to Uruguay’s sustainable development through the coordination and alignment of international aid to national priorities

**Vision**
Be the country’s main focal point on international aid by contributing to enhance the design of development policies and the strengthening of international relations

**Values**
Results-oriented, commitment to public service, professionalism, systemic and crosscutting outlook, team work, empathy, transparency, honesty
Part II: National priorities and international aid

- National development priorities
- Sector strategic priorities
- National budget
- Development needs to be addressed through international aid
- Distribution of existing international aid
- International donors’ comparative advantages

= New international aid projects
A. Development challenges

• 2013: classified as HIC by World Bank (Athlas Method)

• Need to challenge GDI per capita classification to allocate international aid:
  
  • *Hinders poverty and inequality levels*
  
  • *Reduces development to a single indicator (income)*
  
  • *Majority (>70%) of poor people live in MICs*

• Rapid loss of traditional international aid donors

• But...Uruguay still faces major challenges
B. South-South Cooperation (SSC)

- Uruguayan SSC strategy:
  - Common but **differentiated responsibilities** towards global development
  - Identification of Uruguay’s **capacities for SSC**
  - Technical cooperation focused on **capacity building** (training courses, internships, expert visits)
  - **Principles**: demand-driven, untied aid, effectiveness, local adaptation, horizontal partnerships, mutual learning, shared costs
  - **Partners**: LAC countries, rest of developing world

**NUMBER OF ONGOING SSC PROJECTS (2011-2013)**

- 45 MAINLY PROVIDER
- 33 BIDIRECTIONAL
Part III: Uruguayan capacities for South-South Cooperation

Four areas:

Social:
Social protection, health care, access to digital education (ICTs)

Agriculture and livestock:
Bovine trace system, health regulations

Infrastructure for development
Access to water, sustainable energy matrix

Governance:
Quality of democracy, mechanisms of collective action, institutional strengthening
Part III: South-South Cooperation: some examples

Uruguay as Executive Secretary of the Ibero-American Programme for the Strengthening of SSC

Representing the Programme at international level:

- Policy Dialogue on Triangular Cooperation. Lisbon, May 2013
- Development Cooperation Forum High Level Symposium. Ethiopia, June 2013

Putting forward regional positions on SSC issues:

- Position Paper on SSC of Nineteen Ibero-American Countries towards the IV High-Level Forum on Aid Effectiveness (Busan)
THANK YOU!

당신을 감사합니다

Martín Rivero Illa
mrivero@auci.gub.uy