

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

## **BIENNIAL REPORT**

**(12 May 1990 – 15 April 1992)**

## **ECONOMIC AND SOCIAL COUNCIL**

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**UNITED NATIONS**  
**Santiago, Chile, 1992**

519(XXIV) BASES FOR CHANGING PRODUCTION PATTERNS WITH SOCIAL EQUITY  
IN LATIN AMERICA AND THE CARIBBEAN

The Economic Commission for Latin America and the Caribbean,

Considering that both the document prepared by the secretariat entitled Changing production patterns with social equity,<sup>1</sup> which was received with appreciation by the Commission at its twenty-third session, and the document An integrated approach,<sup>2</sup> which the Commission now has before it, offer a contemporary, consistent and useful frame of reference to help orient the Governments' efforts to solve the development problems of Latin America and the Caribbean,

Bearing in mind that both average output per worker and total productivity stagnated in the 1970s and then began to exhibit an increasingly sharp decrease and that the traditional sources of regional growth tended to become depleted, at the same time that the already concentrative nature of post-war development showed a tendency to become more marked in the 1980s,

Taking into account the fact that the considerable adjustment and stabilization efforts mounted in the 1980s are beginning to make their effects felt in terms of inflation control, the diversification of the production structure and export mix and a gradual return to external financing,

Bearing in mind that the progress made today has been achieved at a high cost to large groups of the population and that this situation can be reversed only very slowly and has reached such a point that it jeopardizes the social cohesiveness essential to the consolidation of pluralistic, participatory political systems,

Recognizing that such advances cannot be sustained without increases in productivity, and taking into account the need for the environmental sustainability of development,

Considering the need to articulate short-term policies with a medium- and long-term vision which is in keeping with the modernization of production, as well as the many pressures exerted upon the Governments and civil society to resume a form of growth that will promote social equity, protect the environment and fortify the democratic political process,

Bearing in mind also that in order to reduce the technological lag and improve the international position of the Latin American and Caribbean economies, internal efforts must be coupled with the existence of an expanding world economy; an open, transparent and non-discriminatory trading system; more stable exchange rates; an efficient form of technology transfer and continued progress towards the resolution of the external debt problems of the countries of the region, including consideration of the external financing needs for the region's development and of the severity of the adjustments undertaken,

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<sup>1</sup> Changing production patterns with social equity. The prime task of Latin American and Caribbean development in the 1990s (LC/G.1601-P).

<sup>2</sup> Social equity and changing production patterns: an integrated approach (LC/G.1701(SES.24/3) and Corr.1).

1. Emphasizes that socially equitable, environmentally sustainable growth within a democratic framework is not only desirable but possible and that, just as it is true that social equity cannot be attained in the absence of sound, sustained growth, it is also true that such growth calls for a reasonable degree of sociopolitical stability which is founded, in its turn, upon the fulfilment of requirements in terms of social equity;
2. Emphasizes also that, owing to the interrelation between growth and social equity, it is necessary to work towards the achievement of these two objectives simultaneously, rather than sequentially, which constitutes a momentous challenge for the region;
3. Calls on the international community and development policy makers to redouble their efforts to take into account the most vulnerable population groups and to regard them as fully empowered agents in the development process, in particular with regard to the role of women in that process;
4. Exhorts the international community to intensify trade liberalization in all areas for the purpose of gradually instituting an open, non-discriminatory multilateral trade order in which all countries have appropriate access to its regulation and supervision, and considers that the successful conclusion of the Uruguay Round would constitute an important step in this process;
5. Calls upon the European Economic Community, in consolidating its economic union, to take account of the commercial interests of the region;
6. Urges all creditor countries to reaffirm their commitment to the evolving international debt strategy by providing continued support for the use of official resources to assist in the reduction of the debt with commercial banks and the full implementation of debt reduction schemes for the developing countries within the context of the Paris Club, and welcomes the measures recently adopted, such as the formation of support groups in relation to developing countries whose debt is owed mainly to multilateral financial institutions;
7. Notes with satisfaction the resumption of private lending to some countries of the region inasmuch as that step reflects confidence in the policies being implemented, which provide grounds for the new optimism regarding the prospects for an improvement in this lending activity with respect to its terms and volume;
8. Emphasizes that the Commission is the appropriate forum in which to re-examine the conceptual frameworks for development in the region and to evaluate the effects of the international economy on its development;
9. Welcomes the document prepared by the secretariat entitled "An integrated approach"<sup>3</sup> as a valuable complement to the proposals contained in the document changing production patterns with social equity,<sup>4</sup> which sets forth a policy package whose basic aim is to promote progress towards an integrated solution to the problems that exist with respect to social equity and changing production patterns;

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<sup>3</sup> Ibid.

<sup>4</sup> Changing production patterns with social equity. The prime task of Latin American and Caribbean development in the 1990s (LC/G.1601-P).

10. Expresses its satisfaction at the efforts made by the secretariat to endow the strategy for changing production patterns in a context of social equity with an instrumental and operational content;

11. Recommends that the secretariat see to it that the contents of its documents are widely disseminated so as to encourage the general public and political circles to become familiar with and discuss them in order to promote the formation of consensuses that will permit the implementation of the proposed strategy within a democratic framework;

12. Urges the secretariat, as an ongoing concern of the Commission, to continue to work on the definition of a frame of reference for Latin American and Caribbean development, delving more deeply into the relationship between changing production patterns and social equity;

13. Requests the secretariat, in the context of its efforts to take an integrated approach to economic and social matters, to give priority to the following topics:

- a) Regional cooperation and modalities of integration, which should play a highly important role that complements domestic initiatives and efforts to improve international competitiveness;
- b) Demographic issues, especially those relating to national and international migration, population growth and family planning, urbanization and the offer of public services;
- c) The present international economic situation, including trends with regard to trade and in particular distortions which curb exports from the region, access to technologies and intellectual property, and new sources of external financing;
- d) Domestic and external development finance; and
- e) The modernization of the public sector and the role of the State in changing production patterns with social equity on a democratic and sustainable basis, including a re-examination of the function of planning and public policy within the framework of open, competitive, export-oriented economies.