REGION IS ON TRACK TO FULFIL THE MILLENNIUM DEVELOPMENT GOAL OF REDUCING EXTREME POVERTY BY HALF

Sustained per capita GDP growth between 2003 and 2007 (more than 3% per annum) has allowed most Latin American countries to reduce unemployment and their levels of poverty and indigence, and has brought improvements in income distribution to others. Contributing to this is the new dynamism shown by social policies over recent years.

According to the Social Panorama of Latin America, 2007, launched recently by ECLAC, 15 million people in the region escaped from poverty in 2006 and 10 million who had been classified as indigent ceased to be so. The latest poverty estimates for Latin America indicate that, as of 2006, some 36.5% of the population (194 million people) were poor and 13.4% (71 million) extremely poor.

For the first time since 1990, the total number of people living in poverty dropped below 200 million persons. Projected per capita GDP growth for the Latin American countries in 2007 is expected to make it possible to lower the number of people living in poverty to 190 million, and the number of people living in indigence to 69 million.

As a region, Latin America and the Caribbean is well-positioned to meet the first target established for the UN Millennium Development Goals of halving the 1990 extreme poverty rate by 2015. Latin America is 87% of the way towards meeting the first target, an achievement that raises the possibility of meeting a more ambitious target – that of halving the total poverty rate.

Despite the positive regional forecast, however, differences between countries are great. Many countries need to do more to meet the poverty reduction targets, the ECLAC reports states, noting that improvements in income distribution can maximize the impact of economic growth on poverty reduction.

Some achievements in the fight against poverty are associated with the... (continued on page 3)

ECLAC CALLS FOR MORE PRO-ACTIVE POLICIES TO REDUCE INEQUALITY IN EDUCATIONAL SYSTEMS

In terms of education, the expansion of coverage among children and young people in Latin America is one of the region’s most notable achievements. But the quality of instruction received by students depends largely on their economic resources, and how, in many countries, these differ according to the socio-economic background of students, reproducing social inequalities in the region.

So states the Social Panorama of Latin America, 2007, by ECLAC. This publication calls for reducing school segregation and segmentation not only to improve the quality of education but also as a strategy to tackle the region’s socio-economic polarization.

Access to education for youths has not always been accompanied by a corresponding... (continued on page 6)
THREE CONSIDERATIONS ON FIGHTING POVERTY AND INDIGENCE IN LATIN AMERICA

JOSÉ LUIS MACHINEA

The current economic situation of Latin America, while differing among nations, can be broadly characterized by an increase in the per capita GDP growth rate of more than 3% per annum over the 2003-2007 period. This has allowed a significant number of countries to reduce unemployment and levels of poverty and indigence. ECLAC estimates indicate that, over the past year and on average, some 15 million people in the region escaped from poverty and that 10 million ceased to be indigent. The figures suggest that, during 2006, some 36.5% (194 million) of the region’s population live in poverty, and 13.4% (71 million) were extremely poor or indigent.

This panorama is cause for relative optimism: for the first time since 1990, the total number of people living in poverty in the region has dropped below 200 million. We expect that, in 2007, the number of people living in poverty and indigence will drop to 190 million and 69 million, respectively. As a result, the region is 87% on track to reach the first Millennium Development Goal (MDG) target of halving the 1990 extreme poverty rate by 2015. But important differences exist. Of the 17 countries for which information exists, four (Brazil, Chile, Ecuador and Mexico) have met this goal; five (Colombia, El Salvador, Panama, Peru and Venezuela) are on the right track; and eight (Argentina, Bolivia, Costa Rica, Guatemala, Honduras, Nicaragua, Paraguay and Uruguay) lag behind in differing degrees.

This situation compels us to examine the structural factors behind poverty in the region. As analyzed in the ECLAC Social Panorama, 2007 report, we see a decrease in poverty through increased employment from greater growth and a stage of demographic transition in which the dependency ratio (between employed persons and the economically dependent) is in decline. Also contributing to the decrease in poverty is the impact on poor households of transfers from poverty reduction programmes, remittances and pensions. In contrast, average wages fell in many countries over the 1990-2005 period. This decrease in real terms (excepting Chile, Brazil and Ecuador) can be attributed to high unemployment rates during this period.

We should also note that demographic effects (the “demographic dividend”) will be reversed when population ageing trends once again alter the demographic dependency ratio.

In this context, an increase in quality employment over the coming years is required to change the structural factors behind poverty and generate old-age pensions in the future. Education and job training to this effect must be accompanied by productive policies to foster the creation of quality employment.

The importance of social expenditure in poverty reduction cannot be ignored. Following its significant contraction under adjustment policies adopted in the wake of the debt crisis of the 1980s, between 1990 and 2005 social spending rebounded by 50% in per capita terms. This trend has continued over recent years, fostered by recovery in economic growth. Despite the differences among countries – and the fact that social public expenditure as a percentage of GDP has stopped its expansion at slightly under the 16% observed since 2002 – overall, we must recognize that this is occurring in a context of per capita GDP growth of more than 3% per annum over the 2003-2007 period. This has allowed most Latin American countries to maintain macroeconomic equilibrium without having to forego the expansion of social expenditure needed to confront the problems of unemployment, poverty and indigence.

The progress made in strengthening institutions to administer social spending must by analyzed carefully. While targeted spending can increase significantly well-being among the poorest and has an important impact on inequality, its levels are limited in terms of counterbalancing the inequity rooted in primary income. And its distributive impacts vary according to its composition and coverage by sectors (social security and assistance, education, health, housing and sanitation) – factors that frequently correspond to budgets built on social protection systems that do not reflect emerging risks. Also, the great majority of countries, with few exceptions, must reverse the procyclical behavior of social public expenditure if they are to maintain a stable system of social protection for their most vulnerable populations. This echoes the recommendation made at the ECLAC 31st session (Montevideo, 2006): a new social contract is required, not only to determine the resources to be allocated to social expenditure within an orderly macroeconomic structure, but for this allocation to occur within a system of social protection where rights constitute the normative horizon to address existing inequalities and budgetary restrictions, through a combination of contributory and non-contributory financing mechanisms.

The author is the Executive Secretary of ECLAC.
demographic and employment factors that are bringing about a decrease in the ratio of dependants to job-holders, ECLAC notes. Programmes for poverty reduction and remittances from abroad also contribute to improved per capita income among the region’s poorest households.

Another trend examined in the report is the urban residential segregation, which erodes cohesion and underlies the reproduction of poverty.

**Public social expenditure continues to grow**

Sustained increases in public social expenditure as a percentage of regional GDP since 2002 slowed in accordance with high per capita GDP growth for the 2003-2007 period (more than 3% per annum). This has allowed most Latin America countries to maintain macroeconomic equilibrium without having to stop expanding social spending to attend problems of unemployment, poverty and indigence. The institutional framework delivering greater financial stability and legitimacy for social policy is becoming more consolidated.

According to the *Social Panorama of Latin America, 2007*, public social expenditure as a percentage of GDP has tended to converge at 16% of GDP over recent years. Parallel to the strong recovery of growth during this period, per capita public social expenditure rose by 10%. But important differences persist among countries, attributable, with few exceptions, to diverse levels of economic development. Only five of the 21 countries analyzed allocate resources at levels over the regional average.

However, the institutionality that underlies the level and structure of public social expenditure – and that conditions the impact of social policy on poverty and inequality – still leaves much to be desired. While expenditure has increased well-being among the poorest and has made a significant impact on inequality, its levels are too limited to counteract inequities that are the product of primary incomes. At the same time, increases of recent years have given priority to the area of social security, where distributive impact is less. Increases in education, health and social assistance, where distributive impacts are greater, have been relatively less important.

The ECLAC report states that many countries must undertake additional efforts to reverse the pro-cyclical behavior of public social expenditure in order to maintain a stable system of social protection for their most vulnerable populations.

**Internal migration and indigenous health**

Internal migration (or moving residence from one administrative division to another within the same country) is a familiar experience to many Latin Americans. According to the Census Round 2000, one out of every three Latin Americans now lives in a different town from the one in which he or she was born, and nearly one in 10 Latin Americans moved to a different town in the last five years of the 20th century.

Should these levels continue, Latin Americans will, on average, have changed their city of residence at least once in their lifetime, according to the ECLAC report. As a result, “the advance of regional urbanization has modified the profile of internal migrants, who now mainly move between or within cities.”

While in most countries, the principal cities continue to attract migrants, almost all cities in the region with a population over 5 million exhibit net emigration. Internal migration is fostering the consolidation of urban systems that are more diverse, more symmetrical and more open to economic and social development.

The search by migrants for better opportunities and the attraction that more-developed areas continue to exert are among the factors that have contributed to stagnation in rural areas. Migration flows from the countryside to the cities still exists, however, and are a prime cause of the absence of rural population growth in the region.

Areas within countries exhibit fewer socio-economic advances (including rural zones and those with indigenous population clusters) generate outward migration, with migrants tending to be younger and more educated than non-migrants. This migration “erodes the human resource base, thereby hindering progress and hampering efforts to improve the living conditions of those who remain there, constituting a geographical poverty trap,” the ECLAC document states.

On the other hand, in Latin America, the emergence of indigenous movements as political actors in democratic contexts more open to the creation of pluricultural States has enabled progress to be made towards recognition of the rights of indigenous peoples. Another factor is the recent Declaration on the Rights of Indigenous Peoples, which reinforces the existence of minimum standards for the human rights of this population.

The *Social Panorama of Latin America, 2007* also covers the progress and obstacles regarding indigenous health policies and programmes in the region. “Health sector reforms geared towards the equity, efficiency and quality of health benefits are conducive to furthering the application of indigenous health rights, with priority given to the active participation of the communities themselves,” it notes.

According to ECLAC, most Latin American countries have made advances in legislation on access to health services by indigenous peoples. But progress is still needed in comprehensive provision of the right to health, incorporating use and development of traditional medicines and protection of indigenous territories as living areas, as well as the full participation of indigenous peoples in the policies and programmes that affect them.

The report notes that the major challenge for public policy is to continue advancing toward the implementation of standards for the health rights of indigenous peoples. This means considering indigenous health as an integral concept and obtaining the full participation of indigenous peoples in the definition, management and assessment of policies and programmes. Progress must also be made in human resource training to achieve intercultural health dialogue.
We all agree. Climate change is real, and we humans are its chief cause. Yet even now, few people fully understand the gravity of the threat, or its immediacy.

Certainly I did not. It was only after I took a recent fact-finding “eco tour” of vulnerable regions that I realized the true magnitude of the danger. I have always considered global warming to be a matter of utmost urgency. Now I believe we are on the verge of a catastrophe if we do not act.

At the beginning of November, in Antarctica, I saw extraordinarily dramatic landscapes, rare and wonderful. It was the most vivid experience of my life. Yet it was deeply disturbing, as well, for I could see this world changing. The age-old ice is melting, far faster than we think.

You have heard how the famous Larsen ice shelf collapsed and disappeared five years ago. A giant slab of ice 87 kilometers long – the size of some small countries – vanished in less than three weeks. What if this “Larsen effect” were to repeat itself on a vastly greater scale?

At the Chilean research base on King George Island, scientists told me that the entire West Antarctic Ice Sheet is at risk. Like Larsen, it is a continuous sheath of floating ice, comprising nearly one-fifth of the continent.

If it broke up, sea levels could rise by six meters. Think of the effect on the coastlines and cities: New York, Mumbai and Shanghai, not to mention small island nations. It may not happen for 100 years – or it could happen in 10. We simply do not know. But when it happens, it could occur quickly, almost overnight.

It sounds like the script of a disaster movie. But this is science, not science-fiction.

Gino Casassa, a leading Chilean glaciologist with the Chilean Center for Scientific Studies and a member of the Intergovernmental Panel on Climate Change that recently shared a Nobel Prize, worries particularly about the Antarctic Peninsula - a finger of land on the northern coast that he designates as one of three global “hot spots,” along with Central Asia and Greenland.

Temperatures there are rising 10 times faster than the global average, he has found. Glaciers are visibly retreating. Grasses are taking root in Antarctica’s barren soil, including one used on American golf courses. In the summer, it rains rather than snows increasingly often. A decade ago, Casassa was a skeptic on climate change. Today, he fears a calamity.

I am not scare-mongering. But I believe we are nearing a tipping point. These are signs. I saw them everywhere I visited.

In Chile, researchers told me that roughly half of the 120 glaciers they monitor are shrinking, at rates twice as fast as a decade or two ago. These include the glaciers in the mountains outside the capital, Santiago, that provide fresh water for six million residents. To the north, increasing drought threatens the country’s mining industry, a mainstay of the economy, as well as agriculture and hydroelectric power.

I spent a day in perhaps the world’s most magnificent national park, Torres del Paine. Like Antarctica, it was beautiful, pristine and majestic – and equally troubling. The snows of the Andes are also melting faster than we think. I flew over Grey glacier, a virtual ice sea framed by towering alpine peaks. In 1985, it retreated a full three kilometers in little more than two weeks. Yet another demonstration of the abrupt, unpredictable and potentially devastating Larsen effect.

I ended my travels under a great Samaumeira tree on the island of Combu, not far from Belem in the Amazon river delta. This was the heart of the fabled “lungs of the earth,” the tropical rain forest prey to the deforestation and land degradation that accounts for an estimated 21% of global carbon emissions.

Scientists say that climate change could turn the eastern Amazon into savannah within decades. My own itinerary had to be changed at the last moment because a tributary of the Amazon I planned to visit, near the port of Santarem, had run dry from drought.

All this might have been discouraging. Yet I left Brazil immensely heartened. Largely unnoticed by the rest of the world, Brazil has transformed itself into a quiet green giant – a leader in the fight against global warming. Over the past two years, it has cut deforestation in the
Amazon by half. Vast tracts of jungle have been placed under federal protection.

In Brasilia, President Luis Inácio Lula da Silva assured me that the Amazon and its immense treasure chest of biodiversity was the common heritage of humanity and would be preserved. Brazil leads the world in renewable energy. It is one of only a few nations to successfully produce biofuels on a large scale. Yes, controversy surrounds the program. Some fear that land currently used to grow food will be converted to fuel. Others worry that forests will be cut to make way for biomass plantations.

It is up to governments to balance social costs and benefits. But the important point is that Brazil is acting. Its efforts to combat global warming are worth watching, as lessons for us all.

For too long, we have underestimated the urgency of climate change. It is time to wake up. In October, the UN Environment Program released its GEO-4 report, calling for “drastic steps” in the face of a challenge that “may threaten humanity’s survival.” In mid-November in Valencia, Spain, I presented the latest synthesis report of the Intergovernmental Panel on Climate Change. It is sobering reading.

Yet its conclusions are encouraging. The over-arching message: we can beat this. There are real and affordable ways to deal with climate change.

A recent report from the International Energy Agency was also cautiously upbeat. Global energy demand is rising more quickly than most estimates suggest – increasing 57% by 2030, according to IEA projections. But the amount of power generated by renewable sources, excluding hydroelectric, is expected to grow five-fold or more. As we see almost daily in the financial news, global business is going “green” in a big way.

All this sets the stage for the critical UN Climate Change Summit in Bali to be held in December. We need a breakthrough: an agreement to launch serious negotiations for a comprehensive climate change deal that all nations can embrace. The challenge will be to lay out an achievable agenda of issues, from transferring alternative energy technologies to helping developing nations finance their own programs for fighting and adapting to climate change.

We are all responsible for this. Climate change respects no borders; solutions must be global.

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The author is the Secretary-General of the United Nations. This op-ed was originally published in The International Herald Tribune, on November 16, 2007.
ECLAC Calls for...  

expansion of teaching personnel and provision of necessary educational materials, the document notes.

Progress in completing levels of education has been significant. In around 2005, approximately 92% of young people aged 15 to 19 had completed primary education. Completion of the early-secondary cycle rose from 53% to 71%, due to the efforts of many countries to make this cycle compulsory. Currently, some 50% of youths finish high school. But higher education continues to benefit young people from middle and high-income sectors nearly exclusively.

The most pressing problem identified by ECLAC is the quality of education as a reflection of social inequality. However, the commitment of teachers to students and school activities are extra-scholastic factors with an important impact on student performance. Teachers’ wages enable most families to live free of poverty, but do not generally allow for professional development, which discourages young people in higher education from becoming teachers. Commitment may also be weakened by a lack of teaching materials and equipment, school management, conditions in the school and other factors.

Compared with developed countries, Latin American countries display much more homogeneity in the composition of school communities in terms of parents’ socio-occupational status and levels of material well-being. This can produce educational segregation, with high-income students enjoying access to well-equipped schools, while lower-income students do not.

According to the Social Panorama 2007, countries must provide compensatory mechanisms for disadvantaged pupils; adequate wages for teachers; pedagogical tools and opportunities for teachers to apply their skills and methodologies; and sufficient educational equipment to improve the learning process, among other measures.

Source: ECLAC, on the basis of special processing of the OECD PISA 2000 database [online] http://www.pisa.oecd.org. a/ Countries in order of the performance levels of students in quartile 1 who attend the least well-equipped schools. b/ Refers to the existence of libraries, laboratories of chemistry, computation, multimedia rooms, among others.
Gender violence is the systematic violation of women’s human rights associated with discrimination, and is recognized as an obstacle to the economic, social and democratic development of nations.

During November, the Economic Commission for Latin America and the Caribbean (ECLAC) held two important meetings to review the situation of women living with armed conflict and violence, and the types of public policies being implemented in the region to guarantee security and equitable access by women to their rights.

Coinciding with the commemoration of the International Day for the Elimination of Violence Against Women (25 November), ECLAC presented “NO MORE! The Right of Women to Live a Life Free from Violence in Latin America and the Caribbean,” a new inter-agency report that reviews violence against women throughout the region in all its forms.

According to the report, statistics indicate that, for every 10 women in the region over age 15, four women in Peru and four in Nicaragua are beaten by violent husbands; three women in Mexico face emotional violence and two face economic violence; and three women in Brazil and two in Haiti suffer from physical violence.

The study notes that, between 1990 and 2007, more than 900 Chilean women were killed by their partners or ex-partners. In the Bahamas, femicide accounted for 53% of murders committed in 2000. In Uruguay, domestic violence takes the life of one woman every nine days.

Everywhere, more women die at the hands of male partners than from aggression by strangers. There are more similarities with other regions than differences, and violence is a threat regardless of race, ethnicity or social origin.

“The fact that levels of violence against women are similar among diverse regions shows that this is one of the few problems not resolved by national development,” noted José Luis Machinea.

To eliminate gender violence, the report recommends placing this problem at the center of the public agenda; reforming justice and security systems; strengthening provision of support services for victims; informing and raising community awareness, among other measures.

Peacekeepers

Just as reprehensible as the violence suffered by women in the domestic sphere is the threat to women’s dignity and rights produced in situations of armed conflict.

To address this, in October 2000, the UN Security Council approved Resolution 1325 (2000) on Women, Peace and Security, recognizing women’s role in conflict prevention, conflict resolution and post-conflict reconstruction, including peace-keeping operations. In this resolution, civil society and international organizations are encouraged to take action for gender-balanced participation in these areas.

To review implementation of this Resolution in Latin America and the Caribbean, the Office of the Special Adviser on Gender Issues and Advancement of Women (OSAGI) and ECLAC’s Women and Development Unit organized a High-Level Policy Dialogue. Participating were government authorities, legislators and UN system representatives, including Rachel Mayanja, Special Adviser to the UN Secretary-General on Gender Issues and Advancement of Women.

At the event, José Luis Machinea noted how Resolution 1325 (2000) “stresses the need to protect women and girls from violations of their human rights – especially sexual violence and other forms of gender-based violence – in conflict situations.”

Participants pointed to a lack of awareness among the governmental bodies directly involved with Resolution 1325 (2000) implementation, including Ministries of Defense, National Police and National Mechanisms for the Advancement of Women. But exceptions exist, as in Colombia, which has integrated the resolution into its policies; Plan Ecuador, to meet the needs of Colombian women refugees along Ecuador’s northern border; and Argentina, which created a Gender Policy Council this year to promote full participation by women in the nation’s Armed Forces.

For more information, see: http://www.eclac.cl/mujer/
NO MORE! The Right of Women to Live a Life Free from Violence in Latin America and the Caribbean (¡Ni una más! El derecho a vivir una vida libre de violencia en América Latina y el Caribe) * by ECLAC, in collaboration with a UN system working group. October 2007. (LC/G.2353). This publication was launched during the XVII Ibero-American Summit of Heads of State and Government, held in Chile in November, to provide governments with a broad, informative look at the basic dimensions of development in Ibero-American countries. Texts focus on internationalization and its challenges to regional economies, and specifically trade and investment. The publication is aimed at fostering cooperation among Ibero-American countries.


Hacia un nuevo Pacto Social: políticas económicas para un desarrollo integral en América Latina**, (Toward a New Social Contract: Economic Policies for Comprehensive Development in Latin America) by José Luis Machinera and Narcís Serra. This document is a preview of a forthcoming publication to be co-published by ECLAC and the Fundación CIDOB. Renowned experts discuss the components of economic policies – such as fiscal reform, public expenditure and social protection – that are the basis of a new social contract to guarantee Latin American political stability and economic development. Among the topics examined are Latin America’s relations with the emerging Asian economies.

Familias y políticas públicas en América Latina: una historia de desencuentros* (Families and Public Policies in Latin America: A History of Misencounters) by Irma Arriagada. October 2007. (LC/G.2345-P). This compilation contains studies from 19 experts who examined the social, economic and cultural transformations affecting families in the region. It looks at the principal shortcomings in provision of social welfare by the State and new challenges posed by global changes. It examines the diversity of policies aimed at families and their impacts in terms of social inclusion, well-being, legislative reforms, care-giving and conciliation of family and employment in the context of changing public policies.

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### CALENDAR

<table>
<thead>
<tr>
<th>MONTH</th>
<th>EVENT</th>
<th>PLACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOVEMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Visit of UN Secretary-General Ban Ki-moon. High Level Round Table Global Partnership for Development</td>
<td>ECLAC</td>
</tr>
<tr>
<td>15</td>
<td>Launch “Social Panorama of Latin America, 2007”</td>
<td>ECLAC</td>
</tr>
<tr>
<td>19</td>
<td>VI Seminar, Network of Authorities for Environmental Management in Latin American and Caribbean Cities</td>
<td>ECLAC</td>
</tr>
<tr>
<td>22</td>
<td>Families and Public Policies: A History of Misencounters</td>
<td>ECLAC</td>
</tr>
<tr>
<td>28 - 29</td>
<td>Latin American and Caribbean Regional Preparatory Implementation Forum for the XVI session of the Commission on Sustainable Development</td>
<td>ECLAC</td>
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<tr>
<td>DECEMBER</td>
<td></td>
<td></td>
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<tr>
<td>4 - 6</td>
<td>Second Regional Intergovernmental Conference on Ageing</td>
<td>Brasilia, Brazil</td>
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<tr>
<td>4 - 6</td>
<td>Third Innovation Fair and Awards Ceremony, “Experiences in Social Innovation” 2006-2007 Round</td>
<td>Porto Alegre, Brazil</td>
</tr>
<tr>
<td>6 - 7</td>
<td>ECLAC/GTZ Regional Forum: “Policies for Science, Technology and Innovation and Development in Latin America: Ideas, History, Challenges”</td>
<td>ECLAC</td>
</tr>
<tr>
<td>10 - 12</td>
<td>Regional Seminar on the Enforceability of Economic, Social and Cultural Rights</td>
<td>ECLAC</td>
</tr>
<tr>
<td>11</td>
<td>Regional Report on Millennium Development Goals 2006: A Look at Gender Equality and Women’s Autonomy</td>
<td>ECLAC</td>
</tr>
<tr>
<td>13 - 14</td>
<td>Expert Workshop on the Use of Vital Statistics: Possibilities and Limitations</td>
<td>ECLAC</td>
</tr>
<tr>
<td>JANUARY 2008</td>
<td></td>
<td></td>
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<tr>
<td>28 - 29</td>
<td>XX Regional Seminar on Fiscal Policy</td>
<td>ECLAC</td>
</tr>
</tbody>
</table>