Growth with equity

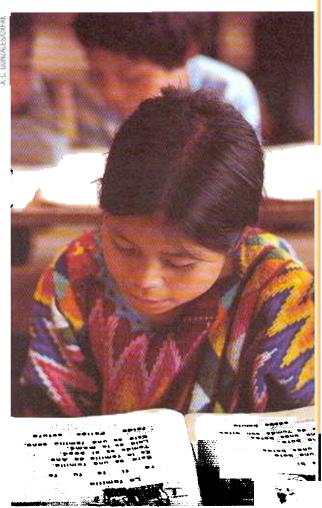
Economic Commission for Latin America and the Caribbean (ECLAC)

If the broader view of human rights is accepted as including economic, social and cultural rights, it could be maintained that the progress achieved in democratization in the countries of Latin America and the Caribbean has been partially offset by certain lapses in recent years. Thus, for example, there has been a substantial increase in the incidence of poverty: in 1980, 136 million Latin Americans - 41 per cent of the total population - were living below the poverty line; by the end of the decade, the number of people in that situation had risen to 195 million, more than 45 per cent of the population. There has been a similar trend with regard to absolute poverty, which increased from 19 per cent in 1980 to 22 per cent in 1990. In the same connection, the information available suggests that in most countries the already inherently imbalanced structure of income distribution in the 1970s tended to worsen during the 1980s.

One of the questions which, from the standpoint of Latin America and the Caribbean, requires an urgent response is how to reconcile the tangible progress in civil and political rights with the lapses in economic and social rights. In this connection, it should be accepted that avoiding the violation of the civil or political rights of individuals and communities is not the same as ensuring fulfilment of 'the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions'.* The first falls within the ethical, cultural, political and institutional domain of a society; the second also has an effect on the allocation of resources.

Without progress in economic and social rights, civil and political rights, which have been attained with such difficulty, tend to become a dead letter for the sectors with least resources and lowest levels of education and information. Today it is abundantly clear that these sectors have much greater difficulty in gaining access to justice and opportunities of defending themselves against abuse by third parties or the State. Poverty and the nonexercise of citizenship very often go hand in hand. Changing this situation is a fundamental necessity in order to stabilize the democracies of the region and to achieve genuinely universal citizenship.

DEVELOPMENT, BUSINESS & HUMAN RIGHTS



Considering that development is a prerequisite for safeguarding civil and political rights, ECLAC has begun to respond to the challenge of how to make progress, simultaneously, in achieving environmentally sustainable growth, with greater equity and in democracy.

The focus of this undertaking is productive transformation, based on the deliberate and systematic incorporation of technical progress, and aimed at achieving rising levels of productivity and generation of productive employment. Development based on technical progress which makes possible improved international integration leads to higher incomes, requiring a rise in the level of education and conditions of health and housing (in other words, more and better human capital), and at the same time to a transformation of the relations existing within the enterprise, all of which helps to increase equity.

The attainment of these goals requires a systematic approach, by means of which, in addition to maintaining macroeconomic balances and correct prices, it is possible to undertake selective activities of a sectoral nature, together with institutional innovations

and social progress, civil and political rights become increasingly difficult for those people with the least resources and the lowest levels of education

Never before in human history has mankind been more aware of human rights. Different degrees of human freedom were achieved at different stages of history, but the last two decades have witnessed momentous breakthroughs in many regions of the world. Paradoxically, there are huge disparities threatening the fabric of many societies and haunting the harmony of the world. Our little island nation, Seychelles, is contributing its share in reshaping the world. Within our very short history, we have built solid foundations for the unity and economic, environmental, intellectual and social well-being of our people - essential requisites for the dignity of the person and the enjoyment of a democratic way of life.

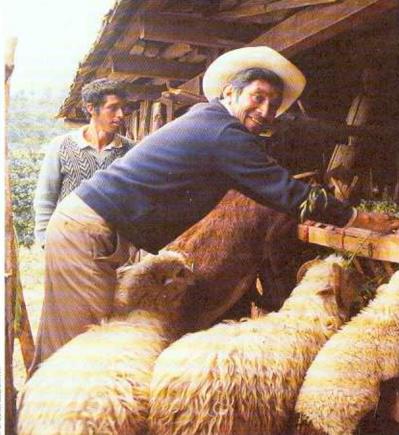
H.E. France Albert René President Republic of Seychelles The attainment of fundamental human rights and freedoms ought to be the aspiration of all human persons and nations. International concern for human rights found expression in the celebrated Universal Declaration of Human Rights. Today, mankind is making pressing demands for basic human dignity and a sense of selfworth and has enacted a number of regional and sub-regional Charters and Conventions. In snite of all these Charters and their ratification by the international community, the world continues to witness unprecedented atrocities and callous violations of human rights. The real challenge for the UN is to strengthen the binding nature of the existing system of norms. H.E. Captain Valentine E.M. Strasser Chairman

Republic of Sierra Leone

Development can lead to higher incomes, improved education and better health and housing which will enable the economic agents to coordinate their efforts to reconcile equity and growth. In accordance with this systematic approach, the observance of the civil and political rights of the population plays a leading role, since what is required is a context of social cohesion and stability in which development will necessarily take place.

Even though much economic thought commonly focuses on possible clashes between growth-oriented policies and policies aimed at achieving better income distribution, ECLAC has laid stress on the complementarity between strategies and policies designed to achieve both growth and equity. If public policies were grouped in separate categories, arranged according to the compatibility or antagonism between their objectives of growth and equity in the short and long terms, it would be seen that the group of policies with possibilities of complementarity is larger than that of countervailing policies.

We thus maintain that growth and equity are the products of both economic policy and of social policy. The idea that economic policy has to aim at sound growth while it is for social policy to focus on the problem of distribution has to be overcome. Neither policy is neutral in terms of distribution, and both influence the capacity for growth. For



this reason, we propose an integrated approach, in which public policy as a whole simultaneously supports productive transformation and equity. This integrated approach is also applicable to civil and political rights, on the one hand, and to economic and social rights, on the other.

All the foregoing stems from recognition of the fact that the formulation and implementation of economic strategies and policies will have to take place in a democratic, pluralist and participatory context. This influences the content and scope of economic policies and strategies, the way in which these policies are formulated and implemented, and the forms of interaction between public and private players. The principal conclusion of this analysis is that growth with equity, in democracy, is not only desirable but also possible. This means that it is also possible to respond both to the civil and political rights to individual freedom, and to economic, social and cultural rights.

Particular consideration is required by the situation of the indigenous peoples, who constitute an essential factor in the region's population and culture. The systematic approach to development proposed by ECLAC presupposes far-reaching changes in the situation currently confronted by the indigenous peoples of the region. As we well know, these peoples are heavily overrepresented in the poverty and exclusion indices: in many places they have no legal recognition, no legislation to protect them against the pillaging of their resources, and no mechanisms to ensure their participation in solving the problems affecting them, and enjoy no respect for their specific cultures and identities.

In order to make progress in their productive modernization with equity and the establishment of stronger democracy, Latin America and the Caribbean need the full participation of the indigenous peoples in the productive effort and in terms of citizenship. This entails establishing a capacity for society as a whole to recognize the Indian peoples' demands both for identity and for development along jointly agreed paths which ensure respect for their rights, mutual recognition of the permanence and enrichment of their culture, and harmonious and complementary economic development.

NOTES: *Article 11 of the International Covenant on Economic, Social and Cultural Rights

EXTRACT FROM: Economic and social rights and productive transformation with equity in Latin America and the Caribbean, UN Ref No: A/CONF. 157/PC/61/Add.3