

**ECONOMIC COMMISSION FOR LATIN AMERICA
AND THE CARIBBEAN (ECLAC)**

**BIENNIAL REPORT
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MEXICO RESOLUTION ON EQUITY, DEVELOPMENT AND CITIZENSHIP

The Economic Commission for Latin America and the Caribbean,

Bearing in mind resolution 564(XXVII) as adopted by the Commission at its twenty-seventh session, in which, as part of an integrated analysis of the economic, social and environmental aspects of development, the secretariat was asked to persevere in its study of the modernization of the public sector and the role of the State in a democratic process of changing production patterns with social equity,

Recognizing that progress has been made in developing an institutional structure that promotes sound macroeconomic policies; increasing public social expenditure; reducing relative poverty levels; promoting participation in local affairs; expanding the scope of democratic systems; asserting women's rights, promoting their visibility and gaining recognition for their contributions to society; gradually mainstreaming the sustainable development agenda; incorporating the private sector into public and social service delivery on a competitive basis in regulated markets; and, although challenges remain to be met, in upgrading the regulation and supervision of financial markets,

Appreciating that, in addition to these advances, significant economic progress has been made in correcting fiscal disequilibria, reducing inflation, boosting export growth, revitalizing and implementing new integration schemes, attracting sizeable inflows of foreign direct investment and resuming economic growth,

Considering also the fact that, although progress has indeed been made, gender-based, cultural and socioeconomic disparities are still prevalent in the region, and that the achievement of greater equality therefore requires more equitable access to opportunities for the development of the human capital needed for participation in economic activity, productive job performance, access to social services and housing, life in a democratic environment where human rights are respected, the enjoyment of a healthy environment, and active participation in cultural affairs,

Considering further that the achievement of equity calls for a broad, ongoing evaluation of the region's development patterns,

Recognizing that the development patterns and opportunities open to the region's inhabitants are influenced by worldwide economic, social and cultural processes deriving from the economic globalization process,

Aware that this process can be enhanced through an improved treatment of such questions as international labour mobility; the development of mechanisms for ensuring the global consistency of macroeconomic policies; productive, long-term capital flows; the mobilization of resources for cooperation and development aimed at attaining greater equity across and within countries,

Recognizing also that, in addition to these new challenges, there are a number of other unresolved issues relating to the reforms now under way, the remaining after-effects of the debt crisis, the social impacts of recent international financial crises and the region's long-standing structural deficiencies,

Noting that economic growth rates and productivity gains in the region still fall short of what is needed and that, in some cases, problems of inequity in income distribution, unstable growth and financial vulnerability persist,

Having observed also the disparities existing among production sectors and units in terms of the absorption of technologies, productivity gains and participation in expanding markets, which generate unequal opportunities with regard to quality employment as well increases in open unemployment and informality, and having further observed that large wage differentials exist among workers and that problems relating to income distribution and access to social security services persist, all of which influences social cohesion and governance,

Realizing also that it is necessary to persevere in the efforts being made to build upon existing achievements in relation to the reduction of fiscal deficits and inflation, the formation of more efficient linkages with the world economy, greater private-sector participation and the increased efficiency of the State, while recognizing that there is no single solution in these areas,

1. Welcomes the document prepared by the secretariat entitled *Equity, Development and Citizenship*, inasmuch as it reinforces the idea that development is an integral process, regards equity as the central pillar for the reorientation of the region's development patterns and brings to the forefront the validity of economic, social and cultural rights and their interdependence with civil and political rights;
2. Recognizes, in particular, the realistic nature of the proposals it sets forth, given the fact that it links equity to the establishment of goals that society is capable of achieving in all its many dimensions, taking into account its level of development;
3. Draws attention to the emphasis it places on the value of economic, social and cultural rights with a view to their integration into the public interest and into economic and political decision-making, which can contribute to the satisfaction of needs and reduction of inequalities;
4. Emphasizes the fact that the document serves to consolidate the Commission's position as to the need to integrate macroeconomic aspects, institutions and regulatory systems with the operation of factor markets and microeconomic performance;
5. Underscores the fact that the document directs attention to the importance of maintaining a sound macroeconomic environment marked by the achievement, in line with the situation in each country, of sustainable fiscal, monetary and external payments equilibria in order to attain greater levels of economic and social development;
6. Appreciates the manner in which the document addresses the analysis of the processes involved in the privatization of social services and emphasizes the need for the design of the public/private policy mix entailed in such reforms to be guided by the principles of universality, solidarity and efficiency;
7. Notes with satisfaction the emphasis that the document places on the need for the countries of the region to seek to approach the international technological frontier, to promote the diffusion of technical progress, to increase investment in human capital, to perfect factor markets and to devote special attention to the productive modernization of small and medium-sized enterprises by providing greater access to financing, technical cooperation, business opportunities and training;

8. Requests the secretariat to update the statistical data on the past decade insofar as possible, particularly with respect to the 1998-1999 biennium, to distribute this document widely and to encourage its consideration in:

- (a) Economic, academic, political, entrepreneurial and social spheres in the region so as to promote national dialogues concerning the complex interrelationships among equity, economic growth, sustainable development and the exercise of citizens' rights for the achievement of social development objectives;
- (b) International organizations concerned with the various dimensions of economic development, while promoting, in particular, the proposed integral approach for increasing the well-being of the population as a whole;

9. Urges the secretariat to continue to deepen its analysis of the following issues:

- (a) Social policy as an integrative force based on institutions that give simultaneous, priority consideration to the principles of universality, solidarity and efficiency in the design, financing, delivery and regulation of social services in a manner consistent with the demands and possibilities of economic development while seeking the appropriate public/private mix, taking into account the situation in each country;
- (b) Responsible macroeconomic policy based on a longer time horizon, which takes into account the role of policy in relation to the economic cycle and which incorporates, at the same time, long-term economic growth and social well-being as its explicit objectives, with a view to reducing the internal and external vulnerability of the economies of the region;
- (c) The reinforcement of citizenship, understood as effective participation by social actors and as an essential tool for strengthening social cohesion and a culture of harmonious coexistence and integral development based on tolerance and consensus-building;
- (d) The interrelationship between the development agendas of the countries of the region and the policies associated with globalization processes in economic spheres, particularly those relating to trade, financing and capital flows, and in social and environmental spheres, in order to ensure that these policies will take into account the interests of the countries of the region;
- (e) The construction of a stable, predictable international financial system and its linkage with social development, with emphasis on the incorporation of the social dimension as a priority component of the reforms under way in the international financial system, with a view to reducing the vulnerabilities and meeting the needs of the most underprivileged groups in society.