

Chapter I

**THE MILLENNIUM DEVELOPMENT GOALS AND THE EQUALITY AGENDA
FOR LATIN AMERICA AND THE CARIBBEAN****A. PROGRESS IN THE REGION DURING THE 2000s: TOWARDS AN EQUALITY AGENDA**

Progress towards the Millennium Development Goals over the past decade has taken place in a context characterized as exceptional in terms of the economic dynamism achieved by the region as a whole and most of its individual countries. Beginning in 2003, with the ending of the recessionary cycle that had affected the region since the late 1990s, six years of growth created the conditions for faster progress towards the Goals.

This period of growth, preceding the energy and food crisis that gave way in turn to the global financial crisis, meant that faster progress could be made in reducing extreme and total poverty in the countries. The incidence of poverty fell by 11 percentage points between 2003 and 2008 (from 44% to 33%), while extreme poverty fell from about 19% to 13%. This was a breakthrough that put the region and several individual countries on track to achieve target 1.A of the first Millennium Development Goal.

During those six years, Latin America and the Caribbean achieved a remarkably high and fairly sustained GDP growth rate: average annual growth of 2.6% between 1990 and 2002 rose to 4.9% between 2003 and 2008 (see table I.1). To find a comparable period of economic expansion it is necessary to go back to the 1970s. By contrast with the 1990-2002 period, economic growth in the years preceding the crisis led to a large reduction in unemployment and an increase in real incomes for the working population. This, the entry of women into the labour market and a reduction in the demographic dependency rate were the main factors behind the improvement in the poverty situation.

Income distribution improved in a number of Latin American countries over the same period. In 10 of 20 countries, the Gini concentration index fell by between 3% and 10% or, in the case of one outlier, the Bolivarian Republic of Venezuela, by an even larger 18%. This factor obviously contributed to the reduction of extreme and total poverty as well, since improved distribution meant a rise in the income share of the poorest 20% of households in a context of rising employment and earnings in this stratum. This progress needs to be qualified, however, by pointing out that half the countries did not make any significant progress with inequality and only three of the seven least-developed countries saw a reduction in their Gini values. Latin America and the Caribbean still has the worst income distribution of any region in the world.

Poverty reduction was also aided, albeit to a lesser degree, by the rise in remittances from abroad in certain countries (particularly Mexico, El Salvador and the Dominican Republic) and income from monetary transfer programmes, whose coverage and benefit amounts improved in a number of countries.¹

Meanwhile, the economic dynamism of these six years meant that the trend towards higher public-sector social spending that had begun as long ago as the early 1990s could continue. Per capita social spending in Latin America and the Caribbean increased by an average annual rate of 6.1% between 2003 and 2008, giving cumulative growth of 43%. This increase was seen in most countries and was made possible by the greater fiscal resources yielded by growth and the higher priority given to the social sectors in public spending.

¹ Another factor in these achievements have been the respective programmes (Bolsa Familia and Oportunidades) applied in Brazil, which has already met the extreme poverty target, and Mexico, which is on course to do so given the reduction achieved so far.

Table I.1
LATIN AMERICA AND THE CARIBBEAN: SELECTED ECONOMIC, SOCIAL AND FISCAL INDICATORS

Country or territory	Per capita GDP (dollars at constant 2000 prices)	Average annual GDP growth rate		GDP growth rate ^a		Gini concentration index ^b		Annual growth in per capita public-sector social spending (percentages)	Central government tax revenues, including social insurance contributions (percentages of GDP) ^c	
		(percentages)				2002	2008		2000	2008
	2008	1990-2002	2003-2008	2009	2010					
Latin America and the Caribbean^d	4 922	2.6	4.9	-1.9	5.2	0.55	0.52	6.1	19.8	22.6
Latin America^d	4 909	2.6	4.9	-1.9	5.2	0.55	0.52	6.1	19.7	22.5
Medium-low and low human development countries^b	1 122	2.7	3.8	0.7	0.5	0.58	0.57	4.2	13.7	16.1
Haiti	391	-0.1	0.9	2.9	-8.5	...	...	...	7.9	9.5
Nicaragua	897	3.1	3.7	-1.5	2.0	0.58	0.53	8.9	17.5	21.7
Guatemala	1 699	3.9	4.1	0.6	2.0	0.54	0.59	1.5	10.9	11.6
Bolivia (Plurinational State of) ^e	1 173	3.5	4.5	3.4	4.5	0.61	0.57	0.6	17.9	21.7
Honduras	1 452	3.3	5.6	-2.1	2.5	0.59	0.58	5.9	14.3	15.9
Medium human development countries^b	2 408	3.4	4.6	0.1	4.3	0.54	0.53	4.6	11.8	15.0
El Salvador	2 677	4.2	3.1	-3.5	1.5	0.53	...	2.8	12.4	14.6
Paraguay	1 521	1.6	4.6	0.0	7.0	0.57	0.53	0.2	12.0	13.7
Dominican Republic	3 688	5.7	5.7	3.5	6.0	0.54	0.55	6.7	11.3	15.0
Ecuador	1 745	2.3	5.1	0.4	2.5	0.51	0.50	8.5	11.6	16.5
Medium-high human development countries^b	4 385	2.9	6.4	0.0	4.0	0.55	0.52	6.2	17.8	20.4
Peru	2 924	3.8	7.0	0.9	6.7	0.51	0.48	2.5	14.1	17.4
Colombia ^e	2 983	2.7	5.3	0.4	3.7	0.57	0.58	5.2	14.9	18.4
Brazil ^e	4 448	2.4	4.1	-0.2	7.6	0.61	0.59	6.0	30.4	35.5
Panama	5 688	4.4	8.4	2.4	5.0	0.57	0.52	7.1	16.0	16.5
Venezuela (Bolivarian Republic of)	5 884	1.2	7.0	-3.3	-3.0	0.50	0.41	10.2	13.6	14.2
High human development countries^b	6 821	2.6	6.1	-0.7	4.7	0.53	0.49	7.4	20.1	22.1
Costa Rica ^e	5 189	4.7	5.9	-1.1	4.0	0.49	0.47	3.3	18.9	23.1
Mexico	7 092	2.9	3.1	-6.5	4.1	0.51	0.52	5.3	11.0	9.4
Cuba	4 363	-0.8	7.3	1.4	1.9	...	...	15.4	27.5	25.2
Uruguay	8 161	1.2	7.3	2.9	7.0	...	0.45	6.3	22.5	23.3
Argentina ^e	9 885	2.0	8.5	0.9	6.8	0.58	0.52	11.4	21.5	30.6
Chile	6 235	5.8	4.7	-1.5	4.3	0.55	0.52	2.5	18.9	20.9
Caribbean countries^d	6 095	2.4	4.3	-2.2	0.9	...	...	3.5	22.7	27.2
Anguilla	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	11 601	3.0	6.4	-10.9	-6.5	...	...	...	15.8	21.3
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...
Bahamas	18 340	2.1	1.2	-3.9	-0.5	...	...	...	15.5	15.5
Barbados	7 712	0.7	2.9	-3.6	1.0	...	...	...	31.1	34.1
Belize	3 950	4.7	4.4	0.0	1.5	...	...	...	23.9	21.2
Dominica	4 843	1.3	4.4	-0.8	-0.7	...	...	...	24.9	28.9
Grenada	4 765	3.3	2.7	-7.7	-1.8	...	...	...	22.7	23.7
Guadeloupe	...	...	...	...	...	...	...	...	...	...
French Guiana	...	...	...	...	...	...	...	...	...	...
Guyana	902	4.4	2.0	3.3	4.3	...	...	...	29.1	32.0
Cayman Islands	...	...	...	...	...	...	...	...	...	...
Turks and Caicos Islands	...	...	...	...	...	...	...	...	...	...
British Virgin Islands	...	...	...	...	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...
Jamaica	3 713	0.8	1.6	-3.0	0.5	...	...	-0.3	22.6	26.5
Martinique	...	...	...	...	...	...	...	...	...	...
Montserrat	...	...	...	...	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...	...	...	...	...
Saint Kitts and Nevis	8 560	3.8	4.3	-8.0	-1.3	...	...	...	21.2	27.0
Saint Vincent and the Grenadines	4 445	3.1	5.1	-1.2	-1.0	...	...	...	24.0	28.1
Saint Lucia	4 996	1.9	3.8	-3.8	1.3	...	...	...	22.5	27.1
Suriname	...	...	...	3.5	2.4	...	...	...	34.1	22.8
Trinidad and Tobago	10 964	4.7	8.1	-0.9	2.0	...	...	11.2	25.3	33.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online] <http://www.cepal.org/estadisticas/default.asp?idioma=IN>.

^a The 2009 figures are estimates and the 2010 figures projections.

^b Simple average.

^c The figures for the Caribbean countries do not include social contributions.

^d Weighted average.

^e Fiscal years. The figures do not include social security contributions.

Something it is important to highlight as a positive characteristic of this period that contributed to the growth of resources for social spending was the rise in tax pressure right across the region. Central government tax revenues (including social insurance contributions) increased as a proportion of gross domestic product (GDP) in all the countries of Latin America other than Mexico and Cuba, rising from 19.8% to 22.6% between 2000 and 2008. In a context of economic growth, this led to a very substantial rise in public-sector resources.² The tax burden also grew in the Caribbean subregion, from 15.8% to 21.3% on average. In eight of 12 countries and territories, tax pressure increased by between 3 and 8 percentage points of GDP (see table I.1).

These strongly positive developments in the region's main economic aggregates were the context in which many countries succeeded in accelerating their progress towards the targets of the Millennium Development Goals. The last chapter of the present report (table IX.1) provides a synthesis of the region's progress towards the main targets. Nonetheless, there are certain points that reveal differences in attainment between countries. On the whole, the least-developed countries in the region have continued to lag the others, showing the persistence of the structural problems that have characterized the development of Latin America and the Caribbean.

The first thing to note is the general loss of economic dynamism in the least-developed countries. There, with the exception of Honduras and the Dominican Republic, the average annual GDP growth rate was below the regional average and considerably lower than that of countries with higher per capita incomes. Haiti, Nicaragua, Guatemala, the Plurinational State of Bolivia, El Salvador and Paraguay all grew by less than the 4.9% a year that was the regional average (see table I.1). This largely explains why these countries, which have the highest levels of extreme poverty, are the very ones that had not progressed quickly enough towards target 1.A of the Millennium Development Goals as of 2008 to achieve it by 2015. Per capita growth in these countries in the six years from 2003 to 2008 was well below the level needed to reach this target.³

Where the rise in the tax burden is concerned, while this increased the fiscal resources available and thus allowed public-sector social spending to be expanded in most of the countries, the tax structure in Latin America and the Caribbean is still characterized by major shortcomings in terms of efficiency and even more serious problems of equity. As a rule, just a third of all tax revenues collected come from direct taxes, a pattern that persisted during the period from 2003 to 2008 when the tax burden was rising. There is thus a need to move towards a more efficient taxation structure, with greater control of evasion and avoidance. Most importantly, though, this structure needs to be made more progressive, which means increasing the relative share of personal (especially income) and business taxes (ECLAC, 2010a).

A third thing that reveals differences of attainment during the 2003-2008 period is that in several countries much public-sector social spending includes social security, so that higher spending tends to benefit those higher-income sectors with access to formal employment and thence to social security coverage. The employment share of the informal sector did not change much during the recent period of economic dynamism, which shows how vital it is to move towards social security and protection systems that include a non-contributory solidarity pillar to reduce the inequalities between the different strata of the population.

This is compounded by the situation of uncertainty and the difficulties the countries will have to confront over the coming five years in consequence of the recent global financial crisis which, while it has not reversed the positive trends described earlier, does look like producing a major shift. While expectations for the coming years are not too negative where growth is concerned (it is likely to be stimulated by demand for commodities, especially from the Asian countries, although the crisis has led to uncertainties about pricing),⁴ it is well known that when economic indicators recover, social indicators do not recover at anything like the same pace, and they will probably take much longer to return to pre-crisis levels. It is safe to say that the crisis has heightened employment problems in the region (higher open unemployment, more informal working and reduced coverage in social security systems)

² This allowed many countries to reduce their fiscal deficits, leaving a number of them better placed to cope with the crisis whose effects began to be felt in mid-2008.

³ See figure II.10 in the next chapter.

⁴ The most recent projections prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) are for average regional growth of 5.2% in 2010.

and in many cases fiscal budgets have been constrained, making it harder to strengthen social policies. Furthermore, remittances from abroad have fallen and the global resources available for official development assistance (ODA) have diminished, affecting the whole region but the poorest countries most of all.

Despite these negative effects, a number of the countries were better placed than they would have been earlier to cope with the global crisis that struck from outside the region because they had more fiscal leeway and less procyclical macroeconomic management, lower inflation and a social safety net that, in some cases, has cushioned at least the worst effects of the drop in employment and incomes.

A more detailed review of what was achieved in 2003-2008, then, reveals inequality to be a core problem in the region, making it relevant to examine the different equality aspects of the Millennium Development Goals with a view to continuing the effort to adapt these to Latin America and make the evaluation of progress towards their targets meaningful. Identifying the main areas of inequality in relation to each of the Goals will provide a better idea of how successfully these are being met in the region and make it possible to single out the policy areas where public-sector action could have the most impact in terms of progress on the agenda for growth with equality and rights. Most States in the region have ratified the International Covenant on Economic, Social and Cultural Rights and must consequently comply with the obligations laid down therein. At the same time, the Millennium Declaration places its development goals within a context of human rights and the principles of freedom and equality. Accordingly, each Millennium Development Goal, target and indicator needs to be interpreted in a human rights context.

B. ASPECTS OF EQUALITY AND HOW THEY RELATE TO THE MILLENNIUM DEVELOPMENT GOALS

Progress towards the Millennium Development Goals in Latin America and the Caribbean needs to be analysed in the context of proposals for the region's development made by different United Nations bodies. The Economic Commission for Latin America and the Caribbean (ECLAC) has emphasized equality as a core value on the basis that "the market/State/society equation prevailing for the past three decades has proved incapable of responding to the global challenges of today and tomorrow" (ECLAC, 2010a). Even though the region has gone through periods of some economic dynamism and has made gradual progress in improving people's living conditions, as happened in the six years prior to the global crisis, there are still large gaps as regards the exercise of rights, levels of well-being and recognition of the need for a balance between equality of opportunity and respect for differences, particularly those deriving from cultural and gender differences.

Accordingly, this second assessment of progress towards the targets of the Millennium Development Goals in Latin America and the Caribbean⁵ has been carried out in the light of this new proposal for development in the region, arguing as it does for the need to reconcile social equality and economic dynamism, which implies a more preponderant role for the State in the coordination of market and society. The aim, then, is to respond to the recommendation, explicitly articulated in the Millennium Declaration,⁶ that the Goals and the targets proposed should be adapted to the peculiarities of Latin America and the Caribbean, thus helping to ensure that governments incorporate the goals laid down in the Declaration into their countries' legislation and public policies and programmes.

The purpose of this first chapter, then, is to spell out the link between the Millennium Development Goals and the different dimensions of equality identified by ECLAC for a new development agenda. The thinking behind this is that, to a greater or lesser degree, achieving each of the Millennium Development Goals means addressing three basic aspects of equality: equal rights (as a normative framework for equal opportunities), the closing of divides to achieve effective equality, and consideration for the welfare of future generations in the form of sustainable development. These are the three pillars of socially and environmentally sustainable development.

⁵ The first was conducted by ECLAC in 2005 with the collaboration of the United Nations organizations, funds and programmes represented in the region. See United Nations (2005).

⁶ See resolution 55/2, "United Nations Millennium Declaration", adopted by the General Assembly at its fifty-fifth session.

The change in development approach urged in this document is guided primarily by the consideration that the economic system needs to be subordinated to broad, comprehensive social objectives that allow dynamic economic growth and trade to be reconciled with environmental sustainability and satisfactory levels of welfare and social cohesion for the whole population. The targets laid down in the Millennium Declaration are the basic minimum that needs to be achieved if progress is to be made within a set time frame towards the Goals contained in that Declaration. Meeting these targets, however, does not necessarily ensure that equality, a fundamental component of the new development agenda recently proposed by ECLAC, will be achieved in all its dimensions. The principles contained in the Millennium Declaration require a more in-depth examination of the strategic areas involved in the promotion of equality, in a region that still presents the world's highest levels of inequality. It is therefore necessary to examine the different Millennium Development Goals from the perspective of equal rights, effective equality and the welfare of future generations as contemplated by Goal 7. This will make it possible to identify the challenges entailed by each of the goals, the relationships between them and the main policy areas involved.

1. Social inequalities: a major stumbling block to sustained poverty reduction

The **first Millennium Development Goal** addresses the need for comprehensive, effective and efficient progress in the shortest possible time towards the solution of basic human needs associated with the most extreme situations of poverty and hunger. The first target associated with this Goal (target 1.A, which is to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day) holds a central place in the intentions that guided the Millennium Declaration, as it provides the background to all the other targets and progress towards it thus largely sums up much of what may or may not have been achieved with all the other goals. Achieving the goal of eradicating extreme poverty means satisfying people's basic needs, particularly the right to food.

Equality of rights as a basic normative framework implies, however, a minimum standard of welfare for the whole population, something that cannot be assured merely by meeting the first target, as this does not guarantee that all basic needs have been met. Consequently, the main challenge for Latin America and the Caribbean is to **steadily reduce total poverty**, whose main cause is the great inequality in the distribution of wealth and income, an area in which the need for "concrete achievements in terms of narrowing existing gaps" (ECLAC, 2010a) is especially clear, with particular emphasis on the empowerment and participation of marginalized groups. The affirmation that steady progress with poverty reduction is a core development goal is a reference to the fact that this can only be achieved by comprehensively addressing the needs and deficiencies addressed in the other Millennium Development Goals, particularly those relating to equalitarian access to high-quality education and to productive employment and decent work. This is why the present report, like that of 2005, treats the first Goal, in its application to the region, as entailing not just the eradication of extreme poverty but also the halving of total poverty by 2015, at least for some countries.

At the same time, progress with poverty reduction in many of the region's countries over the six years preceding the crisis laid bare the want that has traditionally affected specific population groups, such as female household heads, children, indigenous peoples and populations living in the least-developed territories within countries. One of the main consequences of this is that State action and public policies need to reconcile the principles of universality and solidarity⁷ with policies and programmes designed especially to meet the needs of these disadvantaged groups.

2. Hunger: how inequalities prevent the right to food from being realized

Together with poverty, the first Millennium Development Goal identifies the need to **eradicate hunger** in the region. The setting of a specific target for hunger is based on the consideration that while progress towards the

⁷ The principle of universality means that all citizens should be guaranteed certain basic protections or benefits, in keeping with each country's level of development, that are deemed necessary for full participation in society. The principle of solidarity means that different people should participate to differing degrees in funding and drawing upon social protection benefits, depending on their economic capacity and risk level.

eradication of extreme poverty makes a central contribution to the struggle against hunger, anti-poverty efforts do not in themselves guarantee that the right to food will be realized, at least within a reasonable time period. Hunger is the result of food and nutritional insecurity and takes the form, first, of a food intake insufficient to meet energy requirements and, second, of malnutrition. This is why progress towards its eradication needs to be examined by looking at undernourishment due to inadequate food intake among both the population at large and the child population, as revealed by the prevalence of underweight children under 5 and of chronic malnutrition (stunting). In summary, this consideration requires recognition of specific hunger prevention policies to guarantee the **right to food**. This is because the eradication of hunger is the result of effective implementation of the right to food, which is enshrined in article 11 of the International Covenant on Economic, Social and Cultural Rights. This creates an obligation for countries to develop concrete, effective measures to guarantee this right without discrimination of any kind by ensuring that acceptable food is available and accessible to the population.

Apart from the fact that the existence of hunger represents a failure to honour one of the most basic of rights, it needs to be stressed that Latin America and the Caribbean is home to people who do not have adequate access to proper food when they need it and therefore suffer from food insecurity, and that the basic cause of this is not the overall availability of food in relation to the nutritional requirements of the population but the inability to meet food requirements through the market, largely because of inequality in income distribution. The result is chronic malnutrition, particularly among children from the very earliest ages, while the educational inequities that ensue tend in turn to reproduce the inequality of distribution.

In the case of hunger, inequalities are very clearly manifested in geographical segregation of the population and different levels of access to food. Information on chronic malnutrition indicates that there are major differences between different regions and zones within countries, which can be as great or greater than those between countries. The situation with hunger thus very clearly reveals how necessary it is that policies to reduce effective inequalities should take account of the specific characteristics of the different types of need in the regions and territories of countries. Although the guiding principles of policies may be similar, the territorial specificities of inadequate food access need to be considered. This is an essential part of the effort to guarantee equitable access to available food resources and progress along the path of equality in the region's countries.

3. Full and productive employment and decent work for all: a precondition for meeting the other Millennium Development Goal targets

Because most family income comes from earnings in the labour market, inadequate household income and poverty are mainly caused by the inability of economies to generate enough high-quality jobs. Accordingly, progress towards targets 1.B and 1.C of the first Millennium Development Goal (eradicating extreme poverty and hunger) is closely linked to **employment**.⁸ This new target, which is important enough to merit the status of a Millennium Development Goal within the Millennium Declaration, encompasses two of the main dimensions of equality. The first is the full application of rights, since employment is a human right that plays a key role in social integration while being vital for participation and personal meaning in people's lives. The second are the numerous divides created by the huge structural heterogeneity of the Latin American and Caribbean economies as a result of "the large productivity differences—much larger than those found in developed countries— among sectors, within sectors and among companies within a given country" (ECLAC, 2010b).

These divides are manifestations of the lack of effective equality and are to be found mainly in three vital areas: large pay differences (the main source of income inequality in the region), differences in access to social security coverage and clear deficiencies as regards respect for workers' rights and opportunities for public representation of their interests. The core of the problem is that these productivity differences between sectors or

⁸ Despite their importance for the attainment of most of the targets, productive employment and decent work for all were not among either the Goals or the targets contained in the Millennium Declaration approved in 2000 by 189 United Nations Member States. Only in 2008 was employment given greater importance and included in target 1.B of Goal 1, but no quantitative targets were established for the four official indicators proposed.

production strata are not only very marked but have tended to persist over time, as have the percentages of the population employed in each of the strata.⁹

The very nature of the problems of inequality and employment divides indicates that solving them will require action to address one of the core issues, which is the persistence of structural heterogeneity in the region's economies. Dealing with this will mean implementing public policies whose results can only be achieved over relatively long time periods. This is one of the reasons why no quantitative targets were set, by contrast with most of the other goals included in the Millennium Declaration.

Progress on employment will mean developing public policies in four main areas. First, policies to close internal and external productivity divides, operating in the areas of industrial development, technological innovation and support, financing and measures to develop less productive sectors. These are policy areas that have come to the fore because of the urgent need to begin closing the energy gap and move towards environmentally sustainable and lower-carbon production and consumption models.

A second area is that of macroeconomic policies to support growth with a view to generating more and better jobs that can absorb the growing supply of labour (now with better skills), thereby meeting the growing demand for jobs from women and young people, who have tended to be the worst affected by unemployment and low job quality, particularly in periods of global crisis like the present one.

The third area, connected to the two foregoing, is the need to build or enhance social protection networks. As well as providing for a solidarity pillar, these networks or systems need to include in their contributory component a pension system which is sustainable over time, unemployment insurance jointly financed by employers and workers, and health insurance that makes adequate provision for the main risks facing the economically active population. This sphere of social protection also includes policies to reconcile the growing participation of women in the workplace with the requirements of the care economy. Such policies are essential to address women's need for financial independence and the fact that their participation in the labour market is currently one of the main mechanisms keeping many households out of poverty, given their growing contribution to household income.

The fourth policy area relates to improvements in working skills and citizen participation and to capacity-building with the threefold purpose of raising educational standards with a view to defeating poverty in the long term, adapting educational attainments and content to the growing skill requirements of technological development, and preventing education from continuing to operate as one of the mechanisms that perpetuate inequalities originating precisely in the large divides in access to high-quality education between different social groups.

4. Education: a right and a precondition for development

All the above indicates that adapting the **second Millennium Development Goal (achieving universal primary education)** to Latin America and the Caribbean will mean dealing with a much greater and more complex array of problems than that of achieving a minimum basic standard of education. Where educational equality is concerned, the third chapter of the present report addresses a number of these problems and highlights the need to adopt a rights-based approach in this area. Understanding education as a right not only gives it a status that implies progress towards legal enforceability for all citizens without discrimination, but also places it in the context of other social rights (particularly the right to health and a decent job) with which it is strongly related. Again, it highlights the fact that as well as improving factors crucial to economic development and the distribution of social welfare opportunities, education opens the way to the construction of citizenship, the promotion of democratic values and, in short, stronger social cohesion.

⁹ Between 1990 and 2008, taking the average for the region, the percentage employed in the high-productivity sector (mining, electricity and the financial sector) remained at about 8%, while employment in the medium-productivity sector (industry and transport) as a share of the total fell by 3 percentage points over the period and employment in low-productivity sectors (agriculture, construction, trade and community and personal services) rose from 69% to 72% (ECLAC, 2010b).

Where effective equality in education is concerned, the vision adopted by ECLAC and all United Nations organizations represented in the region stresses the need to universalize completion of the upper secondary education cycle. Given that primary education access has been almost universalized in Latin America and the Caribbean, the transmission mechanism for intergenerational inequalities has shifted towards secondary education and, naturally, higher education, and completion of secondary education is considered to be a basic precondition (or minimum educational capital) for access to jobs that pay enough to keep people out of poverty during their working lives.

Lastly, raising the requirement from completion of basic (primary) education to completion of secondary education is an adaptation of the second Millennium Development Goal that is appropriate for many countries in the region. However, the process of educational devaluation that accompanies the move towards mass provision in each cycle means that in some countries even completing the upper secondary cycle is now insufficient to provide access to jobs that pay enough to lift people out of poverty. While a number of countries are a long way from universalizing complete primary education, in others it is low education quality and the social inequalities that operate in this area, at both the primary and secondary levels, that have become the main stumbling blocks to progress towards greater effective equality.

5. Autonomy, participation and empowerment for women: requirements for gender equality

Where the **third Millennium Development Goal (promoting gender equality and empowering women)** is concerned, there is a particularly large gap between the formulation of the Goal and the corresponding target, which is to eliminate gender disparity at all three levels of education by 2015. States have undertaken to guarantee women's rights beyond the educational sphere. These rights are mentioned, for example, in the Convention on the Elimination of all Forms of Discrimination against Women.

This is the only goal to call explicitly for equality in an area that is crucial to the full exercise of rights: equality between the sexes. Because progress towards this cuts almost right across all the Millennium Development Goals, attaining the third Goal involves all the aspects of equality mentioned in previous paragraphs. Failure to achieve equal rights in accordance with this Goal translates more obviously into effective inequalities than is the case with the other Goals.

Consequently, the present report incorporates a much broader set of targets, the basis for which is the idea that gender equality is rooted in the concept of autonomy for women in private and public life as a fundamental goal for the secure exercise of their human rights. To address the complex interaction of the factors entrenching gender inequalities, an approach has been adopted in which three pillars of gender and citizen equality are distinguished. They are: the ability of women to generate their own income and control assets and resources (**economic autonomy**), control over their bodies (**physical autonomy**) and full participation in decisions that affect their lives and their community, i.e., **decision-making autonomy**.

Where the first pillar of gender equality is concerned, the main aspect to highlight is that equal access for both sexes to all levels of education, as per target 3.A, is a precondition for the attainment of economic autonomy by women. However, attaining it does not guarantee better access to high-quality jobs and the same pay as men. Nor does equal access to higher education for men and women assure the latter of the same opportunities to work in high-level executive positions in the public and private sectors. This restricts their capacity for participating in decision-making and makes it harder to deactivate the mechanisms that reproduce inequality between the sexes in employment.

Again, while women in Latin America have achieved greater access than men to intermediate and particularly higher education, women continue to be over-represented (albeit to an ever-lessening extent) in professions and trades involving work traditionally done by women. All this calls for affirmative action policies, particularly ones aimed at helping women into the labour market, and for strict enforcement of the principle of equal pay for men and women.¹⁰

¹⁰ The principle of equal pay for men and women has been recognized since the 1919 Treaty of Versailles, and is also found in the Preamble to the 1940 International Labour Organization (ILO) Constitution. It has since been recognized in other

One tendency that has contributed to gender inequality where economic autonomy is concerned is the increase in the incidence of poverty among women relative to men: the relative disadvantage of women has increased as the percentage of the population in poverty has diminished. The rise of female-headed households is closely connected to this. Indeed, if the gender dimension of poverty is specifically examined, a revealing paradox appears: despite the substantial and sustained reduction in poverty over the past 15 years (up to the start of the global crisis), households with female heads are still poorer than those headed by men.

Attaining gender equality means not just enforcing the rights enshrined in numerous international treaties, but developing public policies as well. Two are particularly important: those aimed at removing stereotypes regarding male and female roles at every level of the education system, and those designed to create conditions and mechanisms for replacing unpaid work, thereby doing away both with double working days and the disincentive for women to seek work and enter the labour market.

The physical autonomy aspect includes the right to live a life free of the physical, sexual and psychological violence whose main victims are women, plus issues relating to the right to sexual and reproductive health. Albeit less directly than in the previous example, failure to enforce equal rights on both issues also makes gender inequality manifest. Lack of physical autonomy often follows from a lack of economic autonomy, as is very clear in the case of physical violence against women, which is more frequent among those who do not have their own incomes and depend on a partner for subsistence.

Lack of access to sexual and reproductive health is an area that more clearly reflects effective inequality in society. This is expressed by divides in access to pre- and postnatal care, knowledge and use of modern contraceptives and differences between women in different socio-economic strata regarding unmet family planning needs. Recognition of the importance of this dimension, both for achieving access to maternal health and for promoting the physical autonomy of women, led in 2008 to the inclusion of a specific target (target 5.B) for universal access to reproductive health in the Millennium Development Goals.

The third area to which the goal of equality between the sexes relates is crucial precisely because it is the empowerment of women that opens up the prospect of achieving this equality through female participation in decision-making in critical spheres of representation, both public and private. The importance of equal participation for women in public life (the executive, parliament, political parties, local and municipal government) is emphasized because, while female participation has risen, it is still low and this is itself a factor that reproduces gender inequalities. In other words, this lack of participation makes it harder for women's interests to be expressed and embodied in laws and policies to reverse these inequalities, which are to be found in all spheres. Thus it is that **effective gender equality** finds its clearest expression in equal parliamentary representation. However, continuing male majorities here are "evidence of the need to continue developing mechanisms to reduce the entrenched obstacles that prevent women from taking on positions of political leadership. Women have yet to achieve half the level of political participation of men" (ECLAC, 2010c). Quota laws have been the main mechanism for empowering women in the public sphere, by enabling them to increase their representation in parliaments. This has also had a positive symbolic effect insofar as increased participation in high-level public affairs has helped to do away with prejudices and stereotypes.

Although the emphasis has been on participation in public affairs, and rightly so given the need to empower women, it is a fact that female access to executive positions in private-sector firms and organizations plays an important role, since this is another sphere that offers scope for changes to make it easier for women to obtain paid work outside the home, including action against pay discrimination, proper enforcement of laws on pre- and postnatal leave, and childcare facilities in the workplace.¹¹

international treaties such as the Universal Declaration of Human Rights, ILO Convention No. 100 and the Covenant on Economic, Social and Cultural Rights.

¹¹ The presence of women in executive positions in firms can bring about change in the "organizational culture" and prevent legislation from becoming a dead letter when, for example, it makes the provision of workplace childcare facilities conditional on there being a minimum number of female employees in the firm, thereby discouraging recruitment of women.

6. Priority tasks for enforcing the right to health

Goals 4, 5 and 6 of the Millennium Declaration (reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria and other diseases) address the **right to health**. This is a social right whose legal basis is expressed in a number of obligations States have to fulfil in accordance with the international instruments they have ratified. In Latin America and the Caribbean, failure to enforce the right to health is often ultimately due to inequities that exist in this sphere and that are not only unnecessary and unfair, but avoidable. On the whole, when it comes to meeting this basic need there is perhaps a larger gap between legal equality and social inequality than in other instances, i.e., between the formal possession of rights and the ineffectiveness of public policies in enforcing them.

Consequently, progress towards effective equality in access to health and thorough enforcement of this right depends heavily on policies to close divides between different population groups. These divides may result from situations of geographical segregation, social exclusion of specific population groups such as indigenous peoples, and socio-economic inequalities. Such divides in access to health have become harder to close as out-of-pocket spending has increased, making income inequalities a larger factor, added to which the provision of basic health services demands large and increasing volumes of resources and a strong State capacity to provide and manage these.

The health-related Millennium Development Goals only cover **the most basic contents of this right**, in that fulfilment is related to different dimensions of well-being. The enjoyment of health —understood as a state of physical, mental and social well-being and not merely the absence of disease or infirmity— is subject to fulfilment of the right to proper food and access to sanitation, water and housing and healthy surroundings generally, so that it is closely related to the other Millennium Development Goals.

When examining inequality, it is necessary to distinguish between the Goals and targets whose aim is the realization of the right to health, as formulated in the Millennium Declaration. Respect for the basic right to life associated with the child and maternal mortality reduction targets and efforts to combat HIV/AIDS and other diseases require State policies to guarantee minimum standards and access to basic services. In countries with high mortality and morbidity rates, these policies serve to close gaps by bringing these services to groups that have been excluded as a result of inequality in its different manifestations.

In the case of the new target 5.B (universal access to reproductive health), conversely, the aim is to realize a right whose ramifications involve differences in access not just to modern contraceptives and high-quality prenatal care but also to more subjective things, reflected in the failure to meet family planning needs. State action to achieve effective equality in this case is more difficult because there are cultural and value issues at stake.

Where child mortality is concerned, State action to prevent avoidable child deaths in less-developed countries with high mortality rates requires large-scale programmes to address what are known as “exogenous causes”, since deaths tend to be concentrated in the post-neonatal stage. Among the panoply of policies to prevent death from these causes, however, it is necessary to distinguish those that involve more costly investments (basic services infrastructure, drinking water and sanitation coverage, expansion of primary health-care networks) or are longer-term in their effects (such as policies to raise mothers’ educational standards, a factor with a high impact on child mortality) from those that require the investment of more modest resources and that most countries have already implemented, such as high-coverage vaccination programmes, oral rehydration therapies and media education campaigns that can produce results over shorter time frames. It is important to emphasize that official development assistance (ODA) ought to play an important role in investments of the first type, in accordance with the general guidelines set out in this document for channelling ODA resources to middle- and low-income countries in the region.

As child mortality comes down, however, endogenous causes come more strongly to the fore. Public action in this case should address what is typically the hardest core of such mortality in more developed countries. This is neonatal infant mortality, particularly the early mortality that occurs during the first six days of life. Preventing death in these cases requires more costly and complex interventions. Nonetheless, the right to life requires that the State in less-developed countries should have policies to deal with causes of both types, and progress with mother

and infant health programmes based mainly on primary care and medical check-ups for healthy children should also form part of the strategy for achieving a rapid reduction in child mortality.

Emphasis should also be put on the link that exists between child mortality reduction targets and the target of universal access to reproductive health. A number of child mortality risk factors (particularly during the perinatal and neonatal period) relate directly to the mother's reproductive health. Children whose mothers are adolescent (particularly if they are under 18) or over 40 and whose birth is separated from the previous one by a short interval are more likely to die. These risk factors are more common when fertility is high or there is little access to family planning services. In this field, access to modern contraceptives and measures of all kinds to meet family planning needs contribute to faster progress in reducing child mortality.

Maternal mortality and the morbidity associated with its determinants are serious public health issues that reflect some of the deepest inequalities in living conditions. Women in low socio-economic groups are the worst affected because of their limited access to comprehensive, high-quality health services and the shortcomings of health policies targeted at sexual and reproductive health care. With maternal mortality, access is once again an issue but so is service quality, since while a very high proportion of births are attended by skilled personnel in most of the region's countries (some 90% or more), this achievement has not always ensured a reduction in maternal deaths. Thus, as well as increasing coverage, it is necessary to raise the quality and effectiveness of health services.

Where efforts to combat HIV/AIDS are concerned, inequalities are expressed not only in disparities in access to treatment, prevention and care services, but also in the discrimination and stigmatization that affect those living with HIV, particularly men who have sex with men, sex workers, transgender individuals, drug users, immigrants and persons deprived of liberty. The complexity in this case comes from the need to implement strategies combining biomedical interventions with others designed to change people's behaviour. This is why achieving effective equality in this area entails not just increased financial resources but greater political commitment too, as well as more thorough knowledge of the infected and at-risk population and the mechanisms whereby the disease is transmitted.

7. Changing production and consumption patterns to achieve environmentally sustainable development

The **seventh Goal** of the Millennium Declaration is to **ensure environmental sustainability**. Today more than ever, as a result of climate change and the systematic degradation of ecosystems and biodiversity, it is impossible to conceive of an inclusive economic and social development strategy without also contemplating the implementation of public policies and programmes to respond effectively to present human needs without destroying the capacity of the environment to meet these needs in the long term. Accordingly, **solidarity with future generations** needs to be placed at the heart of the equality agenda, and this means substantive alterations to today's production and consumption patterns and greater regulation of activities that contribute to the destruction of the environment.

Although this is a global concern, there are certain specific features and urgent problems to be addressed in Latin America and the Caribbean. The region's economies are characterized by their close connection to the environment, since the production activities that predominate in the region are natural resource-intensive and are thus affected by damage to ecosystems and biodiversity, particularly if proper management practices are not followed. Furthermore, growing demand for natural resources and energy is now accompanied by greater uncertainty about their availability, largely because of the effects of climate change. Fossil energy sources, which are heavily used in the region, tend to generate environmental problems and are contributing to climate change, albeit marginally when compared to other regions. Consequently, the transition to economies that produce fewer carbon emissions and use less fossil energy is a fundamental pillar of sustainable development.

Because of this, the environmental sustainability of development can no longer be treated as an aspiration for the future that can only be afforded once the basic needs of the population have been met. On the contrary, the sustainable development paradigm needs to have a central place on the development with equality agenda, since what is at issue is not just the intrinsic value of ecosystems and biodiversity, but also their importance to the other

components of human welfare. Consideration should be given to including environmental sustainability in the Millennium Declaration, with targets covering the incorporation of sustainable development principles into national policies and programmes, the slowing of biodiversity loss, reduction of the number of people without access to drinking water and sanitation, and better lives for the inhabitants of marginal areas (shanty towns). These targets would have strong synergies with the other Goals, especially the reduction of extreme poverty in the case of the last targets mentioned.

From an equal rights perspective, sustainable development thinking emphasizes the realization of certain rights that are fundamental to the promotion of a good quality of life in healthy surroundings, particularly for those more vulnerable and deprived groups that tend to live in conditions of geographical segregation and without access to basic services. Also being considered is the need to improve accountability systems and guarantee access to information on environmental matters for the whole population. Among the rights directly linked to the seventh Millennium Development Goal are: the right to environmental health, the right to water and sanitation, and the right to housing (all of which derive from the International Covenant on Economic, Social and Cultural Rights and are additionally provided for in numerous national constitutions and laws). Thus, extending and improving drinking water and basic sanitation services and improving quality of life in deprived areas requires effective State action to ensure that these rights are given effect.

The challenges thus associated with the development of social inclusion policies are particularly important in Latin America and the Caribbean, as the region has the highest levels of urbanization in the developing world but also a high degree of geographical segregation that expresses and at the same time reproduces social inequalities. Many of the region's cities, and major conurbations in particular, are characterized by residential segregation whose distinctive feature is the concentration of the poor on the city outskirts, where they suffer from lack of access to basic services and major difficulties of connectivity with the rest of the city, mainly because of transport costs (ECLAC, 2010b). There is consequently a need to develop territorial convergence policies to promote social inclusion of poor and vulnerable groups through more appropriate urban land use systems and improved provision of basic services for the whole population.

Again, while the deterioration of ecosystems is bad for the whole population, not just in the present but in the long term as well since it undermines the development opportunities of future generations, major social inequalities are manifested in this area too. It has been shown that the poorest are those who suffer most from environmental damage, since in a number of the region's countries the lack of resources has led to their progressively occupying marginal land where they not only inhabit makeshift urban settlements, but intensify land degradation and desertification by their presence. This is compounded by lack of access to drinking water and basic sanitation services, which not only increases infection and disease, but creates problems for progress with other aspects of human welfare, such as access to education and the empowerment of women.

To summarize, the seventh Millennium Development Goal articulates the different dimensions of equality that have been mentioned here and reaffirms the importance of taking a longer-term view of the equality agenda to preserve the environmental conditions future generations will need for inclusive economic and social development. An essential part of this is to move towards the effective incorporation of sustainable development principles into national policies and programmes, strengthening the resources and political capabilities of the institutions created for this purpose, while also (and especially) moving towards a development model that not only includes the external costs of environmental degradation and the external benefits of activities that do not harm ecosystems, but is based on lower-carbon production and consumption patterns that promote what is known as "green enterprise".

In short, this is a strategic area for a development with equality agenda in the region's countries, since "this shift could have major impacts from the point of view of equality and production convergence, inasmuch as it would imply providing better-quality public services, which are essential well-being tools for the most disadvantaged strata" (ECLAC, 2010b).

8. The global partnership for development: the gap between commitments and reality

The eighth Millennium Development Goal establishes the general conditions for the creation of a **development partnership between countries**. Thus, for one thing it specifies a number of commitments needed from developed countries to support the efforts of developing ones. For another, it establishes some guidelines for correcting international trade asymmetries by helping the least-developed countries to participate fully and sustainably in international trade and finance.

Thus, Goal 8 of the Millennium Declaration seeks to **correct inequalities between countries** via the development of a fair, open trading system with clear and predictable rules for all, increased ODA for the poorest countries and measures to give the least-developed countries access to the new information and communication technologies that are now indispensable for full participation in the “knowledge society”. The aim of this last measure is to close the “digital divide”, both in its external aspect (inequalities in technology access between countries with different levels of development) and within countries (between different population groups).

Where **market access** is concerned, despite having considerably improved its access to major markets through trade agreements, Latin America and the Caribbean still faces major domestic constraints that are preventing the region from participating more fully in international trade. These include inadequate information about trade opportunities, excessive bureaucracy for exporters and importers, inadequate financing for small and medium-sized enterprises (SMEs) and logistical and infrastructure problems. The aim of the Aid for Trade initiative that arose in 2005 under the auspices of the World Trade Organization is precisely to deal with these constraints.

The continuation by developed countries of high levels of tariff protection in sectors of particular concern to Latin American and Caribbean exporters, particularly agriculture, has created **a core of inequality in access to international trade**. Likewise, non-tariff barriers such as rules of origin and strict sanitary and technical standards can prevent the region’s exporters from taking advantage of the tariff preferences available to them, something that also places the region at a disadvantage. Indeed, while the level of assistance developed countries provide to their farm sectors has diminished of late, it is still high both in absolute terms and in relation to the ODA provided by these countries. These subsidies are still distorting competition in international markets in a sector that is of particular importance to Latin America and the Caribbean because of the large share of export revenues it accounts for.

The preferential tariffs applied by developed countries to imports from developing ones are largely explained by the commercial interests of the developed countries themselves. In the case of farm produce, the export profile of developing countries tends to be dominated by so-called tropical products, which do not usually compete strongly with the agricultural output of developed countries. This accounts for their low most-favoured-nation and preferential tariff levels. Conversely, the export profile of Latin America and the Caribbean is more weighted towards temperate agriculture, which competes more with the output of the industrialized countries, explaining the higher tariffs (both most-favoured-nation and preferential) the region has to cope with there.

The reason it is so important to deal with these inequalities is that, for all that it declined sharply in 2009 as a result of the crisis, international trade will continue to be a source of opportunities for economic growth and sustainable development in the region in the medium and long term, especially if the quality of its interaction with the world economy can be improved. Despite progress with market access, the region still needs to make the transition from a pattern dominated by inter-industry trade and based on exports of natural resources with a low level of processing to one of increasing participation in intra-industrial global value chains. To achieve this, the great challenge is still to progress towards greater production and export diversification by strengthening the links between export and production development and by incorporating more know-how and technology into exports. In addition, Latin America and the Caribbean should take a far more proactive and coordinated approach to its relationship with Asia, the region expected to be the most dynamic in the global economy over the coming decades. There is also the urgent need to incorporate the issue of environmental sustainability, including climate change, into national and regional growth, competitiveness and innovation agendas.

Lastly, the financial and economic crisis, whose epicentre was the United States, was transmitted to the real economy of Latin America and the Caribbean via a number of channels that obstructed the region's access to international markets. In late 2008 and the first half of 2009, the value of the region's exports fell at an annualized rate of some 25%, chiefly because of lower commodity export prices. At the same time, as a result of the same crisis, a large number of countries, both developed and developing, have adopted measures with an anti-trade impact, reflecting the emergence of protectionist signals.

In summary, the rise in protectionist pressures since late 2008 implies that the gap between reality and the goal of creating a predictable and non-discriminatory rules-based international trading system has widened since the global crisis broke out. Despite an incipient recovery in the global economy, this gap could continue to grow over the coming months if high unemployment persists in the industrialized countries and these try to address the problems of competitiveness associated with efforts to combat climate change by means of unilateral actions with a punitive intent. All this would be highly damaging to developing countries, including those in the region. A rapid conclusion to the Doha Round could be very helpful in reversing this negative tendency and promoting more equitable access to international trade.

Levels of official development assistance (ODA), financing in the form of donations or soft loans whose **goal is to help deal with the problems and meet the needs of developing countries, thereby reducing global disparities and inequities in the interests of solidarity**, are still well below the agreed target. As early as 1970, a resolution by the United Nations General Assembly called for donors to spend 0.7% of gross national income on ODA. This commitment was endorsed on a number of occasions, notably at the International Conference on Financing for Development held in Monterrey, Mexico in 2002. Currently, however, ODA amounts to less than half this figure and has declined. Despite a modest increase in the wake of Monterrey, the financial resources needed to fulfil this commitment have yet to be mobilized.

Furthermore, the logic of ODA allocation by donor countries and multilateral institutions has shifted over the past two decades, and one major change is that a higher proportion is being channelled towards economies classified as low-income (including countries classed as least developed) to the detriment of middle-income economies. This trend has intensified since the late 1990s. Thus, the share of total ODA going to Latin America and the Caribbean fell from 9% in 1990 to 7% in 2008.

Considerations of greater equity and efficiency in the allocation of ODA indicate that per capita income in the countries should not be the main or sole criterion for allocating ODA. If the needs of countries were judged by the relative and absolute size of their populations in extreme need,¹² and if ODA were to be put into productive investment and not just welfare-type assistance, then a number of countries in the region ought to receive much larger shares of these flows.

Given all the above, it would be natural for ODA to be allocated in accordance with a logic of specific country needs in both medium-high- and medium-low-income countries, and to be directed to the worst-affected sectors within these.

What matters is not only the volume of ODA received, however, but the form it takes. In some cases, a large proportion of ODA received by the countries has taken the form of action on their external debt (such as debt forgiveness) rather than fresh funding for other sectors. The corollary of this is that there is less ODA for social services and social infrastructure.

Although channelling ODA into social sectors and directly to areas associated with the Millennium Development Goals is obviously essential if the Goals are to be met, the importance of assisting production sectors and others with strong job creation potential should not be overlooked. ODA resources should be allocated following a strategy that focuses not just on the social sectors but also on those sectors that have a large multiplier effect. Thus, for example, ODA devoted to trade (aid for trade) is designed to enhance the countries' capabilities so

¹² For example, the incidence of poverty in Latin American countries classified as having medium-low incomes is between 15% and 35%, and even some with medium-high incomes have poverty rates as high as 20% or so.

that they can reap the greatest benefit from the funding available and make an impact not just in the short term but in the medium and long term as well.

For progress towards the Millennium Development Goals, it is not enough just to increase resources. Their efficiency and effectiveness also need to be enhanced, and this requires a balanced allocation of ODA to production and social sectors and enhanced institutional arrangements to coordinate efforts and interests and achieve the goals laid down in the Millennium Declaration agenda.

Where **debt sustainability and relief** are concerned (target 8.D), the external debt dynamic of the Latin American countries has evolved positively since 2002, so that by 2008 external debt averaged about 32% of gross national income, the lowest figure since 1990. Furthermore, both debt service and interest payments as a proportion of exports also dropped to their lowest levels in 2008. Total external debt in the Caribbean subregion likewise underwent a change in tendency in the early years of the present decade, although total debt in relation to gross national income returned to levels similar to those of the second half of the 1990s (some 67%). The debt service dynamic has been more irregular in recent years, averaging 12% of exports between 2000 and 2008, while interest payments were more stable at an average of 5% of exports in the same period.

It should be noted that only five countries in the region (Bolivia, Guyana, Haiti, Honduras and Nicaragua) have signed up to the joint World Bank and International Monetary Fund (IMF) Heavily Indebted Poor Countries (HIPC) initiative. This initiative was created in 1996 with the intention of ensuring the long-term sustainability of external debt and reducing poverty in the poorest and most heavily indebted countries, on condition that they undertook major macroeconomic adjustment programmes and structural reforms. While Haiti qualified for the debt relief programmes in 2006, the other four reached the “decision point”¹³ in 2000. As in the rest of the region, then, debt level indicators in these countries have evolved favourably. With the exception of Haiti, total debt as a share of gross national income began to fall substantially once the countries entered the programme, especially in the cases of Guyana and Honduras. Much the same occurred with debt service as a share of exports.

While relief programmes have certainly played their part in improving the external debt conditions of the countries joining them, they are not the only factor. In 2002-2008, the region’s countries generally experienced high rates of economic and reserves growth, accompanied by domestic macroeconomic policies that improved both their domestic and external debt positions.

Regarding **access to new information and communication technologies (ICTs)** (target 8.F of the eighth Millennium Development Goal), lastly, the key issue is the extent to which the countries benefit from these technologies and the particular conditions under which they make the transition to the information society, i.e., the advances, difficulties and challenges that arise as they are incorporated fully into this society through the spread of the productive and social benefits associated with access to and use of the technologies characteristic of the so-called digital revolution.

The degree to which a country’s information and communications infrastructure is developed is a cross-cutting determinant of its ability to carry out all activities involving information sharing and management, from those oriented towards production to those of a social character that centre on improving people’s quality of life and human capital formation. ICTs have a strong impact on the production, education and health sectors, among others, which means that access to and use of these technologies can provide new opportunities not just for employment but also for social interaction and integration. In other words, ICTs have a contribution to make to the economic and social development of the region’s countries and thus to the entire effort to attain the Millennium Development Goals and deal with poverty and inequality.

¹³ To get to the “decision point”, a country must have a track record of economic stability, have prepared its provisional Poverty Reduction Strategy Paper and have paid off any debt arrears. At this point, World Bank and IMF officials carry out a loan-by-loan analysis of the sustainability of the debt to determine the country’s level of indebtedness and the amount of debt relief it needs to receive.

As ICTs become more important in every area of society but do not become equally accessible to all, a **new form of social exclusion** known as the digital divide appears. This divide needs to be narrowed because access to ICT infrastructure is a basic prerequisite for using the information and innovation available in today's society, so that heterogeneous and unequal access leads to inequalities within and between societies, thereby affecting the scope for equitable development. In summary, **the digital divide does not just reflect economic, geographical, social and cultural inequalities, but further exacerbates them.**

To ensure the effective spread of the economic and social benefits associated with ICTs, it is necessary not only for people to have access to them (access divides) but for high-quality access to be available on equitable terms (quality divides) and for these technologies to be used efficiently by being incorporated into both production and social activities, for example, within a public policy management framework (usage divides). It is important to emphasize this multifaceted character of the digital divide, because it is a constantly moving target: those who already have access to a technology have the readiest access to the next innovation, so that the frontier of the divide is continually shifting forward.

This is particularly important for the countries of Latin America and the Caribbean, since whereas they have caught up to some degree with the developed countries over recent decades as regards access to telephone lines, mobile telephony and Internet connectivity, the gap has actually widened for new technologies with better transmission quality, such as broadband Internet.

The following chapter examines progress in the region with extreme poverty and hunger (targets 1.A and 1.C of Goal 1), after which the third chapter discusses the new target 1.B relating to full and productive employment and decent work for all.

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