



Distr.
RESTRICTED

E/CEPAL/ILPES/SEM.1/R.28

E/ICEF/SIMSOC/R.28

14 April 1982

ORIGINAL: ENGLISH

ALTERNATIVES OF SOCIAL POLICIES FOR LATIN AMERICA
AND THE CARIBBEAN IN THE EIGHTIES*/

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*/ Comments on second subject.

**/ The opinions expressed in this paper are the exclusive responsibility of the author and do not necessarily reflect the opinion of the institution to which he is attached.

In the face of the complex issues which are the subject of our discussions I have no prescriptions or formula to offer. I shall express some thoughts which reflect my own deep concern about the future of development in Latin America and the Caribbean.

Almost all of the countries of the region have attained independence, some a considerable time ago, others, notably in the Caribbean, in relatively recent years. They have concentrated their energies on the struggle for development, and for a just international economic order. In the process these countries have, in general, achieved some considerable successes. But such progress has often been won at a high cost in social terms.

The countries of the region are now confronted with the circumstances of a world which is going through a process of rapid transformation. It is a period of grave economic difficulties, and of considerable tension within societies and countries, and between countries with open conflicts in some instances. Underlying all of this is the rising demand for political expression and participation and for social advancement.

In the words of Mahbub ul Haq:

"Our age has been described variously as the Age of Technology, the Age of Anarchy, the Age of Uncertainty. If we are to survive at all as the human race, we must graduate into an Age of Equality, since equality of opportunity has increasingly become the central issue of our time".

For Latin America and the Caribbean the problems and challenges are no less than elsewhere. In my own view the decade of the 1980's will be a most difficult one for the region: no problem facing these countries is greater than that which relates to the issue which is the subject of our discussion - namely how will they create and sustain truly equitable societies. While the countries of the region share some of the problems of the other parts of the world, they also face some circumstances of a special nature. These include the composition of their populations and

in particular the pre-Colombian peoples, the large inflows of population from Europe, from Africa and in some cases from Asia; the evolution of a variety of political institutions and forms of Government; and the very nature of the economic development in the countries, especially in the post-World War II years.

The demand for a greater degree of equity is universal. It is no respecter of political or economic systems.

One of the major lessons of the past 30 years, a period which has witnessed great concern and considerable effort in respect of economic development at the national, regional and global levels, is the paradox, the contradiction between economic growth and social justice. It is no wonder then that there has been in more recent years a growing preoccupation with the issue of the gaps - in income, in opportunity, in technology, in education, in information - between North and South, but also within countries.

The industrialized countries, as their economies have advanced, have used a variety of devices to limit or to narrow the gap between sectors of their populations, or between regions of their countries. It is interesting to observe also that some services concern has been expressed about the gaps in development and income between the more and the less affluent countries of the European Community.

The industrialized countries today face a serious dilemma. The social provisions, the welfare systems, which have been taken to such lengths, in some instances, during the boom period of economic growth of the 1950's to the early 1970's, are now threatened by the prolonged economic crisis. Deep differences have existed between OECD countries over economic policies related to the high levels of unemployment now being experienced.

It has been argued, by some prominent leaders in the North, that the "industrialized democracies", the one-man-one-vote-countries, have largely based their social provisions on the expectation of continued significant economic growth. In the face of what might prove to be a period of slow growth, or no growth, these countries face the

necessity of cutting back on the social and welfare benefits and expenditures, and with that their governments face the possibility of being voted out of power.

But this dilemma is not confined to the richer countries. The situation is basically the same in Jamaica and other countries of the Caribbean and in many Latin American countries.

Indeed to a degree it faces all countries, whether they are described as democracies or not. The significant point made by the persons in the North expressing these concerns is that such situations can erode the foundations of the democratic system, since in times of hardship it is almost impossible for a government to carry out what it might regard as strong measures of economic management.

It is in these circumstances that we are considering what Latin America and the Caribbean can do in the 1980's to significantly advance its performance in the field of social development.

The situation in Latin America has been summed up by Enrique Iglesias as follows:

"one of the major contradictions in Latin America in recent years is that in spite of its achievements in figures and indicators, the social situation of the region has improved only for certain minority groups and very little for the rest".

It has been projected that by the year 2000 A.D. most of Latin America will have reached a per capita GNP of US\$ 2,000, that is about the same as Europe in 1960. There will still be many countries of the world with a far lower per capita GNP. Is Latin America likely to achieve a balance between economic growth and social development over the next two decades that will allow a favourable comparison with the Europe of 1960? To do so, or do better than that, will require significant changes in perception in policies and in political and governmental systems. In any event the comparison with Europe may be of little value.

I believe that the issue of social justice is at the root of the tensions and upheaves in Central America today, and the problems of the Caribbean countries. Inevitably there are other factors involved, but a mis-reading of the real root causes will diminish greatly the prospect of effective solutions.

There is no lack of recognition of these issues in international fora. The International Development Strategy for the Decade of the 1980's was approved by the U.N. General Assembly in October 1980. The strategy was prepared against the background of the ongoing crisis in the international economic system, the deteriorating position of developing countries as a whole, the rising tension in many parts of the world, the erosion of economic and social gains, and the diminishing prospects of those who had so far only the hope of such gains. The preparation of the Strategy involved meetings at the regional level, and gave Latin American countries and others the opportunity of contributing ideas and proposals.

The Strategy inevitably uses moderate language and speaks in general terms on such issues as the urgent need to achieve real social progress in developing countries.

"It is for each country to establish adequate national objectives for the promotion of human and social development within the framework of its development plans. The final aim of development must be the continuing increase in the well-being of the entire population on the basis of its full participation in the process of development and a fair distribution of the benefits therefrom".

The Strategy goes on to deal with some of the critical requirements:

- the reduction and elimination of poverty;
- the achievement of full employment;
- the implementation of the recommendations of the World Population Plan of Action;
- the development of human resources, by education and other means, to enhance the capacity of people to participate constructively in the development process;

- the attainment by the year 2000 of a level of health that will permit all peoples of the world to lead a socially and economically productive life;
- the provision of basic shelter and infrastructure for all people in rural as well as urban areas;
- the securing of equal participation by women both as agents and as beneficiaries, in all sectors and at all levels of the development process.

Although some specific targets are contained in the Strategy, these aims are in the main stated in general terms. Moreover it clearly emphasises "that each country will freely determine and implement appropriate policies for social development within the framework of its development plans and priorities and in accordance with its cultural identity, socio-economic structure and stage of development".

The approach embodied in the Strategy has been described as "the utopian-normative approach" and a comment on the Strategy for the 1970's may be recalled here.

"Its shortcomings when pursued in isolation (or its illegitimate uses as an evasion of reality" are cruelly exposed in a world in which the dimensions of injustice, insecurity and violence continue to grow while the list of "rights" to which all human beings are entitled by the votes of their governments continues to lengthen". ^{1/}

Attempts have been made to establish a clear connection between this issue of social development and the call for the New International Economic Order. Some interests in industrialized countries have gone so far as to virtually imply that evidence of movement toward the achieving of social justice in developing countries should be a precondition for movement on North/South propositions. While such

^{1/} Marshall Wolfe, "Approaches to Development: Who is Approaching What?" in CEPAL Review. First half of 1976.

a condition is unacceptable the fact is that there must be a clear connection. The search for global equity must be a part and a vital part at that, of the concern for the improvement in the condition of the individual human being. These movements, toward global equity and social and economic justice within countries, represent two of the major forces which will affect all countries in the years ahead. Together they represent a formidable combination which could affect Latin America and the Caribbean deeply.

The issue of basic needs came to prominence in the context of the North/South discussions. It has been the subject of suspicion as to the motives of some of those in the North who pressed the idea. In fact there has been more than an element of oversimplification in the presentation of this issue by some. A proposition which clearly has its merits, seems to have been regarded by these persons as a total development thesis - rather than a very important element in a much more complex political, social and economic effort.

The view of the World Bank is that the issue of growth versus basic needs must be carefully analysed and that good performance in meeting basic needs does not cause lower growth rates. The Bank has stated that "total attention to increasing the rate of growth of GNP without explicit attention to the problem of absolute poverty and basic needs would cause important opportunities for making immediate benefits available to the poor to be missed. In addition, adherence to the idea of growth now, alleviation of poverty later "could cause the development of an entrenched middle-class favoured by government services, and make reallocation of resources at a later date just that much more difficult"... "the more pressing needs of ... societies", the Bank states "can be met at low levels of national income".

But the question that arises is this. Can you change the distribution of income and opportunity and of power in a community in a fundamental way through a programme which concentrates on meeting basic needs? Whatever good may be achieved through such an approach,

may it not leave much of the basic social and economic structure virtually intact?

Here it should be noted that there are those in industrialized countries who are quite willing to assist in improving conditions in developing countries but who have shown no inclination to address the structural factors which are at the root of the imbalances and inequities in the relations between North and South. And as we call on the industrialized countries to exercise the political will to face and to deal with these factors, we have to ask whether developing countries will summon the political will to carry out the structural and other changes required in their communities in the interests of social justice.