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THE DEVELOPMENTAL SOCIAL WELFARE SITUATION
IN LATIN AMERICA */

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INTRODUCTION

This report is based principally on the discussion documents and final reports of four recent Latin American meetings and conferences: the Meeting on External Crisis, The Adjustment Process and its Immediate and Long-Term Impact on Social Development, organized by ECLAC, UNDP and UNICEF (Lima, Peru, 25-28 November 1986); the special session of ECLAC on Latin American and Caribbean Development: Obstacles, Requirements and Options (Mexico City, January 1987); the document entitled The Crisis of Social Development: Challenges and Possibilities (LC/L.413) presented by ECLAC to the Conference of Ministers of Education and Ministers Responsible for Economic Planning of the Latin American and Caribbean Member States, organized by UNESCO (Bogotá, Colombia, 30 March-4 April 1987); and especially the meeting on Social Policies, Transformation and Development in Latin America, organized by ECLAC and held in Montevideo from 30 June through 3 July 1987.

The latter meeting, which involved substantive discussion of the main social welfare problems currently facing Latin America, was attended by ministers and government officials responsible for social welfare and social planning, by high-level experts from Argentina, Brazil, Colombia, Ecuador, Peru and Uruguay, and by representatives of several United Nations agencies and other international organizations. The final report of this meeting emphasizes its nature as a valuable contribution to the Interregional Consultation, and underlines the importance of the Interregional Consultation in terms of the effort it implies towards improving the contribution that social policies can make to development and towards identifying guiding principles for social welfare actions in the current difficult conditions.*/

The conclusions of these meetings suggest that though considerable progress has been achieved in social conditions in Latin America over the last decade or so, the severe economic crisis which began to affect almost all the countries of the region around 1982 has called into question the basic mechanisms of economic growth and social progress. Moreover, the national systems of social planning and social service in most countries continue to suffer from serious deficiencies in terms of the clarity of their developmental objectives, the co-ordination of the diverse policies, programmes and governmental bodies in the social field, and their effectiveness in achieving the broad goals of social development. The current crisis, which is also in part a social crisis, presents a challenge to developmental social planning and implementation that is probably the severest faced in recent memory.

*/ Germán Rama will bring with him or send the transcription of the Final Act, which can be quoted here as a "preliminary version".

I. MAIN FEATURES OF THE SOCIAL SITUATION IN LATIN AMERICA

A. PROGRESS ACHIEVED AND OBSTACLES ENCOUNTERED

Particularly during the 1960s and the 1970s, most Latin American countries experienced relatively rapid growth, urbanization and changes in productive and occupational structures (from agrarian economies to increasingly industrial and service-oriented economies). Average incomes and life expectancy rose steadily, and the capacity of governments to provide social services and employment for administrative workers, teachers, etc., improved. All these changes led, moreover, to upward economic and social occupational mobility, especially among some groups of women and those young adults who were able to benefit from expanded educational opportunities.^{1/}

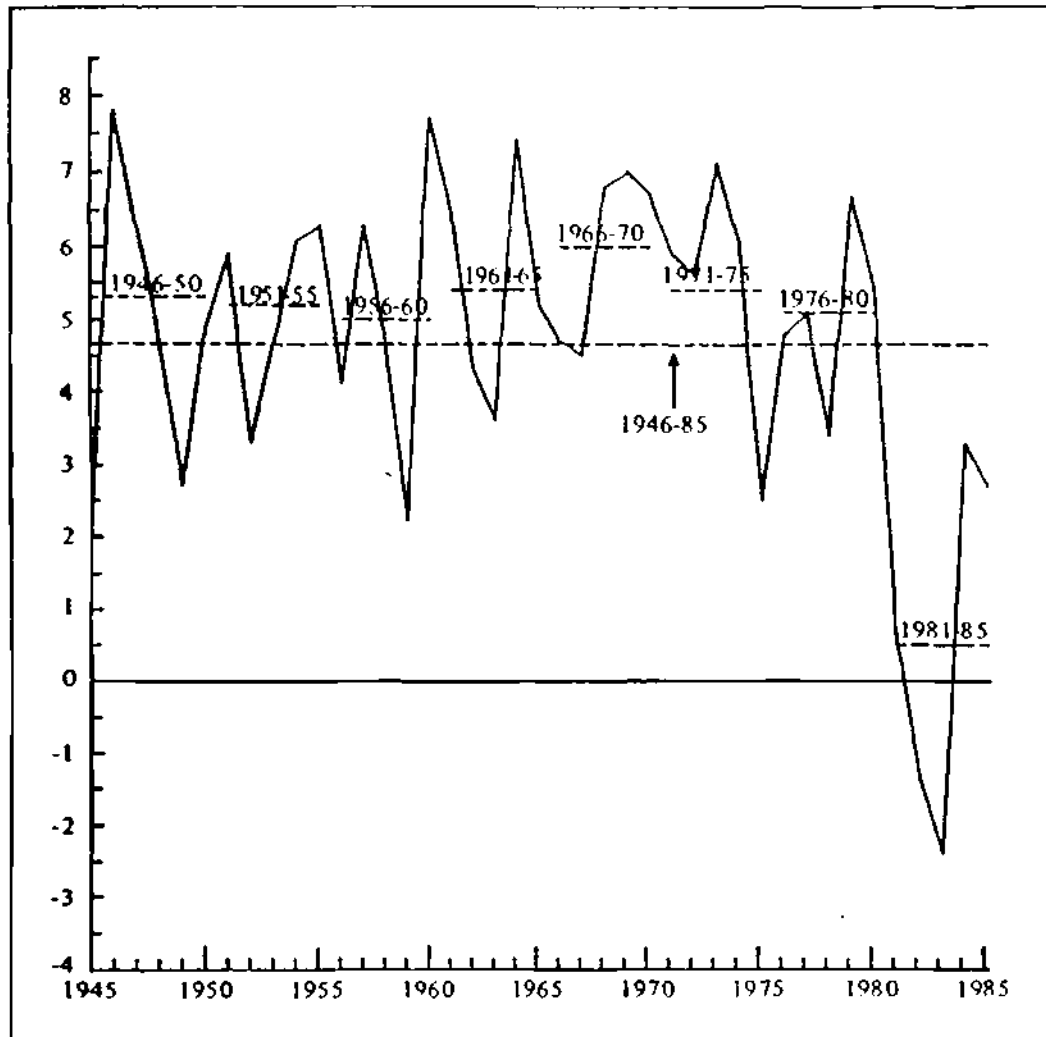
At the same time, however, and despite overall economic improvement, the extremely unequal distribution of the fruits of development which had for long characterized most countries of the region failed to improve and in some cases became even more unjust. The problem of equity grew especially acute in those countries in which existing or imposed systems of representation and decision-making failed to incorporate growing popular sectors, or failed to give adequate priority to the reduction of poverty.

With the outbreak of the financial crisis in 1981-1982, traditional social problems in Latin America were exacerbated and grave new problems arose.

1. Social impact of the crisis ^{2/}

A striking image of the crisis is provided by the evolution of the per capita domestic product between 1980 and 1986, a period during which the population of the region as a whole increased by more than 50 million, from 355 million to 406 million. During these six years, the per capita domestic product fell by around 8% to a level only equal to that which the region had attained in 1977 (see figure 1). Moreover, this unsatisfactory trend was extremely widespread: in three out of the nineteen countries, the indicator fell by more than 20%; in ten countries it declined between 10 and 20%, and only in Brazil, Colombia, Cuba and Panama was the per capita product higher in 1986 than in 1980. Since net payments of profits and interest to the exterior increased sharply during this period and the terms of trade also worsened, the decline in per capita national income --which provides a better indicator of the population's average standard of living than the gross product-- was even

Figure 1
LATIN AMERICA AND THE CARIBBEAN: ANNUAL GROWTH RATES OF
GROSS DOMESTIC PRODUCT



Source: ECLAC, on the basis of official data.

sharper. For the region as a whole, per capita national income was 14% lower in 1986 than in 1980, and in value terms can only be compared to 1976. The crisis dragged back the population's average income to levels it had reached a decade previously.

As could be foreseen, in view of the high rate of growth of the labour force in most of the countries of the region, the shrinkage in economic activity went hand in hand with an increase in rates of open unemployment and a rise in the various forms of underemployment. All of these factors were aggravated by a very considerable deterioration in real remunerations. In addition, in spite of the increase in unemployment and the drop in wages, the rate of price increases rose in most of the countries of Latin America and the Caribbean during the crisis. In the region as a whole, the average annual rate of consumer price increases (weighted by the population) rose from 56.1% in 1980 to a maximum of 275.3% in 1985, subsequently falling to 69.1% in 1986. The intensification of inflation during the first five years of the 1980s was doubtless one of the discouraging domestic features which most contributed to the deterioration in real wages, whose nominal increases remained far below the increase in prices in the majority of countries.

The crisis had three basic effects on the labour market, all of which had a negative, direct and pronounced impact on the population's standard of living, leading to an even greater deterioration in the living standards of the lowest-income sectors. First of all, the rate of job creation slumped. Secondly, changes took place in the type of employment created and, finally, wages fell.^{3/} Between 1980 and 1985 non-agricultural employment grew at a cumulative annual rate of 3.3% signifying a shrinkage of approximately 20% in the number of jobs created annually with respect to the trend in the past. The growth was insufficient to absorb the new members of the labour force who enter the market each year, and led to an increase in open unemployment. Consequently, during the period, the number of unemployed rose at a cumulative annual rate of 8%, signifying an expansion of approximately 48% in the number of unemployed between 1980 and 1985.^{4/} While in 1980, urban unemployment in the region had been 7.8%, it rose to 11.9% (simple average for 17 countries) in 1985. The rise in unemployment mainly occurred during the first three of these five years, and coincided with the downturn in economic activity. Between 1980 and 1983 the number of unemployed grew by more than 50%. From this year onwards, the number of unemployed ceased to rise but neither was there any significant decline in unemployment. Between 1983 and 1985 the rate of unemployment fell by only half a percentage point. In other words, the trend in open unemployment between 1980 and 1986 would seem to indicate that it is more sensitive to the downward phase of the economic cycle than to expansion or recovery. This fact gives reason for concern since, in present circumstances, the mere restoration of the historical growth rates of economies will not alone suffice to bring unemployment down to its pre-crisis levels, which were already high.

The second consequence of the crisis concerns the changes in the structure of employment, which reflect an increase in the proportion of jobs characterized by the greatest degree of underutilization of labour. Data on nine countries in the region ^{5/} reveals three trends in this direction: informalization, tertiarization and an increase in employment in the public sector. The most noteworthy consequence of the deterioration was felt in the

rapid expansion of employment in the informal urban sector. This sector grew at a cumulative annual rate of 6.8% between 1980 and 1985, signifying a 39% expansion of the informal sector during the period. While in 1980 the sector had constituted 26% of non-agricultural employment, it rose to 30.7% of employment in 1985.^{6/} The growth rate of informal employment was 80% higher than that recorded during the thirty years prior to the crisis, a fact which indicates the scale of the change involved. Consequently, these recent trends indicate a break with those of the past and a worsening of the employment situation mainly affecting the lowest-income sectors of the population. The trend has, moreover, been accentuated by the behaviour of private-sector employment, which not only created less formal jobs during the period, but also tended to concentrate job creation in small-scale firms marked by lower levels of productivity and income than large enterprises.

The third consequence of the crisis on the labour market was the widespread deterioration in wages. The evolution in all the wage indicators available for the 1980-1985 period indicates falls of between 12% and 18% in the variations between extreme years. A number of factors account for this behaviour. First among these is the high and increasing rate of inflation which brought down real wages. Secondly, the increase in unemployment and of employment in low productivity sectors weaken the bargaining power of organized wage-earners and led to a wearing down of real wages. Last but not least is the fact that the shrinkage in real wages was one of the basic aims of the adjustment policies implemented in the majority of countries in the region. Moreover, it should be mentioned that the shrinkage in remunerations had a greater impact on workers in productive sectors characterized by lower average incomes. The decline was least pronounced (12%) in the most organized sectors of manufacturing industry, while minimum urban wages, as well as those in construction and agriculture fell by more than 15% over the same period.^{7/}

In most countries the decline in real wages during the crisis surpassed the fall in per capita product and was greater in almost all sectors than the decline in gross per capita income. Together with other data, this would seem to suggest that the burden of readjustment was mainly borne by workers, particularly those with lower incomes, with a consequent deterioration in income distribution.

Both the increase in unemployment and underemployment together with the fall in wages suggest, within an overall context of stagnation or decline in per capita product, that an inevitable consequence of the crisis will have been even greater inequality in income distribution and an increase in the proportion of the population living in poverty. Direct information on income distribution during the crisis is still extremely scanty and fragmentary, but on the basis of recent ECLAC research,^{8/} it is possible to put forward a number of tentative approximations as to the scale and nature of these problems.

The most recent sample survey data available indicate that the low-income agricultural and rural sector has experienced a net deterioration as a result of the crisis, and that this has contributed to an increase in poverty at the national and regional level. First of all, real agricultural wages in a total of 16 countries fell by an average of 10% between 1980 and 1983 and by a further 6% between 1983 and 1985.^{9/} In contrast with this overall trend, it

should be mentioned that in the two surveys which provide rural coverage there was no significant increase between 1983 and 1985 in the proportion of agricultural wage-earners living in poverty.^{10/} The consequences of the crisis have severely affected women more than men, and especially poor women in the rural areas. There has been a deterioration of their livelihood status as development resources have been reallocated away from food to cash crop production, and as credit and subsidies have been directed towards enterprises in competition with women's subsistence and "informal" sector income sources. There has also been a continuing displacement of women's traditional artisanal and service sector occupations and a sustained decrease of the resources available to women who are required to fulfil the unpaid household maintenance responsibilities of providing food, fuel, water, etc.

According to the 1982 and 1985 surveys, other sectors of employment which, together with peasants, were affected by the greatest increases in the proportion below the poverty line are: manual and service-sector wage-earners and own-account workers, salaried office workers and sales personnel, and own-account traders and carriers. In other words, it is possible to observe both the impact of the increase in "underemployment" in the informal sector as well as those of open unemployment, declines in wages and loss of trade-union bargaining power in the formal sector. The greater proportion of poor families (including the increasing numbers of poor families headed by women) among formal manual workers in comparison to informal workers is particularly striking, together with the fact that this proportion increased more among formal-sector workers.

These contrasts suggest that a considerable proportion of the increase in poverty during the crisis is the result of wage restraint and unemployment, and that own-account manual workers and traders cannot be considered as a homogeneous whole characterized by underemployment, although this feature has become increasingly significant within this group as a consequence of the crisis.

The same information reveals, moreover, that real income corresponding to the characteristic occupations of the urban middle classes (the professions, technicians, and administrative workers) fell during the crisis. This is clearly apparent from the decline in their share of the highest 40% of the population's income and the corresponding increase in their share of the middle 20% of income.^{11/}

a) Impact of the crisis on health and nutrition: According to data provided by the Inter-American Development Bank (IDB) and the Pan-American Health Organization (PAHO) ^{12/} between 1980 and 1984 per capita expenditure on health by the central governments rose in only nine out of 23 countries in the region. This overall trend has also been pinpointed in a study made by the United Nations Children's Fund (UNICEF) which reveals that this type of expenditure increased in four out of 16 countries between 1979 and 1983, and fell in twelve.^{13/} According to the same source, the cutbacks in expenditure on education and health were sharper than those in total government expenditure in a considerable number of the countries examined. In several countries, expenditure on health and education declined extremely sharply.

In a number of countries, policies and programmes attending the needs of the most vulnerable groups (occasionally to the detriment of slightly less poor ones) successfully avoided reversals in, for example the historical reduction in the rates of infant mortality. In others, however, the declining historical trend ceased, and this key indicator remained stable during the crisis or even rose.^{14/}

b) Education: The information available on education expenditure as a percentage of the central government budget and of the gross product indicates a marked per capita decline in real terms during the initial years of the crisis (see table 1). In 12 out of 18 countries in the region, per capita government expenditure on education declined in real terms between 1980 and 1984. In four out of six countries in which average expenditure rose (with the exceptions of Panama and Venezuela), it began with very low levels (US\$ 25 per head or less) in 1980.

This prevailing trend is confirmed by data provided by the UNICEF study already mentioned, relating to the same period, which also indicates that the shrinkage in expenditure on education as a proportion of total public expenditure is more pronounced in Latin America than in other regions affected by the crisis.^{15/}

A further phenomenon, which is just as serious as the fall in resources and the probable deterioration in the quality of education thereby involved, is the increase in the number of dropouts from primary and secondary school detected in several countries (Brazil, Chile, Costa Rica).^{16/} This phenomenon, which overwhelmingly affects the poorest sectors, is clearly linked to the impossibility for these families of meeting the cost of school and the vital importance of the contributions --social, cultural and economic-- that women make by, in many instances, having to fill the gap of providing for the survival of the whole family, traditionally assisted by their children. This latter feature is reflected in the increases in the rates of economic activity among children and young people of school age.^{17/} The increases in the number of dropouts are a source of particular concern in view of educational objectives and the educational requirements involved in adjusting to the technological changes taking place in the world economy.

B. CHANGING PERCEPTIONS CONCERNING WAYS TO MEET SOCIAL NEEDS

The debt crisis and the scarcity of development resources (including cutbacks in budgets for social services and redistributive programmes) has probably struck Latin America and the Caribbean more severely than any other region. In reality, the region is facing a very complex crisis which not only involves monetary and financial components, but also technological, environmental and demographic elements, forcing a reappraisal of social welfare models in most countries of the region. Those models are largely based on European "welfare state" examples, providing coverage for a small part of national populations.

Table 1

LATIN AMERICA: PER CAPITA PUBLIC EXPENDITURE ON EDUCATION
 (Figures in dollars at constant 1980 prices)

Countries	1975	1980	1983	1984
Argentina	132	195	109	190
Bolivia	25	36	20	...
Brazil	50	68	57	...
Chile	74	110	94	93
Colombia	23	25	35	41
Costa Rica	125	159	90	107
Dominican Republic	23	27	26	22
Ecuador	35	77	45	48
El Salvador	27	29	21	...
Guatemala	16	21	17	17
Haiti	2	4	3	...
Honduras	20	21	24	...
Mexico	82	104	100	...
Nicaragua	24	23	28	41
Panama	93	87	97	101
Paraguay	14	18	23	22
Peru	40	35	28	27
Uruguay				
Venezuela	184	205	256	...
Latin America	65	84	73	78

Source: ECLAC, "The Crisis of Social Development: ...", *op.cit.*, p. 78.

In the present situation, the old strategy of gradually incorporating growing numbers of persons in public and private coverage of social security, health, housing, etc. is necessarily giving way to innovative thinking on more efficient, cost-neutral means to attack poverty and inequity directly and realization of the contributions that social policy can make to development.

The above is particularly important in regard to poor families, given that budget retrenchment has been a main strategy adopted by governments during the crisis in order to reduce budget deficits. In real terms, this has meant a reduction of salaries and public expenditures for social services. Reductions in those services mostly affect the least advantaged sectors of the population, imposing a heavier burden on those who rely on the support provided by public social expenditures. This is particularly true for women, for whom a reduction or deterioration of such services increases their workloads, public and private.

Social needs will not be fully met as long as they are considered as "consuming" the government's resources. If development is not people-centred, the survival, subsistence and well-being of the people will be second to other objectives such as economic growth, military expenditure, or political influence.

A people-centred development process that would meet social needs implies that the people are able to decide democratically on the control and distribution of existing and potential resources, taking full account of the needs of all and also of the environment.

II. CHALLENGES FOR SOCIAL POLICY IN LATIN AMERICA AND THE CARIBBEAN IN THE 1990s AND BEYOND

A. IMPROVING LIVING STANDARDS FOR ALL

In the absence of the people-centred development process described above, and also considering other factors such as high per capita rates of economic growth, job creation and distribution of the fruits of development, it seems inevitable that satisfactory standards of living will not be provided in the foreseeable future without more decisive participation by governments.

In addition to the problem of job creation, the emergence over the years of a dual structure in social services and in social forms of income has created an urgent challenge for structural reforms, so that excluded population groups can have access to the same quality of all types of social services (health, housing, education), among others, that will allow them to make effective their full potential of productivity, improve their contribution as human resources to national development, and break the vicious circle of the perpetuation of poverty in the same social groups from generation to generation.

1. Problems in maintaining adequate social security 18/

Social security in the region has evolved according to stratified forms which are relatively unified. One ECLAC study 19/ distinguishes between:

a) The pioneer countries which developed early and have systems providing maximum coverage. These systems began by giving benefits to a limited number of social groups and later tended to provide universal coverage. They still, however, maintain a very stratified structure.

b) The countries which have relatively unified systems, where the process began later but offered limited coverage.

c) The countries where social security was introduced late and, though they have systems that are more unified, the little coverage they provide is limited to the main cities.

Only a few countries have been able to extend coverage beyond the formal urban sector, because of a number of factors which are combined differently in the various countries:

a) The systems were organized according to the social security model which assumes that virtually all of the population is contributing to it and is employed, instead of being organized according to the social security model with minimum standard benefits, which are adequate but bear no relation to the contributions made, offer universal coverage (to both the wage-earning and non-wage-earning population), give comprehensive occupational risk coverage and are financed by taxes.

b) The systems gave preference to a stratified system of pensions. In some cases beneficiaries on average only contribute one-third of the cost of the benefits and the upper stratum enjoys privileges; in other cases, allowances are more uniform but inequality exists between beneficiaries and that section of the population not covered by the system.

c) The health programmes included in social security represent an extremely high percentage of GDP, as they attribute priority to curative medicine rather than preventive and require higher capital investments and operating costs; the benefits they provide are also concentrated on some sectors of society.

d) Fiscal expenditure on social security is preferably directed towards financing a system of pensions which is not universal, and which is graduated in accordance with the income which the pensioners received when they were working; consequently the manner in which this expenditure is distributed is regressive.

Consequently, generally speaking, in the region the following groups are not covered by social security protection: economically inactive individuals and families, the unemployed, rural workers --particularly peasants, unpaid family workers, own-account workers and salaried employees in the informal sector. In the more developed countries or in those which have been more innovative in the social sphere programmes were created to provide protection for the destitute or for groups possessing meager resources, and in some countries health coverage was provided for the rural population, by means of transfers of resources from the formal urban sector. In spite of these efforts, that part of the population which is poor and whose resources are meager lacks protection. Experience in those countries which endeavoured to extend coverage to this sector by broadening the existing social security model reveals that from a financial point of view it is impossible to provide universal coverage if a heavily stratified system is maintained. Moreover, this alternative is not viable for less-developed countries, most of whose population is neither covered nor integrated into a more formal wage-earning structure.

A strategy which endeavours to provide social security for the poor and low-income population must necessarily take into account existing systems, as the options available for achieving universal coverage are:

a) to establish a dual system, maintaining stratified and favourable allowances for those already covered, and to establish limited (for example, only preventive health care) or low-level risk coverage for the sector to which it is desired to extend coverage (for example, as part of programmes to cater for the destitute);

b) lower the most generous allowances, establish stricter conditions for acquiring protective rights, eliminate non-essential programmes and extend the system to the whole of the population;

c) grant basic and equal allowances to the whole of the population, adequate to cover minimum needs, on the basis of taxes, and simultaneously develop a complementary system (public, associative, mutual or co-operative insurance, or even private insurance) to provide additional protection financed exclusively by the insured themselves.

The first of these systems could be considered an emergency and temporary solution prior to universal coverage. Nevertheless, should it be perpetuated it would accentuate social differences and consolidate a distribution of income and opportunities which is heavily polarized, and which hampers incorporation of the population into development. As far as the second system is concerned, it would be difficult to introduce, even in countries with the highest per capita GDP in the region. The third system is the most socially equitable. Its introduction should be planned as part of long-term development, and the transition problems for those covered by present systems as well as the extension of basic coverage to the poor should be considered.

On the basis of the resources at present available as well as those which should be generated by economic reactivation,^{20/} the risks over which the universal system should extend coverage as a priority include the following:

a) Social protection for adults in case of illness, on the basis of a similar system to that providing mother-child care in terms of universal coverage, prevention and basic attention. In those countries wherein this system is relatively developed there is still considerable inequality in benefits, between the different regions, between the countryside and the city, and between income strata. In addition, the lack of protection in areas inhabited by the indigenous population should be mentioned.

b) Social security for families, regardless of whether they are economically active and of their occupational category—in case of partial or total, congenital or acquired disability, affecting any of their members. In this manner, insurance against work accidents and professional risks, which at present only provides coverage for salaried workers in the formal sector would be extended.

c) Coverage for families whose head is a mother without resources, with specific care for minors and for those families in which the worker who provided income is deceased.

d) Coverage to provide food for the families of the unemployed, which has already been established by some countries in the region in view of the crisis and which should be extended to the whole of the needy population and linked to food production policies.

e) Social security for the elderly, on the basis of a future programme of minimum, equal and adequate pensions. Depending on the economic circumstances prevailing in countries, this could be gradually introduced—in accordance with criteria of need and age—on the basis of a guaranteed minimum food

supply. Such policies require complementary measures to allow the elderly themselves to co-operate with the programmes, and to take part in the joint effort at mobilization proposed by autonomous local organizations.

Countries whose social security system is more complete and in which a greater proportion of the labour force are wage earners possess unemployment insurance (as well as insurance against dismissal) which has provided protection for certain categories of the formal sector over a limited period of time. In fact, such insurance protects approximately 10% of the unemployed. On the one hand, they do not provide protection for those seeking employment for the first time, and in addition, they do not protect workers with the lowest levels of income during the long periods of unemployment in those sectors affected by the deep recession (such as, for example, construction). It seems perfectly viable to introduce these benefits as part of the social security system of other countries in the region, in view of the structural nature of unemployment and of its increase as a result of the adjustment policies deriving from the external crisis. Consequently, the strategies adopted have either involved the establishment of emergency employment programmes, providing a minimum income which make ensure families against a total lack of food, or else direct assistance by free transfers of food to families at risk. However, in spite of the success of this type of programme, the problems of unemployment and underemployment in the region generally go beyond the framework of the social security policies and it is only possible to provide a global solution within the context of policies to ensure economic development and structural transformation.

2. The capacity of the economies to absorb the growing labour force productively

In 1986, in contrast to previous years, several Latin American and Caribbean economies showed signs of recovery. Nonetheless, in most of the countries in which the product appreciably increased, its rise merely represented a partial recovery of the levels that had been already reached before the crisis.^{21/} What is more, in more than half of the countries of the region the per capita product fell in 1986, in some cases for the sixth year in a row.

The favourable performance of some of the large and medium-sized economies during 1986 is, then, a positive fact and shows that there is a capacity for recovery if external constraints are eased. It would be premature, however, to conclude that a dynamic and sustained recovery has begun, and that the crisis has been surmounted.

On the contrary, the outlook for the economies of the region remains uncertain. In 1986 the foreign debt continued to grow (at a higher rate than in 1985) while the terms of trade continued to deteriorate.^{22/}

The total interest paid by the region as a percentage of the exports seems to have stabilized at around 35% in the last three years, and it is thought that it will not fall below that level in the coming years. Similarly, during 1986 the region continued its negative net transfer of resources, this time in the amount of over US\$ 22 billion.^{23/} Investment, for its part,

continues at levels which are far below those of the period prior to the crisis.

As regards external prospects, and as will be shown later on, there are clear indications that the fall in commodity prices and their very low present level reflect far-reaching structural changes in world demand. Moreover, it is unlikely that international interest rates will continue to fall in the immediate future. Finally, there is evident resistance to the reduction of protectionism in the central countries.

At this stage, the objective conditions of the world economy, the conditions of debt payment, and the constraints imposed on the economic policies of the debtor countries by international financial institutions, are beginning to indicate severely restricting parameters for the evolution of the Latin American and Caribbean economies and societies. If these conditions do not change, a development style might arise, undesired and unsought by the peoples and governments of the region, which would not be able to meet the challenge of the striking growth of populations of school and working age, which calls for the creation of places for study and productive work (see figure 2). The most optimistic scenarios of economic growth for 1987-1990 rest on assumptions that are unlikely to be all fulfilled (e.g., rapid growth in the central countries, reduction of protectionism, improvements in the terms of trade, low interest rates, a greater supply of credit, etc.). Even accepting these optimistic assumptions it is estimated that, if basic conditions remain unchanged, the per capita gross domestic product of the region may grow by only 3.5% per year from now to 1990.^{24/} Given that economic growth no longer seems to have the same positive effect on job creation as in past decades, it is estimated that productive employment will increase by less than 0.5% per year, while the labour force in the region might grow, on average, by 2.8% per year. These facts point to the clear and decisive conclusion that "growth alone will not suffice to surmount the employment problem" ^{25/} without radical changes in government policies in this field.

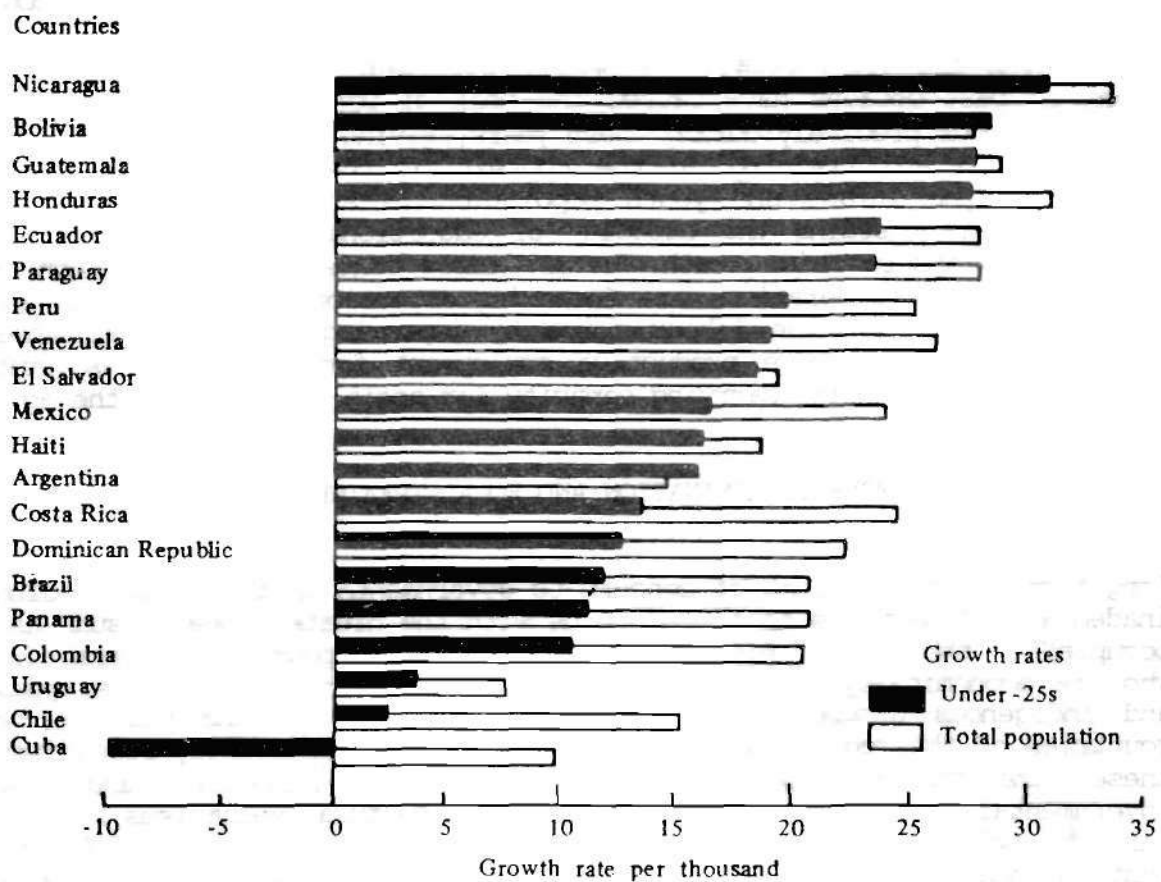
In these circumstances, the unemployment and underemployment existing in 1980 will have been intensified in 1990 by around 32 million persons more. With the present patterns of production and distribution, an increase is forecast not only in the proportion of underemployed persons and those living in a state of poverty, but also in the seriousness of their relative and absolute privations.

Hence there can only be an improvement in the rates of production and productive job creation, and a further reduction in the high rates of accumulated underemployment and poverty, aggravated in recent years, if the basic conditions prevailing today can be changed.

B. CONSIDERING CURRENT AND FUTURE GENERATIONS

The challenges facing individual national governments in terms of present consumption versus investment for the future, and of the priorities in terms of the needs of children, youth, active adults (male and female) and the aged, differ widely within Latin America because different countries entered the

Figure 2
 LATIN AMERICA: RATES OF GROWTH OF THE UNDER -25 AND TOTAL
 POPULATION PER COUNTRY. 1985-1990 PERIOD



Source: CELADE, *Boletín Demográfico*. Year XIX, No. 38 (July 1986).

current crisis at very different stages of the demographic transition that follows the development process. The three southernmost countries of the "southern cone" of South America (Argentina, Chile, Uruguay), are now at a relatively advanced stage of this transition and have achieved relatively low birth rates and infant mortality rates and relatively high life expectancy, along with Cuba and Panama. These are the countries whose social security systems are at the same time most advanced and most overloaded as a result of the relative aging of the population in general. Another group of countries has experienced rapid growth and change in recent decades; though their aged populations are still relatively small, the lower mortality and higher birth rates in past decades have caused the peak of working-age population growth rates to occur precisely during these years, giving rise to a grave problem of job creation and training in the context of the crisis. In a few other countries, the infant and youth population is still growing at very high rates, often exceeding the capacity of educational and infant health care services to absorb this growth. In all three contexts, spending constraints and strategic considerations are focussing attention on the need to increase the productivity of the labour force by improving education for women and children, providing more productive employment for active adults, and thus improving the financial carrying capacity for social security of the aged.

C. NON-DISCRIMINATION AND EQUAL TREATMENT FOR ALL

Long-term social problems of concern to governments in the region include the inadequacy of services to those groups with the greatest needs, such as those occupied in the urban "informal" sector, the rural poor (small farmers, women who are economically active as unpaid family workers, and landless peasants) and indigenous groups, who constitute a majority of the poor in several countries of the region. At the same time, it is increasingly recognized that these same groups possess a great potential for supporting and absorbing governmental efforts, in the form of coherent cultural mechanisms for survival through self-help and reciprocity, using a wide variety of informal institutional arrangements. Numerous efforts are now under way aimed at strengthening these networks of social relations and forms of social cohesion and self-reliance and integrating them with compatible government programmes.26/

III. MAJOR TRENDS IN DEVELOPMENTAL SOCIAL WELFARE IN LATIN AMERICA

A. CONCEPTUAL INNOVATIONS

The overall goal of developmental social welfare --growth with equity-- has long been considered a desirable objective, but one which must follow economic growth or involves a trade-off with economic objectives. New lines of analysis, however, now consider equity as functional to faster economic growth. Developmental social policy aims at improving the productivity of resource-poor sectors, thus contributing directly to growth of GNP; both employment policies and social income policies improve purchasing power of poorer sectors, contributing to a growth strategy based on internal market expansion; and greater equity as a form of social satisfaction and sense of participation in a national strategy of societal transformation contributes to the legitimacy and viability of governments' styles of development, which are weakening with the failure of previous mechanisms of satisfaction, such as the expansion of consumption and broad upward occupational mobility, both of which are less feasible in the post-crisis era now beginning.

In practice it has frequently been felt that the surmounting of poverty and the achievement of equity constitute one dimension of justice or of human rights which is disassociated from the logic of the structure and operation of the economy. The new approach just mentioned postulates that the exclusion which lies at the root of poverty and inequity is one of the main obstacles to the region's economic growth as such. The surmounting of poverty is not only a matter of distribution but is also a requirement if the human resources potential is to be realized, markets are to be expanded and the productive and social efficiency achieved is to be in line with the change taking place in science and technology, culture and production, within the international system of which the region is a part.^{27/}

Another conceptual innovation involves the growing consensus that the family and domestic groups deserve particular consideration as the focal points of social policies and as strategic instruments for more efficiently implementing many of the measures considered as part of integrated programmes. In the past it was common to focus attention almost exclusively on individuals when analysing poverty. This accounted in part for the fragmentation and inefficiency of many social policies. However, the family and domestic groups, with their variety of structural features, undoubtedly represents the most important analytical unit, in so far as individuals' living conditions are more dependent upon the level of income --monetary and non-monetary-- of the families to which they belong than on their own levels of income. As a

strategic factor, the family constitutes a key unit in policy elaboration when it is considered from a dual perspective: that of achieving a considerable improvement among the groups of the population who benefit therefrom, and as a means of ensuring that they play an active part in implementing policies designed to avoid the reproduction of poverty among the new generations.28/

In this connection, nutrition, health and education represent three fundamental pillars among the set of basic requirements to avoid the reproduction of poverty in the new generations. Poverty and exclusion start to take form during pregnancy and subsequently depend on the care received at childbirth, on the food, health care and early stimulation received at the pre-school stage, as well as on the education, health and food received during the years of basic education. The vicious circle created by the culture which transmits poverty from one generation to the next illustrates the complex relationship between biological, social and cultural reproduction within the long cycle in which human beings are formed. It should also be mentioned that as societies become increasingly complex as a result of the processes of productive and technological modernization, urbanization and social change, the training received by individuals (including that acquired through non-conventional channels) has to be longer and more complete, as it determines to a great extent their future possibility of integrating into society.29/

Concern with nutrition has been expressed in concrete form through the various national food programmes which have been put into operation in several countries in the region. As examples of this, the programmes for the free distribution of food or for food subsidies implemented in Argentina, Brazil, Colombia, Chile, Guatemala, Mexico, Peru, Uruguay and Venezuela could be mentioned. The design of these programmes varies from one country to the next; some of them represent vast integrated programmes, while others are applied more selectively in determining which population groups are served.

In view of the priority given to the family at the beginning of this section, mothers and children would most benefit from an integral programme for nutrition, health and education. Consequently, the main responsibility for implementing these programmes would be borne by institutions linked to the ministries of health and education. It might be suggested that these activities be centred on places providing primary health care and on schools as an integral part not only of aspects which are of direct interest to the programmes but also of others linked with the human development of the family group; it would thereby be possible to establish communications between the relevant government bodies and those contexts, at the local level, in which fundamental problems involving family welfare occur. This would require that aspects of development policies linked to health and education be strengthened as well as more intense co-ordination with other sectors. Finally, it would involve stimulating interaction, even if this were initially restricted to the level of information, not only between the three basic needs mentioned above, but also between other aspects, such as housing and the services associated thereto, particularly water and environmental health.30/

Strategies designed to avoid the reproduction of poverty and inequality in the new generations must improve the biological, social and cultural formation of the new members of society, in order that they may reach adult

life with a basic homogeneous set of qualities. These policies are directed at the family to eradicate the causes of infant mortality and, in general, of the diminution of the individual's capacity. The National Plan for Child Survival and Development in Colombia and Brazil's "Primeiro a Criança" programme, among others, constitute noteworthy examples of this type of policy. The importance which family education policies attribute to health during pregnancy, and to information and preparation for childbirth and child care, should be extended to early educational stimulation, the formation of language and pre-school education for children. In addition, educational programmes to help people assume their family responsibilities must also provide families with information on sexuality and reproduction in order, among other things, to avoid early pregnancies and increase the independence of women.

B. PROGRESS ACHIEVED IN STRENGTHENING THE DEVELOPMENTAL ORIENTATION OF SOCIAL WELFARE PROGRAMMES

In recent years, particularly as a result of assessment of the grave social impacts of the debt crisis and of the recessive financial "adjustment" process, most governments have become acutely conscious of the need to complement emergency palliative measures with medium and long-term strategies to break the cycle of "social reproduction" of mass poverty. However, progress in translating this awareness into practical policy measures has been agonizingly slow and plagued with difficulties. The problems of why implementation of fundamental reforms in social welfare programmes is so difficult and how such a peaceful revolution could best be achieved is currently the subject of action-oriented research and evaluation of problems of co-ordination, efficiency and efficacy of social policy implementation in various countries, being carried out in close collaboration by governments, ECLAC and expert consultants.

C. EDUCATION FOR DEVELOPMENT 31/

The unequal access to and participation of social groups in a society's cultural capital --together with inequality in biological development, in income distribution and in power sharing-- is one of the fundamental causes of the perpetuation of poverty and the maintenance of social inequality. Education is a means by which human beings come into possession of the codes --in particular mathematical and linguistic ones-- on which intellectual capacity is based. Exclusion from education or access to institutions in which the educational process is a mere formality condemns individuals to live the whole of their lives in a marginal relationship with society. In its extreme form, being illiterate is equivalent to spending the whole of one's life as a minor in societies as complex as today's. Today's developed countries have gradually set higher and higher compulsory educational targets, in keeping with the requirements of a mode of development which demands that human resources be increasingly well-prepared. In keeping with its means and with the considerable progress already achieved, it is possible for the region to set the target of providing education for the whole of the population between the ages of four and 14.

While at the present time a number of countries have made considerable progress in providing education, they are all marked by:

a) The limited development of initial or pre-school education, in spite of its importance in the development of skills and of its irreplaceable role in creating the conditions for equal opportunities.

b) The disparate duration of compulsory education, which fluctuates between four and nine years, and the enormous difference in the quality of primary education and in the new cycles of basic education designed for the rural population and marginal urban populations, and that received by medium and high-income groups.

A large number of the proposals relating to full-time basic education are applicable to "children living in difficult circumstances" (children who have been abandoned, who are orphans, refugees from war and others). Such children moreover require specific and innovative methodologies and social programmes to avoid minors being institutionalized within repressive environments, to rely more on families and communities, and to harmonize education with the earning of income, which is so vital for their survival. In several countries in the region, UNICEF, in conjunction with the community and with government support has developed highly effective preventive methodologies which may exemplify the type of action proposed here.

The full-time educational unit together with food and health services requires considerable personnel --although this may not be costly in monetary terms-- as well as books, libraries, school material, scientific equipment, calculators, computers and other elements, in order to be able to provide up-to-date quality education. Similarly, if all children are to have access to these educational units it is necessary for an active policy of school building to be pursued, as part of the public investment effort in respect of collective equipment, and this would begin with construction in areas where the lowest-income families live.

As far as the human resources needed to carry out the proposed policy are concerned, it is possible to distinguish between three types of contribution: those deriving from greater use of educators, among whom the level of underemployment is at present high; those resulting from the creation of compulsory social service for individuals who have received or are receiving university education, which would be the best means of returning part of the subsidies provided for their training to society, and finally those resulting from families collaborating in the auxiliary tasks of the educational process.

The capacity of the countries of the region to implement the proposed education policy varies considerably. It is in the least developed countries that the growth rate of the school-age population is highest and in which the coverage provided by the educational service is at present most limited. On the other hand, the more developed countries include those which provided basic education for the whole of the population at an early date, and have already completed their demographic transformation, with the highest percentages of population in cities, thereby facilitating extension of the supply of integral services.

D. IMPROVING THE PRODUCTIVE CAPACITY OF THE POOR 32/

Some progress has been achieved in recent years, as reflected by new efforts in respect of the provision of goods used in production, marketing facilities, technical and loan assistance and the organization of co-operatives and other associations which allow the poor sectors to obtain economies of scale in order to increase their competitiveness in the market and raise the income of every worker participating in them. So far, government action in this connection has been scanty. State credit bodies require the poor to offer guarantees similar to those required for loans for large businesses;^{33/} technical assistance is uncommon and sometimes produces more red tape than constructive results; few efforts are made to provide communities with centres equipped for handicrafts, etc.

UNICEF, through its Basic Services Strategy is sponsoring, with community support, social interventions in various countries of the region. The evaluations carried out so far point to significant rises in the standard of living of the sectors benefiting from this action, and a high cost-efficiency ratio. The components of these programmes include support to production projects at local level (particularly those with a nutritional impact) and to investment in community infrastructure, water supply and basic sanitation.

During the last few decades in the region, co-operatives, rural credit organizations, organizations for the production and export of handicrafts and for training and the organization of sales of services, organizations promoting community marketing systems in cities, organizations for the large-scale marketing of goods produced by co-operatives and systems for the purchase of inputs and machinery for community use have proliferated in the region. In addition, religious institutions have organized financing mechanisms and mechanisms for the provision of equipment as a contribution to the organization and social and cultural expression of the poor. Finally, in many countries the municipalities have acquired greater capacity and autonomy for organizing associations of producers of goods which are subsequently taken over by the public services. All of this reflects a recognition of the existence of an economic and social space apart from the traditional State-private enterprise dichotomy and also means that this space has expanded and can continue to expand.

IV. THE RELATIONSHIP OF SOCIAL WELFARE POLICIES AND PROGRAMMES TO CURRENT PROBLEMS AND CONCERNS OF GOVERNMENTS

A. THE CHANGING ROLE OF GOVERNMENTS

Recognition of the limitations --financial, analytical and operational-- facing governments today in their efforts to promote developmental social welfare has led to a rapidly growing role for non-profit organizations and local grass-roots movements in the conception, design and management of emergency and long-term projects of diverse social nature, under new collaboration and co-ordination arrangements with governmental bodies.^{34/}

B. EMPLOYMENT PROBLEMS AND POLICIES ^{35/}

It is probable that the greatest awareness and concern relating to social problems facing Latin American governments today revolves around the several aspects of the problem of creating sufficient productive employment in the face of rapidly growing labour forces. Policies and programmes designed to increase the productivity of own-account and co-operative activities in the informal sector and in the small farmer sector, in co-ordination with related social services of education, health, etc., are a key element in strategies designed to face this challenge. "Multiple attack" approaches to rural poverty through enhancement of the productive potential of peasant families is particularly important since it provides rural alternatives to the virtual stagnation of the urban labour markets, contributes to national food security, and attacks the most extreme forms of poverty, which are concentrated in rural sectors.

In those countries where the level of unemployment is so high that it has been necessary to set up emergency employment programmes, it is vital that the various short, medium and long-term results which they are capable of achieving be harmonized. These projects should become one of the principal mechanisms for transferring income, not only through the temporary work which they directly create, but also through the basic social goods and services they produce. They thereby simultaneously improve the living conditions of the underprivileged sectors, create direct and indirect permanent employment and raise productivity and output.^{36/}

There is no doubt that these programmes are particularly important during the initial stages of implementation of policies to revitalize development,

since by their very definition they remain in operation until the positive impact of development and consequent technical and productive modernization are fully felt on the domestic labour markets. However, in so far as they are designed to satisfy the needs of the poor, both by providing social and economic infrastructure as well as social services, they may have a considerable potential for integrating the various strata of the population.^{37/} The choice between a project which allows the short-term creation of plentiful but temporary work and another which does not immediately create so many jobs, but which, however, provides permanent employment, will depend upon the diagnosis made of the employment situation and the urgency with which immediate problems need to be solved.

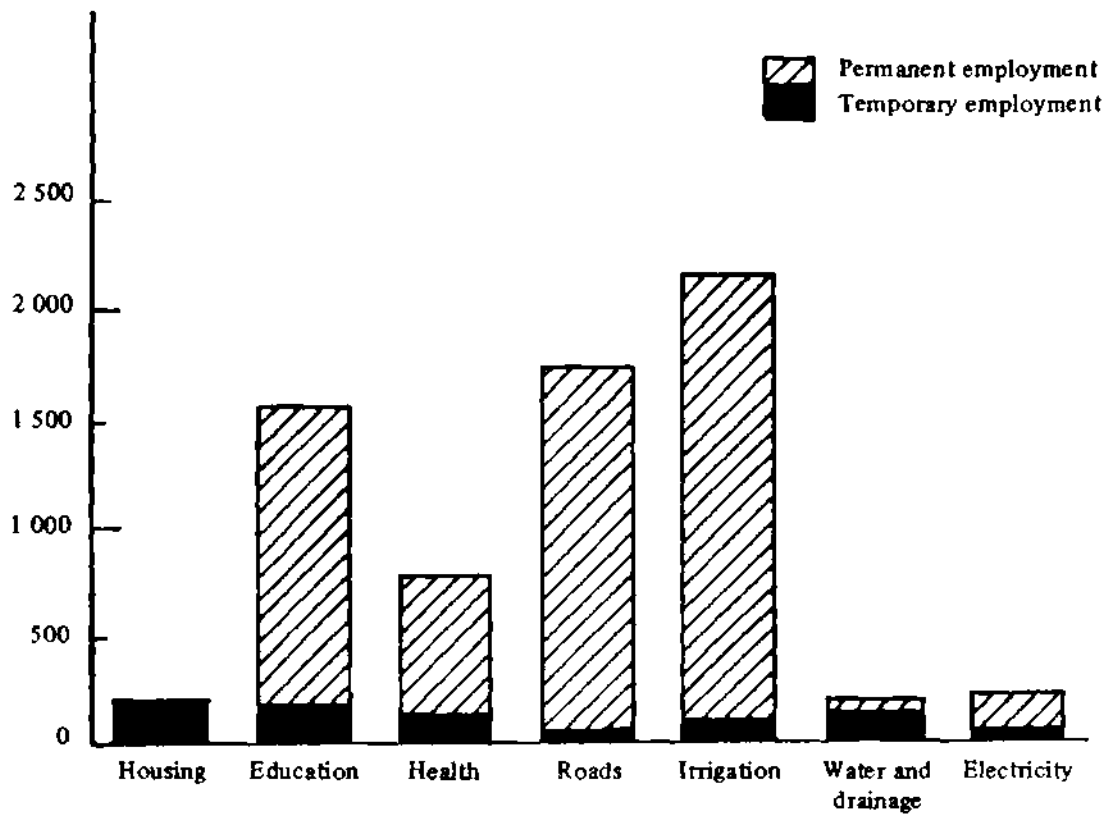
In concrete terms, these jobs would essentially be created by massive, multifaceted programmes, structured in accordance with the circumstances and overall plans of each country, within the following sectors: construction of low-cost housing; activities linked to the provision of infrastructure and services in the areas of education and health and those connected with food (irrigation and rural roads) and basic infrastructure (urban streets, water, drainage and electricity).

On the basis of studies carried out in several countries in the region as part of the Regional Employment Programme for Latin America and the Caribbean (PREALC), it is possible to represent graphically the amount of temporary and permanent employment (direct plus indirect) which has been created by the projects of various sectors in the field of basic goods and social services (see figure 3). In virtually all cases, the projects involving the construction of low-cost housing have created most temporary employment, followed by projects in the field of education. As far as the creation of permanent employment is concerned, irrigation projects predominate, together with projects involving investment in education where the creation of direct permanent employment is greater than in any other sector --twice as high as in health, the next sector, and six times higher than in electricity projects.^{38/}

With regard to the creation of indirect employment, PREALC indicates that this is considerably greater in the case of irrigation and road projects (thirteen times higher than in electricity, the only other sector of this type which is a major source of permanent indirect employment). This is largely due to the incidence of investments in irrigation and roads on the creation of jobs in agriculture (which accounts for its importance for food and nutrition). Moreover, it is worth mentioning that in both cases this largely concerns rural employment; in that of irrigation, on account of the objectives intrinsic to the sector, and in that of roads on account of the impact of projects for penetrating roads and for the construction and improvement of internal trunk roads. In this respect, it must be understood that investment in both sectors may initially seem less attractive when the problem facing the nation is that of acute urban unemployment, since there are frequently restrictions on the actual possibility of transferring workers geographically for long periods of time. Moreover, it should be mentioned that, since a high percentage of the labour force in rural areas is underemployed and extreme poverty is most acute in the traditional agricultural sector, the work created by the construction, maintenance and utilization of irrigation and rural roads will be more useful in providing productive employment for sectors of the labour force which are at present underemployed.

Figure 3
**THE EMPLOYMENT EFFECT OF GOVERNMENT INVESTMENT
 IN BASIC GOODS AND SOCIAL SERVICES**

*(Index of employment created per unit of investment.
 Base 100 = total sectors)*



Source, ECLAC, *The Crisis of Social Development ...*, *op. cit.*, p. 83.

There is a wide variety of recent national experiences to provide reference points for the various combinations of programmes to generate employment while providing basic goods and social services to the lowest income sectors. In this respect, the sets of priority programmes in Colombia, Guatemala, Mexico and Peru among others, represent examples of the integrated type of programmes being proposed here, in which the local community takes part. Moreover, mention should be made of the experience of UNICEF, which, through its Basic Services Strategy, is sponsoring (with community support) social interventions in various countries of the region. The evaluations carried out so far point to significant rises in the standard of living of the sectors benefiting from this action, and a high cost-efficiency ratio. The components of these programmes include support to production projects at a local level with an impact on nutrition and investment in community infrastructure, water supply and basic sanitation.^{39/}

1. New approaches to vocational training

There should be measures to strengthen, or to set up, professional training institutions fundamentally dedicated to developing skills and techniques for the training of young people as future workers and integral and adaptable members of modern society, since this constitutes a vital factor in the processes of industrial reorganization and technical and productive modernization. This would ensure a flexible labour supply capable of adapting to the changing needs of the productive apparatus. Worthwhile examples of this are provided by the national training schemes in Brazil, Colombia and Costa Rica.

There are at present few programmes of vocational training for people in the informal sector. Programmes in support of this sector have shown the positive results that can be obtained by training people engaged in micro-businesses. These programmes consist in the granting of loans and technical assistance, following an economic evaluation of the projects with the beneficiaries themselves, and in follow-up action on the project over a given period. The support provided has taken the form of training in minimum notions of evaluation techniques, accounting, marketing and production. In this respect, the experience gained in Colombia through the "National Micro-business Programme", which has been carried out with the participation of private foundations in association with the chambers of commerce under the co-ordination of the National Planning Department, provides a noteworthy example which could also be applied to youth. Similarly, mention should be made of the recent creation of the Informal Sector Institute in Peru, which provides members of this sector with credit and technical advice previously unavailable to them.

2. The role of the public sector in the generation of employment ^{40/}

The financial capacity of the State, as a policy manager and an employer, is very uneven in the region. However, the specifications require the State to play a dynamic role which will be reflected in a significant increase in public employment, to be concentrated in three areas: i) construction, especially construction of infrastructure and equipment for community use; ii)

social services and iii) economic services. Both construction and the provision of social services are powerful instruments for creating employment. The former is characterized by strong intersectoral links and, ultimately, by indirect effects. Moreover, in most of the countries, the construction sector is not very dependent on imported inputs, which puts it in a strong position as a promoter of growth.

Social services, on the other hand, have a big direct impact on employment and constitute the ideal mechanism for the rapid absorption, at a relatively low cost, of those sectors where unemployment is high. Social programmes of the kind analysed in chapter III (basic health services, child protection, education, training, cultural activities and community organization) have the advantage that they call for people with a variety of skills who are now unemployed or underemployed. In the first place, they call for a labour force which is educated to the third level and is unemployed or (more frequently) underemployed (i.e., people who are not working on a regular basis or are employed in posts where no use is made of their skills). Secondly, programmes of this type would make it possible to recruit a large number of young people with a post-primary education, who, in many countries of the region, add a number of points to the rate of open unemployment. Thirdly, there is need for an unskilled labour force to perform the support jobs, which could be made up in part by young people and women who can easily be fitted into occupations which because their workday is of varying length, can be performed simultaneously with the housework performed by the women and the job training engaged in by the young people from the poorer sectors.

Such programmes would also make it possible to provide specialized training for some of the employed labour force, which at its lowest level might consist in on-the-job training and at its highest level in semi-technical training.

The economic services sector, particularly in so far as technical support for production is concerned, has no direct impact in volume terms on the level of employment but plays a basic role in increasing the productivity of backward sectors and therefore in absorbing underemployment.

C. OVERCOMING THE INSTITUTIONAL DIFFICULTIES OF SOCIAL POLICY 41/

Although some progress has been made in the region with respect to social policies aimed at the disadvantaged classes and in some cases institutions exist whose principal objective is to improve the situation of vulnerable families, a number of difficulties still remain to be overcome. Many of these are attributable to more general problems; for example, there is still a gravely erroneous perception of the role of overall social policies in the development process. Moreover, social policies tend to be fragmented sectorally and their effectiveness considerably diluted; also, the sector concerned with poor families generally occupies a relatively marginal position within the politico-administrative structure of the State.

While there has been undoubted progress over the last twenty years in terms of the perception of the relationship between social planning and

economic planning or between economic development and social development, the practice often lags behind the conceptual formulation and priority is given to strictly economic aspects on the premise that the economic results achieved will lead to social improvements; such an approach tends to consider social policies as subordinated to economic policies.

1. Sectoral fragmentation

Moreover, although the scope of social policies has been extended, its nucleus is still determined by the traditional perception of "the social" in relation only to the so-called "social sectors", namely, education, health, housing and social security. Scant attention is paid to the role of social groups in the development process, to society's options vis-à-vis these groups, and to proper emphasis on persons who belong to vulnerable groups as an objective of the society and as active participants in its development and transformation. In these circumstances, it is difficult to conceive of social policies as a coherent set of measures that are broader in scope than purely sectoral measures, without denying the importance of the latter.

The perception of social policies as the sum of sectoral actions dilutes the effectiveness of such actions since they are carried out by different agencies with little co-ordination among them. The consequence of this sectoral fragmentation is that, although there may be a health policy, an education policy, a housing policy, etc., there is no integrated social policy aimed at specific social groups. Social policies are not geared towards problems; they distinguish instead between the various administrative agencies that cater to social needs. Consequently, the formulation of social policies is based on the premise that the family resolves difficulties connected with the early infancy of a member with the help of the ministry of health, and where pre-school educational activities exist, these come under the responsibility of the ministry of social welfare. When children and young people reach school age they are then supposedly under the protection of the ministry of education, which sees to their academic training, while other aspects, such as social welfare and the utilization of spare time, come within the portfolio of the ministry of social welfare or the ministry of youth affairs. After this phase, they become adults and their future prospects depend on economic policy and their protection on the ministry of labour, until they reach old age when, once again, they come under the responsibility of the ministries of welfare and social security. It is understood that the ministry of education organizes cultural activities for the student population as a whole, supplemented by a cultural diet of museums, theatres, music, etc., aimed generally at the middle and upper classes. The result of this sectoral fragmentation and the accumulation of horizontal priorities of social policies is that there remains a wide range of needs of the families of groups which are disadvantaged or excluded from the society, in the areas of health, nutrition, housing, social security, training for employment, and income, which are not met by the State.

In turn, the sectoral fragmentation of social policies is closely related to the separation of the politico-administrative structure from those sectors principally concerned with the welfare of disadvantaged families. Generally speaking, both those social policies aimed at broad social integration and

those that are more selective, are affected by the "client" relationship between the institutions of the politico-administrative structure and organized social groups, whether broad-based or comprising specific population groups. Normally, these social groups, which are already linked to existing public institutions, develop into pressure groups and tend to retain the same kind of orientation found in the service itself. In view of the fragmentation of social policies and the fact that their application to disadvantaged families is severely limited, access to their benefits by those social groups which have the greatest difficulties in organizing themselves, such as the urban poor, is blocked by insurmountable obstacles.

This situation can still be observed in certain cases in ministries of education, which plan policies on the basis that all children and young people are covered by their services. However, a high percentage of their "clients" is, in fact, excluded from their services and is attended to by no one, if account is taken of the high dropout rate in the primary school system and, to a lesser degree, in some sections of the secondary school system. Since these groups should have been included in the education system, when they are not, they are treated as if they did not exist. There are also cases in which, when informal education policies, such as night schools, are implemented, they are intended for the education of adults and not to satisfy the educational needs of young people, although it is quite common to see young people from poorer sectors representing, more than half of total enrolment in such institutions.^{42/}

The difficulties faced by Latin America and the Caribbean in overcoming institutional shortcomings of social policy confront the State with the problem of obtaining effective authority in the elaboration of social policies in order to establish vertical priorities and to expand its capacity to rationally organize its programmes with a view to enhancing both its effectiveness and its efficiency. There is therefore urgent need for an institutional organization that would integrate and co-ordinate social policies both internally and vis-à-vis economic policies. Emphasis also needs to be placed on enhancing the effectiveness of the technical and administrative management of social institutions, through the use of suitable methods of programming, systematic and integrated information systems and functional training.

2. Increased participation of other forms of grass-roots organization

In recent years, Latin America and the Caribbean have witnessed the emergence of a large number of non-governmental institutions whose activities are geared towards development. These institutions work with sectors of the population living in conditions of acute poverty and employ new techniques of social work that rely on community participation and on autonomy in the search for solutions to their problems. They have proven to be highly effective. At the same time, in the face of the increasing deterioration of their living conditions, the poorest sectors themselves have demonstrated an unusual capacity to recompose their social fabric and to establish other forms of popular organization with very diverse aims and composition.^{43/} Taken together, however, these institutions constitute a fragmented and isolated

entity which does not have the necessary mechanisms to co-ordinate activities within itself and with the public sector.

This is why it is so necessary to create intermediate institutions between citizens and the State; mobilization of domestic resources for the elaboration and implementation of social policies, decentralized application of public policies, community participation; technical assistance by non-governmental agencies to social programmes and widening of the scope of operations, which will result in a policy of social development that is more functional, effective and has wider participation.

D. OTHER CURRENT CONCERNS OF GOVERNMENTS IN LATIN AMERICA

Among other current concerns of governments in adapting social policy to the post-crisis era are also such aspects as the changing situation of the family and of male and female roles within it, as a result of changes in job opportunities and the need for extra income-producing work; achieving greater efficiency by the use of more refined indicators (incorporating sociological research techniques) to assess the effectiveness of existing programmes; thorough reforms of methods for training social planners and field workers; issues of decentralization of services and greater participation by local communities in their implementation and readaptation; and improving access to and use by excluded target populations (particularly women) of existing or planned social services.

V. CONCLUSIONS

A major cause for optimism is the recent upsurge of concern with social problems by governments in Latin America, partly resulting from a sense of urgency caused by the economic crisis and its impacts. There appears to be a very widespread consensus concerning both the immediate need to combat the worst forms of poverty and the medium-term need to develop multisectoral strategies to satisfy all basic necessities and to make progress towards types of societies deemed desirable by each national population. Though there is great divergence of opinion concerning means of achieving these goals and particularly regarding the role of the State, there is a growing body of agreement in relation to issues such as the importance of achieving greater co-ordination at the policy level and greater involvement of previously excluded groups. There is also common accord that priorities for the year 2000 must centre on the elimination of the worst forms of poverty and the achievement of greater social equity, through co-ordinated, complementary policies that combine new forms of job creation with diverse social services aimed at increasing productive capacity, reducing discrimination, and definitively breaking the cycle of social reproduction of poverty from generation to generation.

Notes

- 1/ See ECLAC, Transición estructural, movilidad ocupacional y crisis en América Latina, 1960-1983 (LC/R.547), Santiago, Chile, 1986.
- 2/ See ECLAC, The Crisis of Social Development: Challenges and Possibilities (LC/L.413), Santiago, Chile, 10 March 1987.
- 3/ See PREALC, Ajuste y empleo: los desafíos del presente, Working document No. 287, Santiago, Chile, 1986.
- 4/ See PREALC, Creation of productive employment: a task that cannot be postponed, Working Document No. 280, Santiago, Chile, 1986, p. 29. Also published in Desarrollo Económico, vol. 26, No. 103, October-December 1986.
- 5/ PREALC, Creation of productive employment:..., op.cit.
- 6/ Ibid.
- 7/ Ibid.
- 8/ See, for example, ECLAC, Antecedentes estadísticos de la distribución del ingreso, Brasil 1960-1983, "Distribución del ingreso" series No. 2, Santiago, Chile, 1986 and Statistics and Quantitative Analysis Division, "Efectos de la crisis externa en las condiciones de vida de los hogares latinoamericanos", statistical tables prepared for UNICEF, December 1986.
- 9/ See PREALC, Creation of productive employment:..., op.cit., table 7.
- 10/ See ECLAC, Statistics and Quantitative Analysis Division, Efectos de la crisis externa ..., op.cit., table 5.
- 11/ Ibid.
- 12/ IDB, Economic and Social Progress in Latin America: Report, 1986, Washington, D.C., 1986, table IV-4
- 13/ Cornia, G.A., et al., Adjustment with a human face, UNICEF, 1987, pp. 95-97.
- 14/ World Bank, Poverty in Latin America: the impact of depression, World Bank Staff Report, Washington, D.C., October 1986, p. 6.
- 15/ Cornia, G.A. et al., op.cit., p. 103.
- 16/ World Bank, op.cit.
- 17/ See, for example, ECLAC, La transformación socio-ocupacional del Brasil, 1960-1980 y la crisis social de los '80 (LC/R.518), Santiago, Chile, 1986.
- 18/ See, El desarrollo de la seguridad social en América Latina, "Estudios e Informes de la CEPAL" series, No. 43 (LC/G.1334), Santiago, Chile, January 1985.
- 19/ ECLAC, Development, Change and Equity: Vanquishing Poverty (LC/R.538(SEM.35/3)), 1986, pp. 32-36.
- 20/ See, for example, Chapter IV of ECLAC, Development, change and equity..., op.cit.
- 21/ ECLAC, Preliminary overview of the Latin American economy, 1986 (LC/G.1454), Santiago, Chile, December 1986.
- 22/ Ibid., tables 7 and 11.
- 23/ Ibid., table 13.
- 24/ ECLAC, "Escenarios de la economía mundial hasta 1990", Industrialización y desarrollo tecnológico, Report No. 2, Santiago, Chile, 1986, and ECLAC, Economic development: an appraisal, and projections 1985-1990 (LC/G.1407(SES.21/19)), Santiago, Chile, 1986.
- 25/ PREALC, Creation of productive employment: ..., op.cit.

26/ See, for example, "The concept of self-reliance and the integration of women into development", in World Survey of the Role of Women in Development: Report of the Secretary-General, A/CONF.116/4, December 1984, pp. 213-241.

27/ ECLAC, Development, Change and Equity..., op.cit., p. 37.

28/ See, Rolando Franco and José Carlos Cuentas Zavala (Co-ordinators), Desarrollo social en los 80, ECLAC/ILPES/UNICEF, Santiago, Chile, 1983 and ECLAC, La pobreza en América Latina: dimensiones y políticas, "Estudios e Informes de la CEPAL" series, No. 54, Santiago, Chile, 1985.

29/ These ideas are more fully developed in ECLAC, "Development, Change and Equity...", op.cit.

30/ See ECLAC, La pobreza en América Latina: ..., op.cit.; and Irene Klinger, Office of Analysis and Strategic Planning of the Pan-American Health Organization/World Health Organization, El impacto de la crisis económica en el campo de la salud: problemas y alternativas en la región de las Américas (LC/R.554(Sem.35/10)), Santiago, Chile, November 1986.

31/ ECLAC, Development, Change and Equity ..., op.cit., pp. 22-24.

32/ ECLAC, Development, Change and Equity ..., op.cit., pp. 29-30.

33/ Women face even greater difficulties, since in many countries of the region national legislation does not allow them to own property which, for example, could serve as guarantee. This situation has been changing during the Women's Decade, as documented in: United Nations Development Fund for Women (UNIFEM), Development Co-operation with Women: The Experience and Future Directions of the Fund (ST/ESA/159), United Nations Publication, Sales No.: E.85.IV.6, New York 1985.

34/ Ibid. In particular, it is worthwhile studying the innovative and experimental approaches of the two projects analysed on page 97. See also Marianne Schminck, "Administración Comunitaria del Reciclamiento de Desechos: El SIRDO", SEEDS No. 8, September 1984.

35/ ECLAC, The Crisis of Social Development ..., op.cit., pp. 35-39.

36/ PREALC, Creation of productive employment ..., op.cit.; PREALC, La creación de empleo en períodos de crisis, Working document No. 251, Santiago, Chile, 1984, and PREALC, Los programas especiales de empleo. Algunas selecciones de la experiencia, Working document No. 255, Santiago, Chile, 1983.

37/ PREALC, Structural adjustment and social debt, Working document No. 282, Santiago, Chile, 1986 and ECLAC, Development, Change and Equity ..., op.cit.

38/ See PREALC, Creation of productive employment: ..., op.cit.

39/ See Colombia: economía social para el desarrollo (LC/R.556(Sem.35/13)), ECLAC, Santiago, Chile, 1986; presentation made by Mr. Luis Bernardo Flores Enciso, Assistant Director of the National Department of Planning of Colombia at the meeting on "Possible measures to deal with the immediate and long-term impact on social development of the external crisis and the adjustment process", Lima, Peru, 25-28 November 1986; Luis Arturo del Valle, Efectos de la crisis: ..., op.cit.; María de los Angeles Moreno, Políticas para reiniciar ..., op.cit.; César Ferrari, Desarrollo social y pobreza en Perú. Factores estructurales y efectos de la crisis externa; las políticas adoptadas para lograr el desarrollo económico y social (LC/R.542(Sem.35/7)), ECLAC, Santiago, Chile, 1986 and ECLAC, Development, change and equity ..., op.cit.

40/ ECLAC, Development, change and equity ..., op.cit., pp. 46-47.

41/ ECLAC, The Crisis of Social Development ..., op.cit., pp. 41-43.

42/ ECLAC, La juventud en América Latina y el Caribe, "Estudios e Informes de la CEPAL" series, No. 47, Santiago, Chile, 1985.

43/ Clarisa Hardy, Estrategia organizada de subsistencia: los sectores populares frente a sus necesidades en Chile, Labour Economics Programme, Academia de Humanismo Cristiano, Working document No. 41, Santiago, Chile, November 1985.

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