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Economic Commission for Latin America and the Caribbean

LATIN AMERICAN AND CARIBBEAN EXPORTS GROW BY 8.3% IN 2003

Latin American and Caribbean exports grew by 8.3% in 2003, thanks to better prices and higher volume sales for basic goods such as copper, oil, soya, coffee, cotton, wool and sugar exported by the countries of Central and South America. The prices of manufactured goods rose more slowly. In the first quarter of 2004, exports rose by 17%.

The rapid rhythm of trade growth was maintained by the high demand in the USA, the EU and the developing countries of Asia, particularly China. Exports among Latin American nations also recovered in 2003, after a fall in the two previous years. Imports remained low compared with 2000 values.

For the first time in 13 years Latin American and Caribbean countries have accumulated a surplus in goods and services of around US$ 25.5 billion, and a current account surplus of about US$ 2.8 billion. The region has not experienced this kind of situation for half a century.

"The recovery in exports and intraregional trade is an encouraging sign. Now we must seek ways to develop an export base with higher value added that builds on our revealed comparative advantages, is capable of incorporating new technologies and has a stronger impact in terms of job creation," said José Luis Machinea, Executive Secretary of the Economic Commission for Latin America and the Caribbean (**ECLAC**), at the presentation of the annual report ***Latin America and the Caribbean in the World Economy, 2002-2003***.

There were significant price rises for the region's basic products in 2003. Argentina, Brazil and Uruguay expanded their farm exports on the strength of higher prices for soya and its by-

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COSTS AND BENEFITS OF GROWING TRADE WITH CHINA

Latin America and the Caribbean exports to China rose by 72.1% in 2003, according to **ECLAC**'s ***Latin America and the Caribbean in the world economy, 2002-2003***. China is now the world's fourth biggest exporter and the third biggest importer, and its impact is making itself felt in the region.

China's entry in the WTO in 2001 improved the conditions of its market access, in a context of high economic growth, a key factor in the recovery of basic product prices.

Argentina's sales to China grew by 143.4%, Brazil's by 79.9%, Chile's, by 58.5%, Peru's, by 13.1% and Mexico's, by 11.7%.

The outlook varies, however, from country to country, for the fiercer competition from Chinese goods in both domestic and foreign markets also had a threatening impact. The negative effects of greater competition in major markets, like the USA and Europe, and on internal markets could outweigh the benefits for a large number of developing countries, according to **ECLAC**. Mexico, Central America and the Caribbean have faced the aggressive growth of Chinese exports of manufactured goods such as textiles, clothing, shoes, toys, electrodomestic goods and tools.

Strong Competitor

China competes with the exports of developing countries on the basis of its low labour costs in labour intensive goods. Measured by production unit, it is more competitive in wages and labour costs than

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REPERCUSSIONS OF THE FREE TRADE AGREEMENT BETWEEN CENTRAL AMERICA AND THE USA (CAFTA)

JOSÉ LUIS MACHINEA

Negotiations finalized in January 2004 on the terms of a Free Trade Agreement (FTA) between the USA and the countries of Central America (US-CAFTA), which should come into force at the beginning of 2005.

This treaty is the latest in a series the US has negotiated with Latin American partners (Mexico, Chile and the Dominican Republic). Its structure is similar to the Chile-US FTA, and includes similar rules and sanctions on labor, intellectual property, environment, public procurement policy and services. Market access is defined by six categories of linear tariff reductions, and two non-linear groupings; for the latter, there are grace periods of six to ten years, with a maximum limit of 20 years. There is a special category for products excluded from the tariff removal program, such as potatoes and onions in Costa Rica, white corn in the rest of the region, and sugar in the USA. There are also safeguards to give the productive sectors protection from rising imports during the transition period.

There are different kinds of benefits from the treaty. It consolidates and extends the trade concessions granted by the US through the Caribbean Basin Initiative (CBI), and it sets clear rules and sanctions. Departing from past procedures, it establishes a conflict resolution mechanism that should reduce the degree of discretionality in the conceding country's handling of preferences.

The implementation of the US-CAFTA should hopefully promote activities and projects in the sub-region that create higher economic growth and encourage social development. The cooperation included within the framework of the treaty to ease Central America's move towards free trade with the US could also play a central role in key aspects such as higher competitivity, stronger small businesses, the development of new industries and institutional reinforcement. The treaty also implies a reduction of import duties that will affect different activities. It is therefore very important the member countries prepare themselves for the necessary restructuring of some activities; in this, the interaction of the public and private sectors is crucial.

Just as some countries needed technical assistance during the negotiations, we are convinced the implementation of all the aspects of the treaty will require considerable support in the coming months. In **ECLAC** we are preparing to meet this challenge.

Although the treaties represent an opportunity for the signatories, from a regional point of view we should not lose sight about:

a) As Central America has shown, these agreements are not incompatible with stronger sub-regional treaties. Indeed, in **ECLAC**'s tradition of open regionalism we are convinced the sub-regional agreements are a necessary complement. There has been progress in Central American integration, but the future agenda brings challenges such as the free movement of goods and services within the region, the creation of regional financial and capital markets, the virtual disappearance of internal customs, individual freedom of movement, the creation of regional infrastructure, harmonization of regulatory regimes, and a greater degree of macroeconomic coordination.

b) The agreements may create trade diversions within Latin America and the Caribbean, so they need to be complemented by a rapid and complete regional agreement covering free movement of good and significant progress on services.

c) What would best suit the region as a whole is a hemispheric treaty establishing "almost total" liberalization of goods (market access), particularly for farm products.

d) Unlike the issue of market access, which should improve the welfare of the member states, the beneficial effect of the reforms proposed in the agreements in the case of "non commercial" issues is not clear.

To sum up, these treaties should not be seen as a point of arrival but as movement along the road towards the better insertion of the region in the world, based on increasingly well-implemented sub-regional agreements and contributing to create a hemispheric free trade zone.

All the players, finally, must understand that FTAs represent an opportunity, but are no substitute for a development strategy. This is the sole responsibility of governments, and demands integrated policies among which trade is only one component. Only from this perspective can opportunities be converted into real benefits for economic growth and social development.

The author is Executive Secretary of ECLAC.

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products. Coffee exports from Colombia, Brazil and Central America were boosted by a better price, and Paraguay and Uruguay benefited from higher cotton and wool prices. The extraordinary rise in the copper price, which crossed the US$1.30 cent/lb barrier in February, favored Chile and Peru.

The biggest boost for Central America and the Caribbean was the recovery in the price of sugar, the main item in its export basket. Belize, Colombia, Ecuador, Mexico and Trinidad and Tobago all saw growth of more than 20% in their mining and oil sectors, thanks to the better prices.

Trade within Latin America Increases

In 2003 trade within Latin American reached US$60 billion, still 4% below its highest level, in 2000. The pro-cyclical trend in intra-regional trade was once again in evidence; it expanded alongside the increase in the regional product, after contracting in previous years.

Last year saw a reactivation of 26% in exports among the member states of the Mercado Común del Sur (Mercosur), of 6.8% in the Mercado Común Centroamericano (MCCA), and 12% within the Caribbean Community (Caricom). This is in contrast to the contraction of 5.5% in trade among the members of the Andean Community. In relative terms, however, intra-regional trade is well below its 1997 level.

Latin American and Caribbean nations are participating actively in several international trade negotiations. In the multilateral sphere, the most important was the Fifth Conference of Ministers of the World Trade Organization (WTO), in Cancún, which ended inconclusively due to the lack of progress on farm issues, and the reservations of some developing countries over negotiating matters such as investment, competition policy and trade facilitation.

Free Trade Agreements

Chile secured a major advance with the ratification of a Free Trade Agreement with the USA. El Salvador, Honduras, Guatemala and Nicaragua successfully concluded negotiations for a Free Trade Agreement with the USA, joined in 2004 by Costa Rica and the Dominican Republic. The USA announced its interest in reaching similar agreements with the Andean countries, and negotiations were to begin with Colombia, Peru and Ecuador during the month, with Bolivia scheduled to follow later.

In the negotiations on the Free Trade Agreement of the Americas, the VIII meeting of ministers in November decided to throw out the scheme of the "single commitment", which would have kept negotiations on all topics together. **ECLAC** recognizes the advantages of access to North American markets, but warns that fragmentation of the negotiation agenda " could work against the interests of countries with less negotiating ability".

After a critical review of nearly four decades of government policies aimed at promoting and developing the export of good and services by Latin American and Caribbean nations, **ECLAC** notes that there is still no consensus on the effectiveness of the strategies used, and that the region has been characterized by abrupt institutional changes that hinder its success.

This issue of ***Latin America and the Caribbean in the World Economy*** looks at events in Mexico, Central America and the Caribbean and concludes that the contribution of export promotion and development tools "continues to be limited". The study shows that the most recent diversification of exports in these countries owes more to the decisions of foreign companies and the preferential access to the US market than to the traditional tools of export promotion and development. Export promotion in recent years appears to center on negotiations for market access.

Latin America and the Caribbean: export indices by value, volume and unit value, 2001-2003

(growth rates)

Subregions/countries	2001			2002			2003 a/		
	Volume	Unit value	Value	Volume	Unit value	Value	Volume	Unit value	Value
Latin America and the Caribbean	**1,7**	**-6,1**	**-4,5**	**1,4**	**-0,3**	**1,1**	**5,1**	**3,2**	**8,3**
Mercosur countries	**7,3**	**-3,3**	**3,8**	**6,3**	**-4,5**	**1,5**	**13,3**	**5,6**	**18,9**
Argentina	4,1	-3,5	0,5	-0,1	-3,0	-3,1	5,2	8,6	14,3
Brazil	9,0	-3,0	5,7	9,1	-5,0	3,7	15,3	5,0	21,1
Paraguay	-16,3	-3,4	-19,1	0,0	0,0	0,0	7,6	4,0	11,9
Uruguay	-7,3	-3,0	-10,1	-9,4	-1,0	-10,3	12,6	5,0	18,2
Chile	**7,5**	**-10,6**	**-3,9**	**1,3**	**-2,0**	**-0,7**	**5,3**	**9,0**	**14,8**
Andean Community	**1,1**	**-16,8**	**-15,9**	**-0,1**	**2,2**	**2,0**	**0,4**	**5,0**	**5,4**
Bolivia	8,1	-4,6	3,1	4,1	-2,0	2,0	13,3	6,0	20,1
Colombia	2,5	-8,5	-6,2	-0,9	-2,8	-3,7	5,2	4,5	9,9
Ecuador	5,9	-10,7	-5,4	6,5	2,0	8,6	12,6	6,0	19,4
Peru	8,2	-7,9	-0,4	5,1	3,8	9,1	8,4	8,0	17,1
Venezuela	-3,8	-18,6	-21,7	-4,2	6,0	1,5	-13,0	11,0	-3,4
Mexico	**-1,3**	**-3,5**	**-4,8**	**-0,5**	**2,0**	**1,5**	**1,3**	**1,5**	**2,9**
Central America and the Caribbean	**-6,7**	**-5,4**	**-11,7**	**8,3**	**-1,3**	**6,9**	**15,1**	**0,5**	**15,6**
Costa Rica	-10,7	-5,1	-15,3	9,6	-2,5	6,8	16,2	0,3	16,6
El Salvador	3,8	-6,0	-2,4	5,2	-0,8	4,4	4,0	0,8	4,8
Guatemala	-1,3	-6,0	-7,2	-7,6	-0,5	-8,1	4,4	1,6	6,1
Haiti	-4,3	-2,9	-7,1	-10,0	0,0	-10,0	18,4	1,8	20,6
Honduras	2,5	-5,8	-3,4	2,4	-3,0	-0,6	8,3	-0,6	7,7
Nicaragua	11,1	-11,1	-1,3	1,3	-1,6	-0,4	1,4	0,0	1,4
Panama	5,8	-3,0	2,6	-11,3	0,0	-11,3	-4,5	-0,5	-5,0
Dominican Republic	-6,1	-2,0	-8,0	-1,8	0,0	-1,8	3,4	2,5	6,0

Source: **ECLAC**. a/ Preliminary figures.

HIGHLIGHTS

ATTRACTING FDI AND BENEFITING FROM IT

MICHAEL MORTIMORE

Governments of Latin America and the Caribbean have been relatively successful at attracting foreign direct investment (FDI) but not that good at benefiting from it. This is a result of a lack of policy coherence stemming from two apparently conflicting views of FDI and transnational corporation (TNC) operations.

The first view -the dominant one in Latin America- can be labeled a *macroeconomic* one. It focuses on FDI from a balance of payments perspective, considering FDI an important source of external finance. The historical context of this point of view was the international debt crisis in the region and the Washington Consensus, which presented a package of interrelated policies to deal with it (opening up the economies to trade and investment, relying more on market solutions and private sector action while reducing the role of the State, etc.). The operational premise was that FDI benefits were automatic, therefore, the attraction of more FDI would naturally produce more benefits for the host country. The benefits or impacts considered were primarily macro variables, such as obtaining more external financing, improving the investment/savings relationship, modernizing the economy, increasing exports, employment generation, poverty reduction, as well as the consideration that more FDI inflows provided greater flexibility to national economic team. A host of other spillover benefits were presumed to take place, however, there was limited credible empirical analysis to demonstrate that effect.

Success and discouragement

The objective of FDI policy from this perspective was to facilitate FDI inflows through nondiscriminatory promotion and the provision of guarantees and security for investors by way of bilateral, international and multilateral investment agreements. Where investment promotion agencies (IPA) were constituted, their principal role was to market the host country to investors. An example of a successful host country from this macroeconomic point of view would be Chile, which attracted considerably more FDI (especially, market seeking for services and natural resource seeking) in comparison to the size of the economy and demonstrated clear benefits in terms of success indicators (external financing, the investment ratio, modernization of the economy, more exports, employment generation, etc.). An example of a not-so-successful host country would be Argentina, which saw its FDI inflows collapse, the associated benefits disappear and is now faced with a plethora of investment disputes in international fora, where foreign investors are challenging its right to regulate in numerous cases. A generalized problem with this macroeconomic perspective in Latin America is that FDI no longer represents an important contribution to external financing as inflows decline and external payments streams associated with TNC operations in the region increase (Figure 1). This aspect is particularly pronounced in host countries where FDI inflows go mainly into non-tradable activities.

Higher quality

The second view -not that common in Latin America- can be called the microeconomic or productive development one. It focuses on TNC motivations to undertake foreign investments (Figure 2) and their relevance for the host country's industrialization and development process. This point of view arose in a different historical context, one characterized by harsh competition among host countries for FDI / TNC operations, and growing dissatisfaction with the level of FDI benefits and certain problems associated with it. The operational premise is that TNC benefits are NOT automatic, therefore, it is only by attracting higher quality TNC operations that better and more tangible benefits can be obtained. The benefits considered encompass impacts on the industrialization or development process, such as fiscal impact, technology transfer and assimilation, human resource training, new and deeper production linkages, local enterprise development, etc. This view rests more on mostly empirical -especially case study- evidence, than on any consolidated theory. It does recognize that although FDI flows have collapsed, the presence of TNCs in the region remains strong (Figure 3).

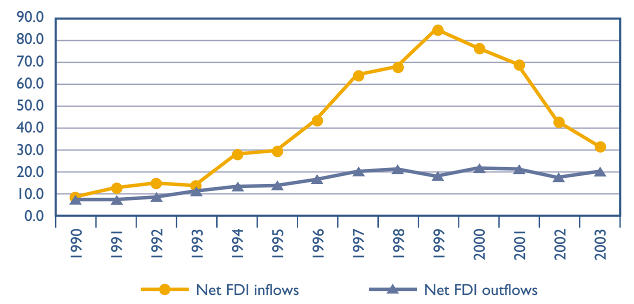
The objective of FDI policy from this perspective is to select and target TNCs whose strategies are more coherent with national development priorities. IPAs are central to policy implementation and their principal role is to identify, select and target TNCs to invest in their countries and evaluate the benefits in the context of national development priorities). A good example of successful host countries from this microeconomic point of view would be Ireland, Singapore and, in Latin America, Costa Rica. In these countries, the institutions that perform the role of IPA are also the national development agencies. All have been very successful at attracting efficiency-seeking FDI from TNCs establishing or expanding their international systems of integrated production. Costa Rica's big catch was a testing and assembly plant of Intel. A less successful example might be the automotive industry of Brazil, where federal and state incentives to attract TNCs proved unsustainable due to their high cost and produced a huge overcapacity for vehicle production. This second view is challenged because it presumes macro-economic stability and clearly defined development priorities, and it requires considerable resources, skilled human resources and credible institutions with political clout. Decision-making is complicated by the fact that proponents of this view are not usually found in the national economic team but rather in specialized institutions.

The purpose of this Precision is not to promote one perspective over another. Those policy choices will depend on the economic situation of particular countries and their developmental priorities. Rather, the idea is to point out that both perspectives are necessary and should be combined to the extent possible to produce improved policy that deals in a coherent manner with attracting, protecting and benefiting from FDI inflows and TNC operations. In that way, host countries in Latin America can advance beyond macro-economic crisis management in order to convert FDI policy into a vital and active part of their development strategies.

The author is Chief of **ECLAC** Unit on Investment Corporate Strategies.

INDICATORS

Net FDI Inflows vs External Payments Stream, 1990 - 2003

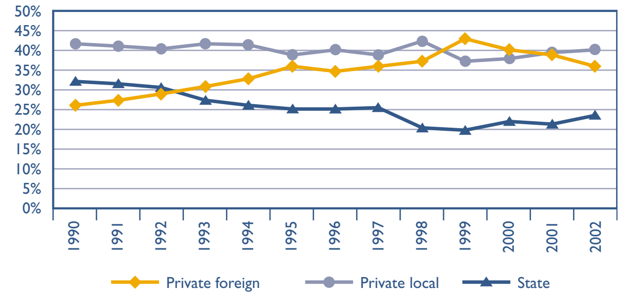


Determinants of FDI / TNC operations, by Strategy

TNC Strategy/Investment motives
1. To seek raw materials Abundance and quality of natural resources Access to natural resources Basic product international price trends Environmental regulation
2. To seek markets (national o regional) Size, growth rate and purchasing power of the market Level of tariff and non-tariff protection Entry barriers Existence and cost of local suppliers Market structure (competitors) Regulation of the sector
3. To seek efficiency to win third markets Access to export markets Quality and cost of human resources Quality and cost of physical infrastructure Service logistics Quality and cost of suppliers International trade agreements and protection for foreign investment
4. To seek active technological elements Presence of specific assets needed by the company Scientific and technological base Scientific and technological infrastructure Intellectual property protection

Latin America: total sales of the 500 largest firms by ownership, 1990-2002

(Percentages)



Source: **ECLAC**

(➡ from page 1) **Costs and benefits...**

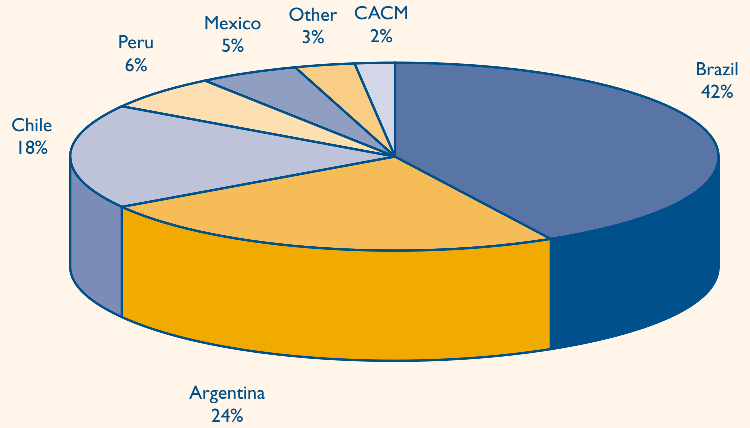
Mexico, where wages are 7.8 times higher than in China, or than Bolivia (3.7 times), or Chile (12.5 times). Competition from China is expected to strengthen further in 2005, when the EU and the USA lift quotas on Chinese textile imports.

The figures have grown substantially in the past two years. The main regional exports to China are farm products (grains, seeds, oil seeds, vegetable oil and sugar). Uruguay also exports by-products from cattle farming. Other products are iron, copper minerals, aluminium, liquid natural gas, and other energy resources. China imported 50% of its soya, 33% of iron, 37% of copper and 23% of wood pulp from Latin America, and these figures rose sharply in the last two years.

In 2003 China became the second biggest market for Brazilian exports, which totalled US$4.5 billion. The same year Brazil also expanded its exports to China of basic goods such as soya, chicken and iron, and of manufactured goods like small cars and patrol planes.

Latin America: distribution of exports to China, 2003

(Percentages of total)



Source: **ECLAC,** on the basis of official information.

Latin America (16 countries): main Asian export markets, 2002-2003

(US$ millions, and growth rates)

Countries / Destine	Asia (including Japan) 2002	2003	2003/2002	Japan 2002	2003	2003/2002	China 2002	2003	2003/2002
Latin America (16)	**25 090**	**31 673**	**26.2**	**6 351**	**7 351**	**15.3**	**6 317**	**10 870**	**72.1**
MERCOSUR	**12 001**	**16 382**	**36.5**	**2 491**	**2 671**	**7.2**	**3 723**	**7 318**	**96.5**
Argentina	3 179	4 686	47.4	371	343	-7.5	1 092	2 659	143.4
Brazil	8 566	11 422	33.3	2 098	2 311	10.1	2 520	4 533	79.9
Paraguay	52	63	21.0	8	5	-33.7	8	9	12.4
Uruguay	204	211	3.2	14	12	-11.4	104	118	13.6
Chile	**5 158**	**6 624**	**28.4**	**1 955**	**2 297**	**16.0**	**1 224**	**1 941**	**58.5**
Andean Community	**4 950**	**5 425**	**9.6**	**1 282**	**1 604**	**25.1**	**738**	**906**	**22.7**
Bolivia	28	67	137.1	6	19	216.8	8	10	24.1
Colombia	344	361	5.1	194	199	2.5	28	66	136.1
Ecuador	411	345	-16.2	98	86	-12.7	15	15	1.3
Peru	1 535	1 731	12.8	374	391	4.5	597	675	13.1
Venezuela	332	468	41.1	145	304	109.6	91	140	54.0
Mexico	**2 300**	**2 452**	**6.6**	**465**	**606**	**30.2**	**456**	**509**	**11.7**
CACM	**680**	**790**	**16.1**	**157**	**173**	**9.7**	**175**	**196**	**12.0**
Costa Rica	315	403	27.8	32	46	43.0	168	185	10.5
El Salvador	41	49	18.7	11	14	27.4	3	5	57.4
Guatemala	263	285	8.6	67	76	14.3	3	3	35.9
Honduras	53	46	-14.7	41	31	-24.5	1	2	39.7
Nicaragua	8	7	-7.0	6	5	-16.4	0	0	34.6

Source: **ECLAC**

Since the 1990s China has become not only one of Brazil's main trading partners, as both buyer and provider, but also its partner in a political dialogue. Their political affinities are based on their common position on substantive issues under negotiation in the multilateral economic system, particularly in the Doha Round of the WTO.

The **ECLAC** study looks at China's participation from several aspects: as a strong competitor in world markets for labour-intensive products, as a consumer market for the region's exports, and as an ally in international forums.

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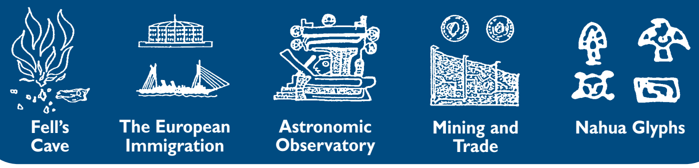
The symbols used in this newsletter represent the various indigenous cultures of the Americas and some of the milestones in the region's history. The symbols are engraved on the outside of the conference rooms at ECLAC headquarters in Santiago, Chile.



ENVIRONMENTAL PROBLEMS AND SMALL BUSINESSES: INCENTIVES WORK BETTER THAN SANCTIONS

Small and medium businesses in Chile, Colombia and Mexico present serious problems of pollution due to their inadequate production facilities, according to an **ECLAC** study. In all three countries, however, there is consensus that rewards and encouragement to develop cleaner production systems are more effective than sanctions.

The **ECLAC** survey, entitled "Identification of areas of opportunity in the environmental sector of Latin America and the Caribbean", has been financed by GTZ, the German technical cooperation society, and includes case studies in the three countries named. They are summarized in ***A comparative study of the environmental needs of small and medium businesses in Chile, Colombia and Mexico***, published in the series Environment and development (Nº74).

Small and medium businesses are responsible for creating 50% of jobs in Chile, Colombia and Mexico, an indicator of their social relevance. If we add the jobs generated by micro businesses, the figure rises to between 75% and 90% of all employment.

The universe of small and medium businesses accounts for about 90% of all companies in the three countries, although they produce less than 60% of GDP. In a classification by number of employees, micro-businesses employ fewer than 10 people, small businesses, from 10 to 49, medium, from 50 to 199, and big companies, above 200.

In Chile, Colombia and Mexico, small and medium businesses cluster around urban centers, and the majority are involved in trade. Manufacturing is the second most significant grouping, and most relevant in terms of its impact on the environment, particularly those involved in the production of food, textiles and threads, printing and publishing, chemical substances and metal goods. The service sector comes last in importance.

Management deficiencies

The case studies show small businesses as "highly deficient in management and technical know how", according to the document. These two characteristics represent a serious obstacle to any solution to the environmental impacts they cause. Furthermore, many of these businesses are in the informal sector, and have no contact with the tax, financial, trade association or legal worlds.

The Chilean, Colombian and Mexican governments have all established laws, norms and supervision governing the productive sectors. Businessmen must confront the environmental issue because they face inspection, and because of the commercial pressures in an ever more globalized and environmentally-aware economy, where environmental impacts are now seen as a shared responsibility.

The **ECLAC** study shows, however, that proper monitoring of compliance with environmental legislation does not occur in the small and medium business sector, either because governments have tacitly decided to turn a blind eye or because of the difficulties in supervising such a numerous, varied and scattered universe.

Perceptions of a threat to survival

Small and medium businesses, on their side, feel harassed by authorities and laws that they see as threatening their existence - a situation made worse by the fact that the proposed solutions are designed for companies in the formal sector.

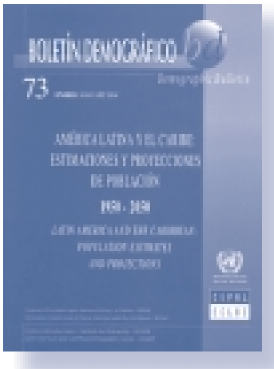
The three countries have created tools to help small businessmen. There are production guides presenting the battle against pollution in the light of business opportunity, low cost or subsidized environmental auditing programs, self-diagnosis programs, and management training programs.

But this approach to the problem has proved insufficient; in Chile, Colombia and Mexico few in the target beneficiary group are aware of the existence of the support programs. Those who have used the programs belong to the medium business sector, whose customers demand a level of environmental concern.

ECLAC study concludes that with the right policies and incentives the environmental issue could become a real business opportunity for small and medium businesses.

RECENT TITLES

1 Latin America and the Caribbean: Population estimates and forecasts. 1950-2050. Demographic Bulletin No.75, January 2004 (LC/G.2225, Spanish and English). This issue comes in two parts: the first contains population estimates and forecasts for the 20 nations of Latin America, and the second, for the Caribbean (Dutch Antilles, Bahamas, Barbados, Belize, Guadalupe, Guyana, French Guyana, Jamaica, Martinique, Puerto Rico, Saint Lucia, Surinam and Trinidad and Tobago). WWW



2 Inequity, citizenship and the indigenous peoples of Bolivia, by Rodrigo Valenzuela. Social Policies Series No.83, March 2004 (LC/L2098, Spanish). This work looks at the social movement of indigenous peoples, who have recently shown their capacity for collective action. About 62% of Bolivia's population is considered indigenous, and according to this study ethnic differentiation is a factor in determining poverty: 78% of poor indigenous homes lack drinking water, and 72% lack sanitary services. WWW

3 Right to inclusion, or social peace? Unemployed heads of household program, by Laura Golbert. Social Policies Series No.84, April 2004 (LC/L.2092, Spanish). An analysis of the program set up in Argentina at the beginning of 2002 in a context of economic crisis, discredited political parties and high levels of social conflict. WWW

4 Poverty and access to urban land. Some doubts on regularization plans in Latin America, by Nora Clichevsky. Environment and Development Series, No.75, December 2003 (LC/L.2025, Spanish). This paper looks at the subject of informality in city growth and evaluates the main programs under way in the region to solve it, in an attempt to discover whether such programs help combat or alleviate poverty. WWW

5 Free trade agreements and the challenges of competitivity for Chile: extending ISO 9000. Restructuring and competitivity network, by Alicia Gariazzo. Productive Development Series No.147, February 2004 (LC/L2068-P, Spanish). The author maintains the free trade agreements signed with the USA and the EU will not automatically broaden Chile's foreign trade, and that Chilean industry, including producers for the domestic market, must prepare to compete with new products. WWW

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CALENDAR

MONTH	EVENT	PLACE
MAY		
12	Presentation of the report "Latin America and the Caribbean in the World Economy, 2002-2003" International Trade and Integration Division, **ECLAC**	**ECLAC** headquarters, Santiago, Chile
13 - 14	Presentation of the **ECLAC**/GTZ (German Technical Cooperation) project "Labour policies with a Gender Focus". Argentine Ministry of Health/**ECLAC**	Córdoba, Argentina
19	Presentation of "Foreing Investment in Latin America and the Caribbean, Report 2003", Unit on Investment and Corporate Strategies, **ECLAC**	**ECLAC**
24 - 25	Third Meeting of Executive Committe of the Statistical Conference of the Americas. Statistics and Economic Projections Division, **ECLAC**	**ECLAC**
24 - 25	First *Chileambiental* International Symposium 2004, which forms part of Sustainable Development Week. *Asociación de Empresas y Profesionales del Medio Ambiente, Chileambiental, Foro Iberoamericano del Medio Ambiente*/**ECLAC**	**ECLAC**
JUNE		
1	Latin American and Caribbean consultation meeting: "Associated for a New Era." Conference of Non-Governmental Organizations (CONGO)/**ECLAC**	**ECLAC**
9	Thirty sixth meeting of the Steering Committee of the Regional Conference on Women in Latin America and the Caribbean. Women and Development Unit, **ECLAC**	Mexico D.F.
10 - 12	9th Regional Conference on Women in Latin America and the Caribbean, **ECLAC**'s Women and Development Unit.	Mexico D.F.
14 - 18	Regional workshop: Uses and Limitations of Social Indicators, **ECLAC**'s REDESA Project.	**ECLAC**
14 - 16	Seminar "Improving Social Policy Institutions and Creating a Social Authority. **ECLAC**'s Social Development Division.	**ECLAC**
28/06 - 02/07	**ECLAC**'s 30th Session, focusing on strategies for developing production in the open economies of Latin America and the Caribbean.	San Juan, Puerto Rico

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