In the past five years, Latin America and the Caribbean have continued to advance in the fight against hunger, to improve gender equity in education and access to drinking water, and to reduce infant mortality, but the region continues to lag behind in meeting some of the Millennium goals, such as halving extreme poverty, making primary education universal, and turning around the decline in the environment.

Extreme poverty remains very high: 222 million Latin American and Caribbean people are poor, and 96 million (18.6% of the population) are indigents. Only Chile has halved extreme poverty and measures indicate that provided progress to date continues, Brazil, Costa Rica, Mexico, Panama and Uruguay could meet this goal. In other countries, however, progress was poor or there was some slipping backward.


The governments of 189 countries adopted the Millennium Goals in 2000, committing themselves to take

(continued on page 6)
Five years ago, the governments of 189 countries approved the United Nations Millennium Development Goals (MDG), a global commitment to fight inequality and improve human development around the world by 2015.

Today, countries all over the world are evaluating their progress. In Latin America and the Caribbean more effort must be made to meet the Millennium goals. Progress has been made, but it remains insufficient.

The region is on the way to achieving the targets for reducing hunger, malnutrition and infant mortality, and improving urban drinking water, four conditions essential to advancing toward development. However, it has not made enough progress toward meeting those objectives that seek to halve extreme poverty, make primary education universal, cut maternal mortality by two-thirds, significantly improve access to sanitation, and reverse environmental damage. At the same time, while most countries have achieved gender equity in education and reduced income gaps between men and women, wage discrimination and family violence persist, and there are still not enough women in parliament, although there has been some progress in this sense.

Moreover, the development aid promised by industrialized countries has not reached the agreed-upon levels and the region is still not getting enough.

UN bodies present in the region have prepared the report, *Millennium Development Goals: A Latin American and Caribbean Perspective*, whose main focus is the inequality that persists in this region -the world’s least equitable- a factor that limits the possibilities of meeting the Millennium goals.

Extreme poverty remains too high. In Latin America and the Caribbean, 222 million people are poor, 42.9% of the population. Of these, 96 million, or one of every five, lives in indigence.

Halving extreme poverty and hunger by 2015 requires sustained economic growth at different rates for different countries, and on average at least 2.9% per capita, over the next decade. This regional average hides important differences. In the case of the poorest countries, which have made the least progress in the past 14 years, the per capita increase must reach 4.4% annually, on average.

Economic growth is a necessary but insufficient condition for reducing poverty in the region. Inequality must also be reduced.

Nor can it be forgotten that a strategy for growth with equity requires placing social policies in the centre of the development agenda.

An enormous effort is required within each country. Many require a fiscal pact to increase public social spending and ensure the continuity of the main social programs. The efficient use of state resources, transparency in their handling, clear accountability and more financing to meet obligations should all be included in the new fiscal pact.

Moreover, it is imperative to successfully complete the Doha negotiations for development, to progress toward eliminating subsidies in developed countries, and expand the region’s access to their markets, especially for agricultural products.

The poorest countries don’t have enough resources of their own to deal with the financial challenges involved in meeting the Millennium Development Goals. Official aid for development must be increased in Bolivia, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua, Paraguay, the Dominican Republic and Suriname. As per the principle of “shared but differentiated responsibilities”, developed countries should at least double official development aid, which in 2003 stood at barely 0.25% of their GDP.

The hope of definitively defeating poverty and achieving a fairer, safer world is the message in this report to national authorities, civil society and representatives of international cooperation. Only by joining together in these efforts will we successfully ensure the wellbeing of the inhabitants of Latin America and the Caribbean.
concrete steps toward eradicating extreme poverty and hunger, making primary education universal, promoting equality between the sexes, improving infant health care, reversing environmental damage, and fostering worldwide cooperation for development.

**Reduction of hunger and infant malnutrition**

The region is on its way to meeting the goal regarding hunger, with 15 of 24 countries having reduced sub-nutrition. Countries are also expected to reduce infant malnutrition (children with lower than normal body weight) by half by 2015. But it is worrisome that the poorest countries, where the population has the most trouble gaining access to food, are the ones making the least progress.

The theme underlying the report is inequality, since Latin America and the Caribbean is the least equitable region in the world. Limited by low growth during lengthy periods, it has been unable to improve income distribution and access to productive assets, a situation aggravated by the lack of jobs that would allow workers to escape from poverty and their children to achieve adequate health care, education and food.

Primary education has seen progress and registration rates are over 93%. Progress occurred mainly in countries of intermediate development, such as Brazil and Mexico, with rates of 95%. But if early drop-out rates hold, 6% of children will not have completed primary education in 2015, and countries will fail to meet the goal of universal access.

Unlike other developing areas, the region posts no significant gender inequality in education. Except for Bolivia, Guatemala and Peru, countries have met the goal and in some cases more women than men are completing primary and going on to secondary and university education. But women’s income from work is 30% to 40% lower than men’s, difficulties such as family violence persist, and there is still insufficient representation of women among parliamentarians.

Mortality of children under five fell from 56 to 33 and infant mortality (children under one year of age) fell from 43 in 1990 to 25 deaths in 2003 for every 1000 live births, indicating the region is on the way to meeting both goals.

In Latin America and the Caribbean, 2.4 million people had HIV/AIDS last year, up 200,000 between 2000 and 2004. Brazil, with its large population, has 28% of cases, but is also the only country that has been able to hold back the epidemic.

**Economic growth and change in distribution**

ECLAC argues that to halve extreme poverty and hunger by 2015, the region will require sustained economic growth at different rates for each country, but averaging 2.9% per capita in the next decade. However, the poorest countries and those progressing less in the past 14 years require an annual average growth rate of 4.4% per capita.

The report argues that economic growth that does not change income distribution will not improve the poor’s standards of living enough. A change in distribution to boost the poorest strata’s income more rapidly would make it possible to meet the goal more quickly. This growth with equity strategy requires, moreover, institutional changes that place social policies at the centre of development strategies.

Along with the urgent need to reduce poverty and hunger in the short term, investment in infrastructure and human capital through social programmes is also necessary. These should involve monetary transfers conditional on ensuring school aid at the primary and secondary level, along with health care, school meals, nutrition and preventive medical care programmes, especially for pregnant women and newborns.

To meet the Millennium Goals in the countries of Latin America and the Caribbean requires an enormous effort within each country, including a fiscal pact to ensure the efficient use of State resources, transparency, accountability, clear rules and greater availability of resources so the government can meet development priorities. Even so, official aid to development in the poorest countries must be increased, particularly in Bolivia, Guatemala, Guyana, Haiti, Honduras, Nicaragua, Paraguay and Suriname.

The UN is planning a world meeting at its New York headquarters next September to present a global report on progress toward meeting the Millennium goals. This interagency report, coordinated by ECLAC, will contribute to those debates.
n the Declaration of Principles of the World Summit on the Information Society (WSIS), countries agreed to promote people- and community-centred information societies that are both inclusive and development oriented. The transition toward these societies involves not only opportunities, but also threats, which make public policies necessary to ensure socially desirable results are achieved.

In ECLAC we have argued that with the right policy agenda, information and communications networks and technologies (ICTs) can and must be used as tools to promote growth, improve inclusion and social cohesion, increase the transparency and efficiency of productive organization and public institutions, and strengthen regional integration and cooperation.

During the past five years, Latin America and the Caribbean have made progress in using ICTs, with a clear impact on the public sector, the economy, society, culture and integration into the world economy. For example, the number of Internet users increased 12-fold in the past six years, bringing with it a slight reduction in the digital gap between the region and the developed world.

This progress is not enough, however, since just 14% of the population has access to Internet, compared to more than 50% in developed countries. The gap is even larger in rural areas and amongst low-income social groups.

There is growing consensus that ICTs have opened up opportunities and created tools for promoting development, welfare, integration and democracy. Society’s perception is that there is an opportunity for bringing together individual aspirations, business strategies and governmental policies. However, there is also awareness that left to themselves, with no regulation or market intervention to ensure access for all, these new technologies may lead to growing concentration of both power and income. The region therefore faces a double challenge: to reduce the lag or gap compared to the developed world and prevent this effort from leading to greater income concentration and imbalance in information between citizens and the State.

The region’s countries have made some progress, but they must find ways to better connect the new technological paradigm with development strategies, through integrated, efficient public policies, which make the most of regional cooperation. Given that there is already agreement on the importance and appropriateness of using ICTs, the challenge is to move quickly away from policy declarations and agreements and take action. Many policy declarations in the past five years recognize this fact. Now the task is to set priorities for different objectives, identify the right instruments and standards, and promote specific projects and initiatives.

To handle an agenda of this nature, the governments of Latin America and the Caribbean met in a Regional Preparatory Conference in Rio de Janeiro, from 8-10 June, where they approved a policy declaration and a Plan of Action (eLAC2007), including specific initiatives and measurable targets.

The conference, organized by the Brazilian government with support from ECLAC, forms part of preparations for the World Summit on the Information Society (WSIS), the second stage of which will take place next November in Tunis. The first phase was held in Geneva in 2003.

eLAC 2007 is organized around three lines of action: improving know-how in critical areas, formulating and strengthening specific initiatives and projects at the regional level, and supporting the preparation and implementation of national initiatives through exchanges within the region.

To implement these actions, countries proposed 30 targets for 2007. Some involve quantifiable results, while
others involve sequential series of actions. eLAC 2007 is compatible with targets included in the WSIS, the Millennium Development Goals (for 2015) and the needs for developing information societies in the region’s countries, according to the specific conditions in each one.

Three Reasons Why This is a Historic Opportunity for Development

Given the similarity of the challenges and opportunities that the region faces in the field of ICTs, countries have a historic opportunity to implement actions that contribute to development with equity, social inclusion and cohesion, and regional integration.

There are three reasons why ECLAC considers this an important opportunity. First, the subject creates little resistance among economic and social agents and policy makers, and is considered relevant to development in government plans. Second, most countries already have commenced important projects in this field and are developing the institutional changes necessary through incentives and regulation. Finally, the time couldn’t be better, since just as the region’s countries are adopting specific policy declarations, the WSIS has created an ideal space for building cooperation through agreements and initiatives.

ECLAC recognizes the opportunities opening up for the region and, with support from the European Community through its @LIS programme and the Institute for Connectivity in the Americas (ICA), seeks to contribute in diverse areas: building data bases and indicators for monitoring implementation of eLAC 2007, analysing the fundamentals necessary for suitable public policy design, and creating opportunities to exchange experiences and encourage cooperation within the region.

According to ECLAC, building a society in which everyone can create, use and share information and knowledge, allowing individuals, communities and nations to use their full potential for promoting sustainable development and improving the quality of life, is a challenge that requires everyone’s participation.

The author is Director of the Division of Production, Productivity and Management. This article is the result of a collective effort involving division professionals, with support from the Executive Secretary’s office. The ideas presented here are developed in the project paper, “Políticas públicas para el desarrollo de sociedades de información en América Latina y el Caribe” (Public policies for developing information societies in Latin America and the Caribbean).
More than 6% of the children in Latin America and the Caribbean may not have completed primary education by 2015. In 10 of 18 countries, this percentage is closer to 5% (Argentina, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Uruguay and Venezuela). In 4 countries it rises as high as 7% to 12% (Bolivia, Brazil, Paraguay and the Dominican Republic), and in El Salvador, Guatemala, Honduras and Nicaragua 18% to 31% will not manage this goal.

Looking after marginal sectors

Progress becomes more difficult as countries progress toward the goal, since this involves looking after increasingly marginal sectors within the population: people living in isolated areas that are hard to get to, or who belong to social strata that must deal with more significant obstacles, including higher drop-out and repetition rates. These populations must be identified and special strategies adopted to give them access to the education system and keep them in it.

Access therefore must be guaranteed for the groups lagging the furthest behind and dropping out must be prevented early on. The latter can be achieved by providing incentives and benefits that improve family income and help keep children and adolescents in school. Special attention must be paid to policies that aim to meet mandates for eliminating child labour, whether within or outside the home, as it is incompatible with a decent performance at school.

The internal efficiency of education systems also needs to be improved to reduce repetition rates. The annual cost of repetition in 15 countries of Latin America and the Caribbean is estimated at US$11 billion. Brazil pays the highest price: US$8 billion.

Some additional figures provided by the regional interagency report:
• 92 million Latin Americans aged 15 and over (about 25%) did not complete primary education. This is a serious obstacle for overcoming extreme poverty.
• On the gender equity goal, all countries but Dominica, Guatemala, Grenada and the Dominican Republic, have managed parity and several countries have more girls than boys finishing primary education.

Persistent inequalities

• One of every four young people aged 15 to 19 belonging to the 20% poorest part of the population does not finish primary education. Among the wealthiest 20%, only one in 25 does not complete this level of education.
• Four countries experience the highest drop-out rates: El Salvador, Guatemala, Honduras and Nicaragua, where the percentage of children in the poorest strata not completing primary education ranges from 47% to 64%.
• Significant lags are also apparent among the poorest strata in countries with better primary education completion rates. In Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru and Venezuela, between one sixth and one fifth of the poorest 20% of the population does not complete this level.

The accumulated lag: illiteracy

• In the region, 36 million people report they cannot read or write.
• Illiteracy rates are over 10% in 11 of the 24 countries examined and over 20% of the population aged 15 years and over in six countries.
• Illiteracy affects both men and women. Only in Bolivia, El Salvador, Guatemala, Haiti and Peru is illiteracy more common among women.

Learning achievements

• Most national and international studies reveal low performances from those educated and substantial differences between public and private schools.

Expanding pre-school education

• Children attending pre-school perform better and have lower repetition and drop-out rates in the early years of primary education.
• Educational services for pre-school age children are expanding, but remain insufficient: in the Caribbean, 68% receive these services, while just 47% receive them in Latin America.

Extending secondary education

• Today, to have a good chance of escaping poverty, complete secondary education is essential. As a result, an essential goal for the region is to make substantial progress toward achieving universal secondary education.
• Despite progress to date, secondary education coverage remains very low. In 2001, the regional average for the net registration rate stood at 65%. Argentina, Chile and Cuba have achieved 80%; the Dominican Republic, Guatemala and Nicaragua, just 40%.
• The high school drop-out rate is high: in eight Latin Americans countries it stands at over 15%, bringing very high losses for the State and individuals.
• Extending secondary education is more profitable than compensating for lack of education with adult training programmes. According to ECLAC studies, compensatory programmes cost 1.5 to 5 times more than four years of regular education.
After remaining high during the first half of this year, the price of copper looked like it would gradually decline during the rest of 2005, and continue a steady fall in 2006, according to projections prepared jointly by the Economic Commission for Latin America and the Caribbean (ECLAC) and the Chilean Copper Commission (Comisión Chilena del Cobre, Cochilco), the subject of two studies.

One paper, called *Situación y tendencias del mercado del cobre* (Situation and Trends in the Copper Market), by Juan Cristóbal Ciudad, Jeannette Lardé, Andrés Rebolledo and Aldo Picozzi, has been published as part of an agreement between Cochilco and ECLAC’s Natural Resources and Infrastructure Division.

It notes that in mid-2003 the price began to rise, ending the first half of 2004 with an average price of 125.338 cents per pound in the London Metal Exchange.

“The current period of high prices reflects the scarcity prevailing throughout the market,” the authors argue.

Economic recovery in the main countries demanding copper has pushed the price upward. Solid demand from China has been reinforced by strong performances from the United States and Japan, since 2003. Altogether these three countries account for 44% of total consumption of refined copper.

Moreover, investors have continued to incorporate metals into their investment portfolios to hedge against dollar depreciation in international markets, especially against the euro.

Chile is the world’s main copper producer, accounting for 37% of total world production between January and April 2004. The second producer is Indonesia and the third the United States, followed by Australia and Peru.

Latin America’s contribution to world copper production rose from 21% in 1980 to 45% in 2002. The region is one of the main destinations for exploration investment (29% of the world total in 2001) and projected investment in copper (35% for 2001-2007).

In the 1970s, the use of copper gave way to aluminium and fibre optics, and was also affected by the miniaturization involved in new technologies.

In the 1990s, however, the information technology revolution brought more electric circuits and higher amperages, which involved more use of copper cable, wire, sheets and laminas. Experiments with electrically powered vehicles have also sparked optimism about future demand.

The future of the copper price has always been controversial, the authors recognize, indicating that the only agreement is that it behaves cyclically. But, they argue, “if this rising trend in Asia’s consumption consolidates, the prospects (for demand) look good, above all given that these countries are in the early stages of development, and at the moment what we are seeing is Asia’s speedy industrialization.”

The second paper, also the result of cooperation between ECLAC and Cochilco is called *Determinantes del precio spot del cobre en las bolsas de metales* (Factors Determining the Copper Spot Price on Metal Exchanges), by Juan Cristóbal Ciudad. It looks at the factors determining copper’s cash settlement price on the London Metal Exchange, from 1995-2004.

A periodic approach to market analysis reveals that a large number of variables affect the short-term price: changes in the dollar, speculation, stock replacement, investment funds’ effects due to changes in their net positions, commodity demand, the US’ fiscal and trade deficits, economic activity in the US and other consuming countries. To avoid confusion with so much information attempting to predict future movements of the physical market, a schematic approach to the analysis was taken and a model proposed.

These papers have been published as numbers 85 and 84 in ECLAC’s *Recursos naturales e infraestructura* series.
1. Millennium Development Goals: A Latin America and the Caribbean Perspective, (LC/G.2331, June 2005, Spanish and English). This 321-page report offers an overview of progress and setbacks in achieving the main economic and social targets established within the Millennium Development Goals. These were approved by 189 countries in 2000. The report was prepared by United Nations bodies present in the region: ECLAC, FAO, UN-HABITAT, ILO, PAHO/WHO, WFP, UNDP, UNEP, UNFPA, UNESCO, UNICEF, and UNIFEM.

2. Políticas públicas para el desarrollo de sociedades de información en América Latina y el Caribe (Public policies for developing information societies in Latin America and the Caribbean) (LC/W.19, Spanish, June 2005). In the past five years, the region’s telephone service has grown exponentially, especially mobile telephones and the Internet, although the digital gap between developed and developing countries has remained significant. Low per capita income and poor income distribution have, however, negatively affected access to these new services. This report offers an analyses and policy proposals.

3. Environmental Performance Reviews - Chile, a joint publication from ECLAC and the Organization for Economic Cooperation and Development (OECD) (LC/L.2305, Spanish, French and English, May 2005). To evaluate environmental performance, these reports examine the degree of compliance with national goals and international commitments. This forms part of a pilot experience within ECLAC’s work plan.


These days, solid local management practices require information on a smaller than national scale and know how to use it. ECLAC’s Population Division, CELADE, prepared this data base containing the Spatial Distribution of the Population and Urbanization in Latin America and the Caribbean (Distribución espacial de la población y urbanización en América Latina y el Caribe, DEPUALC). The report provides 32 tables, 40 graphs and 36 maps.

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