# LATIN AMERICA: SOCIAL CAUSES & GOVERNMENT INITIATIVES

BY: Mehul Raval





#### Why is it called Latin America?

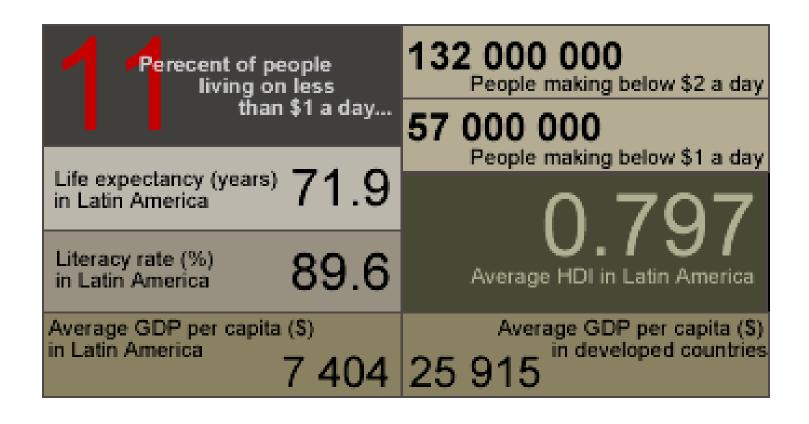
- Latin is a language
- The two widely spoken languages are Latin-based

Portugues
e is
spoken in
Brazil



And
Spanish
just about
everywher
e else!!!

# The Socio-economic conditions in Latin America



#### SOCIAL ISSUES IN LATIN AMERICA

**AIDS** ALCOHOLISM CORRUPTION **HUNGER** MAL-NUTRITION **POOR & POVERTY PROSTITUTION RACISM** SOCIAL SECURITY

#### HUMAN DEVELOPMENT INDEX

RANK	COUNTRY	HDI
46	ARGENTINA	0.860
70	BRAZIL	0.807
111	BOLIVIA	0.723
80	COLOMBIA	0.787
79	PERU	0.788
61	VENEZUELA	0.826

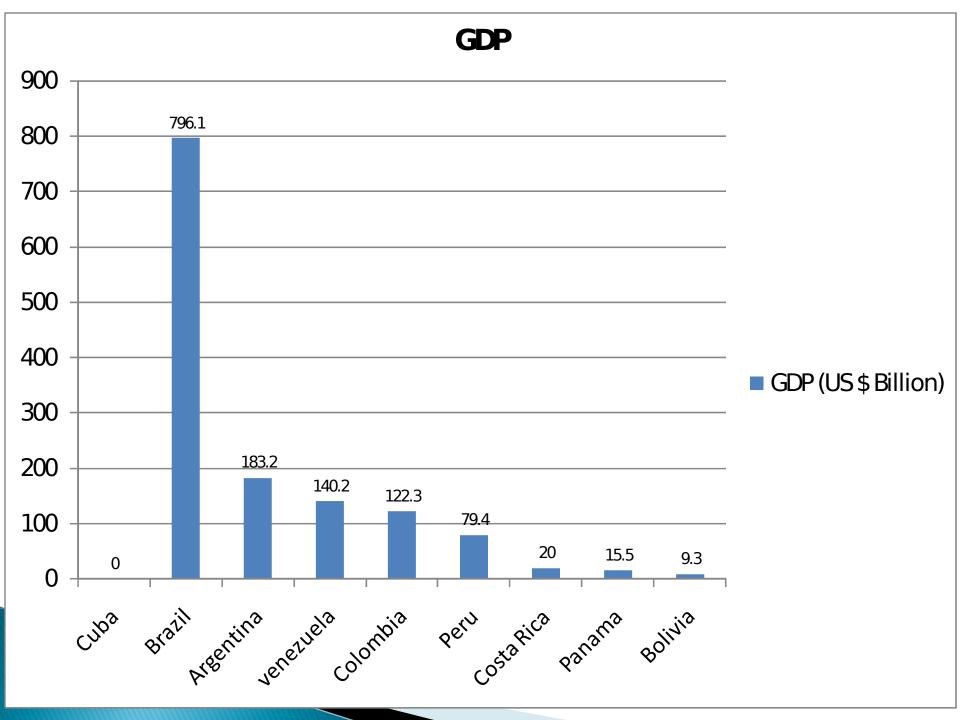
The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education and standards of living for countries worldwide.

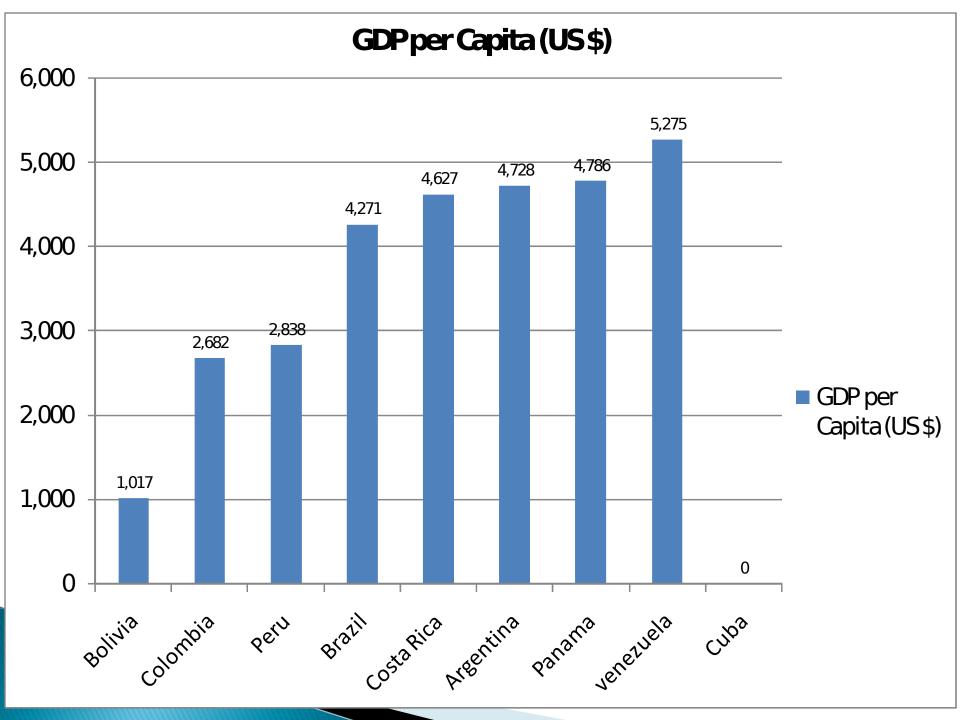
#### **EDUCATION INDEX**

RANK	COUNTRY	EDUCATION INDEX
35	ARGENTINA	0.946
65	BRAZIL	0.888
72	BOLIVIA	0.885
86	COLOMBIA	0.875
73	PERU	0.885
71	VENEZUELA	0.886

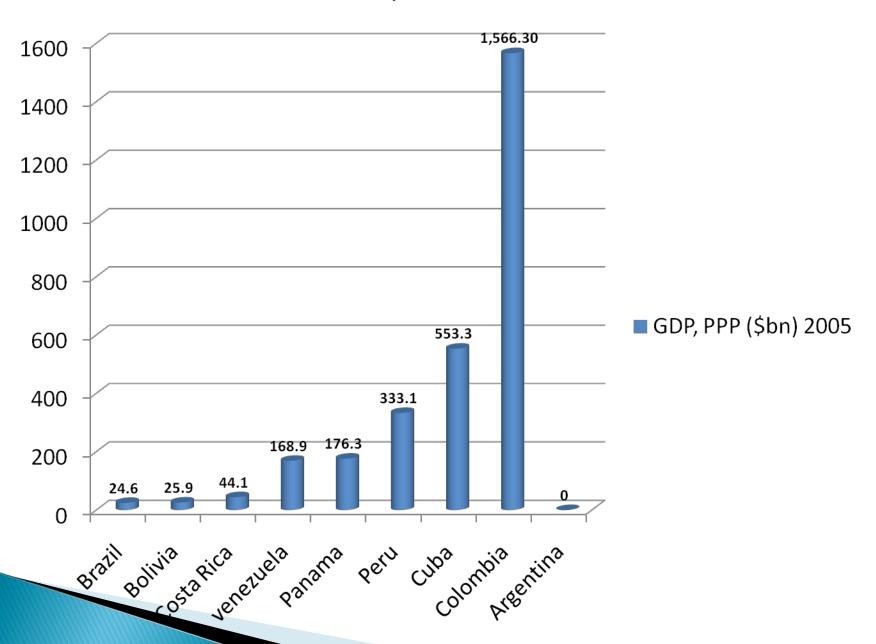
The Education Index is measured by the adult literacy rate and the combined primary, secondary, and tertiary gross enrollment ratio.

# FACTS & FIGURES: LATIN AMERICA

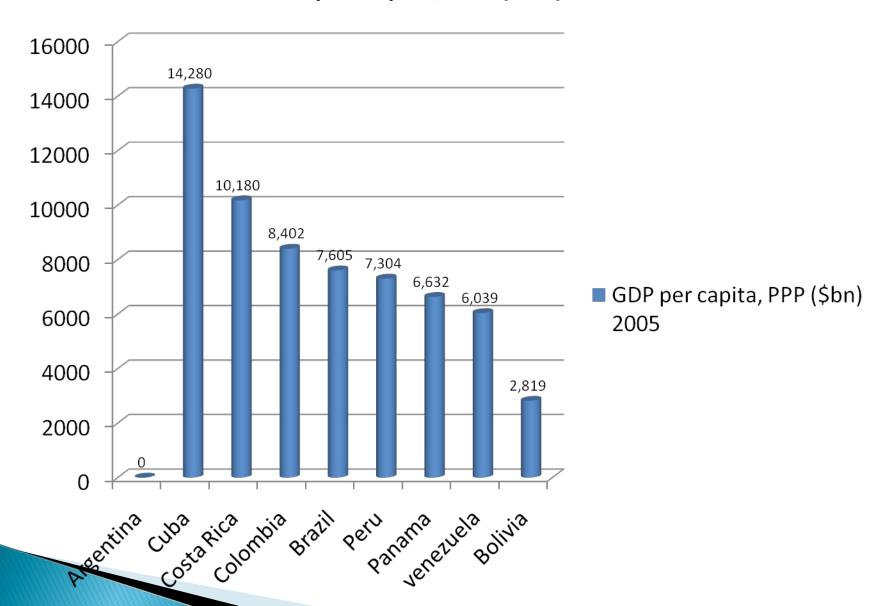


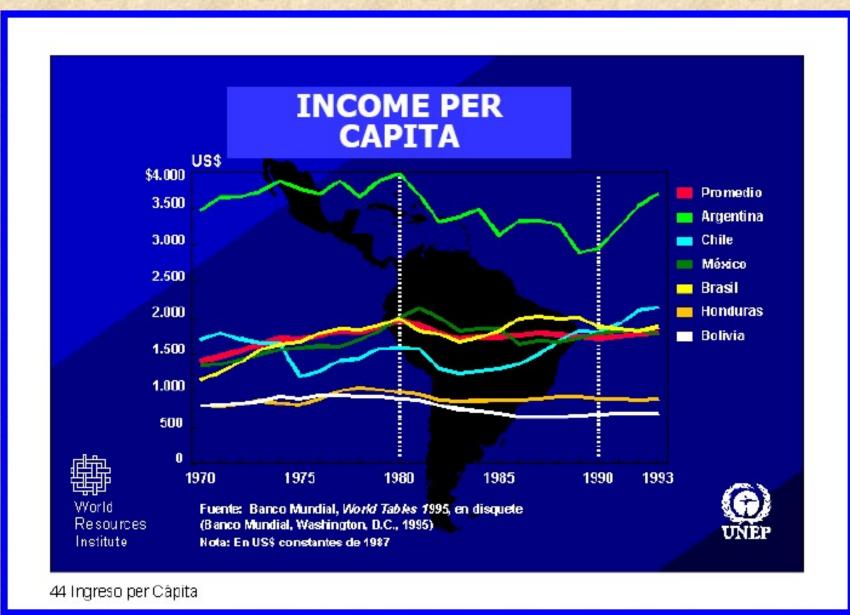


**GDP, PPP 2005** 

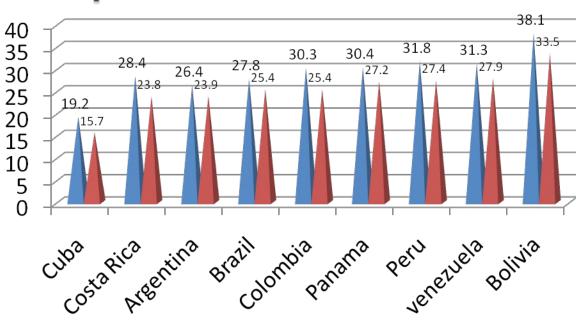


#### GDP per capita, PPP (\$bn) 2005

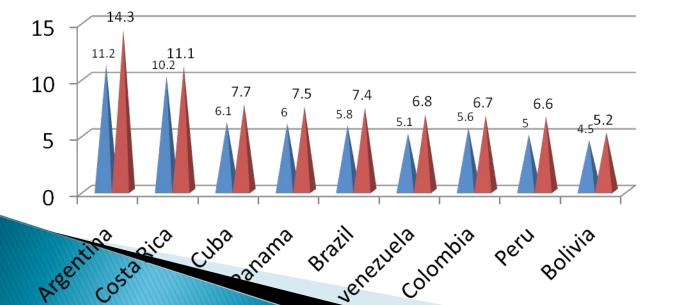




#### Population

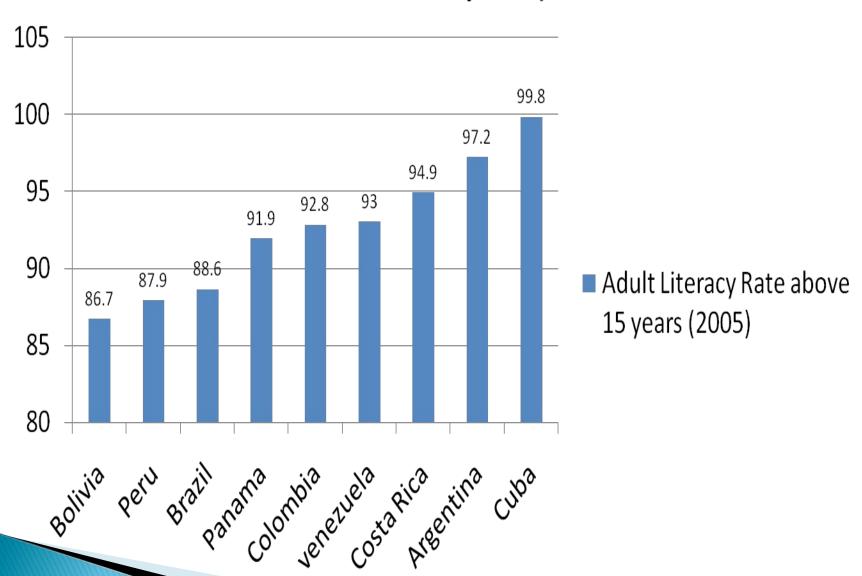


- Population under 15 age 2005
- Populatin under 15 age 2015

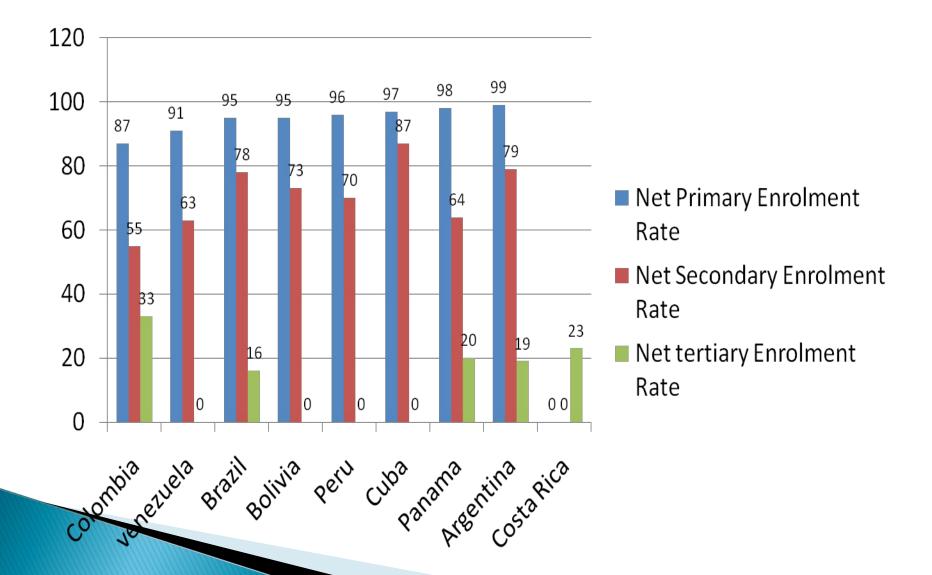


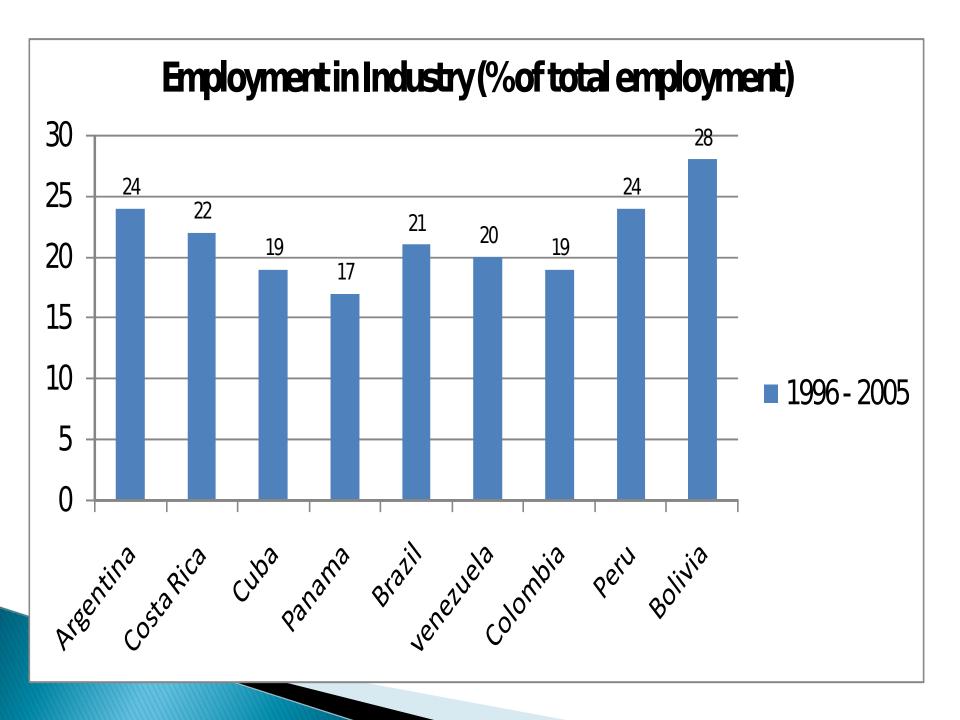
- Population above 65 and older 2005
- Population above 65 and older 2015

#### **Adult Literacy Rate)**

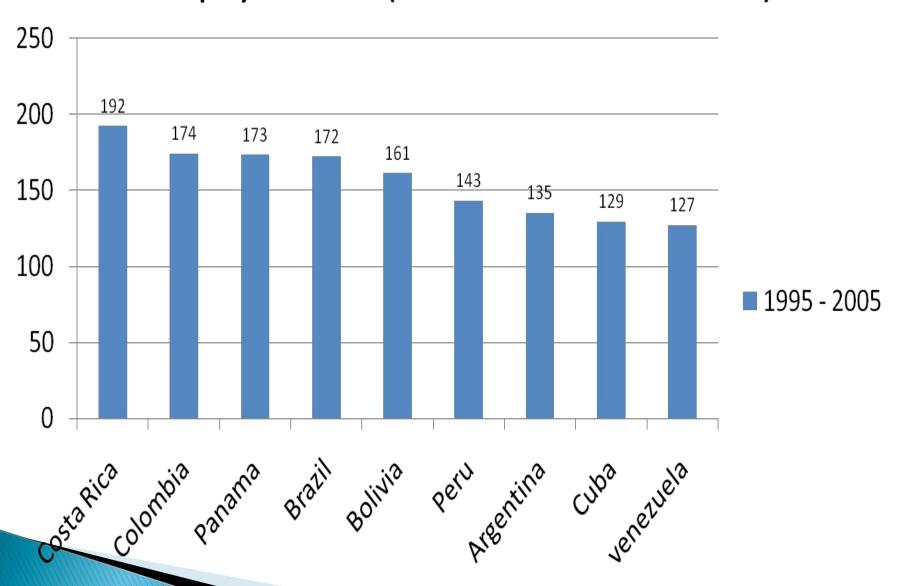


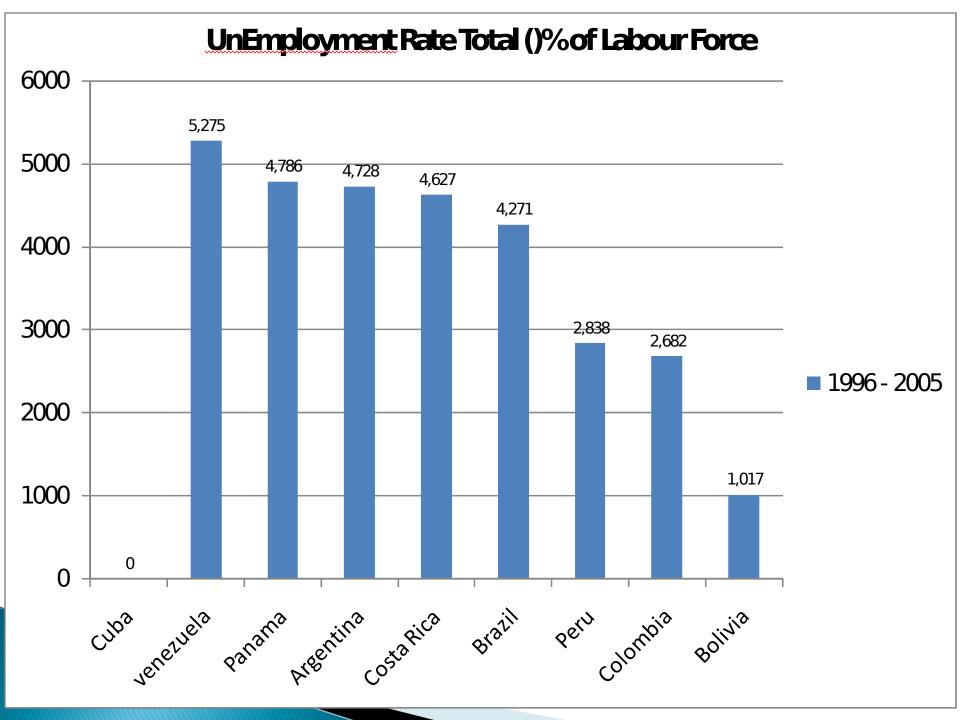
#### Enrolment Data (2005)

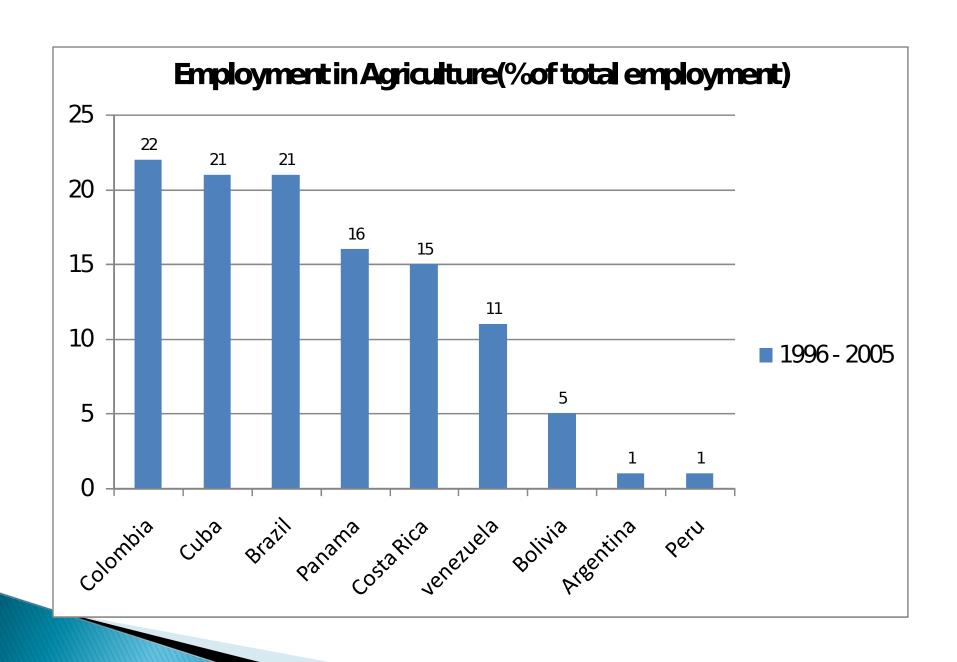




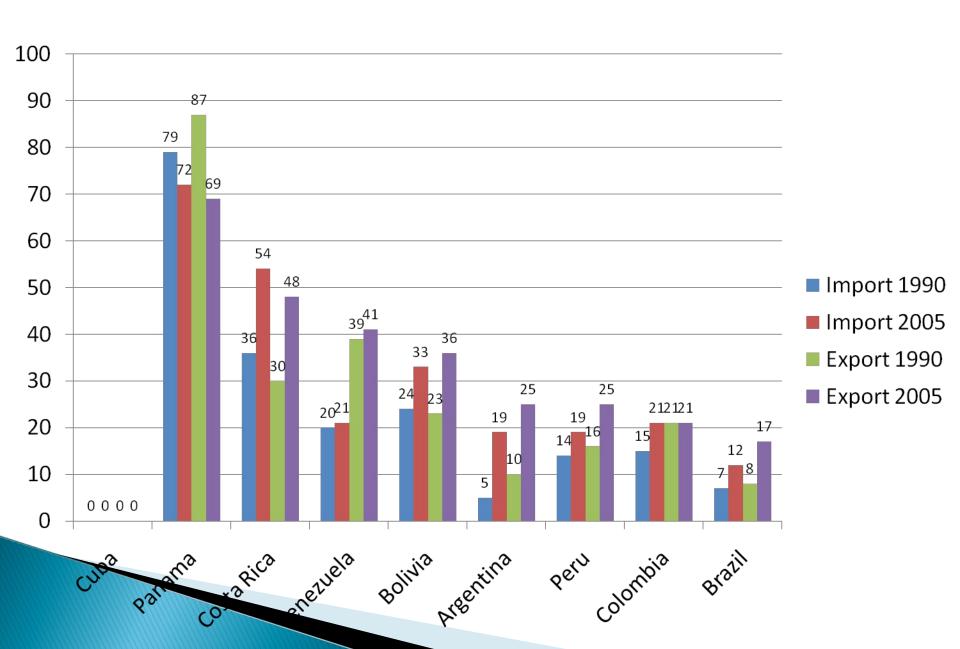
#### **UnEmployment Rate (Female rate as % of Male rate)**





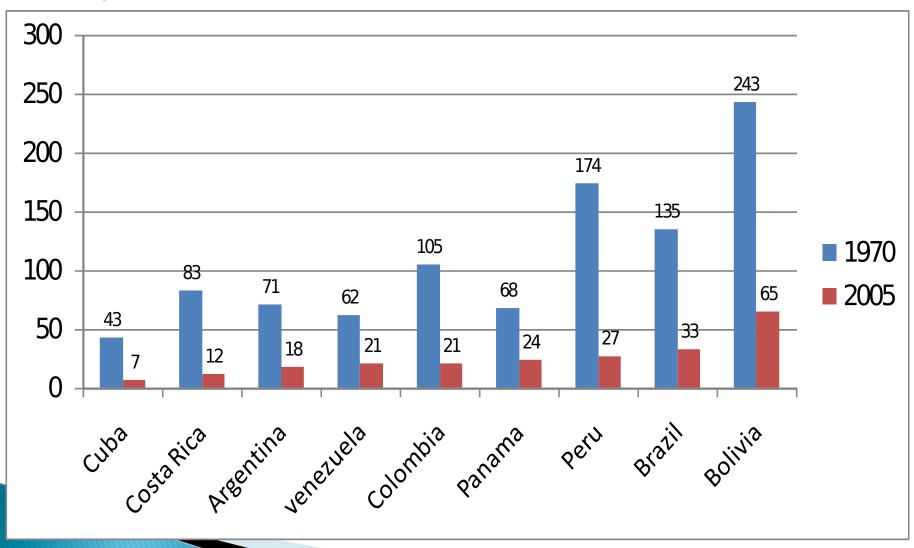


#### Import and Export of Goods and Services (% GDP)

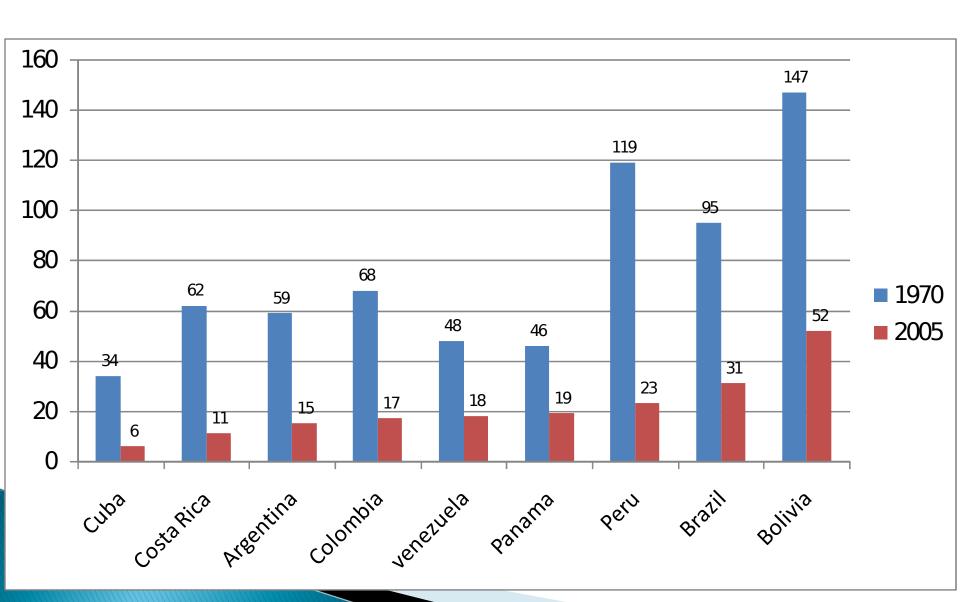


# Under Five Mortality (Per Thousand live

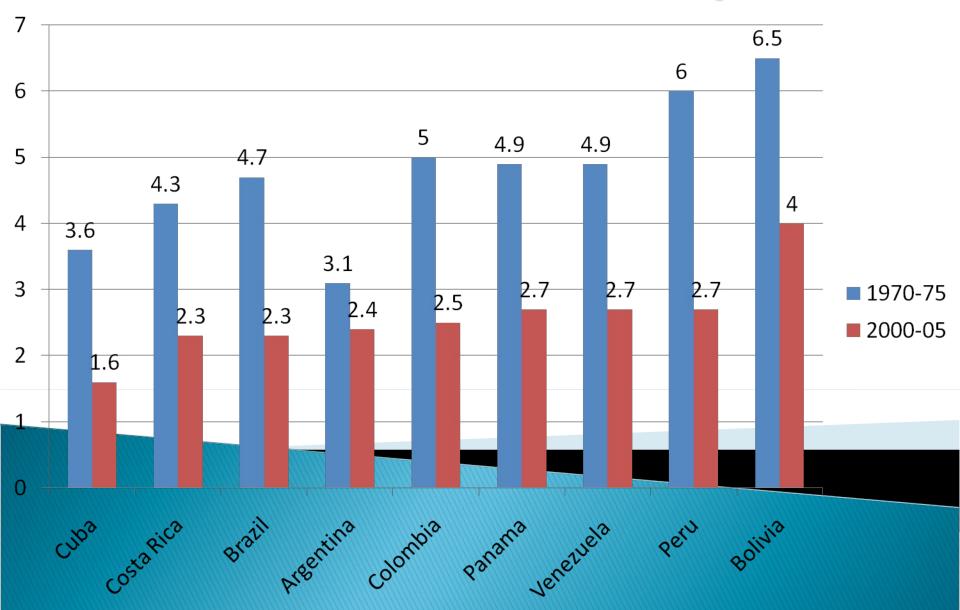
Births)



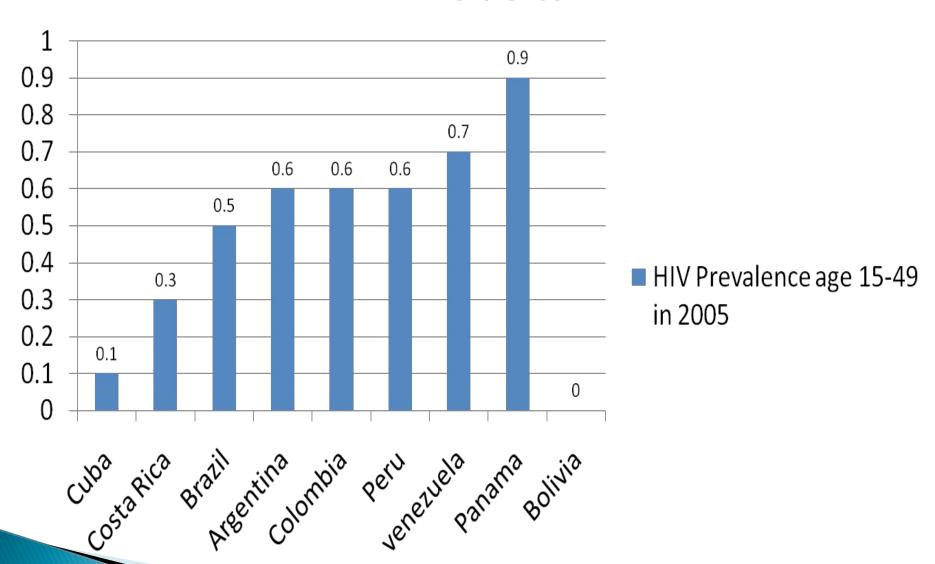
# Infant Mortality (Per Thousand live Births)



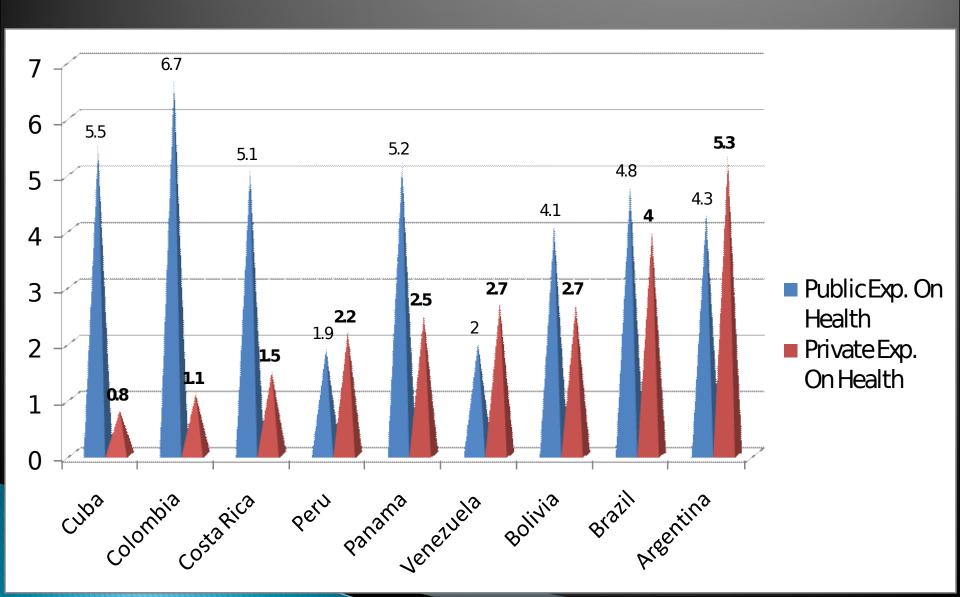
# Fertility Rate



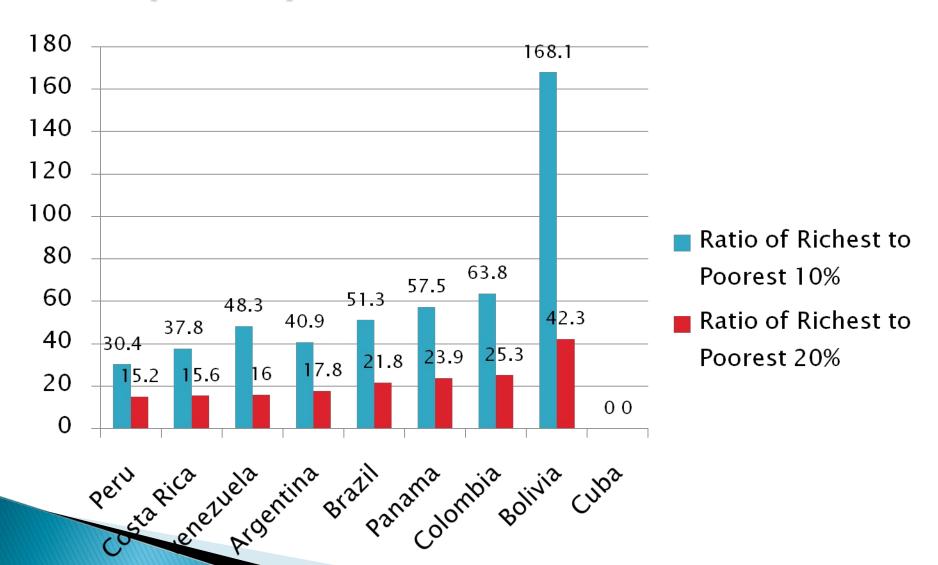
#### **HIV Prevalence**



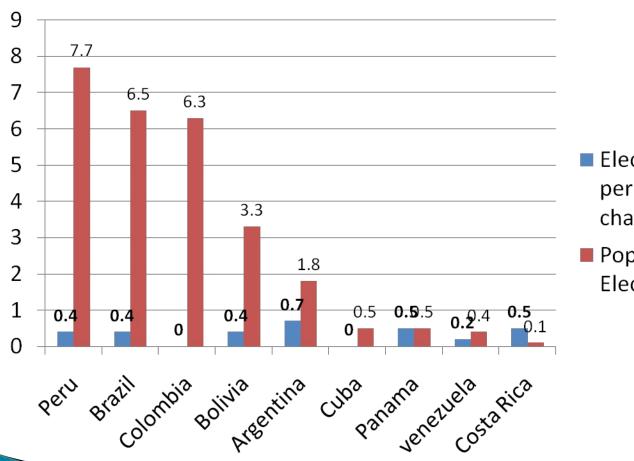
#### Health Expenses (2004% of GDP)



# Inequality Measures

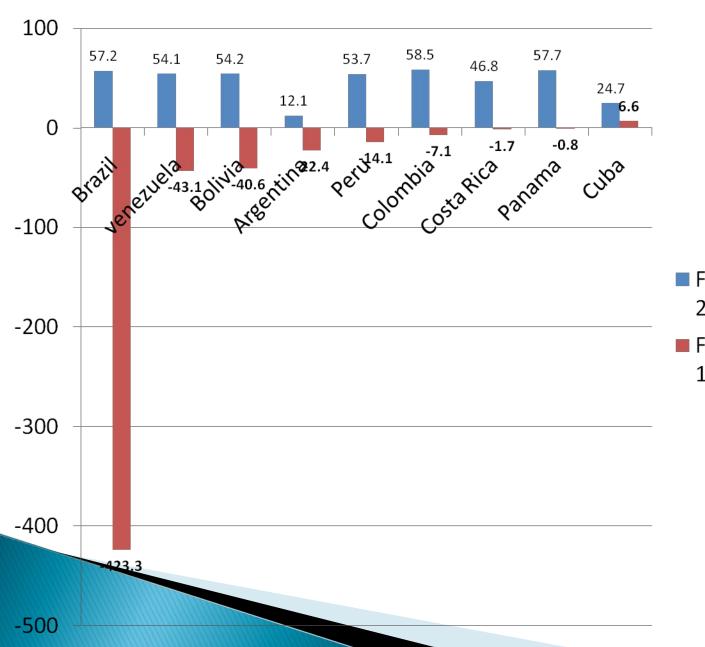


# Electricity



- Electricity Consumption per Capita 1990-2004 (% change)
- Population without Electricity 2004 (Millions)

#### **Forest Area**

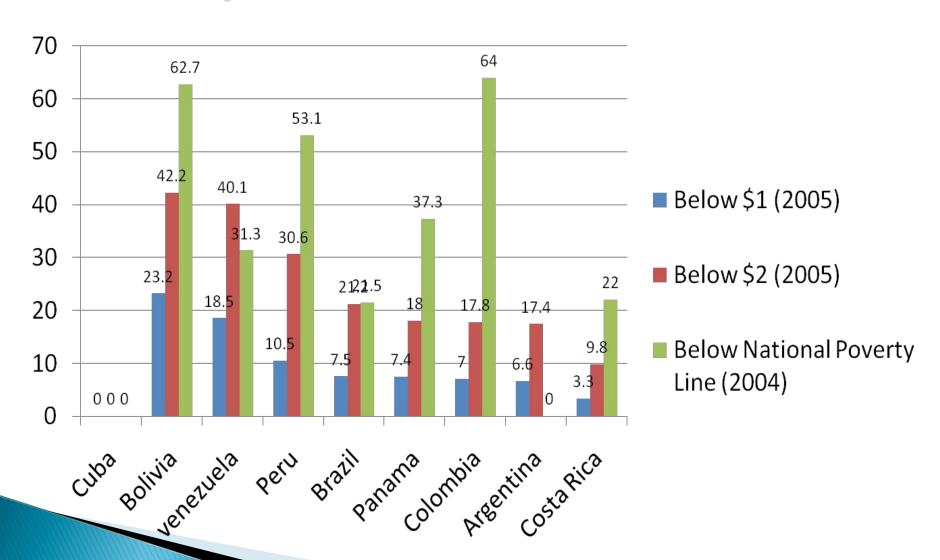


- Forest Area (% total Land) 2005
- Forest Area change from 1990-2005(Sq. Km.)

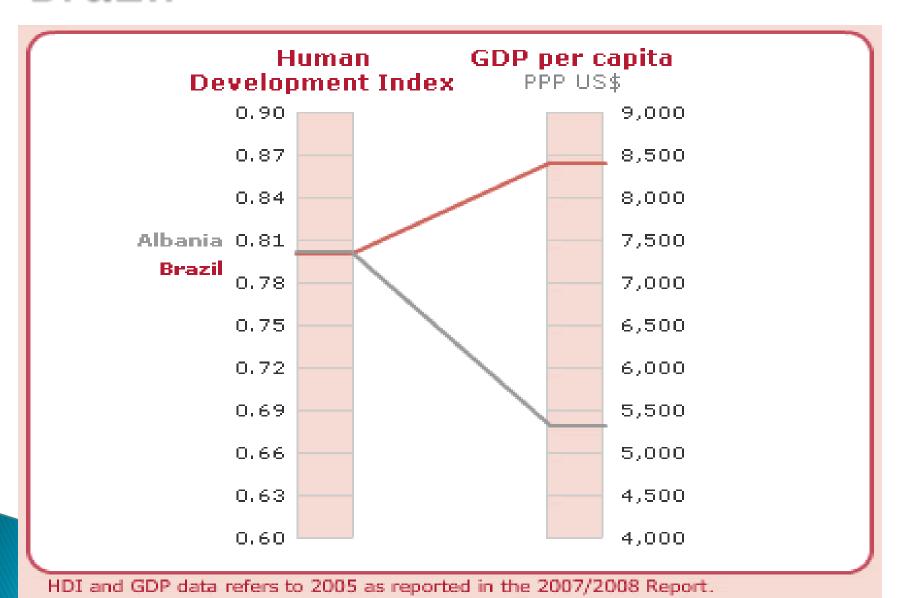


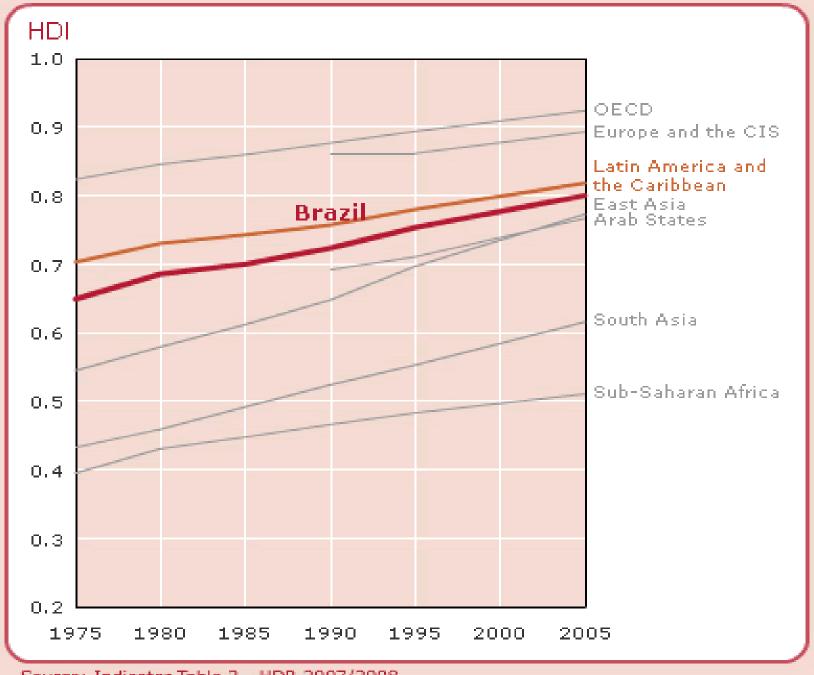
982 CHAPTER 32 =

#### **Poverty Data**



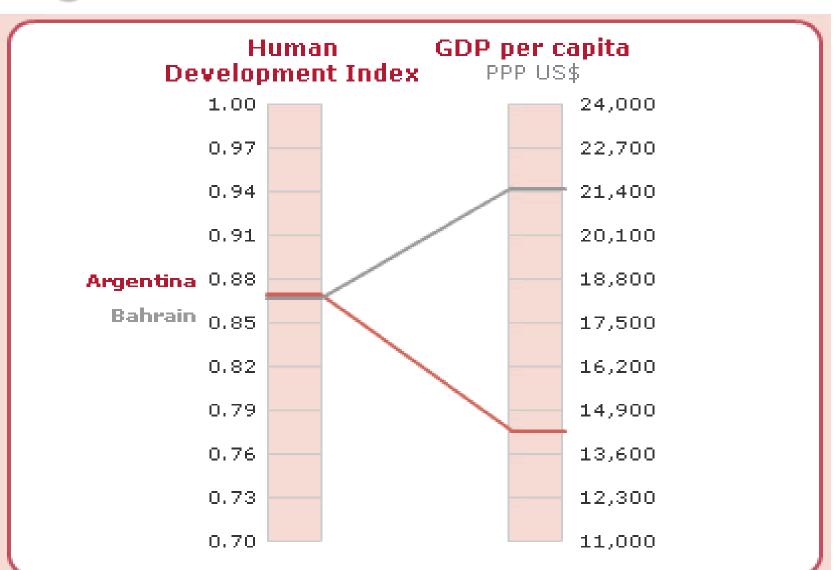
#### Brazil



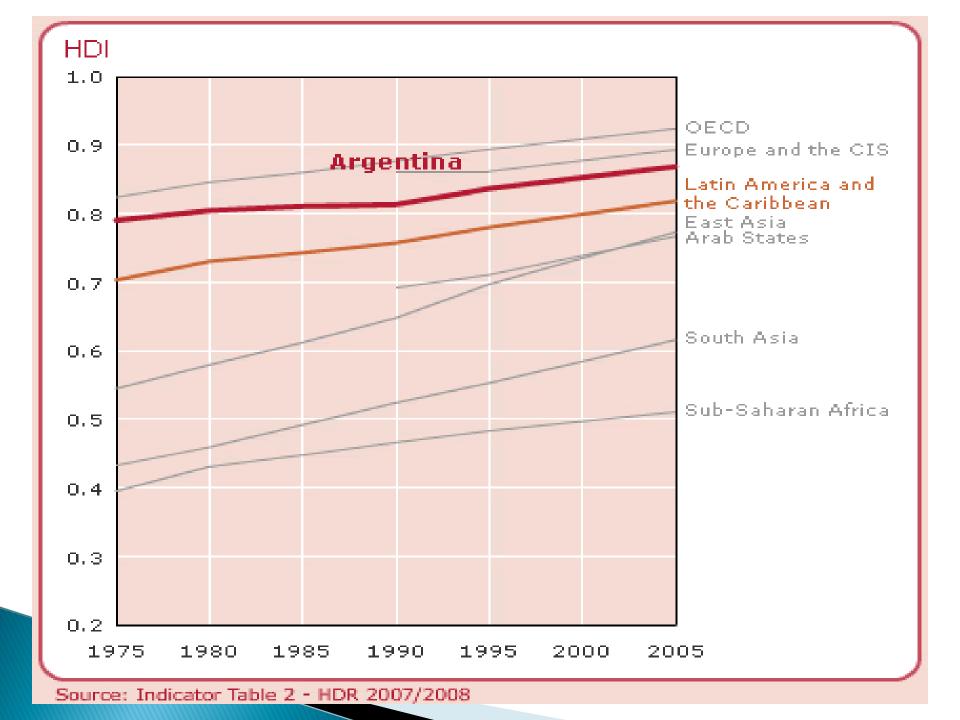


Source: Indicator Table 2 - HDR 2007/2008

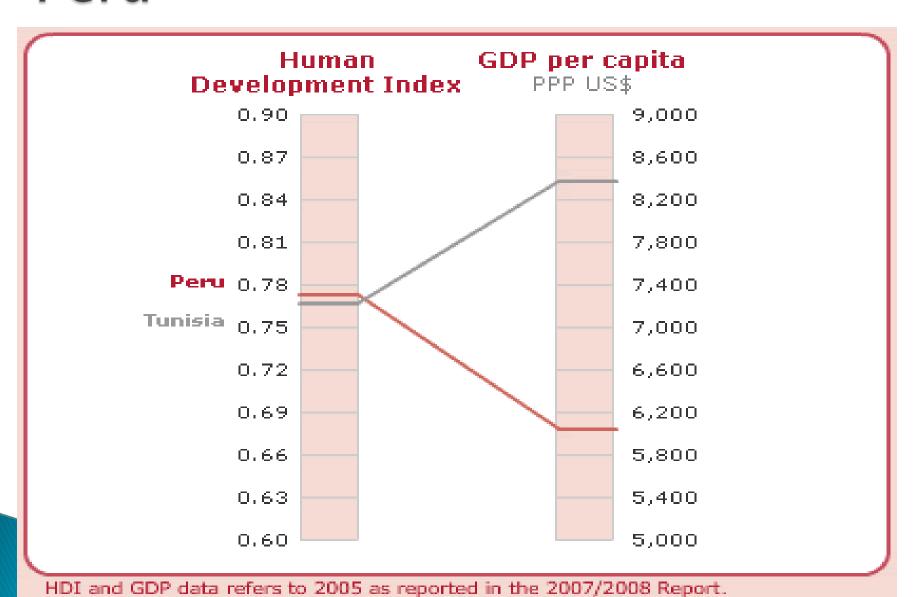
# Argentina

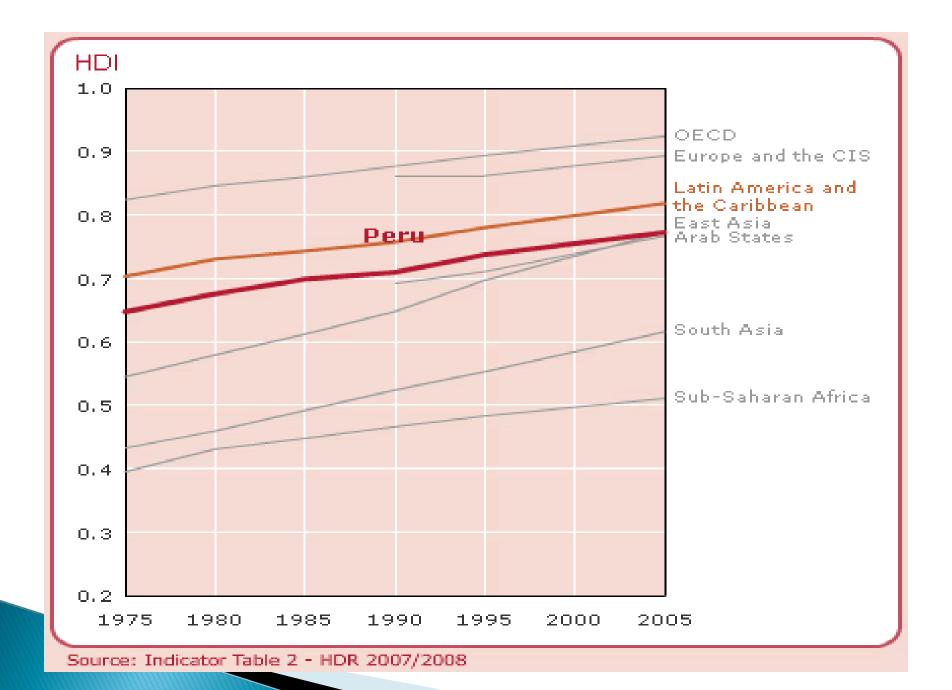


HDI and GDP data refers to 2005 as reported in the 2007/2008 Report.

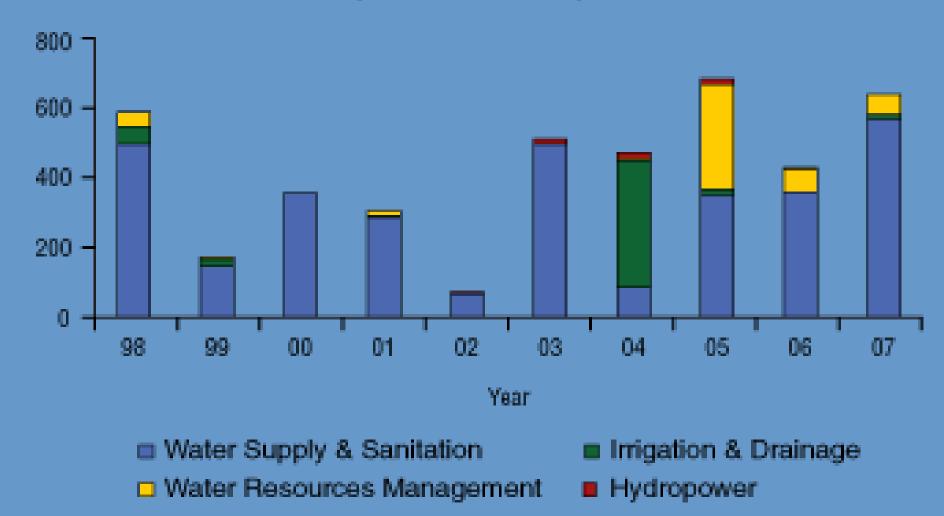


### Peru

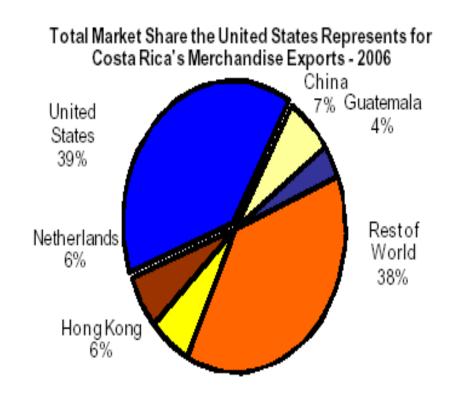


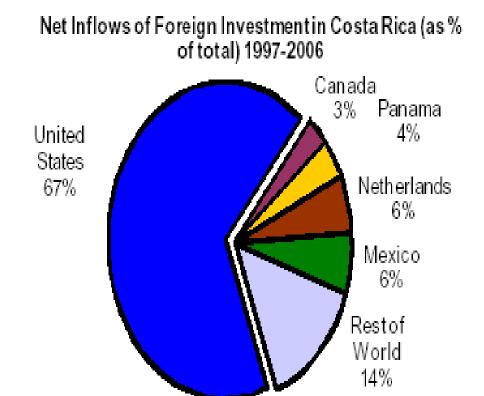


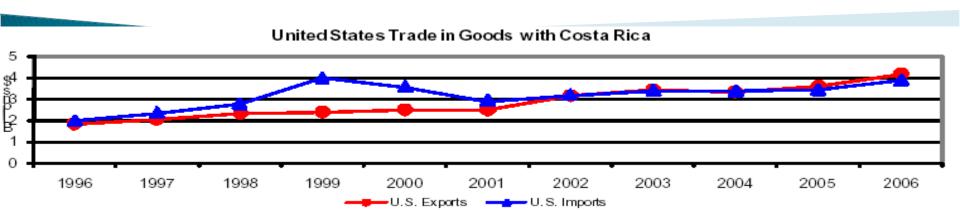
### New Lending to water projects in Latin America & Caribbean\* (\$US millions)



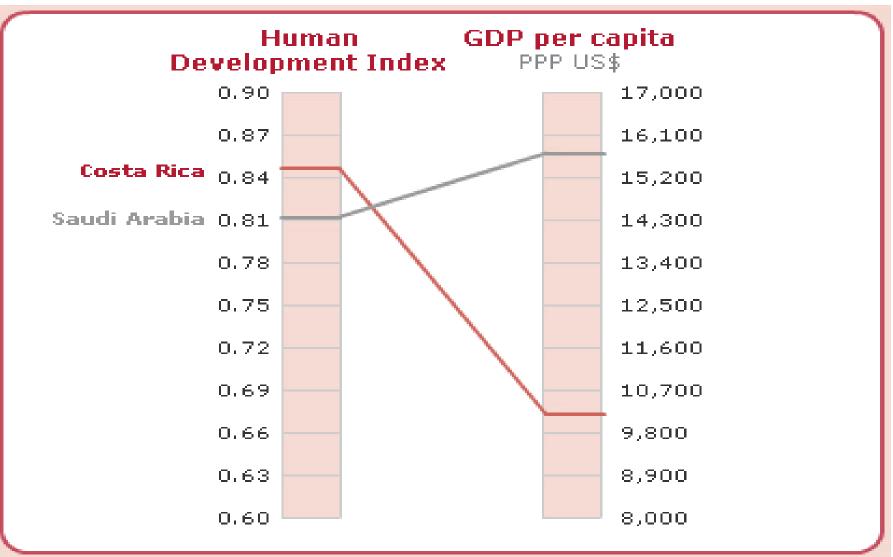
<sup>\*</sup> per fiscal year - 12 months period ending on June 30th



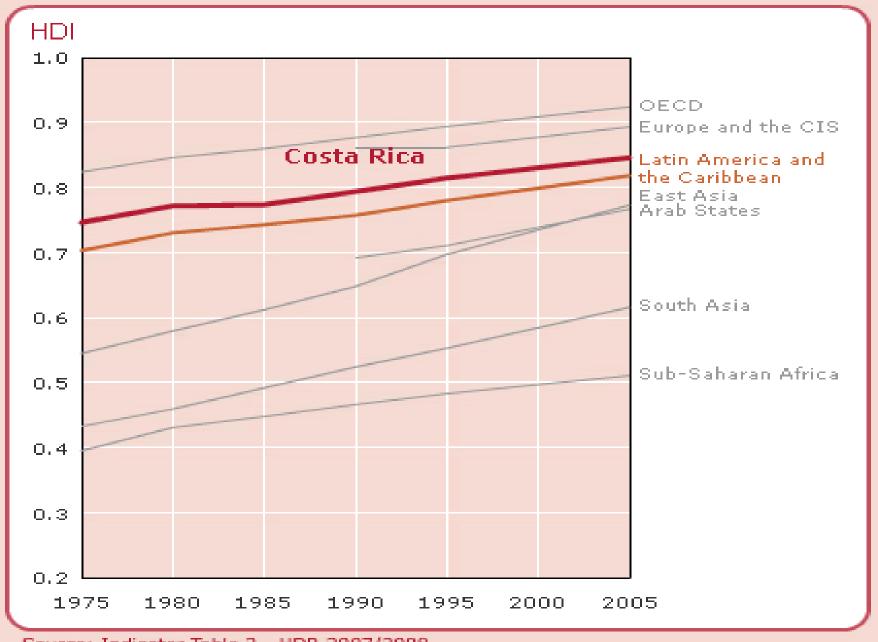




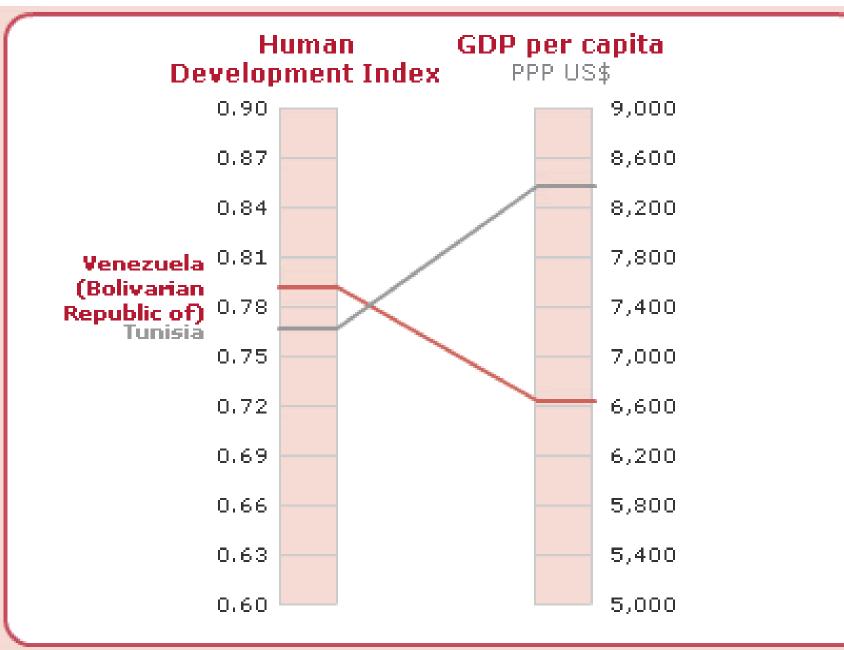
### Costa Rica



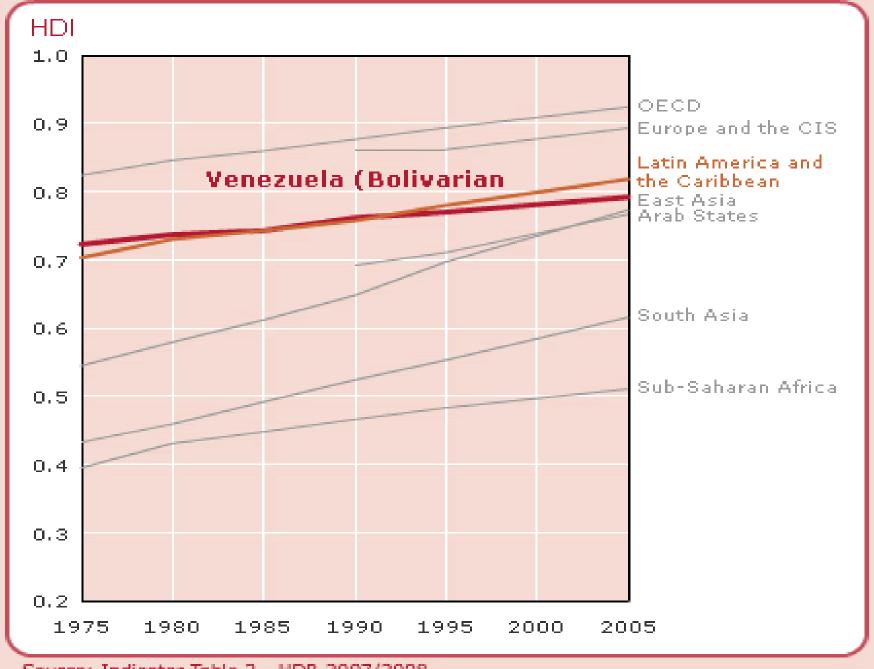
HDI and GDP data refers to 2005 as reported in the 2007/2008 Report.



Source: Indicator Table 2 - HDR 2007/2008

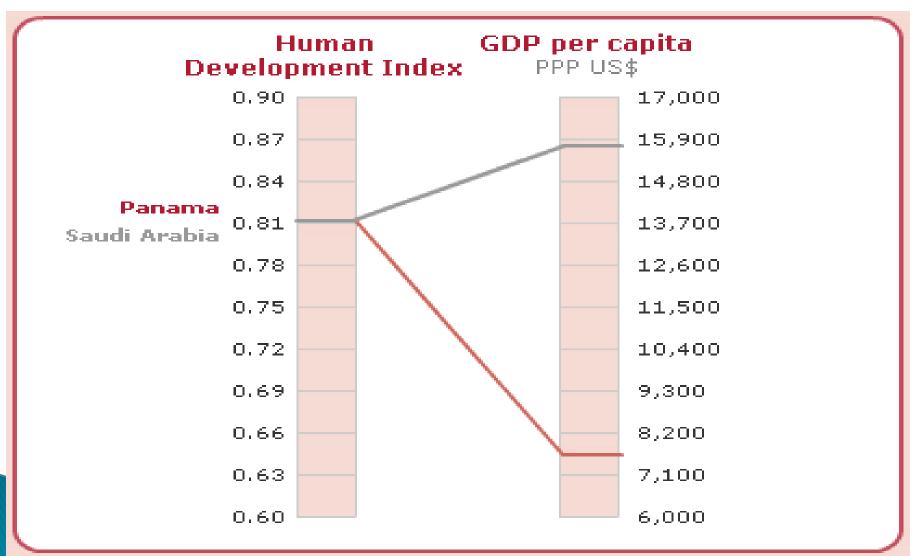


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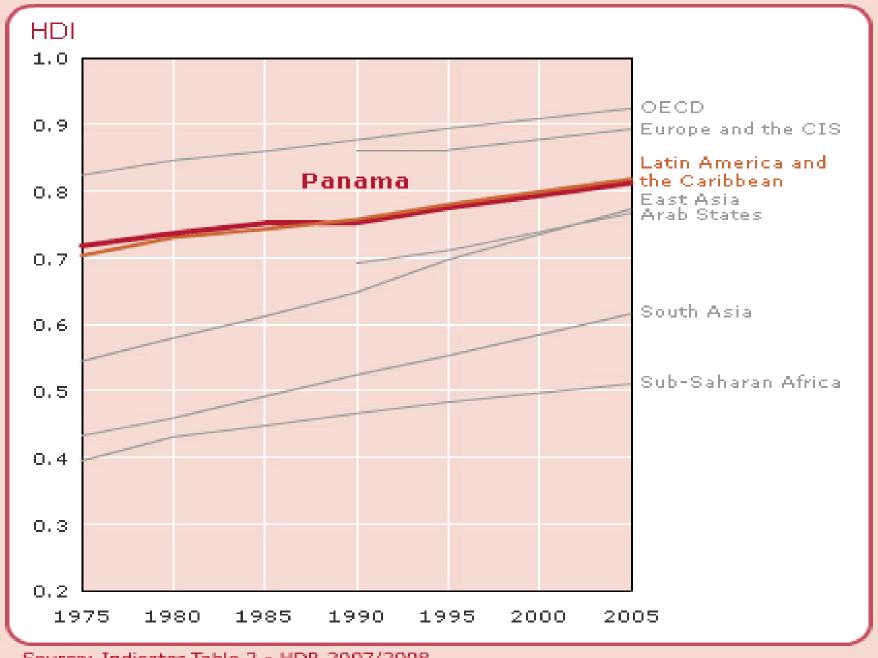


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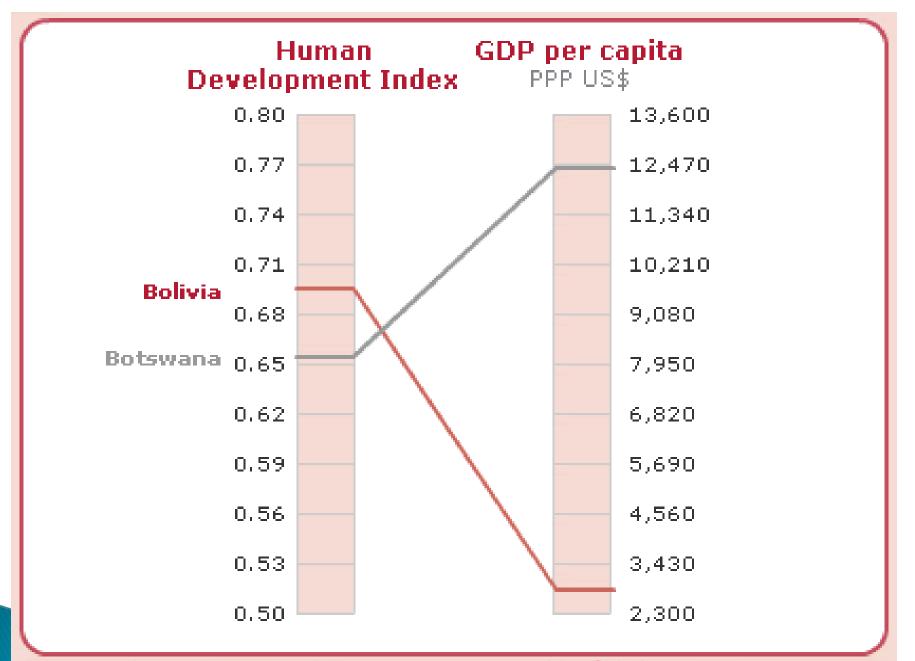
### Panama



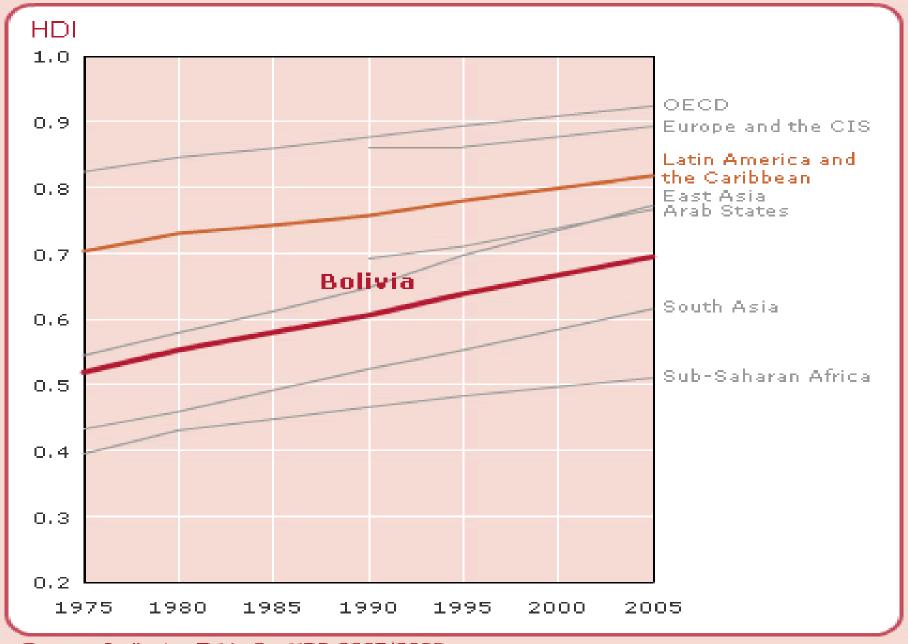
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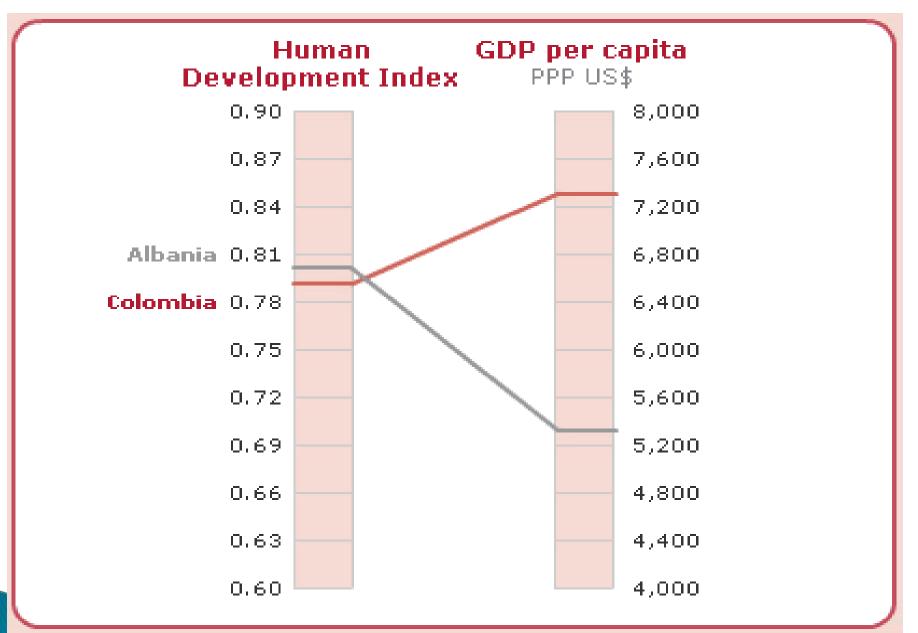
Source: Indicator Table 2 - HDR 2007/2008



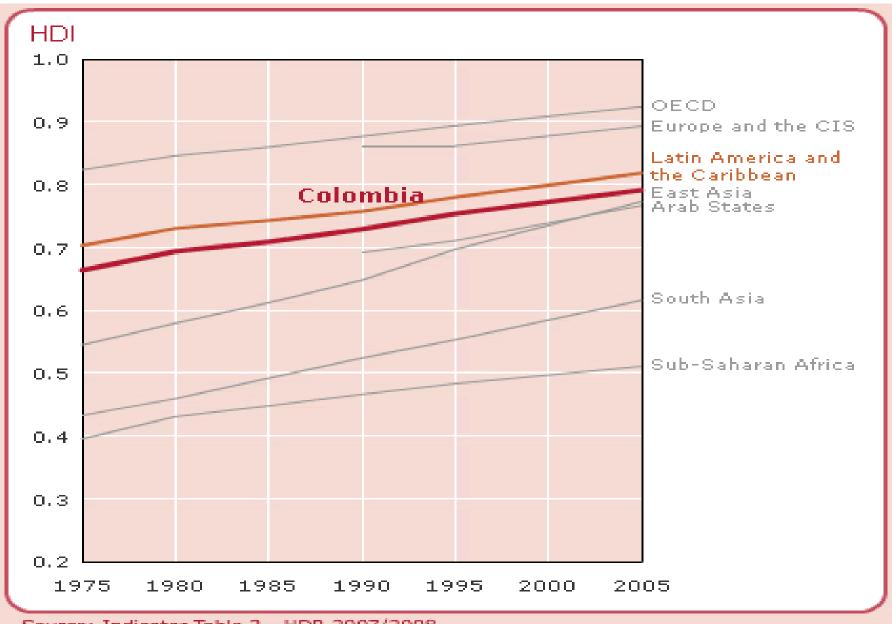
HDI and GDP data refers to 2005 as reported in the 2007/2008 Report.



Source: Indicator Table 2 - HDR 2007/2008



HDI and GDP data refers to 2005 as reported in the 2007/2008 Report.



Source: Indicator Table 2 - HDR 2007/2008

- Country Name Brazil
- Capital Brasilia
- Location East South America
- Area 8500 Sq. Km (in '000)
- Population 184,101,109
- Language Spoken Portuguese
- Currency Real (Brl)



### Brazil's Cultural Life

### Population

- -Brazil is considered the fifth country in the world in population.
- -The language of Brazil is Portuguese.
- -The Lifestyle of Brazilians is similar to that in the U.S.



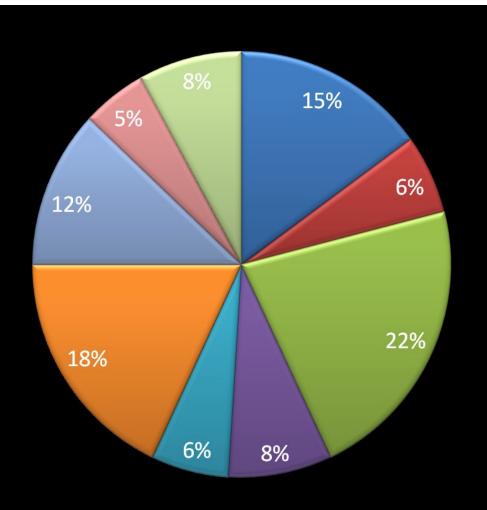
### BRAZIL ON THE WORLD MAP



Brazil's GDP rose by 5.8% year-on-year in the first quarter of 2008

# Composition of overest knowledge

### expenditure



- Food, Beverages & Tobacco
- Clothing & footwear
- Housing & household fuels
- Household goods & services
- Health
- Transport & communications
- Leisure & education
- Hotels & restaurants
- Other goods & services

### BILATERAL TRADE

#### **BRAZIL EXPORTS**

- Transport equipment
- Iron ore
- Soybeans
- Footwear
- Coffee
- Others

NET VALUE - US\$681M

#### **BRAZIL IMPORTS**

- Machinery
- Electrical and transport equipment
- Chemical products
- Oil & Petroleum Products
- Others

NET VALUE – US\$454M

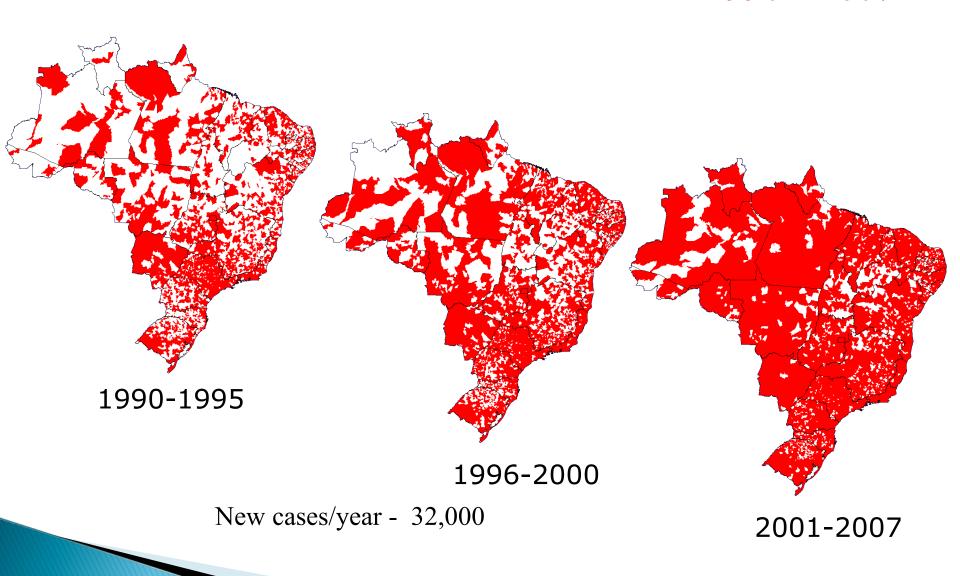
- Basic rights, taken for granted in developed countries, are scarce in Brazil.
- Education, health, safety (physical and juridical) are deficient in Brazil.
- However, being a fully democratic country, Brazil is slowly improving several social indicators;
- The governments have been compelled by the citizens to attach more and more importance to social issues.

# <u>BRAZIL</u>

- Education: 8 years of fundamental education (COMPULSORY)
- The situation has been improving over the past few years thanks to two official programmes:
- Bolsa Escola, by which parents who keep their children in school and with good health receive a small stipend
- FUNDEF, by which municipalities receive federal funds in accordance to the number of children enrolled.
- Brazil is participating of the One Laptop Per Child project (aiming at providing low cost laptops to poor children in Third World countries), but the program moves slowly.

- AIDS: First AIDS case was reported in 1982.
- The Brazilian Ministry of Health laid the groundwork for a National AIDS Control Program (NACP) which was established in 1986.
- AIDS Project I garnered \$90 million in domestic funds and a \$160 million loan from the World Bank between 1992 and 1998.
- AIDS Project II also composed of both domestic funds and a World Bank loan totaled \$370 million between 1998 and 2002.

# Cities with at least one aids case. Brazil, 1990 - 2007



## HIV/AIDS in Brazil

190,010,647: population of Brazil (2007 est.)

**710,000:** Estimated number of people living with HIV/AIDS by the end of 2007

- ▶ **0.6%**: Estimated percentage of adults (ages 15-49) living with HIV/AIDS by the end of 2007
- ▶ **34%:** Estimated percentage of HIV cases that occured among women (ages 15-49) by the end of 2007
- ▶ **15,000:** Estimated number of deaths due to AIDS during 2007

Source

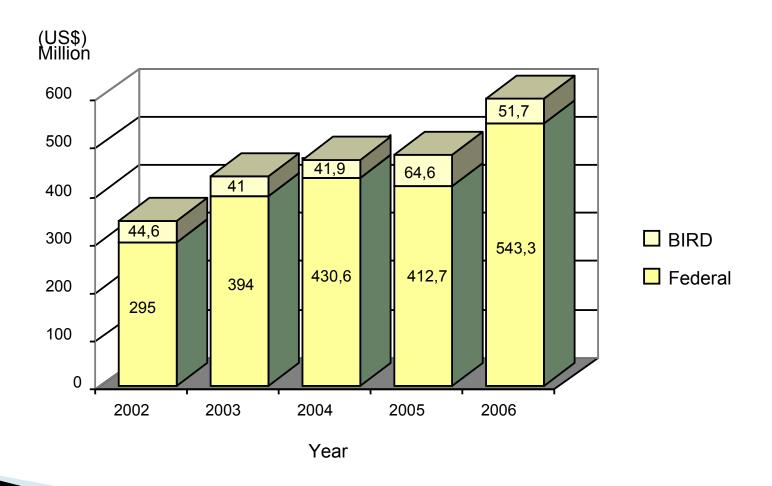
- Government policies
- a) Universal ARV provision

Free, universal provision of anti-retroviral drugs (ARVs),

B) Social policies

Brazil's response has been characterized by reaching out to groups which account for a high percentage of AIDS transmission, including relationships with nongovernmental organizations.

# **Brazil: Government Expenditure with STD/AIDS** (2002-2006)



Source: IPEA/2006

- Hunger: is the most extreme manifestation of the huge problem of poverty in Brazil.
- Few people die of starvation, but there is widespread chronic food insecurity and malnutrition.
- Launched the Zero Hunger Project on 30 January 2003.
- Zero Hunger shares FAO's philosophy of eradicating world hunger, following the two-pronged approach of FAO's Anti-Hunger Programme - to both develop income-generating household agriculture and ensure adequate access to food.
  - FAO (FOOD AND AGRICULTURE ORGANIZATION)

- The Zero Hunger Project recognizes that low incomes are the main cause of chronic hunger and that an income supplement needs to be provided.
- It will be done through an electronic card. The beneficiaries will have to show that funds received have been spent mainly on basic food items and cooking fuel.
- They will have to proof that their children go to school and that adults have enrolled in a training programme which will improve their employability, and thus reduce their dependence on future help.

- Racism: is one of the main structuring factors of social injustices that afflict Brazilian society.
- Half of the Brazilian population is black and most of it is poor.
- The unacceptable gaps that still separate black and white people in the 21st century which is reflected in unequal access to goods and services, to the labour market, to higher education, and to civil, social, and economic rights.

- Two Refresher Programmes in Brazil in co-operation with the Brazilian government and with its Ministries for Racial Equality, Culture, Education, Finance and Sports.
- One of the programmes will bring together Brazilian and Latin American media professionals, government and religious leaders to debate this issue and find ways to promote racial equality on all fronts.
- The other programme is a conference between Latin
   American and African journalists under the sponsorship of
   Brazilian Ministry for Racial Equality.

## <u>ARGENTINA</u>

- ► **Health:** Objective was to reach to the most needy families, offering them health and medical aid.
- Programs for children and adults for basic needs of the population: nutrition, healthcare, and literacy.
- The vaccination campaign carried out the year there was a national measles epidemic. In the end there was only one case registered.

## <u>ARGENTINA</u>

- <u>Hunger:</u> 53% of the 36 million inhabitants of Argentina live in dire poverty.
- The people are dying of hunger even after they are foodrich as this country is forced to export its products to other countries in order to pay its national debt, with the interests.
- Argentinean Government has stopped all exportations of products outside of Argentina, and to begin to create new money in direct proportion to the value of the cereals and the other products in the country, so this money could be distributed to the Argentineans.

Then the would be able to get for themselves this food

## **ARGENTINA**

- Racism: In Argentina there has been discrimination based on ethnic characteristics or national origin
- The government of Argentina has taken significant formal steps toward the elimination of racial discrimination over the last decade to recognize itself as a multicultural, multiracial society.
- Argentina's indigenous peoples face struggles concerning fundamental issues of survival, maintenance of cultural and linguistic integrity, land rights and bilingual education.

## **ARGENTINA**

- Under the sponsorship of the National Institute of Indigenous Affairs, INAT, various programmes have been established for furthering land re-distribution, bilingual education, health programmes, and rural economic development.
- INADI was established by law in 1995 to combat discrimination, and racism.
- INADI has held anti-discrimination training sessions for schoolteachers and law enforcement officials, and has launched public education campaigns.
- It also has established a mechanism to receive complaints and take action thereon in the courts.

### **ARGENTINA**

- ► AIDS: 120,000 people were found HIV positive, only 29,000 of them has had contact with the official health system, and of that number, only 65% of them is receiving proper treatment.
- The incidence of HIV/AIDS among children in Argentina is 7%, the highest in Latin America, and 97 % of the cases are the result of mother-to- child infection.
- Argentine women who are poor and between the ages of 15 and 24 are the group most vulnerable to HIV/AIDS and other sexually transmitted diseases

# <u>ARGENTINA</u>

Promotion of use of condoms and several other activities are taking place throughout the country like lectures, seminars, talks and festivals to raise awareness.

# <u>ARGENTINA</u>

#### **Alcoholism:**

- Drinkers (last year) 73%
- Abusers (last year) 10% of drinkers
- 1/10 starts drinking before age of 13
- Most before 18 years
- Govt is planning to ban alcohol selling to people less than 18 years of age

## <u>ARGENTINA</u>

- Corruption has become a norm in Argentine culture.
- ▶ 75% of Portenos (people who live in Buenos Aires) do not pay the correct bus toll, 70% have illegal cable television or that 90% pay their way out of traffic tickets
- Govt has taken steps such as lobbying for a bill that mandates more access to public information, reforming the infrastructure of political parties, reforming election laws, as well as creating a information database on all representatives in government.

### **Corruption Perceptions Index 2005**

Country	Rank	2005 CPI score	
Argentina	97	2.8	
Brazil	62	3.7	
Uruguay	32	5.9	
Chile	21	7.3	

Source: Transparency International

# <u>ARGENTINA</u>

Social Security: The Argentinean social security system covers retirement, pensions, unemployment benefits and disability.

#### Unemployment Benefits

- If you lose your job in Argentina, you can apply for an unemployment benefit. Benefits are payable in the event you do not have another job.
- The level of benefits is calculated on a base of 41.5% of the highest net monthly wage received in the previous six months. The amount paid will not exceed AR\$ 300 or be less than AR\$ 150/month.

If you have a smily or other persons that depend on your

# <u>ARGENTINA</u>

- Retirement, Pensions & Disability
- In Argentina there are two retirement programs: ( **RPP** or Sistema de Reparto) and the (Sistema Mixto or **RCI**).
- The RPP or Reparto is the retirement program managed by the State.
- The Sistema Mixto or RCI is run by private retirement funds and supervised by the State.
- When starting to work for the first time in Argentina you have 90 days to decide which one of two different retirement systems you want your contributions to go to.

Employees are free to choose their private retirement fund and allowed to change among them.

- Alcoholism The prevalence of alcoholism for the Peruvian men is higher than Peruvian women.
- The high prevalence among men is likely due to cultural mores but may also be linked to the stresses found in impoverished societies undergoing rapid social, cultural, and economic change.

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- Population living on less than \$1/day
- Population living on less than \$2/day
- Poverty Gap \$1/day
- Poverty Gap \$2/day
- Access to improved sanitation
- Access to an improved water source
- Literacy rate (all adults)
- Life expectancy (both sexes)

#### **55**

13%

32%

4%

13%

63%

83%

88%

- Education: Compulsory for children from the age of 7 years to 16 years.
- Secondary education in the government institutions in Peru is free of cost since 1946
- According to an estimate in 2000 the adult literacy rate was 10.1% in Peru.
- In order to spread education in the remote areas like Sierra or Selva many long-term projects have been initiated.
- The Ministry of Education was empowered in 1972 so that it had control over the appointments of teachers in the public schools and also in the private sector.

## <u>PERU</u>

- Malnutrition: Can be attributed to multiple causes,
- both direct (including insufficient amounts and variety of food consumption) and
- indirect (exclusion from markets, food insecurity, education levels, unclean water, inadequate sanitation, cultural preferences and ineffective governance).

#### Peruvian Government Action and Programming

Table 1. Selected Public Food Assistance Programs in Peru

Public Programs	Oversight	US (\$)	Population	US per
	Institution		Served	Capita
Programa Comedores	Pronaa	25,804,594	897.303	\$29
Populares				
Desayunos Escolares	MoH	51,428,571	1,891,600	\$27
Vaso de Leche	Municipal districts	92,892,571	4,009,739	\$23

# <u>PERU</u>

#### World Food Programme:

Initiated its operations in Peru in 1964, and since then it has pursued its objectives to reduce poverty and food insecurity by providing food assistance and introducing systems for sustainable food production.

The 'Glass of Milk' Subsidy Program
Well targeted to poor households and to those with low nutritional status.

### <u>PERU</u>

- Social Security: Modern system of social security (referred to as SNP).
- Workers are entitled to receive benefits covering disability, medical attention, hospitalization, maternity, old age, retirement, and widows and orphans.
- In 1991, the government introduced a new system of individualized capitalization through private pensions (SPP), which exists along side the national social security system.
- The original program is administered by the Ministry of Labor, while the private system is supervised by the Persion Fund Administrators.

# **VENEZUELA**

- Government social programmes, known as 'missions', have helped to decrease poverty. Nonetheless, 27.5 per cent of households live in poverty, and 7.6 per cent live in extreme poverty.
- Mortality and birth rates decreased during the last 15 years. General mortality fell from 5.1 to 4.3 deaths per 1,000 persons, while the birth rate dropped from 32.8 to 21.5 births per 1,000 persons.
- The HIV/AIDS epidemic is concentrated among vulnerable groups. Some 110,000 people were living with HIV in 2004. Although the infection ratio of men to women in 1990 was 17 to 1, by 2004 it was 4 to 1, indicating a feminization of the epidemic.

- Gender disparities persist regarding women's access to decision-making positions, engagement in full-time employment, and participation in incomeearning opportunities.
- The Government adopted a law on genderbased violence in 2008.
- The programme strengthened the national capacity to generate socio-demographic information and provided training in population and demography.

### **ECONOMIC ISSUES**

- Bolivian Economy has been dependant on natural resources since colonial times (The curse of Natural Resources: Galeano)
- Commodity export (Tin, Minerals, Rubber and recently hydrocarbons, logging and soy)
- Tin represented about 76% of the Bolivian economy until 1985.







# **INEQUALITY**

Unequal distribution of resources that characterizes the region today follows a pattern set with specific traits of European colonization in the region





"We are not a nation of equals, there are two Bolivias" Former indigenous leader Felipe Quispe



### **MIGRATION**



More than 20.000 families from Highlands mining region migrated to urban cities (red line) and to the tropics (yellow line) after the economic reform of the mid 1980s

# **ECONOMIC REFORMS**

1952

Nationalisation of Mines Agrarian Reform Universal Vote 1994

Capitalisation & FDI
Decentralisation
Popular Participation

Bolivia was among the first Latin
American countries to initiate a farreaching and relatively orthodox SAP,
which did greatly contribute to forest
clearing for soybean exports and to
higher timber exports (Kaimowitz et al)

1985

Liberalisation of the Economy Market Economy Reform supported by IFIs Mining industry collapsed 2005

A New Development Plan Dismissal of the Neoliberal State and SAPs

#### Issue

- Unemployment and under-employment have increased continuously over the last five years, encouraging internal and external migration.
- Unemployment currently affects 11% of the labour force and the informal sector accounts for more than 65% of economic activity, providing sources of marginal employment and under-employment to a large percentage of adults of working age and even to school-age children

### - Bolivia Issue

- The main features of this informal sector which includes small-scale agricultural activity are low productivity and poor quality products which limit the scope for growth.
- the greatest challenges for Bolivia in the economic field are creating jobs, promoting economic opportunities and generating income, as well as integrating the informal sectors into the formal economic circuit and increasing productivity and competitiveness at all levels.
- Bolivia suffers from serious problems of poverty and social exclusion that particularly affect the indigenous majority of the population.
- The ethnic group and place of origin of a person, family or social group have a strong influence on the potential for social mobility and on available opportunities.

#### Issue

- Bolivia, with a low human development index (0.687), ranked 115 out of 177 countries in the world in 2005.
- An estimated 64% of the population was affected by poverty in 2004.
- The Gini index is estimated to have increased from 52 to 62 between 1985 and 2003.

#### **Initiatives**

- In the latter half of the 1990s Bolivia gave priority to programmes to resolve the social situation.
- Efforts were made to achieve a better level of coverage in education, health and basic sanitation services, with positive.
- In 2001 the maternal mortality rate in Bolivia was 420 per 100,000 live births, the highest rate in Latin America.
- The infant mortality rate fell from 89 per 1,000 live births in 1990 to 54 per 1,000 live births in 2004.

#### **Initiatives**

- Between 1994 and 2003, the proportion of births attended by skilled health staff increased from 47% to 67%.
- In the education sector, primary school enrolment has remained constant at 95%, with no increase since 1998.
- The adult literacy rate in Bolivia is the lowest in the region, at 87% of the population aged 15 or over in 2004; the rate had increased from 78% in 1990.

#### **Initiatives**

- Under the NDP, the Government proposes to increase the involvement of local community organisations to ensure that, through "social control", social services are more accountable to end-users.
- Government plans a critical review of existing reform processes in the social sectors.

### Colombia

- Colombia can cut tax rates and reform labor market institutions. Some important reforms have been made, This would increase labor supply to formal taxed sector and probably increase tax revenue.
- A system with forced saving for retirement would not distort the work incentive. It also results in people having an equity position in their country.
- It is important to have individual accounts with independent management. They must be regulated to insure financial soundness.

# U.S. Companies Contribute to Economic Prosperity and Social Development

#### Future Business Leaders - Citigroup Costa Rica

 Financial education simulation has benefited more than 3,000 high school students in developing skills such as teamwork, decision-making, leadership and resource management.

#### Promoting Education – Intel

 reaching over 18,000 teachers (30% of Costa Rica's teacher population) with different training programs and indirectly benefiting over 500,000 students. Intel makes an annual investment of around \$700,000 for a total of \$6.5 million to date.

#### Helping Children in Need - Procter and Gamble

helping children in need to Live, Learn and Thrive.

#### Sustainable Development – Eaton

- Eaton's "Comité de Proyección a la Comunidad" aims to promote a socially responsible culture among the company's personnel and encourages volunteer work to contribute to the sustainable development of the community in which it operates.
- Eaton employees donated 178 hours to volunteer work and in 2006 employees donated over 235 hours.

#### Aiding Schools - Sykes

 Contributions to the schools include classroom materials, uniforms, backpacks, as well as materials to repair school and classroom facilities.

#### Conserving the Environment - Merck

- Merck awarded a \$52,000 grant to INBio Parque, a natural theme park created by INBio, the Costa Rican National Institute of Biodiversity, to support INBio's initiative to promote biodiversity and educate the public about its value.
- Need to focus more attention on participation of indigenous women
- Need for more systematic incorporation of indigenous knowledge and culture into project designs
- ♦ Need for culturally appropriate monitoring and evaluation indicators
- Need to link indigenous development projects with other sectoral projects (human development, infrastructure, but development and finance, etc.)

### **Projects**

- Argentina: Community Biodiversity Protection Project (\$6m)
- ➡ Belize: Community Managed Sarstoon Temash Conservation (\$7.5m)
- Colombia: Conservation and Sustainable Development of the Mataven Forest (\$tbd)
- ♣ Ecuador: Rescuing Ancient Knowledge and Sustainable Use of Biodiversity in Coastal Ecuador (\$1.05m)
- ➡ Ecuador: Conservation, Management, and Sustainable Use Planning of Natural Resources in Pastaza (\$tbd)
- → Guatemala: Management and Protection of Laguna del Tigre National Park
  (\$1.66m)
- → Guatemala: Community Management of the Bio-Itza Reserve (Peten) (\$tbd)
- Mexico: Indigenous Conservation of Biodiversity (\$18.7m)
- Peru: Participatory Conservation and Sustainable Development with Indigenous Communities in Vilcabamba (\$1.14m)
- Peru: Indigenous Management of Protected Areas in the Amazon (\$24m)
- Venezuela: Dhekuana Nonoodo Biodiversity Conservation (\$1m)

- Colombia: Conservation and Sustainable Use of Biodiversity in the Andes Region (\$30m)
- Colombia: Community-Based Management for the Naya Conservation Corridor (\$.94m)
- \$\infty\$ Ecuador: Choco-Andean Corridor (\$2.7m)
- → Guatemala: Biodiversity Conservation in the Altiplano Occidental (\$45m)
- ➡ Honduras: Biodiversity Conservation in Priority Protected Areas (\$9.5m)
- ➡ Nicaragua: Atlantic Biological Corridor (\$21.5m)
- Panama: Effective Protection with Community Participation of the New Protected Area of San Lorenzo (\$2.23m)
- Peru: Collaborative Management for the Conservation and Sustainable Development of the Northwest Biosphere Reserve (\$2.1m)
- Peru: Consolidation of Protected Area System (PROFONANPE II)

(\$32m)

#### Conclusions

- Labor markets are not national.
- Macroeconomic conditions matter.
- Youth is a problem.
- Equality of pay helps.
- Flexibility.
- Small countries have an advantage.
- policies started off very poorly.
- But there is hope for the future.