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ANNOTATED PROVISIONAL AGENDA

1. Election of officers

Pursuant to the provisions of article 16 of the rules of procedure of the Commission, and in accordance with established practice, the Commission shall elect a group of officers consisting of a Chairman, two Vice-Chairmen and a Rapporteur.

2. Adoption of the agenda

The provisional agenda prepared by the secretariat for this meeting and contained in document LC/L.666(CEG.18/1) will be submitted for the consideration of the representatives. Delegations may take this opportunity to make observations and suggest such amendments as they deem appropriate, under the rules of procedure and in keeping with the amount of time available.

3. Bases for changing production patterns with social equity in Latin America and the Caribbean

About two years ago, the ECLAC secretariat presented a proposal for the development of the Latin American and Caribbean countries in the 1990s under the title Changing Production Patterns with Social Equity.¹ This proposal was submitted to the twenty-third session of the Economic Commission for Latin America and the Caribbean and was fully discussed.² Precisely because it was regarded as the beginning of an ongoing process of updating ideas, it was in no way considered a final product. Rather, it became the main point of reference for the Commission's activities, including the secretariat's preparations for the twenty-fourth session. Thus, during the 1990-1991 biennium, the secretariat focused its

¹ Changing Production Patterns with Social Equity. The Prime Task of Latin American and Caribbean Development in the 1990s (LC/G.1601-P), Santiago, Chile, March 1990. United Nations publication, Sales No. E.90.II.G.6.

² ECLAC, Biennial Report. Official Records of the Economic and Social Council, Supplement No. 14 (LC/G.1630-P; E/1990/43), Santiago, Chile, 1990, especially resolution 507 (XXIII), "Changing production patterns, social equity and the International Development Strategy".

attention on making further suggestions, some of which have become the basis for the discussion included in this agenda.

At the present time, the linkages between technological progress, international competitiveness and social equity are being explored in greater depth. Thus, in its 1990 proposal, the secretariat postulated that growth required a reasonable degree of social equity in order to be sustainable through time, while social equity could not be achieved without an economic expansion based on rising levels of productivity. Both objectives—growth and equity—involve the changing of production patterns through a systemic effort to apply technological progress to the production process, complemented by concrete actions to promote a more equitable distribution of the benefits of growing productivity than has been the traditional pattern in the region.

Although the literature on the subject lays great stress on the existing opposition between growth and equity, one of the key points of the proposal submitted by the secretariat to the twenty-fourth session, entitled Social Equity and Changing Production Patterns: An Integrated Approach, is that complementarities are also involved in the design of policies for achieving the two objectives. In fact, of the three major policy packages explored in this document—higher employment based on growing productivity; greater investment in human resources and increased transfers—the first two clearly meet both objectives. This is another way of trying to demonstrate that sustainable—and environmentally sustainable—development can be achieved with greater social equity and in a democratic context. Another salient aspect of the proposal is to assign roles to both economic and social policy in support of growth and social equity. From this stems the integrated nature of the approach.

The secretariat has suggested dividing the debate on this key agenda item into four modules, which are obviously interrelated.

- a) Conditioning factors in changing production patterns with social equity
 - i) Changes in the international environment since the last session

The profound changes in the international situation, and their impacts on the countries of Latin America and the Caribbean, will be conditioning factors in the successful changing of production patterns with social equity. The astounding geopolitical changes that have taken place and the growing globalization of the economy introduce an element of uncertainty about the external environment, which will call for an ever-greater capacity on the part of the countries of the region to adapt themselves to it. In any case, these changes have momentous implications that require responses

—both individual and collective— from the Latin American and Caribbean countries, and new arrangements in the field of international cooperation.

The subjects explored encompass the world trade system that is evolving from the Uruguay Round talks, the meaning of the trend towards the consolidation of regional and subregional spaces, new prospects for regional integration and various aspects related to external financing, including management of the external debt.

ii) Other conditioning factors

Two topics are considered in addition to the above-mentioned externalities, together with the way in which they may be approached so as to lessen their adverse effects. First, stabilization policies, as a prerequisite for any process of changing production patterns with social equity, on the basis of the many lessons learned from the experiences of the 1980s. Second, the document explores the strengthening of public sector management capacity, especially in the area of public finances, since many of the proposals in the document are related directly or indirectly with public sector income and expenditure.

b) Complementarities between changing production patterns and social equity

As noted above, one of the main lines of reasoning of the secretariat is that it may be possible to reconcile growth with social equity and, moreover, that significant areas exist where policies designed to meet the objective of equity and those aimed at growth might be mutually reinforcing. These complementarities are thus further explored, together with economic and social policies to take advantage of them, in the quest for simultaneous progress in the achievement of both objectives in the context of an integrated approach.

Among the aspects considered, besides the employment dimension, are a number of economic and social policies which support the simultaneous fulfilment of the objectives of growth and social equity. These include policies to increase saving, investment and factor productivity; policies to enhance the efficiency and social impact of social security programmes and transfer policies; and policies to promote the participation of underprivileged groups in the process of political consensus-building.

c) Technical progress and international competitiveness

In the basic document under discussion, a number of research findings which enhance the proposal contained in Changing

Production Patterns with Social Equity are presented in three areas: possible cause-and-effect relationships between technical progress and international competitiveness, the strengthening of the Latin American entrepreneurial base and the importance of information technologies in the production process. Recent trends in technical change and their strategic implications in the quest for a better position in the international economy will therefore be discussed. Also to be considered are recent advances and future requirements in terms of strengthening the entrepreneurial base—as exemplified in the internationalization of leading firms and the contribution of small and medium-sized businesses—and technological infrastructure, including policies to stimulate the supply of and demand for technologies and their interaction. Finally, production linkages will be analysed in a discussion of competitiveness and marketing chains, modernization of port services, information technology and telecommunications and policies to promote the international insertion of the agricultural sector.

d) Human resources, changing production patterns and social equity

The key role of human resources training will be further examined as the clearest illustration of the complementarities between growth-oriented policies based on dissemination and absorption of technical progress into the production process on the one hand, and greater social equity on the other. To that end, a supplementary document has been prepared, entitled Education and Know-how: Basic Pillars of Changing Production Patterns with Social Equity, which underlines the need to adapt education, training, research and technological development to the proposal for changing production patterns with social equity.³

Accordingly, a strategy is proposed for reforming the system made up of educational/training/science and technology activities in the region, in which the objectives of citizenship and competitiveness are stressed, and policies and institutional changes for their implementation are identified and described.

4. Consideration and adoption of the report

The final report of the meeting will be submitted by the Rapporteur for consideration and adoption by the member Governments present.

³ This document will be circulated before the session, but will not be submitted to CEGAN. Its main points are summarized, however, in chapter VIII of the document to be considered by the Committee.