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**ANTI-POVERTY ACTIVITIES OF THE GOVERNMENTS
OF LATIN AMERICA AND THE CARIBBEAN**

This document was prepared by the Social Development Division of ECLAC under the UNDP/ECLAC project to support the preparation of the Third Regional Conference on Poverty in Latin America and the Caribbean (RLA/92/013).

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Erratum

The editorial disclaimer for document LC/L.713(Conf.82/5)

Reads:

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FOREWORD

The fight against poverty is today one of the main objectives of societies throughout the world. The need to attack the causes and effects of this phenomenon has been recognized in the highest forums.

United Nations Secretary-General Boutros Boutros-Ghali, speaking before the Economic and Social Council, said that the current historical situation, in the wake of the cold war, offered the possibility of creating the necessary circumstances for the poor, the needy and the suffering to enjoy a better life.¹ The Secretary-General also underlined the need to fight poverty as a way of ensuring world peace.²

For its part, the Economic Commission for Latin America and the Caribbean (ECLAC) has attached special importance to the poverty problem in its development proposal for the region, suggesting an integrated approach that combines economic growth with social equity in a democratic political framework and a meaningful integration with the international economy.³

With regard to ecologically sustainable development and the poverty problem, a statement was made at the Earth Summit held in June 1992 in Rio de Janeiro to the effect that it was especially important to fight boldly against the vicious circle of poverty in which so many millions of human beings were trapped, which forced them to solve the daily problem of survival by destroying the environment and the very resources on which their own future life and well-being depended, thereby increasing environmental risks at the world level.⁴

¹ Statement made at the Economic and Social Council High-level Segment on Enhancing International Cooperation for Development, held in New York on 6 July 1992.

² See Boutros Boutros-Ghali, An Agenda for Peace. Preventive Diplomacy, Peacemaking and Peace-keeping, statement adopted on 31 January 1992 at the Summit Meeting of the Security Council, United Nations, New York, 1992, p. 13.

³ See, in particular, Changing Production Patterns with Social Equity. The Prime Task of Latin America and the Caribbean in the 1990s (LC/G.1601-P), Santiago, Chile, 1990, and Social Equity and Changing Production Patterns: An Integrated Approach (LC/G.1701(SES.23/3), Santiago, Chile, February 1992.

⁴ Statement by Maurice F. Strong, Secretary-General of the United Nations Conference on Environment and Development at the Earth Summit in Rio de Janeiro, June 1992.

In line with this concern, the Second Regional Conference on Poverty in Latin America and the Caribbean, held in Quito in November 1990, agreed to institutionalize this forum and to meet every two years, periodically uniting the highest social policy authorities in the region. It was also agreed to accept the offer of the Government of Chile to host the Third Regional Conference on Poverty in Latin America and the Caribbean.

Following consultations, and pursuant to the decisions of the Second Conference, ECLAC accepted the responsibility of preparing the documentation for this meeting.

As part of the documentation, this report is based on the replies to the Selective Survey of Governments on Poverty Reduction Policies and Programmes, sent by ECLAC to all the countries of Latin America and the Caribbean to collect information on advances made and obstacles encountered by Governments in their fight against poverty.

Seventeen countries⁵ of the region replied to the survey or submitted documents relating to the topics dealt with therein. The Technical Secretariat has reproduced the replies to the questionnaire in order to make available to all countries up-to-date information on experiences in anti-poverty activities. These are accompanied by a general introduction which contains the main country-to-country similarities and differences in trends.

The heterogeneity of the data contained in the replies and the differences in methodology used in each country to obtain quantitative social-sector estimates made it impossible to assess with any precision the achievements of each country and of the region as a whole. However, the replies give a general picture of the efforts being made to carry out programmes and introduce institutional, financial, methodological and conceptual reforms to lay the foundation for a series of social policies especially designed to reduce poverty.

⁵ Argentina, Bolivia, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Paraguay, Peru and Venezuela. Colombia and Uruguay sent background information which was too extensive to be reproduced as addenda to this document. It was not possible to include the replies of Belize and Mexico in this analysis; its text is attached as an addendum.

INTRODUCTION AND SUMMARY

On the eve of the Third Regional Conference on Poverty, "most of the Latin American countries [are] in the process of recovering from the protracted crisis of the 1980s and the traumatic adjustments they had to make in order to pull themselves out of that crisis ... the countries' economic reactivation is still very weak, the stability of their macroeconomic balances is still quite delicate, and their investment rates are still too low.... Furthermore, economic policy must still contend with the imperative of seeking out ways to provide productive employment and restore the purchasing power of the poorer strata of the population, who paid such a high price for the crisis of the 1980s, since the only alternative is to permit the continuation of the social de-integration entailed by the progressive marginalization of these sectors".⁶

Given that the relatively brief period since the Declaration of Quito has been characterized by an incipient economic recovery, the greatest advances in the anti-poverty strategy have been reflected not so much in the improvement of specific social indicators, but rather in certain attempts to enhance the quality of services and to increase the efficiency of social policies.

This assessment is based on government replies to the Selective Survey of Governments on Poverty Reduction Policies and Programmes. It underlines, in particular, the need to have the political will to take a series of innovative and imaginative steps to improve the lives of the most vulnerable groups, and the importance of developing or reforming institutions to enhance social management.

At the central government level, continued efforts are being made to rationalize the State's role as provider of social services and to target social spending on the most needy, and there are signs that such spending has risen from the low levels to which it had dropped. Decentralization is another of the common features of social management, not only because it results in greater participation by local governments but also because it allows room for the private sector and, in particular, for the beneficiaries themselves, to help implement the many new, self-managed programmes or efforts involving broad community participation.

⁶ See ECLAC, "Economic Panorama of Latin America, 1992" (LC/G.1742), Santiago, Chile, September 1992, pp. 5-10. It is important to note that this quotation should be regarded as a general trend, rather than necessarily being valid for all the countries of the region.

Thus, the most relevant achievements in the past two years have been institutional, technical and community-based. Together with the significant new trend towards administrative decentralization and the creation of high-level bodies for efficient cross-sectoral, ongoing coordination of social programmes, technical units for the review and assessment of social policies have been either formed or consolidated.

The recommendations concerning social-sector achievements contained in the Declaration of Quito were closely followed by the Governments of the region. In the health field, efforts were redoubled to continue reducing child malnutrition, with good results in most countries, and considerable progress was made on child immunization programmes. Moreover, integrated local health systems which place emphasis on community-level primary health care have been developed in many countries.

In the field of education, additional efforts are being made to reduce adult illiteracy, expand coverage of basic education in the most needy countries and extend pre-school education, generally in combination with nutritional supplements, in view of the benefits of early stimulation of learning.

The development of the small-scale economy, regarded as one of the surest ways of generating income and therefore as a more permanent means of overcoming poverty and marginality, has been encouraged in most countries by providing specific credit programmes and various types of training—primarily managerial—to those who plan to establish or have established micro-enterprises.

Another sector which Governments are greatly concerned about, in view of its enormous deficit, is that of housing. The many construction and self-help housing programmes have therefore been made more flexible and imaginative, adapting them to the various types of needs of the homeless population. This helps to reduce the housing deficit, which has been on the increase in cities as a result of the rise in the number of urban poor.

One of the gaps that most urgently needs to be filled in successfully carrying out an anti-poverty strategy is the continued lack of statistical data on the basis of which to assess the impact of social policies, despite efforts to set up evaluation systems and social indicator banks in a number of countries. Another is the absence of a strategy to involve the private sector in the commitment to poverty reduction, and the shortage of official agencies that would be capable of coordinating the activities of non-governmental organizations (NGOs).

Many efforts have been made to create appropriate bodies to coordinate social and economic policies as a fundamental part of any integrated development strategy,⁷ although much remains to be done in that area.

The Selective Survey of Governments on Poverty Reduction Policies and Programmes was elaborated on the basis of the goals proposed at the Second Regional Conference on Poverty, held in Quito in November 1990, in order to collect official information about the activities carried out by each country in poverty reduction, including their goals and achievements.

⁷ See ECLAC, Social Equity and Changing Production Patterns..., op. cit.

The survey is divided into five sections containing the main topics dealt with in the Declaration of Quito. The first includes the most relevant aspects of each country's situation with respect to poverty, and its most pressing needs. The second section, on sectoral goals and achievements, requests information on the progress recorded in achieving the goals set two years previously in health and nutrition, education, employment in small-scale industries, and housing. Topics relating to financing are presented in the third section, with regard to both the pattern of government social spending and resources received from international cooperation and the private sector, together with the contribution of the beneficiaries themselves to social programmes within the new approach to social management. The fourth section discusses aspects of institutional development such as reforms and the creation of new institutions or agencies. Lastly, in the fifth section, the survey requests information on government policies to increase the participation of the poor themselves in poverty reduction activities. It also attempts to assess the degree of NGO participation in the design, execution and evaluation of social policies.

The purpose of the present document is to summarize the countries' official replies to the questions in the above-mentioned five sections and to suggest, in a sixth section, some conclusions as to advances and achievements recorded in poverty reduction.

I. GENERAL ASPECTS

The question of how to quantify poverty is a concern of all the Governments. However, it will not be treated in this report, since another Conference document will examine it in detail.

Efforts are being made in Latin America not only to quantify poverty, but also to characterize certain low-income groups and define priority activities for their benefit. Among these groups, many countries give priority to children and adolescents.⁸ The reason is that in many countries more than half the population is under age 15. There is also a need to prepare children and youth for their future entry into the labour market as skilled workers.

Countries that have suffered or still suffer from long periods of violence have developed a specific kind of poverty because of that violence. Large groups of people have been displaced by civil war, drug-related violence or similar situations (for example, demobilized resistance fighters and soldiers in Nicaragua; people who have moved to Lima to escape areas dominated by the Shining Path Guerrilla Group, and refugees, repatriates and demobilized forces from the conflict in Guatemala).⁹

These priority groups generally overlap with specific areas of sectoral action, such as youth and education, mother/child health care, unemployment and job creation.

It is interesting to note that the tendency to work by priority social sectors is more common in poorer countries (Bolivia, El Salvador, Nicaragua). Relatively fewer poor countries give special emphasis to predetermined target groups, as in Brazil, Chile and Costa Rica.

⁸ Important in this regard are the results of the summit meeting of Central American Presidents, held in Tegucigalpa, Honduras in December 1991. A decision was taken in that meeting that all the countries would elaborate special programmes for human, child and youth development, designed to meet the needs of those age groups. Some of these programmes are already under way.

⁹ Nicaragua has launched the Programme for National Reconciliation and Social Rehabilitation for these people. Among other activities, the programme seeks to undertake development projects to ensure the reinsertion of the most vulnerable groups affected by the war, combined with rehabilitation to help overcome poverty.

The war directly affected 600,000 people (out of a total population of 3.9 million), among them the displaced, repatriated and demobilized.

The Peruvian Government formed a technical commission for persons displaced by violence, in order to respond to the various aspects of the problem and to deal with the abandonment and poverty of those sectors as a top priority of its peace policy. Estimates of that population are not yet available.

Guatemala established the National Peace Fund (FONAPAZ), administered by the office of the President of the country, for the socio-economic rehabilitation of the population directly affected by the war, presently numbered around 2,300,000.

Four replies (Chile, Colombia, Costa Rica, Guatemala) mention the elderly as a target group for social action, which is consistent with the finding of several studies that the number of old people in the region has increased significantly,¹⁰ requiring social services to adapt to this group.

Only three countries (Chile, Costa Rica, and Nicaragua) mentioned the disabled. They comprise close to 10% of the population in Chile and Nicaragua.

Another point that deserves to be mentioned is the renewed importance attached by Governments to poverty reduction as one of their national priorities. This is manifested by government commitments to social policies and programmes, whose objectives and achievements are found in official documents on anti-poverty strategies in almost all the countries of the region.¹¹

During most of the 1980s, marked by economic crisis and declining social expenditure, social policy became a compensatory and emergency response to the negative effects of economic adjustment programmes on the most socially vulnerable population groups.¹²

In this context, social policy was subordinated to economic adjustment policies. Priority was given to the search for mechanisms to optimize declining social expenditures by targeting their use and revising the structure of subsidies. Social emergency funds were established to compensate for the drop in income of the poorest groups, self-help projects were promoted and community works became part of anti-poverty strategies.

In recent years, Governments have seen the need to redefine the relationship between economic and social policy, re-establishing the latter as a basic part of an integrated development policy, where social policy ceases to be compensatory and begins to play an active role in bringing about changes that lead

¹⁰ See ECLAC, Social Equity and Changing Production Patterns... op.cit., p. 31. The elderly population in Latin America has grown from fewer than 9 million in 1950 to almost 31 million in 1991. ECLAC, Las personas de edad en América Latina: un sector estratégico para la política social en los años noventa (LC/R.833), Santiago, Chile, May 1991, p. 13.

¹¹ Some of these documents are: Argentina, "Federal Solidarity Programme", January 1992, and "Real Estate Programme" for the housing sector; Bolivia, "Bolivian Social Strategy", 1991; Brazil, "1991-1995 Multi-Year Plan", which contains a chapter on "Federal Government action: the war against poverty"; Chile, the social action documents of the Ministry of Planning and Cooperation (MIDEPLAN), 1990, 1991, 1992; Costa Rica, "Programme of Social Promotion and Strengthening of the Productive Social Sector 1990-1994"; Ecuador, the chapter on social policies in "National Plan for Economic and Social Development 1989-1992"; Guatemala, "Plan of Action for Social Development 1992-1996" of the National Council on Economic Planning; Nicaragua, "National Plan on Human, Child and Youth Development 1992-2000" and "Social Development Policy and Reduction of Poverty", still being elaborated; Panama, "National Strategy for the Reduction of Poverty", February 1991, and the "Plan of Action for Human, Child and Youth Development 1992-2000", November 1991; Peru, "National Plan for Social Development in the Medium Term 1991-1995"; and, in Venezuela, the "Eighth National Plan" considers the war against poverty as a strategic objective.

¹² For a number of social development proposals for the 1990s and a discussion on the interrelation between economic and social policy, see Adolfo Gurrieri, "El desarrollo social en los años noventa: principales opciones", A. Gurrieri and E. Torres-Rivas, Los años noventa: ¿desarrollo con equidad?, FLACSO/ECLAC, Santiago, Chile, 1990, pp. 10-61.

to more equitable societies. Economic and social policy should be coordinated in order to begin the kind of integrated development strategy that promotes changes in production patterns together with social justice.¹³

Most of the replies note the need to reorganize the State's role in social matters, especially the need to decentralize government functions by transferring them to local, provincial and/or regional agencies, and the need to move beyond paternalistic social policies.

Such measures, however, do not imply weakening the State's presence in social development. The goal is rather to strengthen it by making it more efficient in ensuring balanced social development.¹⁴

¹³ This trend finds expression, for example, in the Bolivian Social Strategy, which states that "the concept of integrated development implies that economic policy is inseparable from social policy". In the 1990-1992 social report from Chile's Ministry of Planning and Cooperation (MIDEPLAN), a positive evaluation is given to the development strategy based on growth and social equity, and equal importance is given to the economic challenge of "becoming a country that can compete successfully ... by modernizing its productive apparatus ... and integrate into the world economy" and the social challenge of "raising the quality of life of the Chilean people and overcoming poverty". The National Reconstruction Project of Brazil states that the consolidation of the democratic process requires that economic stagnation and the precarious financial situation be overcome, that the State increase its operational capacity, and that poverty levels be reduced. In Colombia, the proposal entitled "Social Upheaval", presented to Congress in July 1992, affirms that "investing in Colombians ... will make the economy grow and meet the needs of the people", pointing to the interrelationship between the economy and society. Along these same lines, Ecuador drew up the National Plan for Economic and Social Development (1989-1992), where it states that "strengthening social peace is the best way to achieve balanced economic and social development". Guatemala elaborated its Economic and Social Policy of the Government of Guatemala 1991-1996, which holds that "political, economic and social democracy must be promoted ... in order to solve the structural problems that prevent the fulfilment of the objectives that would generate well-being for all Guatemalans".

¹⁴ By way of illustration, some ideas may be cited concerning the new role of the State in the future: in answer to the Selective Survey the Government of Brazil said that the State should gradually withdraw from the economy and production in order to deal more forcefully and competently with social issues, and that "The experience of modern democracies points to an active presence of the State with a broad view of social problems, to guarantee the basic rights of citizens, and not the perspective that dominated the Government of Brazil during most of the period since 1964, when it saw social progress as the almost exclusive and natural consequence of economic growth".

In Chile, the Minister of Planning and Cooperation, Mr. Sergio Molina, stated that the State should generate "opportunities for individuals, families, groups and communities that have been marginal over a long period of time, so that they may participate in the efforts and fruits of development". See Ministry of Planning and Cooperation (MIDEPLAN), Avanzando en equidad: un proceso de integración al desarrollo, 1990-1992, Santiago, Chile, April 1992, p. 9.

In Colombia, President César Gaviria Trujillo summarized the redefined role of the State in this manner: "A State neither absent nor omnipresent: an efficient State", in his speech to Congress on his new social strategy ("Social upheaval"), 20 July 1992, in Bogotá, Colombia.

II. SECTORAL GOALS AND ACHIEVEMENTS

HEALTH AND NUTRITION

In the Declaration of Quito, the Second Regional Conference on Poverty in Latin America and the Caribbean stated that "it is feasible to substantially close the gaps in key sectors such as housing, water, sewage, electricity, basic education, food and health". On this basis, a set of sectoral goals was proposed with the primary objective of reducing poverty levels.

The information contained in the Selective Survey on sectoral achievements¹⁵ reveals the following trends:

In the area of nutrition and health, it was noted that most countries reduced their rates of child malnutrition among children under five years of age.

The countries with the highest national levels of child malnutrition —of those that included this information in their responses— are Bolivia, Brazil, Ecuador and Guatemala, with 36.2%, 30.7%, 50% and 57%,¹⁶ respectively. In those countries, therefore, the problem of nutrition is treated as a social policy priority.

The Government of Brazil intends, as part of a broad range of nutrition measures, to increase the number of beneficiaries of supplementary feeding programmes from 6 to 10 million pregnant women, nursing infants, mothers and children under three years of age from low-income families over a five-year period (1990-1995).

One of the five maternal-child nutrition programmes currently operating in Ecuador is the school snack programme, which provided supplementary feeding to 835,000 school-age children in 1990-1991 and to 1.1 million children in 1992.

Figures in the countries with the lowest incidence of malnutrition among children under five years of age range from 7% to 18.4%.

It is the goal of almost every Government to wipe out acute malnutrition (low weight for the child's height) by the year 2000. In the short and medium term, there is a tendency to strengthen maternal-child supplementary nutrition, in particular by distributing food to the poorest families on the assumption that the State should play a basic role in this activity.

¹⁵ The sectoral goals and achievements cover the two-year period 1991-1992. The Selective Survey makes it clear that this should be considered only as a reference period, since every country draws up its social action plans for different time-periods.

¹⁶ In the case of Ecuador, 50% of the pre-school population suffers from chronic malnutrition (below average height for their age group); 37% of children in the same age group from global malnutrition (low weight for their age); and 4% of the pre-school population from acute malnutrition (low weight for their height).

Concerning infant mortality, most of the replies included general information on this problem among the population under five years of age.¹⁷

The following chart summarizes the infant mortality rates given in the responses to the selective Survey and the reduction targets for the coming years:

Country	Infant mortality rate among children under five years of age per 1,000 live births	Reduction targets
Argentina	(1991) 23.8	(1995) 20.0
Brazil	(1986) 66.9	(1995) 40.0
Bolivia	(1986) 102.0	(2000) 55.0
Colombia	(1988) 39.0	(1994) 29.0
Costa Rica	(1991) 14.2	(1994) 13.5
Chile	(1990) 16.0	(?) Reduction in regional rates
Ecuador	No information available	No information available
Guatemala	(1989) 102.0	(1996) 74.0
El Salvador	(1990) 56.0	(?) 50.0
Nicaragua	(1991) 71.8	(1996) 61.0
Panama	(1991) 21.3	(1995) 20.0
Peru	(1990) 119.0	(1995) 90.0
Paraguay	(1990) 40.4	(1995) 34.3
Uruguay	(1988) 23.91	(1994) 19.5
Venezuela	(1989) 24.09	(2000) 12.04

It should be noted that the infant mortality rates given here do not reflect regional differences. For example, in Colombia, the rate in 1988 was 39 per 1,000, but mortality along its Pacific coast was nearly 110 per 1,000.

Another noteworthy case is that of Brazil, where the rate is 40 per 1,000 live births nationally, but 135.6 per 1,000 in the northeast.

¹⁷ The average for Latin America in the 1985-1990 period was 59.8 cases per 1,000 live births. See ECLAC, *Social Equity and Changing Production Patterns: An Integrated Approach*, Santiago, Chile, 1992, p. 42.

The Second Regional Conference on Poverty set a goal of eliminating neonatal tetanus by the year 2000. To that end, the Governments of the region began implementing a package of measures to expand tetanus immunization coverage to women of child-bearing age, provide professional obstetrical care and detect tetanus risk zones.

Three countries reported that there was no incidence of neonatal tetanus in the 1990-1991 period, but that they were continuing their immunization programmes none the less. In the other countries, the incidence of tetanus was 38 cases per 1,000 live births.¹⁸

Most Governments believe they can wipe out tetanus completely by 1995 at the latest, which means they will be fulfilling the targets set by the Declaration of Quito in advance.

Concerning child immunization coverage, the target set by the Declaration of Quito is to attain a regional average of at least 85% in this decade.

If the levels of child immunization coverage in 1988 are compared to those of 1990-1991, the responses to the Selective Survey would seem to indicate that a number of countries in the region have made major strides in this area.

Argentina increased its national coverage to 90% of children under one year of age which, in 1988, was 74% for tuberculosis, 61% for diphtheria-pertussis-tetanus (DPT), 70% for polio and 68% for measles.

In Ecuador, in 1988, immunization coverage was 57% for DPT, 57% for polio and 52% for measles, as compared to 59.5%, 60.6% and 53.7%, respectively in 1991.

In El Salvador, DPT and measles immunization coverage stood at 76% in 1990, up from 61% and 63%, respectively, in 1988.

In 1992, coverage in Panama rose up to a national average of 82% for all vaccinations, up from 75%, 73% and 75% for DPT, polio and measles immunization coverage respectively, in 1988.

Extending health service coverage to the entire population was another target set by the Declaration of Quito to be attained by the year 2000. In this context, the development of integrated local health systems designed to promote community participation, placing emphasis on preventive actions and assigning priority to the strategy of "basic health care" was proposed.

The responses to the Selective Survey provided little information about health service coverage; integrated local health systems were successfully launched in at least eight countries. Consequently, there are Local Health Services in Colombia and Panama, Local Integral Health Care Systems (SILAIS) in Nicaragua, the Programme for the Integrated Development of Health Services in Bolivia and integrated local health systems in the other countries.

¹⁸ In Nicaragua, neonatal tetanus was the cause of 0.9% of infant deaths in 1989; the main means of controlling this disease is increasing the coverage of institutional obstetric care.

EDUCATION

The main educational targets set in the Declaration of Quito for the entire region in the 1990s were: to reduce adult illiteracy to at least one half of 1990 rates, emphasizing female literacy; to increase access to basic education to 80%; to take action to encourage children to finish primary school; and, lastly, to promote the expansion of pre-primary education coverage.

Of the responses that included information on adult illiteracy, the rates ranged from 5.5% to 49.0% among the age 15 and over population.¹⁹ In every country, however, adult literacy programmes are sponsored by the Ministry of Education. They are generally combined with some other type of service such as vocational or citizenship training with the aim of encouraging participation by the target population.²⁰

With respect to increasing access to basic education, in most countries 80% of the children do have access, although the coverage in some countries (Bolivia, Ecuador and Paraguay) is lower.

Almost all Governments are determined to raise the quality of instruction and prevent primary school pupils from repeating the year or dropping out.²¹ Based on the responses received, the measures adopted by Governments in order to resolve these problems can be subdivided into four categories: social, institutional, conceptual-methodological and budgetary.

The following social factors usually linked to family poverty, were mentioned in the replies as being conducive to dropping out or repetition: children's early entry into the labour market; in the case of farm children, the fact that the agricultural and school calendars do not coincide; frequent changes of residence by job-seeking parents; basic education's lack of standing as a prerequisite for social mobility and individual and social financial gain, especially among girls. Compounding this is the poor preparation for primary school because of the low coverage of pre-school educational systems. Concerning this

¹⁹ The average illiteracy rate for the region among the population age 15 and over was 15.3% during the period 1985-1990. See ECLAC, Social Equity and Changing Production Patterns..., op. cit., p. 41.

²⁰ According to the United Nations Children's Fund (UNICEF), in 19 Latin American countries, adult illiteracy rates have been reduced by almost half, using 1970-1990 as the base period. Significant progress in female literacy was also registered: while there were considerable differences between men and women in some countries in 1970, they tended to even themselves out in 1990, with the exception of Guatemala, Honduras and Peru. See UNICEF, State of the World's Children 1992.

²¹ According to the response from the Government of Brazil, for example, the problem is not so much access to basic education as the high drop-out rates in the first cycle —40.1% of all children— and the rate of primary school (53.7% in the first and second grades).

The situation in Colombia is similar, for, although more than 90% of all children enter first grade, 40% do not complete the primary cycle and one third of enrolment consists of children over the normal age, largely because of high repetition rates. See National Planning Department of the Republic of Colombia, Educational Open Door Plan 1991-1994, Administrative Summary, document MEN-DNP-2518-UDS-DEC, Bogotá, 1991.

situation, Governments are doing more to keep children in school by providing meals, free textbooks and school uniforms and supplies.²²

Among the institutional measures that should be mentioned are the efforts to decentralize basic education by delegating responsibilities in this area to municipalities and regions with the aim of tailoring national education plans to local needs. Efforts are also under way to improve the administration of education ministries by training their personnel, modernizing their technical equipment and improving the physical infrastructure of administrative and educational establishments.

With respect to conceptual-methodological measures, most countries are carrying out or have introduced educational reforms that seek to upgrade the quality of basic education²³ and make it more

²² In the replies to the Selective Survey, the following programmes to deal with school children's social problems are mentioned: Argentina, the establishment of integral school meal programmes for school children from ages 6 to 14 (1,202,500 pupils) whose basic needs are not met; in Bolivia, the Social Investment Fund (FIS) is promoting the establishment of, *inter alia*, mother-child meal programmes to provide basic instruction to children from 6 to 14 years of age in order to compensate for their absence from the formal education system; in Brazil, the Student Assistance Foundation (FAE), the Ministry of Education and the National Education Development Fund (FNDE), among other institutions, have textbook and library, school meal and school health programmes. In addition, the establishment of integrated child welfare centres under the Minha Gente Project provides for the needs of impoverished school children under the auspices of the Ministry of Education, the Ministry of Health and the Ministry of Social Action; Chile, has a programme to improve and expand school meals, administered by the National Student Assistance and Scholarship Board; in Colombia, the Colombian Family Welfare Institute (ICBF), the Ministry of Education and municipalities have strengthened the school cafeteria programme whose goal for 1994 is to feed 2 million pupils between the ages of 7 and 14, provide urban school children with a nourishing snack and serve lunch to rural school children. The food will be fortified with iron in order to reduce anaemia from which 21% of the children enrolled in school currently suffer; in Costa Rica, the priority assistance and social welfare projects under the Programme for Social Advancement and the Strengthening of the Productive Social Sector are the school uniforms, school supplies and school meal programmes; in Ecuador, the school meal programme, which, between 1990 and 1991, provided supplementary feeding to 835,000 children, was extended to 1.1 million children in 1992; in Guatemala, the nutritious school meal programme is expected to cover the entire pre-school and primary school enrolment by 1996; in Nicaragua, the school snack programme with milk and the school snack programme including a nourishing cookie are being formulated; in Panama, the school health and nutrition programme was expanded: between 1990 and 1991, its budget was doubled; Peru offers a milk programme; in Venezuela, the Ministry of Education is offering the following socio-educational programmes for students with the aim of keeping them in the system: meal scholarships, milk stamps, cereal stamps and school supplies and uniforms.

²³ The following measures to upgrade the quality of education are mentioned in the responses to the Selective Questionnaires: In Argentina, the Federal Education Act was adopted in February 1991. It is aimed, *inter alia*, at upgrading the quality of teaching by overhauling the curriculum. Within this context, the Ministry of Culture and Education and the Department of Pre-primary and Primary Education designed the Educational and Social Resources Centre (CREAS) which offers basic education to abandoned children or children who did not attend primary school. In Bolivia, Educational Reform was begun in 1990. The Ministry of Culture and Education proposed the "School for Life" educational strategy based on bilingual, multicultural education which incorporates productive and environmental

responsive to the needs arising out of economic and technological change. To that end, both the content and presentation of school curricula have been revamped in order to better convey the subject-matter and evaluate achievement. Regular teacher evaluation mechanisms have also been established and, in some cases, the State offers teachers financial incentives to remain in rural areas.²⁴ In countries with a sizeable indigenous population, an effort is being made to strengthen or create bilingual primary education systems.²⁵

With respect to budgetary measures, the responses indicate that Governments are concerned with increasing teacher salaries, building basic schools where there are none, rehabilitating dilapidated schools and equipping libraries, laboratories and workshops.

concerns. In this spirit, the Social Investment Fund (FIS) will implement the Multi-grade Basic Rural Education System in the formal education sector, and Full-service Educational and Multicultural Centres in the informal education sector. In Brazil, the Ministry of Education is promoting a programme for the Development of Basic Education and its Universalization to the year 1998 and the introduction of Integrated Child Welfare Centres under the Minha Gente Project. Chile launched the Programme for Better-quality Education with Greater Social Equity (MECE), in 1991, focusing on pre-school basic and intermediate education. This programme included the 900 Schools Project for the poorest schools, representing 11.8% of the country's free basic schools. In Colombia, the Open Door Plan 1991-1994 contemplates a package of measures to upgrade quality of instruction by changing the focus of the Programme for the Universalization of Basic Primary Education that the New School Programme will offer in every rural area of the country. In Ecuador, the Programme to Eliminate School Marginality (AMER) and the Programme for Better-quality Basic Education (PROMECEB) were launched in 1990. In El Salvador, the Ministry of Education has implemented the Programme for Education with Community Participation (EDUCO) in order to broaden the coverage of basic education, increase the number of teachers and improve infrastructure. In Guatemala, a package of measures designed to upgrade the quality and effectiveness of education is being considered under the Action Plan for Social Development. Nicaragua has elaborated a National Action Plan on the "Declaration on Education for All", which, *inter alia*, includes the establishment of an Educational Supervisory and Teachers Advisory Network in order to keep more students and teachers in school and improve school administration. Panama has elaborated a draft law to reform the current Basic Education Act. Qualitative improvement of the educational system is the objective of the draft law. Paraguay has launched primary school teacher training programmes and is encouraging them to earn degrees with a view to lowering the school drop-out and repetition index. In Venezuela, the Ministry of Education is promoting a package of measures to maximize the quality of basic education which contemplates institutionalizing mechanisms for improving the quality of teachers, emphasizing the acquisition and mastery of reading, writing and arithmetic skills, overhauling the curriculum and rescheduling classroom hours.

²⁴ In Colombia, for example, a system of incentives will be established, including personal health insurance for teachers and their families and access to the low-cost housing programme with the aim of ensuring that new teachers will remain in rural areas. In Bolivia, the construction of teacher housing, on request, is being considered under the Multi-grade Basic Rural Education System.

²⁵ In Bolivia, the educational strategy promoted by the Ministry of Education, "School for Life" revolves around bilingual and multicultural education. In Ecuador, the National Department of Bilingual Education was just established in 1991; in 1992, it was already covering 74,000 pupils a year. Its chief objective is to meet the educational needs of the indigenous population and develop an educational system in keeping with the country's social, cultural and linguistic reality. In Nicaragua, the Bilingual Education Programme for the Atlantic Region is being continued.

With respect to increasing pre-school coverage, countries take view that pre-school education is a basic prerequisite for preparing children to enter school because it builds alertness early on and does more to guarantee they will remain in school. Governments have therefore set quantitative targets for increasing their coverage,²⁶ which, at this time, ranges between 4.8% and 68.3%, according to the data given in the responses.

The reported rates of coverage also include pre-school for children outside the formal school system,²⁷ which includes a significant percentage of the population from zero to six years of age in some countries.

²⁶ In Argentina, the subprogramme Promotion and Improvement of Kindergartens is being considered under the Programme for the Extension and Improvement of Pre-school Education offered by the Ministry of Culture and Education. It would serve children under six years of age, devoting special attention to underprivileged children. Its goals are, *inter alia*, the preparation of common national teaching materials for kindergartens and the maximization of pre-primary educational services offered. In Brazil, the goals of the National Literacy and Citizenship Education Programme (PNAC) 1990-1995 are the total universalization of basic education by 1998 and the elimination of illiteracy. Prerequisites to that end include improving the quality of basic instruction and increasing pre-school education by at least 10%. Better coordination between pre-school and basic education area also contemplated. Chile set the Programme for Better-quality Preschool Education with Greater Social Equity in 1990. It is providing services to approximately 62,000 children. Colombia will implement Public School Pre-school Programmes to ease the transition between home and school. Its goal for 1995 is to reach 630,000 pupils (90% of six-year-olds). In Ecuador, within the framework of the National Action Plan for Children, 115,034 children under five years of age were covered between 1990 and 1991 in the regular school system. Pre-primary bilingual instruction is offered in 53 pre-primary nursery schools. In El Salvador, pre-primary coverage went from 14% in 1989 to 10% in 1991. This achievement can be attributed to the Integral Child Services Programme (PAIN) and the Programme for Education with Community Participation. In Guatemala, the Action Plan for Economic and Social Development (PLADES) begun in early 1992 includes measures to increase primary and pre-school enrolment. In Nicaragua, the Integral Preschool Services Project is being negotiated. In Panama, the Pre-school Education Programme has been elaborated for the period 1992-1994; similarly, the draft law on reform of the current Basic Education Act establishes free, compulsory pre-school education. Venezuela launched the Project to Expand Pre-school Coverage (1991-1994), which specifically targets marginal urban and rural areas.

²⁷ Some countries mention their most important agencies and systems for offering pre-school instruction outside the formal system. In Chile, a significant percentage of pre-school children are taught in non-conventional systems such as the Open Centres sponsored by the National Foundation for Integral Child Development (INTEGRA). In Ecuador, non-conventional pre-school instruction is provided by the Community Children's Network through the following programmes: Mother-Teacher, Grandmother and I, From Toddler to Child and recreational facilities for low-income mothers and children. In Venezuela, such instruction is provided through Day Care Centres and Family Shelters, Child and Family Centres, Child Welfare and Rural Child Welfare Networks.

EMPLOYMENT: SMALL-SCALE ENTERPRISES

The centrepiece of the poverty reduction strategy in Latin America and the Caribbean is job creation and income generation. As in the 1980s, "small-scale enterprises", that is, small units of production in urban and rural areas with less than 10 workers, generated a substantial portion of the new jobs created in the region. The Second Regional Conference on Poverty, held in Quito, attached great importance to the role of small-scale or micro-enterprises.

In this context, progress has been achieved in improving conditions in this sector, addressing its weaknesses and providing the support it requires. Problems arising from its vastly heterogeneous forms of production, workers and geographic locations have been pinpointed. It is characterized by, *inter alia*, low productivity, the low educational level of its workers, marketing problems and its inability to compete in the market over the long term.

Based on these diagnostic studies, both Governments and non-governmental organizations (NGOs) have launched many assistance programmes in this sector in such areas as technical training, the establishment of "solidarity" funds to facilitate access to credit, business training, etc.²⁸ The State has used social investment or emergency funds as the main conduit for these programmes.

A major obstacle to medium- and long-term policymaking is ignorance of the actual economic and labour value (contribution to the generation of GDP and job creation potential) of small-scale enterprises in each country.

²⁸ The following programmes, among others, can be mentioned: in Argentina, the National Employment Law with its programme for readapting informal activities; in Brazil, programmes under the Brazilian Department to Assist Small and Medium-sized Businesses, established in 1976 as a government agency but converted in 1990 into a private not-for-profit agency; in Chile, Programmes under the Solidarity and Social Investment Fund (FOSIS), established in 1991; in Colombia, the National Plan for the Development of Micro-enterprises 1991-1994 (PNDM); in Costa Rica, projects to create jobs under the 1990 Programme for the Advancement and Strengthening of the Productive Social Sector; in Ecuador, the National Micro-enterprise Programme (UNEPROM), the National Corporation for Assistance to Small-scale Productive Units (CONAUPE) established in 1989 and the National Programme for Economic Solidarity (PRONADES); in Guatemala, the Micro-enterprises Replication System (SIMME) will benefit 120,000 entrepreneurs between 1992 and 1996; in Nicaragua, the Programme to Assist and Promote Small Productive Units, established in 1992, the Programme to Assist Micro-enterprises (PAMIC) under the Ministry of Economic Affairs and Development; in Panama, the Programmes to Assist the Micro-enterprises Sector under the Emergency Social Fund; in Uruguay, the National Department of Cottage Industries and Small and Medium-Sized Industry established in 1990; and in Venezuela, the Programme to Promote and Assist Small-Scale Enterprises operated by the Fund for Cooperation and Financing of Member Associations (FONCOFIN) under the Ministry of Family Affairs.

HOUSING

The target set by the Second Regional Conference on Poverty was a comprehensive solution to the housing problem (decent shelter for every nuclear family with proper physical and sanitary conditions) of the neediest by the year 2000. This proposal included a recommendation to stress productive housing programmes.

In the responses to the Selective Surveys, six countries submitted general data on the size of the housing deficit (substandard housing in rural and urban areas, deteriorated dwellings that could or could not be rehabilitated, and housing in good condition). Information on drinking water, sewerage facilities and electricity was also included.

One problem mentioned in a number of replies was that of informal construction and illegal claims to dwellings.

It is important to point out that almost every country accords high priority to the housing shortage in its social policies to help the underprivileged. Thus, national housing plans have been elaborated by housing ministries or state-run housing corporations.²⁹

A general trend which has become evident in the last two years in connection with low-income housing policies in the region is the effort to draw the beneficiaries themselves into the search for a satisfactory solution to the housing problem through self-help construction programmes, family savings incentives and, lastly, the decision to offer incentives to the private sector to construct low-cost housing.

²⁹ In Argentina, the National Housing Fund (FONAVI) was overhauled after its shortcomings were scrutinized, with a view to guaranteeing better management and apportionment of low-cost housing expenditures; in Bolivia, the Ministry of Urban Affairs was instructed in 1990 to elaborate the National Low-income Housing Plan, which would be expanded in 1993; Colombia launched Phase II of the Sectoral Adjustment Plan: Drinking Water and Basic Sanitation 1991-1994; in Guatemala, a National Housing Policy is being formulated and the adoption of a General Housing Act is being promoted. In addition, a home financing system is being organized; its key component will be the Low-income Housing Assistance Fund; in Panama, the National Housing Board was made responsible in 1991 for formulating a National Housing Policy; Chile began to implement its National Housing Plan, primarily intended to benefit the poorest strata; in Brazil the National Sanitation Plan (PLANASA) is operational, working primarily with the lowest-income strata; in Venezuela, the Housing Policy Law was implemented in 1990 and Low-cost Housing Programmes and the National Housing Board were strengthened.

III. FINANCING

The Second Regional Conference agreed "to seek an increase in average regional social expenditure and substantially enhance the efficiency and effectiveness of spending".

This objective is especially significant in view of the sharp decline in social spending in the 1980s, which had a particularly severe impact on education and health.³⁰

Information provided by Governments in their responses to the section on the financing of social policies would seem to indicate that, in most countries, government social spending has picked up since 1990.

In some countries, this increase in spending has been financed by State revenues made available by tax reforms,³¹ the privatization of State enterprises or the reduction of external debt.

Trends in the sectoral distribution (health, housing, social insurance) of government social spending show clearly that budgetary allocations for education have been improving since their steep region-wide decline in the 1980s.³²

In the period 1975-1988, the breakdown of social spending in Argentina remained relatively constant in a context of reduced government social spending.³³ In 1991, the downward trend in government social spending began to reverse itself, making it realistic to set a goal of increasing the percentage of social spending from 19.8% of total government spending in 1988 to 24.7% in 1992.

The percentage of Bolivia's gross domestic product (GDP) devoted to social spending increased from 4.0% in 1991 to 4.3% in 1992.

In its reply, Brazil indicated that it did not have a historical series available on changes in the percentage of GDP represented by social spending at the various levels (federal, state and municipal). It is known, however, that social spending by the federal government grew from 9.6% of GDP in 1988 to 11.8% in 1990.

³⁰ See ECLAC, "El gasto público social en los años ochenta: un análisis introductorio" (LC/R.961), Santiago, Chile, 27 December 1990, pp. 85-86; and ECLAC, Social Equity and Changing Production Patterns: An Integrated Approach, op. cit., pp. 39-40.

³¹ Tax reforms were implemented in Chile in 1990. Tax receipts rose and, as a result, the State was able to allocate an additional 17.4% to the social budget in 1990 and an additional 12.2% in 1991.

Bolivia also mentioned in its reply that its tax collection system had been improved and that the additional revenue would be earmarked for social spending, but no amounts were specified.

³² See ECLAC, Social Equity and Changing Production Patterns, op. cit., p. 42.

³³ During this period, the budget was subdivided into education, 51.8%; health, 25.2% (including 6.4% for environmental sanitation); housing, 13.2%; and other social sectors, 9.8%.

Government social spending in Chile increased by nearly 20% in the period 1990-1992. As for of the sectoral distribution of social spending, the health and housing budgets expanded considerably while benefit payments decreased.³⁴

Colombia, in its response, provides information on the sectoral distribution of investment in social sectors with financing from the national budget for 1990-1993.³⁵ This information indicates that public investment in the social sectors of education, health and basic sanitation, housing, social development, and labour and social security increased from 13.0% in 1990 to 25.3% in 1992, and should go up to 24.8% in 1993.³⁶

The ratio of government social spending to total government spending in Costa Rica has held relatively steady, moving from 39.6% in 1989 to 36.8% in 1990 and to 38.4% in 1991.³⁷

Ecuador's response indicated that in 1990 the largest expenditure of resources was on education, followed by health and welfare.³⁸

There was growth in all social subsectors in El Salvador, particularly in health and education, which increased by 8.5 and 6 percentage points, respectively, between 1991 and 1992.

In Guatemala, government social spending as a percentage of GDP began to recover in 1991, following a period in which social-sector budgetary allocations were slashed.

The Government's social spending budget in Nicaragua has increased between 1990 and 1992, with social spending rising from 31.4% of total central government spending in 1990 to 37.8% in 1992.³⁹

³⁴ This redistribution of government social expenditure is the result of, *inter alia*, the new thrust of the current Government's social policy, which places greater emphasis on social programmes involving citizen participation and not as much on granting monetary benefits to the poorest strata.

³⁵ Information prepared by the National Planning Department of Colombia, Public Investments and Finance Unit, Division of Programming and Budgetary Control, was sent to provide ECLAC with information for the Third Regional Conference on Poverty.

³⁶ This highlights the priority accorded to the sectors of education and health and environmental sanitation, which increased from 3.3% and 4.8% in 1990 to 5.8% and 6.4% in 1992, respectively.

³⁷ The percentage of spending by ministries on social sectors out of total central government spending in 1989, 1990 and 1991 went from 21.35%, to 21.44%, to 22.97% on education; from 2.97%, to 2.75%, to 3.08% on health; from 10.03%, to 10.34%, to 11.01% on labour and social security; from 1.05%, to 0.87%, to 0.74% on culture, youth and sports; and, lastly, from 4.14%, to 1.39%, to 0.64% on housing and human settlements. This information seems to indicate that, in social spending, relatively greater importance is attached to education followed by labour and social security, and health.

³⁸ Education accounted for 77.44% of the resources, increasing slightly in 1992 to 77.59%; real spending on health accounted for 19.2% in 1990, dropping to 17.60% in 1992; 2.85% was spent on welfare in 1990 and 4.36% in 1992.

³⁹ The breakdown by social sectors was such that health and education accounted for 90.4% of social spending in 1992, leaving 2.5% for housing (in 1990 there was no housing budget) and 7% for other items.

In Panama, public investment expenditure fell by 65% and spending on social sectors dropped by 68% as a result of the economic crisis affecting the country during the last two years of the 1980s.⁴⁰ In the remaining years of the century, the Nicaraguan Government is expected to channel no less than 45% of public investment into social sectors. Toward the year 2000, greater importance will be attached to focusing social spending on the neediest sectors within the framework of overall social spending by the Government.

Two alternative scenarios have been constructed for the implementation of this spending strategy, depending on the resources available: one in which focused social spending will grow at a rate of 8.7% annually to the year 2000, and another in which it will grow at an annual rate of only 4.5%.⁴¹

In Peru, the share of total central government spending accounted for by social spending has increased from 22.3% in 1991 to 28.9% in 1992.

In Uruguay, the percentage of central government spending represented by social spending (culture and education, sanitation, labour and social security, and housing) was lower in 1990 than in 1989, going from 43.6% in 1988 down to 37.0% in 1990. The breakdown by subsector, however, shows that resources allocated to labour and social security went down from 44.0% in 1989 to 26.4% in 1990, while spending on the other subsectors increased.

In Venezuela, the percentage of government revenue channeled to social spending decreased from 36.6% in 1980 to 31.7% in 1989 and to 30.5% in 1990 as GDP and fiscal income fell sharply, especially in 1983 and 1989.⁴² An examination of the sectoral distribution of social resources in 1990 in terms of fiscal revenue by sector, indicates that education appears to have absorbed a considerable share of the resources.⁴³

The responses did not give general quantitative information concerning the private sector's financial contribution to social spending. Some of the responses refer to the role of the private sector in health and education, noting that, generally, the State continues to bear responsibility for meeting the needs of the poorest strata of the population.⁴⁴

⁴⁰ The traditional sectoral breakdown of social spending in the 1970s and 1980s was skewed towards health (50% and 56%) and education (31% and 27%), followed by housing, which on the average accounted for 19% and 17%, respectively.

⁴¹ Under the first alternative, an increase of 195 million balboas in the social budget is planned in the short term (1992-1995), and an increase of 550.7 million balboas over the long term (to the year 2000). The Government, however, would be able to finance only 40% of this plan and would have to seek external assistance for the rest. Under the second alternative, the budgetary increase would be more modest, as it would go from 163.3 million balboas in the short term to 399.2 million balboas over the long term.

⁴² One of the measures Venezuela will implement in order to boost the State's income will be to introduce reforms in the tax collection system that involve new taxes.

⁴³ Education accounted for 12.3%, followed by the category "other", with 7.3%, health with 5.9%, and, lastly, housing and urban development, with 4.9%.

⁴⁴ This is clearly the situation in the case of health and education in Chile, since the public sector is directly responsible for the health care of 69% of the country's total population (82% of lower-income groups). With respect to basic general education, the State finances 62.05% of enrolment in free

A similar situation exists in connection with estimated external contributions to poverty reduction programmes, as these programmes are partial in scope and the percentage of sectoral and/or total social spending which they represent has not been quantified.

Total estimates were provided in only three responses. In Bolivia, external financing accounted for 71% of investment in the social sector in 1989 and 63% in 1990, but then dropped to 48.6% in 1991.

In El Salvador, nearly 35% of the consolidated social-sector budget is provided by external financing.

In Panama, in order for social spending plans to yield results by the year 2000, external financing will be of vital importance, as it is estimated that Panama can provide only 40% of the financing for the plan.

In connection with the targeting of social spending towards the neediest strata of the population, in the past two years all the countries have promoted action programmes for their poorest groups. Within this framework, efforts have been made to spend resources efficiently and effectively. None the less, evaluations of the impact of such measures are not yet available.⁴⁵

The resources administered by Social Emergency and/or Investment Funds generally take the form of seed money provided by the Government, external sources and the actual beneficiaries of social programmes.⁴⁶

municipal schools, 31.4% in State-subsidized private schools and 6.5% in private schools that charge tuition (1990 statistics).

Argentina's response indicates that the State "meets the immediate needs of the population, a considerable portion of which is made up of lower-income groups who are not covered by any form of health insurance".

⁴⁵ The targeting of social spending is one of the topics analysed in the studies to be presented at the Third Regional Conference on Poverty. Among them are six papers on experiences in the targeting of spending in Bolivia, Chile, Costa Rica, Ecuador, Venezuela and Trinidad and Tobago.

⁴⁶ No information is available on what percentage of total public social expenditure is represented by these Funds' financial resources in the various countries of the region.

IV. INSTITUTIONAL DEVELOPMENT

State reforms were regarded by the Second Regional Conference on Poverty as a prerequisite for reorienting social policies in the region.

That Conference agreed that a more technical, managerial and continuous approach was required in the social sphere, rather than the paternalistic or charity-based concept of social policy held in the past.

Information gathered from government replies on this topic shows that, as the decade begins, all the countries, to a greater or lesser extent, are making institutional changes in the State social sector.

The three elements that emerge at first glance with regard to new ways of formulating social policy, especially anti-poverty policy, are as follows:

- The creation of social funds;⁴⁷
- The creation of high-level government cabinets or social commissions;
- The decentralization of State social action to provincial and/or regional or local authorities.

Social funds were created in most of the countries.⁴⁸ Their purposes differ, depending on the scope of their functions: some are designed to counteract the negative effects of economic adjustment on the most vulnerable sectors, so that their role is essentially geared to short-term emergency use; others are defined as social investment funds within long-term social programmes.⁴⁹ In the case of Nicaragua,

⁴⁷ Detailed information on social funds in Latin America may be found in ECLAC, ILPES, *Seminario internacional sobre fondos de desarrollo social (LC/IP/G.55)*, Santiago, Chile, 5 February 1991.

⁴⁸ Some of the existing funds in Latin America are as follows: Argentina (1992), Argentine Investment Fund (FAIS), now being organized; Bolivia, Investment Fund (FIS), which grew out of the Emergency Fund of 1987-1989; Brazil, Social Development Fund (FDS); Chile (1990), Solidarity and Investment Fund (FOSIS); Colombia (1992), Solidarity and Emergency Fund; El Salvador (1990), Investment Fund (FIS); Guatemala, Emergency and Social Solidarity Fund (FESS); Nicaragua (1990) Investment and Emergency Fund (FISE); Panama (1990), Emergency Fund (FES); Peru (1991) National Compensation and Social Development Fund; Uruguay (1990), Emergency Investment Fund; and Venezuela, Social Investment Fund (FONVIS).

The case of Ecuador is noteworthy because a great number of funds (12) were created from 1987 to 1989. Recently, the Development Fund (FODESO) and National Economic Solidarity Fund (FONADES) were added to the list (see ECLAC, *Seminario Internacional sobre...*, op. cit.).

⁴⁹ The case of Bolivia is illustrative of the functions of social funds. The Social Emergency Fund functioned from 1987 to 1989 to mitigate the most negative effects of adjustment on the poor, and thus its role was defined within short- or medium-term programmes. At the end of 1989, this fund became the Social Investment Fund, a more permanent institution designed to resolve poverty-related structural problems. See Armando Godínez, "FSE y FIS: dos experiencias de focalización en Bolivia", paper prepared for the Third Regional Conference on Poverty in Latin America and the Caribbean, to be held in Santiago, Chile, La Paz, July 1992.

these two functions are combined in its Social Investment and Emergency Fund. In Venezuela, FONVIS is expressly in charge of a programme to improve infrastructure in marginal areas of the country. In Colombia, the Solidarity and Emergency Fund was recently created in the framework of the current development programme, known as "The Peaceful Revolution", as a temporary tool for strengthening basic social infrastructure, creating jobs and providing services to the vulnerable groups living in extreme poverty.

Institutionally, these funds are autonomous and have the necessary resources to implement a series of social programmes efficiently and without too much bureaucratic "red tape". Their main feature is that they target resources to the poorest sectors.

Social commissions or cabinets⁵⁰ were created as dependent agencies of the Office of the President, and are generally composed of ministers in charge of social affairs. In most of the countries surveyed, their functions are concentrated on cross-sectoral coordination.

The third element has to do with political and administrative decentralization of social action.

All the countries surveyed regard the deconcentration of functions and/or decentralization of government social action to regional, provincial and local authorities as a fundamental part of the new social policy approach.

In countries with a federalist structure, such as Argentina and Brazil, a great deal of emphasis is being placed on the participation of municipalities in community services. While in Brazil this process began with the new Constitution of 1988, where the municipality became an integral part of the Federation and its powers and responsibilities were expanded,⁵¹ especially in the areas of education and health, in Argentina the State Reform Programme of 1989 provided that basic services would thenceforth be supplied by local (provincial and municipal) authorities.⁵²

⁵⁰ According to government replies, the following countries have social cabinets, councils or commissions: Bolivia (1991), National Social Policy Council; Costa Rica, Government Social Council; Colombia, Social Policy Council, under the Administrative Department of the President of the Republic (in Colombia, the National Council on Economic and Social Planning (CONPES) already existed); Ecuador (Nov. 1988), Social Front; El Salvador, Social Commission; Guatemala is about to create the Social Cabinet, which will take charge of the Social Development Action Plan, 1992-1996; Nicaragua (1990), Social Cabinet; Panama, Social Cabinet; Peru (1990), Inter-ministerial Commission on Social Affairs, under the Ministry of the Office of the President; and Venezuela, President's Anti-Poverty Commission (COPEP).

⁵¹ See Edgar Bastos de Souza, *O Município na Constituição de 1988*, op. cit.

⁵² In view of the expansion of municipal responsibilities in social and other areas in Brazil after the reform, the participation of municipalities in the distribution of total tax resources collected nationally grew from about 18% to nearly 24%. Similarly, the share of the Federal States increased from approximately 36% to some 40%. As a result, the Union's share fell from 54% to 36%. See Edgar Bastos de Souza, op. cit., p. 7.

In Argentina there is still a certain degree of concentration at the national level, since the Ministry of Health and Social Action is responsible for about 60% of the nation's public social spending and is in charge of medical care, housing and urban development, social welfare, social promotion and, in part, environmental sanitation.

In the framework of restructuring of the public sector, generally characterized by the redefinition of functions, optimization of resources and reduction of staff, a marked trend is being observed in the direction of transferring certain public services to the private sector (social security, education, health and transport). Efforts are also being made to incorporate representatives of this sector to social management by a multitude of means, such as, in Chile, private-sector participation in municipal social councils; in Panama, a plan to incorporate the private sector into the Sectoral and Regional Technical Commission to implement the Government's social action plan; and in Brazil, the transformation of the Brazilian Office of Support for Small and Medium-Scale Enterprises (SEBRAE) into a private, not-for-profit organization.⁵³

Another institutional aspect is the creation of technical bodies whose functions are to advise Governments on social matters and permanently gather data on State action in the social arena. The underlying purpose of establishing these institutions is to have a data base that is firmly linked to the social reality, thereby making possible the design, evaluation and correction of social policies and programmes in the framework of criteria of efficiency and effectiveness, especially in terms of social spending and administrative management.

The replies to the survey indicate that in most of the countries these technical bodies have already been created, while in some they are in the process of being formed.⁵⁴

⁵³ The small- and medium-scale enterprise sector in Brazil is very important, since it represents 3.5 millions units which generate approximately 21% of GDP and which are responsible for the absorption of about 70% of the work force. SEBRAE is in charge of this sector. See the reply by the Government of Brazil to the Selective Survey of Governments on Poverty Reduction Policies and Programmes, Third Regional Conference on Poverty in Latin America and the Caribbean, Santiago, Chile, November 1992.

⁵⁴ In Argentina, the Secretariat for Technical Cooperation Projects in the Ministry of Health and Social Action was created in 1991 to reorganize international cooperation in the social area. This Secretariat has a Project Evaluation Office and a Follow-up and Control Office whose purpose is to create a permanent system of follow-up and evaluation of international cooperation; in Bolivia, a Social Policy Analysis Unit (UDAPSO), in the Ministry of Planning and Coordination, was established in 1991; in Brazil, the National Secretariat of Planning is setting up the Integrated System for Evaluating Government Actions (SIAG), which although it will be responsible for State action in general, will incorporate the social area, allowing for greater control of projects and resources; in Chile, in 1990, the responsibility for conducting National Socio-economic Surveys (CASEN), a tool for assessing the impact of social programmes, was transferred to the Ministry of Planning and Cooperation (MIDEPLAN). These surveys had been carried out since 1985, but MIDEPLAN improved on them; in Colombia, it was decided to create a National Social Information System and to form a Technical Support Mission to assist in decentralization and targeting of social services; in Costa Rica, the National Information System on Social Programme Beneficiaries (SISBEN) was recently set up, and a Social Investment Survey (ENISO) will be carried out; in Ecuador, the Technical Secretariat of the Social Front was created in March 1992 to prepare an integrated social development plan and to improve the coordination of the Front; in El Salvador, long-term Integrated Social Programmes are being implemented by the ministries concerned, which provide for the strengthening of social planning processes; in Guatemala, a Technical Secretariat in support of the Social Cabinet will be created, composed of representatives of the social ministries, three representatives from NGOs, one from the private sector, one from the churches, technical advisory assistance from international organizations and one representative from the juvenile courts; in Nicaragua, the Social Cabinet has a Social Technical Unit which is now setting up, together with the Ministry of the

V. PARTICIPATION

The subject of participation was addressed at the Second Regional Conference on Poverty as one of the most important aspects of the changes in social policies called for within the framework of the economic changes taking place in the countries of the region.

It was recommended that an effort should be made to promote a "sociocultural development policy and extensive, far-reaching processes of social participation which guarantee the active role of communities in self-management of their problems". In the same vein, it was also deemed necessary to "create conditions for effective participation by families and communities in all stages of design, execution and, whenever possible, evaluation of social policies".

In dealing with this issue, the Second Regional Conference referred not only to participation by the poor in the effort to solve the problems affecting them, but also to the possibility of giving NGOs a role in obtaining and allocating resources for social services, infrastructure and housing.

The responses to the Selective Survey indicate that the topic of participation in general is closely linked to the processes of democratization or transition to democracy taking place in the region. Hence, the integration of target groups into social policy design, implementation and assessment is still in its early stages.

In all the respondent countries, steps are being taken to give the poor a greater say in the management of their communities by creating channels for participation at the municipal level and, in a number of countries, by making it possible for them to elect their representatives directly. In addition, the Governments have designed policies to integrate target groups into the implementation of self-help construction programmes, community health programmes based on neighbourhood participation, environmental sanitation programmes and child welfare programmes.⁵⁵

President's Office, a Computerized System of Information Management which will provide inputs for decision-making in the social field; in Panama, a Sectoral Technical Committee and a Regional Technical Committee will be set up to implement the Action Plan for Human Development, Children and Youth (1991); in Peru, in March 1992, the Social Development Committee (COMDES) was formed, with a Technical Secretariat, as a support agency for the Interministerial Commission on Social Affairs; in Uruguay, the Social Investment Programme (PRIS), which organizes, plans, evaluates and acts as a catalyst for social policies, was set up; in Venezuela, more power will be given to the present National Planning Office of CORDIPLAN, which will become the Sectoral Office of Social Planning. In turn, the present Ministry of the Family is being redefined as the Ministry of Social Development, and will work with this Office in designing and evaluating the State's social policy.

⁵⁵ In Argentina a participation strategy was launched in 1989 at the national, provincial and local levels with the implementation of a settlement programme (the "Programa de Arraigo") administered by the Office of the President. Under this programme, land owned by the central government is transferred over to its occupants and self-help construction projects are promoted. In addition, PROSOL (the Federal Solidarity Programme), under the Social Action Department of the Ministry of Health and Social Welfare, seeks to strengthen the network for local community action by providing loans from a revolving credit fund. In Bolivia, health districts are being formed with a great deal of participation by the populace. In Chile, a progressive housing programme (the "Programa de Vivienda Progresiva") is in operation which

With regard to communication among government authorities in the fields of social affairs and population, some countries are undertaking community-level consultations or holding open town-hall meetings concerning the main needs of the community. By this means, they seek to incorporate the population into social policy-making or community assessments of the impacts of major projects, thereby making it possible to gear such initiatives to the needs of the community.⁵⁶

One of the main obstacles to the successful implementation of a popular participation strategy is the low level of organizational development and representativity exhibited by the target groups of social policies designed for the neediest sectors of the population.

calls for the people who are to receive houses to participate in their construction. In Colombia, child welfare and low-cost housing programmes ("Plan de Acción en favor de la Infancia" and "Plan de Vivienda Social", respectively) have been undertaken as part of the 1990-1994 Economic and Social Development Plan, which provides for community participation in nutrition, education and housing programmes. In Guatemala, the Emergency and Social Solidarity Fund ("Fondo de Emergencia y Solidaridad Social"), or FESS, is planning a programme for the integral development of rural communities ("Desarrollo Integral de Comunidades Rurales") whose chief objective is to promote and consolidate the social organization of the rural population through the provision of farm loans, the strengthening of social, production and forestry infrastructure, and the advancement of women. Peru, for its part, has its "Escuela Defiende la Vida" programme. In Venezuela, the incorporation of the organized population is a fundamental component of a variety of day care, economic, maternal and infant nutrition, and sociocultural programmes ("Extensión Masiva de Hogares de Cuidado Diario", "Apoyo a la Economía Popular", "Programa Alimentario Materno-Infantil" and "Programa de Participación y Desarrollo Socio-Cultural" programmes, respectively).

⁵⁶ Brazil's 1988 Constitution calls for participation by the people in the formulation and reformulation of legal provisions and public policies relating to their concerns through the establishment of national councils in the various sectors. The Social Welfare Act was discussed within this framework. In Chile, the Government is holding open town-hall meetings and popular assemblies on social policy which are attended by the President of the Republic. In addition, free municipal elections were held in 1992, the Neighbourhood Councils and Community Organizations Act was rewritten to ensure broad-based participation by the citizenry, and community-based economic organizations were accorded legal status. In Colombia sector-, age- and gender-specific participatory strategies are being designed, and women's councils, municipal youth councils and youth initiative funds have been created at the municipal level in this context. Costa Rica is fostering participation through its Social Advancement and Social Production Sector Programme ("Programa de Promoción Social y de Fortalecimiento del Sector Social Productivo"), which seeks to promote cooperatives and other joint forms of production. In Ecuador, target groups are being consulted and steps are being taken to promote their participation in child nutrition, bilingual education, primary health care, advancement of women and rural development programmes. In El Salvador, open town-hall meetings and community-level consultations concerning social policies are being conducted. In Nicaragua, a social development and poverty reduction policy is being drawn up which will be presented to and discussed with the citizenry. Paraguay, for its part, has held direct municipal elections. In Venezuela, the Participation Division of the Ministry of Family Affairs is pursuing a plan for disseminating successful community experiments on a large scale. Work on this plan, which has been dubbed the "local response plan" ("Respuesta Local"), is currently focused on information gathering and consensus-building with NGOs and public agencies having experience in community work, with a view to the subsequent formation of teams to promote and coordinate this initiative.

In response to this situation, some Governments are providing information sheets, courses and seminars to members of community organizations in order to give their representatives the necessary technical training and increase their ability to negotiate with such possible interlocutors as the State, NGOs or other private institutions.⁵⁷

Other factors which run counter to the viability of broad-based popular participation in the design, implementation and assessment of social policies are:

- The centralist tradition which still characterizes decision-making regarding social programmes, despite recent policy measures to promote administrative decentralization and operational deconcentration;
- The failure to fully recognize the poor population's civil rights; and
- The tendency to place a higher priority on technical expertise than on practical, hands-on know-how.⁵⁸

All the Governments recognize the presence of NGOs in the social sector and the importance of their projects. However, they have not yet established permanent, official mechanisms for maintaining State-NGO relations which would allow them to regulate the participation or collaboration of NGOs in the State's overall social programmes.

The responses indicate that only two countries have created official State/NGO project cofinancing mechanisms. One of the two reported that nearly 70% of all the NGOs in the country had received some sort of financial assistance from the State for joint projects.

⁵⁷ In Brazil, one of the main elements of the anti-poverty campaign is the effort being made to promote the full citizenship members of low-income sectors by providing information on civil rights and access to cultural resources and to the mass media. The social mobilization initiative mounted in order to further the discussion of the 1988 Constitution marked the first step in this process. In Chile, publications are being distributed to low-income sectors in order to inform them about the social programmes designed for them; these include the Social Subsidies List, the Social Charter and the Everyperson's Guide (the "Cartilla de Subsidios Sociales", "Carta Social" and "Gufa para Todos", respectively). El Salvador has launched an educational programme providing for community participation ("Programa de Educación con Participación Comunal") (EDUCO). Argentina is planning the introduction at the national level of modern participatory methodologies which have been used successfully by NGOs in smaller-scale projects. The Governments of Paraguay and Ecuador are using television to inform the populace about the assistance available from government social programmes. Meanwhile, in Venezuela, the Social Development Project (PDS) provides for an Information, Education and Training (IEC) segment specifically aimed at promoting the organization and participation of the target population at the community level.

⁵⁸ See the official response of the Government of Brazil to the Selective Survey of Governments on Poverty Reduction Policies and Programmes for the Third Regional Conference on Poverty in Latin America and the Caribbean, Santiago, Chile, November 1992.

Despite this lack of official coordination mechanisms, however, all the countries have entered into agreements with NGOs for the design, implementation and assessment of social projects, particularly in the fields of health, housing, and community and rural development.

When asked about factors hampering the progress of attempts to coordinate a joint NGO/State effort, some countries referred to the need to strengthen their links of mutual trust and to guarantee the institutional autonomy characteristic of NGOs, as well as noting that the NGOs in question are widely scattered and do not collaborate a great deal with one another, which makes the establishment of a smooth relationship with the State difficult.

Another major impediment to mass participation by the population in the promotion of social development is the charity-based approach typical of social policy in most of the countries, since this fosters a passive attitude on the part of the poor.

In countries which have experienced long periods of authoritarian rule, a need is seen to overcome the clientage and authoritarianism marking the relationship between the State and society and to pave the way for collaboration and popular participation in social policies and programmes aimed at reducing poverty.

VI. PROGRESS AND ACHIEVEMENTS

The most important advances in the reformulation of social policy during the past two years have related to institutional aspects, technical elements and community participation, although such initiatives are still in their infancy in some countries.

As noted earlier, all the countries have embarked upon significant efforts to achieve administrative decentralization and/or a deconcentration of the central government's functions as a basis for improving the social services provided to the community.

Institution-building aimed at modernizing the management of social action has been carried forward, as have efforts to generate a stronger political commitment to poverty reduction, the implementation of numerous social programmes providing for self-management and broad-based community participation, the targeting of social spending, and the creation of technical social units not subject to political contingencies, which thus give a measure of continuity to social policy.

Another important element emphasized by the Second Regional Conference was the need to link social and economic policies as fundamental components of any development strategy.

The responses to the questionnaire are all entirely in keeping with these ideas; in fact, most of the countries have created special agencies for cross-sectoral coordination (social bureaus, integrated programmes or "social fronts", which are generally composed of the Ministers responsible for the various areas of social action and the President) or have upgraded existing ones. This constitutes a first step towards overcoming the inertia of the piecemeal or isolated approach which has traditionally hampered the work of ministries for social affairs and has so often resulted in wasted resources and effort. There is still a very long way to go before that process is complete, however.

Within this context, it is also notable that technical units for the analysis and assessment of social policies have recently been created in almost all the countries which had previously lacked such agencies. Moreover, those countries which already had this type of technical body are now taking steps to improve and modernize their information systems.

A great deal of headway has been made in the promotion of self-management and community participation in the search for solutions to the most pressing social problems, as is shown by the fact that anti-poverty programmes are now being designed to include participation by the population, especially during the implementation stage.

The full incorporation, where feasible, of the community into the general process of social policy design, implementation and assessment has not yet been achieved, however.

Among the reasons for this, a number of counterproductive traits —on the part of both the population at large and the authorities— have been mentioned. The former include the population's mistrust of the authorities and the passive attitudes generated by authoritarian social policies that foster welfare dependence and clientage. The latter include a tendency to place a higher priority on technical expertise than on practical, hands-on know-how and the centralist tradition of decision-making in the field of social policy.

In respect of the main gaps existing in the countries' social sectors, the most important continues to be the lack of a sufficient flow of information on how social policies and programmes are evolving in all the various sectors. Having an overall picture of the Government's social action at the national, regional and/or provincial and community levels is an essential element within the context of a political commitment to optimizing both financial and human resources. This situation also has a direct impact on the countries' ability to measure poverty.

Accordingly, efforts are now being focused on setting up suitable information systems to help improve social policy planning.

Another such gap is the absence of permanent, official mechanisms for coordination with the NGOs that are maintaining a strong presence in some countries.

As regards the need to encourage the private sector to join in the commitment to eliminating poverty as a priority national objective, most of the countries have yet to design specific strategies for dealing with the institutional, financial and conceptual factors involved in stimulating private-sector participation through appropriate mechanisms.

The Second Regional Conference on Poverty in Latin America and the Caribbean underscored the need to obtain international financial and technical resources for the fight against poverty. Nevertheless, the countries' responses to the survey did not present any strategy for securing resources for use in those sectors which they have defined as high-priority areas.

In summary, it may be stated that Latin America is undergoing a thorough-going process of change in terms of its social policies and the fight against poverty, that the first advances in this regard are now being achieved, and that efforts are being made to fill gaps where they exist.