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on poverty eradication and gender equity

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This Social Watch report is the product of citizen coalitions from over forty countries. Each country summary is the result of many weeks of research, consultations and debate. The authors come from different backgrounds. Some are engaged in defending human rights, others organise the poor at community level. Some work for trade unions representing thousands of workers, others concentrate on gender issues.

All Social Watch contributors are required to investigate the facts and the latest trends in countries where vital statistics are often missing, hidden or distorted to reflect official views. Then they must summarise in a few pages the conclusions of lengthy discussions, asking themselves such questions as: What is our main message? Does this or that detail provide convincing or merely anecdotal evidence?

The wealth of information and rich discussion behind every country report could fill whole books, and in fact, many of the national Social Watch coalitions are starting to publish such books, so that this important resource is not lost. But our work does not end with the publication of reports. The results must be made widely known so that they can influence and effectively shape the policies that will right injustice.

The world leaders committed themselves in 1995[1] *to the goal of eradicating poverty in the world. Every year since then, Social Watch has asked governments what they have done to implement this commitment … and every year, we have reported on what has and has not been achieved.*

To report internationally on what happens nationally improves transparency and accountability. Providing numerical indicators is a rough attempt to capture complex realities in a simplified way. Yet, as the Olympic Games and beauty contests show, international comparisons are a powerful motivator.

Social Watch follows indicators for each of the key international commitments in detail, so that we can identify the areas where more effort is needed and which policies need to be reoriented. These commitments are summarised in three tables. One shows the present situation in key areas of social development. The second shows progress and gives due credit to those countries (and there are many) where there is consistent improvement despite adverse conditions in areas such as health, education or gender equity. A third, introduced as a separate table for the first time in this report, highlights those areas where political decisions make a difference and express the will to be serious about implementing the commitments.

The commitments have been reaffirmed and they have evolved. In 2000, the biggest gathering ever of heads of state and government unanimously promised: "We will spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty".[2] *And poverty was as much at the heart of the discussions of corporate and government leaders meeting at the World Economic Forum in New York in February 2002 as it was at the alternative World Social Forum of civil society organisations in Porto Alegre.*

No other cause or campaign has ever enjoyed such strong moral support … and so few actual results.

The task of abolishing poverty is not easy. As the figures and maps in this report show, more than half of humanity lives in poverty. A disproportionate majority of the poor are women and children. The struggle ahead seems overwhelming.

Yet, the resources needed to abolish poverty are abundant. To adequately feed and educate every child and provide health services to every mother would require only a minor percentage of the personal fortunes of a handful of the richest men (there are few women on that list) on this planet. And, yes, a lot of that wealth resides in the very same places where many of the poorest of the poor live.

We have been told again and again that "globalisation" is the key to the solving this problem. If only all restrictions on international trade and the flow of capital were lifted, greater riches could be created and their circulation would be like water in connecting vases, lifting all to the level of those who were lucky (or clever) enough to have started earlier.

This is not what is actually happening. Wealth and power is more concentrated now than ever before Joseph Stiglitz, Nobel Prize for Economy 2001, concluded:

1 This commitment was made at the World Summit for Social Development, held in Copenhagen, Denmark, which was attended by 115 heads of state and government, an attendance record surpassed only by the Millennium Summit of the United Nations General Assembly in 2000.

2 Paragraph 11 of the United Nations Millennium Declaration.

"[W]e do not see Adam Smith's 'invisible hand', because it doesn't exist."[3] For the market to operate as an efficient distribution mechanism all participants should concur to it with the same information, something that never happens in practice.

The heads of state at the 1995 Social Summit drew the same conclusion: "We know that poverty, lack of productive employment and social disintegration are an offence to human dignity. We also know that they are negatively reinforcing and represent a waste of human resources and a manifestation of ineffectiveness in the functioning of markets and economic and social institutions and processes."[4] Therefore, "Public policies are necessary to correct market failures, to complement market mechanisms, to maintain social stability and to create a national and international economic environment that promotes sustainable growth on a global scale."[5]

Each of the country reports in this volume addresses public policies required at the national level to combat poverty. Internationally, the list is well known: a solution to the debt problem, international market access for developing country products, controls over the disruptive flows of speculative capital, and last but not least, more, higher quality development aid that effectively reaches the poor.

We must put an end to the double standards and hypocrisy of an international system that moves capital freely around the world but does not grant workers the same right, that requires poor countries to open their markets but does not require the same of rich countries, that forces developing countries to tighten their belts in times of recession but allows rich governments to intervene in times of crisis.

Double standards beget cynicism, apathy, corruption and deterioration of democratic life and the very social fabric that holds communities together. Double standards also motivate people to raise their voices, organise, demand transparency and advocate for change. Therein lies our hope. After all, the presidents, prime ministers and kings who were gathered in Copenhagen, they who have the power to introduce reforms, wrote: "We can continue to hold the trust of the people of the world only if we make their needs our priority."[6]

Roberto Bissio
Montevideo, March 2002

3 From notes taken by the author at Joseph Stiglitz's conference at the Central Bank in Montevideo, November 2001.

4 Paragraph 23 of the Copenhagen Declaration.

5 Paragraph 6 of the Copenhagen Programme of Action.

6 Paragraph 23 of the Copenhagen Declaration.

MEASURING PROGRESS

1

Information poverty

Commitment 9 (D) (We will) ensure that reliable statistics and statistical indicators are used to develop and assess social policies and programmes so that economic and social resources are used efficiently and effectively. *Copenhagen Declaration and Programme of Action.*

Latest year for which information is available (*)

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Afghanistan	2000	2000		1998		1995/2000		1993	
Albania	1994	1994	1991	1998				1985	1998
Algeria	2000	2000	2000	1998	1995	1995/2000	1995/2000		
American Samoa	2000								
Andorra	2000	2000							
Angola	2000	2000	1996	1998		1995/2000	1995/2000	1991	
Anguilla									
Antigua and Barbuda	1999	1999	1991	1998				1988	
Argentina	2000	2000	2000	1999					1998
Armenia	1999	1999	1998	1998	1996	1995/2000	1995/2000		
Aruba			1994						
Australia	2000	2000	2000	1998	1994			1988	1998
Austria	2000	2000	2000	1998	1987			1988	1998
Azerbaijan		1993	2000	1998	1995	1995/2000	1995/2000		1998
Bahamas	2000	2000	1998	1998				1988	
Bahrain	1996	1996	2000	1998		1995/2000	1995/2000	1988	
Bangladesh	2000	2000	1996	1998	1995-96	1995/2000	1995/2000	1991	1980
Barbados	2000	2000	1999	1999				1988	
Belarus	2000		2000	1999	1998			1988	1998
Belgium	1988	1990	2000	1998	1992			1988	1995
Belize	2000	2000	1996	1998		1990/1998	1990/1998	1991	
Benin	2000	2000		1998		1995/2000	1995/2000	1991	
Bermuda			1997						
Bhutan	2000	2000		1998				1991	
Bolivia	2000	2000	2000	1998	1997	1995/2000	1995/2000		1998
Bosnia and Herzegovina		1993		1997					
Botswana	1993	1993	1995	2000		1995/2000	1995/2000	1988	1998
Brazil	2000	2000	1999	1998	1997	1995/2000	1995/2000		1996
British Virgin Is.									
Brunei Darussalam	1985	1985		1994				1985	
Bulgaria	2000	2000	2000	1996	1997			1988	1998
Burkina Faso	1988	2000	2000	1998	1994	1995/2000	1995/2000	1985	1990
Burundi	1993	1993	1992	1998	1992	1990/1998	1990/1998	1991	1998
Cambodia	2000	2000		2000	1997	1995/2000	1995/2000		
Cameroon	2000	2000		2000		1995/2000	1995/2000	1988	1997
Canada	2000	2000	2000	1998	1994			1988	1996
Cape Verde	2000	2000	1995	1998		1990/1998	1990/1998	1988	
Cayman Is.			1994						
Central African Rep.	2000	2000	1995	2000	1993	1995/2000	1995/2000	1988	1980
Ceuta									
Chad	2000	2000		2000		1995/2000	1995/2000	1991	
Channel Is.			2000			1995/2000			
Chile	2000	2000		1998	1996			1988	1998
China	2000	2000		1999	1998	1995/2000			1998
Christmas Is.									
Cocos									
Colombia	2000	2000		2000	1996	1995/2000	1995/2000	1988	1998
Comoros	2000	2000	2000	2000		1995/2000	1995/2000	1985	
Congo	2000	1993	1992	1998		1995/2000	1995/2000	1991	1997
Congo, Dem. Rep. of the	2000	2000	2000	1998					1998
Cook Is.	2000	2000							
Coral Sea Is.			2000						
Costa Rica	2000	2000	2000	1999	1997	1995/2000	1995/2000	1988	1998
Côte d'Ivoire	2000	1993		1998	1995	1990/1998	1990/1998	1988	
Croatia	1999	1999			1998	1995/2000			1998
Cuba	2000	2000	2000	1999		1995/2000		1988	
Cyprus	2000	2000	2000	1998				1991	
Czech Republic	1988			1996	1996	1990/1998	1990/1998		1998
Denmark	2000	1993	1999	1998	1992			1988	1997
Diego García Is.									
Djibouti	2000	2000		1998		1995/2000	1995/2000	1983	
Dominica	2000	1995		1999				1988	
Dominican Republic	2000	2000	1997	1998	1998	1995/2000	1995/2000		1998

Information poverty

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East Timor									
Ecuador	2000	2000	1998	1999	1995			1988	1990
Egypt	2000	2000	1999	2000	1995	1995/2000	1995/2000	1991	1998
El Salvador	2000	2000	1999	1998	1997	1995/2000	1995/2000		1997
Equatorial Guinea	2000	2000		1998					
Eritrea	2000	2000		1998		1995/2000	1995/2000		
Estonia			2000	1996	1998				1998
Ethiopia	2000	2000	1999	2000	1995	1995/2000	1995/2000	1991	1997
Faeroe Is.									
Falkland Is.									
Fiji	2000	2000	1995	1998		1990/1998	1990/1998	1991	
Finland	2000	2000	2000	1998	1991			1988	1998
France	1995	1990	2000	1998	1995				1995
French Guiana	2000	2000	1993						
French Polynesia	2000	2000	1998	1998					
Gabon	2000	2000		1998				1988	
Gambia	2000	2000		1998	1992	1995/2000	1995/2000		
Gaza Strip									
Georgia	1999	1999	2000	1999	1996				1998
Germany	1988		2000	1998	1994				1998
Ghana	2000	2000	1995	1998	1998	1995/2000	1995/2000	1992	1995
Gibraltar			1998						
Greece	1985	1990	2000	1998	1993				1998
Greenland			1997						
Grenada	2000	2000	1991	1999					
Guadeloupe	2000	2000	1994						
Guam			1993	1998					
Guatemala	2000	2000	1995	1998	1998	1995/2000	1995/2000	1988	1996
Guinea	2000	2000		1999	1994			1992	
Guinea-Bissau	2000	2000		1998	1991			1985	
Guyana	2000	2000	1992	1998	1993	1995/2000		1988	
Haiti	2000	2000		2000		1995/2000	1995/2000	1988	
Holy See									
Honduras	2000	2000	1999	1998	1997	1995/2000	1995/2000	1988	
Hong Kong, China (SAR)			2000	1998					
Hungary	2000	2000	2000	1996	1998			1985	1998
Iceland	1995	1995	2000	1985				1983	
India	2000	2000	1999	1998	1997	1990/1998	1990/1998	1985	1998
Indonesia	2000	2000	2000	1999	1999	1995/2000	1995/2000	1988	1998
Iran, Islamic Rep. of	2000	2000		1998		1995/2000	1995/2000	1988	1998
Iraq	2000	2000		1998		1995/2000	1995/2000	1991	
Ireland	1985	1990	1999	1998	1987			1985	1998
Isle of Man			2000						
Israel	1995	1995	2000	1998	1992			1988	1998
Italy	1985	1990	2000	1998	1995			1985	
Jamaica	2000	2000	1998	1998	1996	1995/2000	1990/1998		
Japan	1994	1994	2000	1998	1993			1991	1990
Jordan	2000	2000		1998	1997	1995/2000	1995/2000	1991	1998
Kazakhstan	2000	2000	1999	1995	1996	1995/2000	1995/2000		
Kenya	2000	2000		1998	1994	1995/2000	1995/2000		1998
Kiribati	2000	2000		1994				1991	
Korea, Dem. Rep. of	2000	2000		1998		1995/2000		1988	
Korea, Rep. of	2000	2000	2000	1998	1993			1991	1998
Kuwait	1995	1995	1998	1998				1988	1995
Kyrgyzstan	2000	2000	1999	1998	1997	1995/2000	1995/2000		
Lao People's Dem. Rep.	2000	2000		2000	1997	1990/1998	1990/1998	1985	
Latvia			2000	1996	1998				1998
Lebanon	2000	2000	1997	1998		1995/2000	1995/2000	1985	1998
Lesotho	2000	2000		2000	1986-87	1995/2000	1995/2000	1988	1998
Liberia	1994	1985		1998				1988	
Libyan Arab Jamahiriya	2000	2000		1998		1995/2000	1995/2000	1991	
Liechtenstein									
Lithuania			2000	1996	1996				1998

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Luxembourg	1985	1990	2000	1988	1994			1988	
Macau			2000	1993					
Macedonia, TFYR	1999	1999	1997	1998					
Madagascar	2000	2000	1995	2000	1997	1995/2000	1995/2000	1988	1998
Malawi	2000	2000		1998		1995/2000	1995/2000	1988	1990
Malaysia	1999	1999	2000	1998	1997	1995/2000	1995/2000	1991	1998
Maldives	2000	2000		1994		1995/2000	1995/2000	1988	
Mali	2000	2000		1996	1994	1995/2000	1995/2000	1983	1980
Malta	2000	2000	1999	1993				1985	
Marshall Is.	1990	1985		1997					
Martinique									
Mauritania	2000	2000		1998	1995	1995/2000	1995/2000	1985	
Mauritius	2000	2000	1995	1999		1995/2000	1995/2000	1991	
Mayotte Is.									
Melilla									
Mexico	2000	2000	2000	1998	1996	1995/2000	1995/2000	1988	1998
Micronesia, Fed. Sts.	1994	1994		1990				1991	
Moldova, Rep. of	2000	1995	2000		1997				
Monaco	2000	2000							
Mongolia	2000	2000	1998	1998	1995	1995/2000		1988	1998
Montserrat									
Morocco	2000	2000	1999	1998	1998-99	1990/1998	1990/1998	1991	1997
Mozambique	2000	2000		1998	1996-97	1995/2000	1995/2000	1988	
Myanmar	2000	2000	1999	1998		1995/2000	1995/2000	1985	1998
Namibia	2000	2000		2000		1990/1998	1990/1998		
Nauru									
Nepal	2000	2000		2000	1995-96	1995/2000	1995/2000	1983	1998
Netherlands	2000	2000	2000	1998	1994			1988	1998
Netherlands Antilles			2000	1998					
New Caledonia			2000	1998					
New Zealand	1995	1985	2000	1994				1991	1998
Nicaragua	2000	2000	2000	1998	1998	1995/2000	1995/2000		1996
Niger	2000	2000		2000	1995	1995/2000	1995/2000	1991	1980
Nigeria	2000	2000	1993	1999	1996-97	1995/2000	1995/2000	1991	
Niue	2000	2000							
Norfolk Is.									
Northern Mariana Is.									
Norway	2000	1995	2000	1998	1995			1988	1998
Oman	2000	2000		1998		1995/2000	1995/2000	1991	
Pakistan	2000	2000	1998	1998	1996-97	1990/1998	1990/1998	1991	
Palau	2000	2000							
Palestine									
Panama	2000	2000	1999	1998	1997	1995/2000	1990/1998	1988	1998
Papua New Guinea	2000	2000		1998	1996			1988	1996
Paraguay	2000	2000	1996	1998	1998	1995/2000	1990/1998		1995
Peru	2000	2000	2000	1998	1996	1995/2000	1995/2000		1980
Philippines	2000	2000	2000	1998	1997	1995/2000			1998
Pitcairn									
Poland	1985	1990	2000	1996	1998			1988	1998
Portugal	1994	1990	2000	1998	1994-95			1985	1980
Puerto Rico	1995		2000	1998					
Qatar	1994	1996		1998		1995/2000		1991	
Reunion									
Romania	2000	2000	2000	1996	1994	1990/1998	1990/1998	1985	1998
Russian Federation	2000		1999	1998	1998	1995/2000	1995/2000		1997
Rwanda	2000	2000		2000	1983-85	1995/2000	1995/2000		
Saint Helena			1998						
Saint Kitts and Nevis	2000	2000		1998				1988	
Saint Lucia	2000	1995	1996	1997	1995			1988	
Saint Pierre and Miquelon			1993						
Samoa (Western)	2000	2000		1998				1991	
San Marino			1999						
Sao Tomé and Principe	1996	1996		1990		1995/2000	1995/2000	1988	

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Saudi Arabia	2000	2000		1998		1995/2000	1995/2000	1991	
Senegal	2000	2000	1993	1998	1995	1995/2000		1990	1980
Seychelles	1996	1996		1990				1991	
Sierra Leone	2000	2000		1998	1989	1990/1998		1985	1990
Singapore	2000	2000	2000	1998				1988	1998
Slovakia	2000	2000	2000	1996	1992				
Slovenia	2000	1994	1999	1996	1998				
Solomon Is.	2000	2000		1998				1988	
Somalia	1993	1993		1998		1995/2000	1995/2000	1985	
South Africa	2000	2000	1997	1998	1993-94	1995/2000	1995/2000		
Spain	1985	1993	2000	1998	1990			1985	1998
Sri Lanka	2000	2000	2000	1996	1995	1995/2000		1988	1998
St. Vincent and Grenadines	2000	2000	1991	1999				1988	
Sudan	2000	2000	1992	1998		1990/1998	1990/1998	1991	
Suriname	2000	2000	1999	1998				1988	
Swaziland	1993	1990		1998	1994			1991	
Sweden	2000	2000	2000	1998	1992			1988	1998
Switzerland	2000	2000	2000	1998	1992			1988	1998
Syrian Arab Republic	2000	2000	1991	1998		1995/2000	1995/2000	1991	1998
Taiwan									
Tajikistan	1993	1993	1997	1998					
Tanzania, U. Rep. of	2000	2000		1999	1993	1995/2000	1995/2000	1991	1980
Thailand	2000	2000	2000	1998	1998	1990/1998		1991	1998
Togo	2000	2000		1998		1995/2000	1995/2000		1980
Tokelau									
Tonga	2000	1996		1994				1991	
Trinidad and Tobago	2000	2000	1999	1998	1992			1988	
Tunisia	1994	1994	2000	2000	1995	1995/2000	1995/2000	1992	1998
Turkey	2000	2000	1999	1998	1994	1995/2000	1995/2000	1988	1998
Turkmenistan	1999	1999		1998	1998				
Turks and Caicos Islands									
Tuvalu	2000	2000							
Uganda	2000	2000		1998	1996	1995/2000	1995/2000	1988	1980
Ukraine	1993	1993	2000	1999	1999			1988	
United Arab Emirates	1994	1993	2000	1998		1995/2000	1995/2000	1991	
United Kingdom	2000	2000	2000	1998	1991			1985	1998
United States	2000	2000	2000	1998	1997	1990/1998	1990/1998	1985	1998
Uruguay	2000	2000	2000	1999	1989	1995/2000	1995/2000		1998
US Virgin Is.			1997						
Uzbekistan	2000	2000	1995	1998	1993	1995/2000	1995/2000		
Vanuatu	2000	2000		1994				1991	
Venezuela	2000	2000	1999	2000	1997	1990/1998	1990/1998		1980
Viet Nam	2000	2000		2000	1998	1995/2000	1995/2000	1982	1998
Wallis and Futuna Is.									
Western Sahara									
Yemen	2000	2000		1998	1998	1995/2000	1995/2000	1981	1998
Yugoslavia				2000		1995/2000	1995/2000		
Zambia	2000	2000		1998	1998	1995/2000	1995/2000	1988	1997
Zimbabwe	2000	2000		1999	1990-91	1995/2000	1995/2000	1985	1998

(*) Consulted sources:

UNICEF: The State of the World's Children 2001 and 2002; UNICEF website End Decade Database (www.childinfo.org)

World Bank: World Development Indicators 1999, 2000 and 2001;

World Development Index Data Query website (http://devdata.worldbank.org/data-query/);

World Development Report 1999, 2000 and 2001.

United Nations: United Nations Statistics Division Website (www.un.org/Depts/unsd/)

UNDP: Human Development Report 2001.

WHO: WHO Website (http://www.who.int/)

ILO: LABORSTA, the Labour Statistics Database website (http://laborsta.ilo.org)

About the methodology

Social Watch monitors progress in achieving commitments made by governments at the World Summit for Social Development (WSSD) in Copenhagen and the Fourth World Conference on Women (WCW) in Beijing. This monitoring is based on the evolution and current situation with regard to certain indicators in selected areas of interest. Once again, the findings are presented in three sets of tables. The first comprises tables that review the goals defined at the WSSD, taking each commitment in turn. It also includes a summary table, listing countries in alphabetical order, where progress and setbacks are grouped into six thematic areas. A second series of tables measures advances and setbacks with respect to the gender gap, distribution of public spending (education, health, defence and external debt service), increase in development assistance, and ratification of key international agreements. The third set of tables appears on the poster and includes mainly issues relating to the goals set at the Millennium Summit.

Sources

This year's edition of *Social Watch* employs the same criteria for selecting sources and calculating the evolution of variables as were used in last year's report. It also maintains the same format in the tables.

The initial difficulties we faced in obtaining and managing data still persist,[1] and we have maintained the criteria employed in earlier editions. We continue to use the most recent source provided by any of the respected international organisations, on the assumption that their data are reliable, even if some changes appear surprising and could be interpreted in different ways, or be seen to result from a variety of causes.

- In those cases where the most recent data were not to be found in these sources, we chose, from among the available alternative sources, those "secondary" sources whose data for previous years corresponded most closely to those published by the most respected sources;
- In those cases where alternative sources were available, we chose whichever source is commonly regarded as the best authority on the topic in question;
- In those cases in which neither of the above two criteria applied, we chose the source offering data from the greatest number of countries.

Data management in calculating the progress indexes

- When the only data available referred to a period (for example, 1990-1994) rather than a single year, we assigned the data to the year falling in the middle of the period (in this case, 1992), in order to allow us to calculate the rate of variation;
- In those tables in which the information for each country corresponds to a specific year, the rate of variation was calculated on the basis of those values, on the understanding that the accuracy of the information is better preserved this way, than in the alternative method based on periods;
- In cases where the goal was not defined numerically in the commitments, specific criteria were used—which are explained where relevant in the evaluation of the goals and their follow-up;
- Finally, in the tables on the poster accompanying this edition, which show "progress" and "current situation", other evaluation tools were employed. These take into account the absolute value of the indicators only, without relating them to the goals set. In these tables, the countries are ranked—with respect to both their "current situation" and "progress"—according to the distribution of values for each variable.

[1] For example, the difficulty in obtaining information for the same year across the board, or the significant differences that exist between statistics provided for the same year by different sources.

Goals set and follow-up

As in past editions of *Social Watch*, the goals set by governments, as well as the progress made and setbacks encountered, are evaluated goal by goal in this year's report. We present a series of tables that illustrate the evolution of countries with respect to the commitments made by governments at the WSSD and the WCW, as well as a summary table listing countries in alphabetical order, where the indicators are grouped according to broad thematic areas.

Social Watch selected what we consider to be the thirteen most important commitments from among those that can be measured quantitatively. Again this year it has not been possible to monitor the thirteenth commitment —"Improve the availability of affordable and adequate housing for everyone, in line with the World Housing Strategy for the year 2000"—since once more the information available was inadequate. With respect to the other commitments, one or more indicators have been chosen, the relevance of which varies from case to case. From among the indicators corresponding most closely to the dimensions we wish to measure, we selected those that were available for a sufficient number of countries.[2]

The tables, each relating to one commitment, have been updated and show the value of the indicator in 1990 (or the next closest year, if there is no data available for 1990), the value in the last year for which data are available and the goal the country was to meet by 2000. In the case of commitments with goals set for a later date, we adjusted all paths to correspond to the decade under consideration here (1990-2000).

For commitments with goals not linked to specific figures, we took numerically defined goals from other summits where available.[3] In cases where the desired outcome was universal access, the goal established was access by 100% of the target population.

The goals were established with reference to the following variables:

Goal 1a: Percentage of children reaching 5th grade in primary school; Goal 1b: Primary school enrolment rate (net); Goal 2: Life expectancy at birth; Goal 3a: Mortality rate among infants under age 1; Goal 3b: Mortality rate among children under 5; Goal 4: Maternal mortality per 1,000 live births; Goal 5: Daily calorie intake; Goal 6: Percentage of children under 5 suffering from serious or moderate malnutrition; Goal 7: Percentage of the population with access to health care services; Goal 8a: Number of pregnancies attended by health personnel (per 1,000); Goal 8b: Percentage of deliveries attended by health personnel; Goal 9: Malaria cases per 100,000; Goal 10: Percentage of children under age 1 fully immunised; Goal 11: Adult illiteracy rate; Goal 12a: Percentage of the population with access to sanitation; Goal 12b: Percentage of the population with access to safe water.

All the tables relating to goals present the initial situation of the country (first column, 1990 or next closest year), the latest figure available from the chosen source (second column)[4], the rate of progress according to the goal set (third column, "progress or regression"), and the goal set by the country's government for 2000 (final column). Given the delays in the publication of data, information for the year 2000 is still not available for all indicators and it is therefore not yet possible to check whether the goals set for that year have, in fact, been reached. The information available, which corresponds to previous years, allows us to establish each country's rate of variation or progress at the date for which the latest data is available. This is why the comments here still refer to the year 2000 goals as if that date had not yet been reached.

As we explained in previous editions, any progress index of the type used here implies the adoption of a normative path, which serves as the "ideal" against which progress can be measured. However, as we have already pointed out, each of the specific indicators may follow different paths. These model paths should

[2] These indicators and the corresponding tables are the same as in last year's edition.

[3] For example, in the case of the goal of nutritional security, we adopted the goals proposed at the 1996 World Nutritional Summit.

[4] In some tables, two additional columns are used to indicate the date of the information selected.

either be determined by specialist bodies or be inferred from some previously existing study (for example, a longitudinal analysis). While it would be desirable to conduct our follow-up in this rigorous and exhaustive manner, we recognise that the majority of variables associated with the commitments do not meet these conditions. Furthermore, since the number of observations over time required for the construction of more precise evolutionary models is lacking in many cases, the only alternative was to opt for a simple and straightforward way of evaluating progress towards the fulfilment of goals.

In order to calculate progress and setbacks in relation to the goals set, we chose to "impose" a simple, uniform evolutionary reference model that would prove least demanding when evaluating changes over time or when comparing the evolution of different countries. Given the limitations of the methodology adopted, the conclusions reached are not, and cannot be, regarded as exhaustive or definitive; they are merely an approximation or useful guide. Ultimately, the resulting progress index classifies the actual value of each variable as ahead of schedule, on schedule or behind schedule, in relation to its projected value. For the follow-up of the goals set, we maintained this basic system, which generates a fulfilment index reflecting the degree to which countries had advanced towards achieving their established goals. This index has been re-scaled in sections (we converted the progress indexes to a reference scale of 1 to 5), and to make it easier to read and to eliminate the false impression of precision that a numerical progress index would give, "Progress or Regression" are represented by a series of symbols.

The categories resulting from this re-scaling are:

Significant regression
Some regression
Stagnation
Some progress
Significant progress or goal already achieved

"Significant progress or goal already achieved" applies to countries that had already achieved the goal by 1990, have reached the goal subsequently, or will reach the goal on schedule if they continue at their current rate of progress.

"Some progress" applies to countries with positive indexes, but where progress is not rapid enough to reach the goal on schedule.

"Stagnation" applies to countries where no significant changes (or quantitatively insignificant changes) have been recorded in the period.

"Some regression" applies to countries that show a negative value and a gradual process of regression.

"Significant regression" applies to countries that are regressing at a faster rate.

Additionally, where relevant, for those countries that had reached the goal by 1990, different icons are used in the "Progress or Regression" column to distinguish between four sub-groups: countries that had achieved the goal by 1990; countries for which no data is available for the year 1990, but which at the end of the period had reached the goal; countries that had achieved the goal by 1990 and continue to make progress; and countries that had reached the goal by 1990 but are experiencing setbacks.

In the table showing "Progress and regressions in the fulfilment of the Copenhagen goals", indicators are grouped in the following manner:

Goals 1a, 1b in the column headed Basic Education;
Goals 3a, 3b and 10 in the column headed Children's Health;
Goals 5 and 6 in the column headed Food Security and Infant Nutrition;
Goals 8a and 8b in the column headed Reproductive Health;
Goals 2 and 7 in the column headed Health and Life Expectancy;
Goals 12a and 12b in the column headed Safe Water and Sanitation.

2015 goals

In accordance with the new commitments defined at the Millennium Summit, a further column has been added to some tables, showing goals for 2015. In our understanding, nowhere in the commitments is it explicitly stated that the starting point for the new goals continues to be 1990. Adopting that starting point simply implies lowering the requirements that governments have to fulfil in order to meet those goals, meaning less significant advances over the next 15 years.

For example, take the goal of reducing infant mortality by two-thirds by 2015. In the case of Gambia, whose infant mortality rate stood at 132 per 1,000 live births in 1990, and at 61 per 1,000 in 1999, if the 2015 goal is set taking 1990 as the starting point, the rate to be reached is 44 per 1,000; in contrast, if the starting point were the 2000 rate (or the most recent figure available, from 1999), the 2015 goal would mean reducing infant mortality to a rate of 20 per 1,000 live births.

If 1990 is used as the base year for the indicator, countries will already have advanced partially towards their target during the 1990-2000 period, and requirements for 2015 will obviously be lower.

Assessment of advances made up to 2000

The delay in the publication of new data means that we are unable to present year 2000 values for most of the indicators used in this follow-up. We have therefore chosen to continue reviewing the rate of progress or setbacks according to the latest available data, taking the year 2000 goal as the point of comparison.

In the area of education (**Goal 1: universalisation and completion of primary education**), the evolution over this period once more reveals clearly differentiated situations. The first point of concern is relevant to all the commitments and relates to the large number of countries for which the international organisations have no information available on the basis of which to monitor progress in the period under study. In the case of enrolment rates in primary school, UNESCO has information on only 140 countries, 23 of which have no information for either the beginning or the end of the period. With respect to the goal of universalisation of primary school education, 17 countries show regression, with significant regression in five. Only nine countries show rapid progress towards meeting the 2000 goal, while another 39 were progressing at an insufficient rate.

The goal relating to **completion of primary education** (measured on the basis of the percentage of children from a cohort who reach 5th grade), the goal of 80% had already been reached in 1990 by over 60.5% of countries for which information was available. Another 15 countries were advancing significantly and were on target to meet the goal. Varying degrees of regression can be observed in other countries: Brazil, Guinea and India showed slight regression, while Congo, Ethiopia, Malawi, Gabon, Lesotho and Mauritania revealed more significant regression. It is important to note that values dropped in 21 countries that had already achieved the goal by 1990, in some cases falling below the 80% commitment (Hungary, Eritrea, Sudan, Djibouti and Zimbabwe).

As has been emphasised in previous editions, analysis of the data relating to **life expectancy (Goal 2)** should take into account the fact that the goal of 60 years represents an excessively "low" target for the majority of countries, as is evident from the large number that had already reached the goal by 1990 (122 of the 207 countries with information available). Nonetheless, 22 African and Asian countries were not achieving a sufficient rate of increase to reach 2000 with a life expectancy at birth of 60 years. Other countries (Bangladesh, Bolivia, Comoros, India, Myanmar, Kiribati and Pakistan), whose starting-points were critical, had managed to progress rapidly and will achieve the 2000 goal. Twenty countries showed alarming setbacks. Among all these countries, the average life expectancy in 1990 was 50 years, with a minimum value of 37 years in the case of Sierra Leone. Six of these countries showed more serious regression (Zimbabwe, Swaziland, Botswana, Kenya, Namibia and Lesotho), reaching an average of just 44 years in 1999. In the period under consideration, setbacks of up to 17 years were registered (Botswana). At the other end of the scale, 50 countries had already achieved a life expectancy of over 70 years at the beginning of the period.

The data for follow-up of **Goal 3 —infant and under-five mortality—** available in this edition date from 1999, the same as in last year's *Social Watch* report. As we have already indicated, the information relating to infant mortality showed that a significant number of countries (74% of the 180 countries for which information is available) had made progress in comparison with their 1990 values. However, only 21% (28 countries) had progressed at a sufficient rate to meet their 2000 goal. Moreover, setbacks could be seen in 39 countries. In 15 of these the rate of regression was high, but in some cases these were countries with already low levels of infant mortality, so that, although their values show increases, they remained well below the rest. However, this group also included countries where the situation was extremely worrying. At the beginning of the 1990s, Lesotho, Nigeria, the Democratic Republic of Congo, Mauritania, Angola and Niger already had high levels of infant mortality, which on average exceeded 90 deaths per 1,000 live births. By 1999 the situation had worsened, with an average of 120 per 1,000.

The **mortality rate for children under five** had dropped significantly in most countries, although not at a sufficient rate to meet the target commitment (161 countries showed progress, of which only 54 were on schedule to meet the 2000 goal). Fourteen countries showed setbacks, among which Iraq presented the most significant rate of regression, while the African countries of Zimbabwe, Kenya, Cameroon, the Côte d'Ivoire, Rwanda, Zambia and Burkina Faso increased their average rate from 135 to 150 deaths of under fives per 1,000 live births.

Changes have been introduced in international statistics on how the **maternal mortality rate** is calculated. The result is that we have been unable to calculate progress, as we lack two sets of data comparable over time. The values for this indicator are extremely heterogeneous. This can be illustrated by reference to the fact that the regional averages for maternal mortality range from 30 (for Europe and Central Asia) to 567 per 100,000 live births (for Sub-Saharan Africa). The situation in Sierra Leone and Rwanda is particularly alarming for the extreme values they present, exceeding 2,000 maternal deaths per 100,000 live births.

The table for **Goal 5** shows ***per capita* daily caloric intake** as an indicator of food security. As no fixed target value was set for this goal, we chose to use the FAO targets, which establish a level of calorie intake that depends on the starting situation of the countries in 1990. Of the 163 countries for which comparative information is available, 108 (66%) show progress, although 26 of these were not advancing rapidly enough to meet the 2000 goal. Of the 31 (19%) countries that show setbacks, almost half show significant regression, in particular Iraq and Cuba, which show drops of more than 500 daily calories.

Goal 6 relates to the reduction in **malnutrition in children under five**. To construct the progress index, we took the values from 1990 or the next closest year, and from the last year available. Even so, we could only construct an index for a very limited number of countries (70), as in many cases we did not have information from both moments in time. In the resulting distribution of countries, 61% show progress. Of these, almost a fifth (8 out of 43) were progressing at a sufficiently rapid rate. Among the countries showing setbacks (23), Algeria, Angola, Costa Rica and Côte d'Ivoire had the highest annual rate of regression (although in the case of Costa Rica the percentage of children suffering from malnutrition remained low).

With respect to **Goal 7**, the percentage of the population with **access to health care services** has not been updated by the international sources that usually provide such information. The data are consequently out of date and scarce (available for 55 countries). Here we saw that of the 19 countries showing some progress, 13 were advancing rapidly and were on schedule to meet the target (Cameroon, Central African Republic, Guinea, Indonesia, Iran, Jordan, Malawi, Niger, Oman, Saudi Arabia, Senegal, Syria and Thailand). Eight countries (Benin, Colombia, Gabon, Madagascar, Maldives, Nigeria, Panama and Uganda) show setbacks. In some cases (Benin, Madagascar, Maldives and Uganda) more than 50% of the population lacked access to health care services.

The table for **Goal 8** presents the evolution of indicators concerning **reproductive health** (proportion of pregnancies and deliveries attended by health trained personnel). The information relating to **pregnancies**, available for 92 countries, shows that one-third retained an almost universal level of coverage, in other words, they had achieved the goal. With respect to progress made, 48 countries show advances, 18 at a sufficient rate to reach the goal. Among the 14 countries where setbacks were registered, three showed an alarming rate of regression (Kenya, Myanmar, and Nigeria). Particularly worrying is the case of Tanzania, which started with almost total coverage but reduced that figure by half in the period under consideration.

With respect to medical coverage of **deliveries**, information is available for a total of 155 countries, although we have information from two sources for comparison for only 125 countries. Forty percent of the total (66 countries) present values indicating they were on target to meet the goal of close to 100% coverage. Advances were evident in 61 countries, 20 of which were progressing at a steady rate. Only 10% of countries show setbacks, and only China was regressing significantly. The eight countries whose situation remained unchanged had low levels of coverage, except Tunisia and the Solomon Islands where coverage was close to 90%.

The information relating to **Goals 9 and 10** has not been updated. Of the 58 countries for which data regarding **cases of malaria** were available, 29 showed significant progress and only four were not progressing fast enough to meet the 2000 goal. Among the countries registering setbacks, the vast majority showed rapid regression (Benin, Bolivia, Cambodia, Cameroon, Colombia, Guatemala, Guinea, Honduras, India, Peru, Saudi Arabia, South Africa, Suriname, Turkey, Vanuatu and Venezuela).

Regarding control and eradication of diseases by means of infant vaccination, the progress indicator is based on the situation with respect to four diseases: **tuberculosis, diphtheria, polio and measles**. The information presented shows that 130 (71%) of the 184 countries for which data are available have made progress in infant vaccination, and that 93 (50%) of them were advancing at a sufficient annual rate to achieve the 2000 goal. On the other hand, of the 44 (24%) countries that show setbacks, 27 (15%) were regressing rapidly.

In the case of **Goal 11**, to reduce **adult illiteracy** to half its 1990 rate, all countries made progress, but only two had done so at a sufficient rate to reach the target. Many countries had a starting level of almost universal rates of adult literacy (more than 95%): Argentina, Armenia, Belarus, Bulgaria, Croatia, Cuba, Dutch Antilles, Guyana, Hungary, Italy, Korea, Latvia, Lithuania, Moldova, Poland, Rumania, Russian Federation, Slovenia, Spain, Tajikistan, Ukraine and Uruguay. To these must be added the rest of the developed countries, which in general have stopped publishing figures for illiteracy on the understanding that it is a problem that has been overcome.

With respect to **access to sanitation (Goal 12a)**, of the 123 countries for which information is available, 36 (30%) had reached the goal or had already met it by the 1990 starting point. However, some of these countries experienced regression (8), and in some cases access dropped drastically (Korea, Mongolia and Romania). During the period under consideration, 71 countries (58%) made progress, of which only 10 (8%) were on target to reach the goal by 2000. Among the 14 countries registering setbacks, six show alarming rates of regression and extremely low coverage rates for sanitation, such as the case of Rwanda (8%) and Gabon (21%).

Finally, as regards **access to safe water (Goal 12b)**, out of a total of 128 countries the scenario is quite varied: 40 countries had already achieved the goal and 65 were making progress, although only four (Djibouti, United States of America, Samoa and Uruguay) were doing so at a sufficient rate to meet the 2000 goal. Among the 17 countries showing setbacks, two present significant rates of regression (Rwanda and Fiji). The most critical situations were found in Afghanistan, where in 1999 only 13% of the population had access to safe water, followed by Ethiopia, with 24%.

Overview of progress towards social development

An analysis of the information provided in the table **"Progress and regressions in the fulfilment of the Copenhagen goals"** gives an overview of the performance of countries with respect to the six broad thematic areas into which the indicators were grouped. The table below suggests overall performance with respect to the commitments made, taking the countries as the units of analysis.

	BASIC EDUCATION	CHILDREN'S HEALTH	FOOD SECURITY AND INFANT NUTRITION	REPRODUCTIVE HEALTH	HEALTH AND LIFE EXPECTANCY	SAFE WATER AND SANITATION
	%	%	%	%	%	%
Significant progress	5.1	23.0	30.8	10.5	7.0	5.8
Some progress	34.2	52.4	33.8	34.6	15.0	48.2
Significant regression	2.6	1.6		0.6	1.1	2.2
Some regression	8.5	8.4	17.3	5.6	11.8	7.9
Stagnation		14.7		5.6	1.6	7.9
Goal already met at the starting point	10.3		1.5	14.2	1.6	5.0
Countries with no starting point data. Met the goal by 2000	6.0			13.6	4.3	10.8
Countries with goal met before the starting point still progressing	14.5		16.5	12.3	51.3	9.4
Countries with goal met before the starting point but going backwards	18.8		3.1	6.4	2.9	
TOTAL Total countries for which data are available	100 117	100 191	100 133	100 162	100 187	100 139
	%	%	%	%	%	%
SUMMARY OF PROGRESS + + +	43.6	75.4	79.7	43.2	71.7	58.3
SUMMARY OF REGRESSION + +	29.9	9.9	17.3	9.3	19.3	12.9
GOAL ACHIEVED OR ON TARGET + +	35.9	23.0	48.9	50.6	64.2	30.9

As in last year's edition, at first glance, this summary table comparing progress and setbacks shows an overall improvement in all areas. This means that in all thematic areas more countries were making progress than were regressing. A closer look shows, disappointingly, that once again the bulk of advances are in the "some progress" category, meaning that in general the rate of progress is not sufficient for the countries to achieve their set goals.

Overall, countries that had already reached their targets, or were on schedule to do so, comprise around one-third in three of the thematic areas (Primary Education, Children's Health and Safe Water and Sanitation). In Food Security and Reproductive Health, approximately 50% of countries had achieved the goals set. Only in the areas of Health and Life Expectancy had a significant number of countries already achieved the goal or were on track to do so. Unfortunately, as we have already pointed out, even this cannot be regarded as a huge step forward, since, if one looks closely at the table, one sees that of the 187 countries that have advanced in this respect, 110 had already reached the goal at the start of the period. As we explained above, this is because 60 years is a very low target for life expectancy, since a large number of countries had already exceeded that figure some time ago.

In short, once again in all areas the rate of progress is patently insufficient. If we analyse the information on setbacks, we see that the area of education shows the highest rate of regression: of the 117 countries for which information is available, 30% had regressed relative to their starting points. Regarding food security, the proportion of countries (17.3%) showing a drop in the nutritional levels of their populations over the period under study remains significant.

Gender inequality, public expenditure and Official Development Assistance

The changes that have taken place since 1990 in Women's Situation, Public Expenditure, and Official Development Assistance (ODA) are presented in three tables.

In contrast to the previous edition, *Social Watch* based its 2002 analysis of women's status on the evolution of the gender gap. That is, the object of analysis was progress or regression in the female to male ratio with reference to three basic areas: illiteracy rates among 15-24 year-olds, unemployment rates and primary school enrolment rates.[5]

For the analysis of public spending, we concentrated on the evolution of expenditure on education as a percentage of Gross National Product (GNP), and on the evolution of expenditure on health, defence and external debt service as a percentage of Gross Domestic Product (GDP). The third table measures progress and setbacks in ODA *vis-à-vis* the goal set by developed countries to assign 0.7% of their GNP to aid.

In the first two cases, given that no specific goal was set, we chose to classify countries on the basis of relative progress and regression. For the table showing evolution of the gender gap the analysis consisted in considering the annual rate of variation in the female to male ratio in the three areas indicated above. Thus, three broad categories can be identified, corresponding to situations showing no change, progress or regression. The differences in the scale of progress or regression were measured by taking into account whether the countries were advancing or regressing above or below the average for each group.

The following criteria were used to produce the table on Changes in Public Expenditure: for Social Expenditure (education and health) countries were regarded as showing "significant regression" if the reduction in expenditure was equal to or greater than 1% of GNP; reductions of up to 1% were classified as "some regression"; those which showed no change or changes of one-tenth of one percentage point were classified as "no change"; "some progress" applies to those countries in which spending increased by up to 1%; and, finally, countries showing an increase of over 1% were classed as making "significant progress". For Defence Expenditure and External Debt, the criterion used was exactly the opposite, in other words, reductions in these areas' share of GDP were classified as progress.

The gender gap

The following table presents a summary of the advances and setbacks made with respect to reducing the gender gap in the three areas specified above. In the table the indicators of progress and regression are divided in accordance with whether the rate of evolution of the female to male ratio is above or below the average for each area.

	ILLITERACY (15-24 YEARS)	UNEMPLOYMENT	PRIMARY SCHOOL ENROLMENT (GROSS)
	(%)	(%)	(%)
⬅	8.3	25.8	14.0
⟵	5.3	4.5	6.7
II	48.1	25.8	46.3
➡	28.6	30.3	19.5
⟶	9.8	13.5	13.4
TOTAL COUNTRIES	87	133	163
Summary	(%)	(%)	(%)
<	13.5	30.3	20.7
>	38.3	43.8	32.9

On the basis of the values relating to progress and regression, the three selected areas show a positive outcome, since the progress made clearly outstripped the rate of regression.[6]

What a review of the different rates of change shows is that, for example, in the case of unemployment, 43.8% of countries present an evolution that favours a reduction in the gender gap and within that group 13.5% are evolving at an above-average rate. On the other hand, 30.3% of countries for which information on unemployment is available have increased the gender gap, and within this group, 4.5% show a significant increase. The same comparisons can be made in the analysis of the gender gaps with respect to illiteracy and primary school enrolment.

Public expenditure

The following summary table shows the evolution in social expenditure (health and education), and spending on defence and external debt service.

	EDUCATION EXPENDITURE INCREASE	HEALTH EXPENDITURE INCREASE	DEFENCE EXPENDITURE REDUCTION	EXTERNAL DEBT EXPENDITURE REDUCTION
	PUBLIC EXPENDITURE ON EDUCATION AS % OF GNP	PUBLIC EXPENDITURE ON HEALTH AS % OF GDP	MILITARY EXPENDITURE AS % OF GDP	TOTAL DEBT SERVICE AS % OF GDP
	1990-1995/97	1990-1998	1990-1999	1990-1999
Significant progress (more than 1%)	27.6	20.7	30.8	42.7
Some progress (less than 1%)	37.9	45.9	44.2	9.7
Stagnation	6.0	6.3	3.8	2.9
Some regression (less than 1%)	18.1	22.5	15.4	14.6
Significant regression (more than 1%)	10.3	4.5	5.8	32.0
Total countries	116	111	104	103
Overall progress and regression rates				
Progress	65.5	66.7	75.0	52.4
Regression	28.4	27.0	21.2	46.6

In all areas one can observe a substantial number of countries whose public spending has evolved favourably. Only in the case of expenditure on debt service does progress and regression roughly balance out.

With respect to cases at either end of the scale in the area of education, there were increases of more than 2% for education in Malawi, Jamaica, Lesotho, Latvia, Moldova, Paraguay, Poland and Venezuela, and reductions of over 5% in Armenia, Mongolia, Suriname and Tajikistan.

As regards health spending, at one extreme Belarus, Bolivia, Colombia, Israel and Moldova show increases of more than 2%, while at the other end of the scale Georgia and Macedonia show reductions of over 2%.

Military spending and more recently external debt service are generally considered to divert resources from social needs. For this reason, reductions in expenditure in these two areas are regarded as positive achievements towards social development. The countries situated at the two extremes in relation to these areas are: firstly, Kuwait, Mozambique, Oman and Russia with reductions in military

5 We chose to consider the gross enrolment rate as this was available for a greater number of countries. While this rate includes matriculation of people over school age, we are of the opinion that this does not create a bias affecting the female to male ratio, which is the indicator used to determine the gender gap.

6 Since not all countries have information on these three areas, direct comparisons among them cannot be made. In other words, it would not be correct to infer that the rate of reduction of the gender gap in unemployment is greater than that of the illiteracy gap.

spending of over 5% (among these countries particularly notable is the reduction of Kuwait's military budget by more than 40% since the end of the war); and at the opposite end of the scale, with increases of over 4% in military expenditure, Ethiopia and especially Angola (18%).

External debt service reduced its share of GDP by more than 10% in Guyana, Congo and Papua New Guinea, while in Angola, Gabon and Malta it increased by the same amount.

Finally, in terms of **Official Development Assistance** (ODA), the table shows that the majority of donor countries (12 out of 22) registered a regression between 1990 and 2000 in the proportion of GNP assigned to overseas aid. It should be noted, however, that although reduced, the contributions of Holland, Norway and Sweden remain above the set goal of 0.7% of GNP. Denmark, which had already met this target, shows a slight increase in the proportion of aid. Luxembourg shows a substantive increase in the amount of aid provided, reaching the percentage stipulated in the commitment, thus achieving the target goal. Other countries that decreased their contributions remained throughout the period below the target set.

Countries ordered according to their current situation and the progress or setbacks they have registered over the last ten years

This year's report once again includes a poster with a third set of tables summarising progress and setbacks on the basis of a selection of areas taken from the measurable goals established at the 1995 WSSD and WCW, and at the Millennium Summit.

The indicators used to produce two of the three tables are grouped in seven areas, each of which combine more than one variable: "Illiteracy" (adult illiteracy rates and illiteracy among 15-24 year olds); "Reproductive health" (percentage of pregnancies and deliveries attended by health trained personnel); "Nutrition" (daily *per capita* calorie intake and percentage of under fives suffering from serious and moderate malnutrition); "Services" (percentage of population with access to sanitation, percentage of population with access to safe water and telephone lines per 1,000 inhabitants); "Childhood" (under one mortality rates, under five mortality rates, percentage of children who reach 5th grade and net primary school enrolment rate); and "Gender Equality" (female to male ratio with respect to unemployment, gross enrolment rates in primary school and illiteracy among 15-24 year-olds).

The table **"Progress and Setbacks"** presents the countries in order from those showing greatest progress to those showing the highest levels of regression or stagnation. The way in which progress and setbacks have been calculated aims to reveal recent changes (between 1990 and the most recent date for which information is available) with respect to key indicators for selected commitments. Each variable was categorised on a scale ranging from significant progress to significant regression, taking into account the distribution of the annual growth rates registered between 1990 and the latest available date.

A second table, **"Current Situation"** shows the current situation in each country with regard to the same series of chosen indicators. This table reflects the situation regarding social development based on the most recent data available. In other words, it shows how near or far countries are on average from achieving their targets, without indicating whether they are progressing towards them or not. The ranking was calculated by taking into account the distribution of values for each variable and converting them into four categories: the highest corresponds to those countries whose situation regarding the indicator in question is the best, and *vice versa* for the lower categories. In this way, the countries were classified in order, ranging from those showing the best performance to those with the worst record. The values relating to the current situation are as follows: 1) close to or beyond target; 2) above average; 3) below average; 4) critical situation.

The table **"Progress and Setbacks"** therefore reflects the rate of progress, while the table **"Current Situation"** provides a "snapshot" of countries' current situation. The two tables are designed to complement each other. A small advance in a country with a high level of social development is not the same as a small advance in a country that still has a long way to go.

A third table **"Political will"** reflects the current position of countries on issues directly linked to governmental decisions. This table includes five indicators: percentage of GNP assigned to education expenditure; percentage of the GDP assigned to health expenditure; percentage of GDP assigned to defence expenditure; percentage of GNP assigned to ODA (for member countries of the Organisation of Economic Cooperation and Development, OECD); and percentage of key international agreements signed and ratified by governments.

The following points system, based on the distribution of variables, was used to construct the ranking measuring the advances shown in the table **"Progress and Setbacks"**. The general criterion applied consisted in calculating the Annual Rate of Variation (ARV) for progress and regression, and ranking countries according to whether they are above or below the respective average rates of progress or regression.

Reduction of adult illiteracy rate:
5) progressing with an ARV below -3.26%
4) progressing with an ARV above -3.26%
3) ARV close to 0%

Reduction of illiteracy among 15-24 year olds:
5) progressing with an ARV below -5.02%
4) progressing with an ARV above -5.02%
3) ARV close to 0%

Pregnancies attended by qualified personnel (per 1,000):
5) progressing with an ARV above 5.29%
4) progressing with an ARV below 5.29%
3) ARV close to 0%
2) regressing with an ARV above -1.74%
1) regressing with an ARV below -1.74%

Deliveries attended by qualified personnel:
5) progressing with an ARV above 3.68%
4) progressing with an ARV below 3.68%
3) ARV close to 0%
2) regressing with an ARV above -1.26%
1) regressing with an ARV below -1.26%

Daily calorie intake:
5) progressing with an ARV above 0.78%
4) progressing with an ARV below 0.78%
3) ARV close to 0%
2) regressing with an ARV above -0.63%
1) regressing with an ARV below -0.63%

% infant malnutrition:
5) progressing with an ARV below -5.1%
4) progressing with an ARV above -5.1%
3) ARV close to 0%
2) regressing with an ARV below 4.68%
1) regressing with an ARV above 4.68%

% of people with access to safe water:
5) progressing with an ARV above 3.61%
4) progressing with an ARV below 3.61%
3) ARV close to 0%
2) regressing with an ARV above -2.43%
1) regressing with an ARV below -2.43%

% people with access to sanitation:
5) progressing with an ARV above 5.75%
4) progressing with an ARV below 5.75%
3) ARV close to 0%
2) regressing with an ARV above -3.96%
1) regressing with an ARV below -3.96%

Telephone lines per 1,000 inhabitants:
5) progressing with an ARV above 7.4%
4) progressing with an ARV below 7.4%
3) ARV close to 0%
2) regressing with an ARV above -3.12%
1) regressing with an ARV below -3.12%

Infant mortality (under age one) per 1,000 live births:
5) progressing with an ARV below -3.08%
4) progressing with an ARV above -3.08%
3) ARV close to 0%
2) regressing with an ARV below 3.12%
1) regressing with an ARV above 3.12%

Primary school enrolment rate (net):
5) progressing with an ARV above 3.02%
4) progressing with an ARV below 3.02%
3) ARV close to 0%
2) regressing with an ARV above -1.74%
1) regressing with an ARV below -1.74%

% children reaching 5th grade:
5) progressing with an ARV above 5.59%
4) progressing with an ARV below 5.59%
3) ARV close to 0%
2) regressing with an ARV above -3.36%
1) regressing with an ARV below -3.36%

Child mortality (under fives) per 1,000 live births:
5) progressing with an ARV below -3.61%
4) progressing with an ARV above -3.61%
3) ARV close to 0%
2) regressing with an ARV below 2.33%
1) regressing with an ARV above 2.33%

Variables used in calculating the gender gap:

Female to male ratio in illiteracy among 15-24 year olds:
5) progressing with an ARV below -3.29%
4) progressing with an ARV above -3.29%
3) ARV between 1 and -1%
2) regressing with an ARV below 3.17%
1) regressing with an ARV above 3.17%

Female to male ratio with respect to unemployment:
5) progressing with an ARV below -3.64%
4) progressing with an ARV above -3.64%
3) ARV between 1 and -1%
2) regressing with an ARV below 7.01%
1) regressing with an ARV above 7.01%

Female to male ratio in primary school enrolment rates:
5) progressing with an ARV below -0.66%
4) progressing with an ARV above -0.66%
3) ARV between 1 and -1%
2) regressing with an ARV below 1.08%
1) regressing with an ARV above 1.08%

The following points system, based on the distribution of variables, was used to construct the ranking measuring the "current situation" in the table **"Current Situation"**. The general criterion applied consisted in first identifying those countries with values close to the target and then classifying the rest of the distribution according to whether their values were above or below average. The category "critical situation" refers to values of more than twice the average (in the case of goals that imply a reduction) or under half the average (in the case of goals that imply an increase).

% adult illiteracy:
4) 5% or less
3) between 5% and 20.8%
2) between 20.8% and 41.5%
1) more than 41.5%

% illiteracy among 15-24 year olds:
4) 5% or less
3) between 5% and 13.7%
2) between 13.7% and 27.4%
1) more than 27.4%

Pregnancies attended by qualified personnel (per 1,000):
4) 950 or more
3) between 949 and 789
2) between 788 and 395
1) less than 395

% deliveries attended by qualified personnel:
4) 95% or more
3) between 95% and 76.5%
2) between 76.5% and 38.3%
1) less than 38.3%

Daily calorie intake:
4) 3200 or more
3) between 3199 and 2700
2) between 2699 and 2300
1) less than 2300

% infant malnutrition:
4) 6% or less
3) between 6% and 10%
2) between 10% and 15%
1) more than 15%

% people with access to safe water:
4) 95% or more
3) between 95% and 79.1%
2) between 79.1% and 39.5%
1) less than 39.5%

% people with access to sanitation:
4) 95% or more
3) between 95% and 79.1%
2) between 79.1% and 39.5%
1) less than 39.5%

Telephone lines per 1,000 inhabitants:
4) 500 or more
3) between 499 and 202
2) between 201 and 101
1) less than 101

Infant mortality (under one) per 1,000 live births:
4) less than 10
3) between 10 and 44.4
2) between 44.4 and 88.8
1) more than 88.8

Enrolment rate in primary school (net):
4) 95% or more
3) between 95% and 84.4%
2) between 84.4% and 42.2%
1) less than 42.2%

% children reaching 5th grade:
4) 95% or more
3) between 95% and 82.6%
2) between 82.6% and 60%
1) less than 60%

Under fives mortality per 1,000 live births:
4) less than 10
3) between 10 and 64
2) between 64 and 128
1) more than 128

Variables used in calculating the gender gap:

Female to male ratio in illiteracy among 15-24 year olds:
4) up to 1
3) between 1 and 1.77
2) between 1.77 and 2.72
1) more than 2.72

Female to male ratio with respect to unemployment:
4) up to 1
3) between 1 and 1.35
2) between 1.35 and 2.0
1) more than 2.0

Female to male ratio in primary school enrolment rates:
4) up to 1 (and those countries where the female enrolment rate is higher than 95%)
3) between 1 and 0.82
2) between 0.82 and 0.74
1) less than 0.74

Points system for the table **"Political Will"**. The general criterion applied in constructing this table consisted in categorising the distribution into three broad groups. 1) between 0 and 2/3 of the mean 2) between 2/3 and 3/2 of the mean; and 3) more than 3/2 of the mean.

Cut-off values:

% GNP spent on education:
1) less than 3.06%
2) between 3.06% and 6.89%
3) 6.89% or more

% GDP spent on health:
1) less than 2.24%
2) between 2.24% and 5.05%
3) 5.05% or more

% GDP spent on defence:
1) more than 4.14%
2) between 4.14% and 1.84%
3) 1.84% or less

% GNP spent on ODA (only OECD countries):
1) less than 0.26%
2) between 0.26% and 0.59%
3) 0.59% or more

Percentage of key international agreements signed and ratified[7]: each country is assigned a percentage in accordance with its total points. The points awarded to each country were determined by adding the points assigned to each convention (2 points for each convention ratified, 1 for conventions that have only been signed and 0 for those which have not been signed).

1) less than 18.5%
2) between 18.5% and 40.6%
3) 40.6% or more.

[7] The key international conventions are those that appear in the tables on the centre pages of the current edition of Social Watch.

COMMITMENT 1A: To achieve completion of primary education of at least 80% of school age children by 2000

Goal 2015: To ensure completion of primary education of 100% of school age children

Percentage of children reaching 5th grade

	APPROX. 1990 (Year)	APPROX. 1990 (%)	RECENT DATA (Year)	RECENT DATA (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**81**		**83**			
Algeria	1990	94	1995	94	◎	80	100
Bahrain	1990	89	1995	95	◉▸	80	100
Belize	1990	67	1993	70	→	80	100
Benin	1990	55	1994	61	→	80	100
Botswana	1990	97	1995	90	◂◉	80	100
Brazil	1991	72	1993	71	←	80	100
Brunei Darussalam	1991	95	1994	92	◂◉	80	100
Bulgaria	1990	91	1993	93	◉▸	80	100
Burkina Faso	1990	70	1994	75	⟶	80	100
Cambodia	1993	49	1996	49	II	80	100
Colombia	1990	62	1995	73	⟶	80	100
Comoros	1991	46	1992	79	⟶	80	100
Congo	1990	62	1994	55	⟵	80	100
Congo, Dem. Rep. of the	1990	55	1992	64	⟶	80	100
Costa Rica	1990	82	1997	90	◉▸	80	100
Côte d'Ivoire	1990	73	1995	75	→	80	100
Croatia	1992	100	1993	98	◂◉	80	100
Cuba	1990	92	1994	100	◉▸	80	100
Cyprus	1990	100	1995	100	◎	80	100
Chad	1990	53	1995	59	→	80	100
Chile	1994	92	1995	100	◉▸	80	100
China	1990	86	1995	94	◉▸	80	100
Denmark	1990	94	1994	100	◉▸	80	100
Djibouti	1990	87	1995	79	◂◉	80	100
Ecuador	1992	40	1995	85	⟶	80	100
El Salvador	1991	58	1995	77	⟶	80	100
Eritrea	1992	83	1995	70	◂◉	80	100
Estonia	1992	93	1994	96	◉▸	80	100
Ethiopia	1992	58	1995	51	⟵	80	100
Finland	1990	100	1995	100	◎	80	100
Gabon	1987	66	1994	59	⟵	80	100
Gambia	1991	87	1994	80	◂◉	80	100
Guatemala	1985	39	1995	50	→	80	100
Guinea	1990	59	1994	54	←	80	100
Guyana	1990	87	1995	91	◉▸	80	100
Hong Kong, China (SAR)	1990	100	1994	100	◎	80	100
Hungary	1991	98	1993	60	◂◉	80	100
Iceland	1993	99	1994	99	◎	80	100
India	1986	62	1993	59	←	80	100
Indonesia	1990	84	1995	88	◉▸	80	100
Iran, Islamic Rep. of	1990	90	1993	90	◎	80	100
Ireland	1990	100	1993	100	◎	80	100
Italy	1990	100	1995	99	◂◉	80	100
Japan	1990	100	1993	100	◎	80	100
Jordan	1990	100	1992	98	◂◉	80	100
Kiribati	1990	98	1996	95	◂◉	80	100
Korea, Rep. of	1990	99	1995	98	◂◉	80	100
Lao People's Dem. Rep.	1991	53	1995	55	→	80	100
Lesotho	1990	71	1995	63	⟵	80	100
Macedonia, TFYR	1992	95	1995	95	◎	80	100
Madagascar	1990	22	1994	40	⟶	80	100
Malawi	1990	64	1994	34	⟵	80	100
Malaysia	1990	98	1993	99	◉▸	80	100
Mali	1990	72	1995	84	⟶	80	100
Malta	1990	100	1995	100	◎	80	100
Mauritania	1990	75	1995	64	⟵	80	100
Mauritius	1990	98	1996	99	◉▸	80	100
Mexico	1990	80	1995	86	◉▸	80	100
Mozambique	1990	33	1994	46	→	80	100
Average		**81**		**83**			
Namibia	1991	63	1996	86	⟶	80	100
New Zealand	1990	90	1996	97	◉▸	80	100
Nicaragua	1990	46	1996	51	→	80	100
Niger	1990	62	1995	73	⟶	80	100
Norway	1990	100	1994	100	◎	80	100
Oman	1990	96	1995	96	◎	80	100
Palestine	1994	100	1995	100	◎	80	100
Papua New Guinea	1990	59	1994	59	II	80	100
Paraguay	1990	70	1995	78	⟶	80	100
Peru	1988	92	1997	91	◂◉	80	100
Poland	1990	98	1994	97	◂◉	80	100
Qatar	1990	64	1994	99	⟶	80	100
Samoa (Western)	1995	86	1996	85	◂◉	80	100
San Marino	1990	100	1995	100	◎	80	100
Saudi Arabia	1990	83	1995	89	◉▸	80	100
Senegal	1990	85	1996	87	◉▸	80	100
Seychelles	1991	93	1995	100	◉▸	80	100
Solomon Is.	1990	85	1993	81	◂◉	80	100
Spain	1991	100	1992	98	◂◉	80	100
Sri Lanka	1990	94	1995	83	◂◉	80	100
Sudan	1990	94	1995	74	◂◉	80	100
Swaziland	1990	76	1996	76	II	80	100
Sweden	1990	100	1995	97	◂◉	80	100
Switzerland	1990	76	1992	78	⟶	80	100
Syrian Arab Republic	1990	94	1995	94	◎	80	100
Tanzania, U. Rep. of	1990	79	1996	81	⟶	80	100
Togo	1990	50	1994	71	⟶	80	100
Tonga	1990	84	1992	92	◉▸	80	100
Trinidad and Tobago	1990	96	1995	97	◉▸	80	100
Tunisia	1990	87	1995	91	◉▸	80	100
Turkey	1990	98	1993	95	◂◉	80	100
United Arab Emirates	1990	80	1995	83	◉▸	80	100
Uruguay	1990	94	1995	98	◉▸	80	100
Venezuela	1990	86	1995	89	◉▸	80	100
Zimbabwe	1990	94	1995	79	◂◉	80	100
COUNTRIES WITH NO RECENT DATA							
Belgium	1986	81			◎	80	100
Burundi	1991	74				80	100
Cameroon	1989	66				80	100
Cape Verde	1988	60				80	100
Central African Rep.	1990	24				80	100
Greece	1990	99			◎	80	100
Haiti	1989	47				80	100
Iraq	1987	72				80	100
Jamaica	1989	96			◎	80	100
New Caledonia	1989	95			◎	80	100
Panama	1988	82			◎	80	100
Philippines	1988	75				80	100
Rwanda	1990	60				80	100
Saint Lucia	1991	95			◎	80	100
Suriname	1987	100			◎	80	100
Ukraine	1990	59				80	100
COUNTRIES WITH NO STARTING POINT DATA							
Albania			1994	82	⊙	80	100
Argentina			1996	70		80	100
Bhutan			1993	82	⊙	80	100
Tuvalu			1993	96	⊙	80	100

Source: UNESCO Website Database 2001 (http://www.unesco.org).

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
⊙ Countries with no starting point data. Met the goal by 2000
◉▸ Countries with goal met before the starting point still progressing
◂◉ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 1B: To provide universal access to basic education for all school age children by 2000

Goal 2015: To provide universal access to basic education for all school age children

Primary school enrolment rate (net)

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 & 2015 (%)
Average		**82.7**		**84.2**		
Algeria	1990	92.9	1996	94.1	➡	100
Australia	1990	99.2	1997	94.8	◀⊙	100
Austria	1988	91.8	1996	87.5	⬅	100
Bahamas	1991	96.0	1993	98.1	⊙▶	100
Bahrain	1990	99.0	1996	98.2	◀⊙	100
Barbados	1989	82.6	1991	77.9	⬅	100
Belgium	1990	96.7	1995	98.4	⊙▶	100
Belize	1991	94.2	1994	98.9	⟶	100
Benin	1991	48.8	1996	63.4	➡	100
Botswana	1990	93.3	1996	81.0	⟵	100
Brazil	1990	86.4	1994	89.7	➡	100
Brunei Darussalam	1991	91.0	1994	90.8	⬅	100
Bulgaria	1990	86.1	1996	91.8	➡	100
Burkina Faso	1990	26.9	1994	30.8	➡	100
Cambodia	1996	97.7	1997	99.6	⊙▶	100
Canada	1990	96.9	1995	94.9	◀⊙	100
Chad	1995	39.7	1996	45.8	➡	100
Chile	1990	87.7	1996	89.4	➡	100
China	1990	97.4	1996	101.5	⊙▶	100
Colombia	1991	68.7	1996	84.7	⟶	100
Congo, Dem. Rep. of the	1990	54.3	1994	60.8	➡	100
Costa Rica	1990	86.3	1997	89.0	➡	100
Côte d'Ivoire	1990	46.9	1996	55.2	➡	100
Croatia	1990	78.8	1994	82.3	➡	100
Cuba	1990	91.7	1996	100.5	⟶	100
Cyprus	1990	101.4	1994	96.3	⊙▶	100
Czech Republic	1993	91.2	1995	86.9	⬅	100
Denmark	1990	98.3	1995	99.0	⊙▶	100
Djibouti	1990	31.6	1996	31.7	❚❚	100
Ecuador	1993	90.4	1996	96.9	⟶	100
Egypt	1993	88.3	1996	93.0	➡	100
El Salvador	1989	73.4	1995	78.1	➡	100
Eritrea	1993	27.9	1996	30.4	➡	100
Estonia	1992	94.3	1995	86.6	⟵	100
Ethiopia	1988	29.6	1996	32.0	➡	100
Fiji	1991	100.9	1992	99.4	⊙▶	100
Finland	1992	98.8	1996	98.1	◀⊙	100
France	1990	100.9	1996	99.9	⊙▶	100
French Polynesia	1989	104.1	1995	102.5	⊙▶	100
Gambia	1989	52.0	1995	64.7	➡	100
Georgia	1994	84.0	1996	87.0	➡	100
Germany	1992	83.7	1996	86.4	➡	100
Greece	1990	94.0	1996	90.2	⬅	100
Guinea	1988	26.7	1997	41.8	➡	100
Guyana	1990	92.8	1995	87.3	⬅	100
Honduras	1991	89.1	1993	90.2	➡	100
Hungary	1990	91.3	1995	96.6	⟶	100
Iceland	1993	97.7	1996	97.6	◀⊙	100
Indonesia	1990	97.5	1996	94.8	◀⊙	100
Iran, Islamic Rep. of	1989	95.1	1996	89.8	◀⊙	100
Iraq	1988	93.7	1995	76.0	⟵	100
Ireland	1990	90.7	1996	91.9	➡	100
Italy	1994	99.9	1996	99.7	◀⊙	100
Jamaica	1990	95.7	1992	95.2	◀⊙	100
Japan	1990	99.7	1994	102.7	⊙▶	100
Jordan	1990	66.3	1995	67.5	➡	100
Korea, Rep. of	1990	103.7	1997	92.9	⊙▶	100
Kuwait	1991	44.6	1996	61.6	➡	100
Lao People's Dem. Rep.	1991	61.4	1996	72.2	➡	100
Latvia	1992	83.0	1996	89.5	➡	100
Lesotho	1990	72.8	1996	69.9	⬅	100
Macedonia, TFYR	1990	94.4	1996	95.3	➡	100
Madagascar	1989	70.4	1995	60.6	⬅	100
Malawi	1990	49.7	1994	102.6	⟶	100
Mali	1990	21.3	1995	31.3	➡	100
Malta	1990	98.6	1996	100.1	⊙▶	100
Martinique	1991	102.1	1992	102.5	◀⊙	100
Mauritania	1993	47.2	1995	57.2	➡	100
Mauritius	1990	94.9	1997	97.6	➡	100
Mexico	1990	100.3	1996	101.2	◀⊙	100
Mongolia	1994	75.3	1996	81.4	➡	100
Mozambique	1990	46.8	1995	39.8	⬅	100
Namibia	1989	87.4	1996	91.2	➡	100

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 & 2015 (%)
Average		**82.7**		**84.2**		
Netherlands	1990	95.3	1996	99.7	⊙▶	100
New Caledonia	1990	97.4	1991	98.3	⊙▶	100
New Zealand	1990	101.3	1997	100.2	⊙▶	100
Nicaragua	1990	72.2	1997	77.3	➡	100
Niger	1990	24.9	1996	24.5	⬅	100
Norway	1990	100.0	1996	99.9	◀⊙	100
Oman	1990	70.3	1996	68.7	⬅	100
Paraguay	1990	92.8	1996	91.2	⬅	100
Peru	1993	86.5	1997	91.0	➡	100
Philippines	1991	97.5	1995	100.6	⊙▶	100
Poland	1990	96.6	1995	94.5	◀⊙	100
Portugal	1990	102.0	1993	104.3	◀⊙	100
Qatar	1990	86.6	1993	80.2	⬅	100
Romania	1992	76.9	1996	95.4	⟶	100
Russian Federation	1993	95.4	1994	92.7	◀⊙	100
Samoa (Western)	1995	97.0	1996	95.5	◀⊙	100
Saudi Arabia	1990	59.2	1996	61.4	➡	100
Senegal	1991	48.1	1997	60.4	➡	100
Singapore	1989	96.5	1995	93.3	◀⊙	100
Slovenia	1994	94.5	1996	94.5	❚❚	100
Spain	1990	103.2	1995	104.5	◀⊙	100
Swaziland	1990	87.9	1996	90.8	➡	100
Sweden	1990	99.8	1996	102.4	⊙▶	100
Switzerland	1990	83.7	1995	89.9	➡	100
Syrian Arab Republic	1990	97.8	1996	91.2	◀⊙	100
Tanzania, U. Rep. of	1990	51.4	1997	48.4	⬅	100
Togo	1990	74.7	1996	81.3	➡	100
Trinidad and Tobago	1990	90.9	1996	88.3	⬅	100
Tunisia	1990	93.5	1996	97.6	⟶	100
Turkey	1990	89.4	1996	99.3	⟶	100
United Arab Emirates	1990	94.3	1996	78.2	⟵	100
United Kingdom	1990	97.0	1996	98.8	⊙▶	100
United States	1990	96.0	1995	94.5	◀⊙	100
Uruguay	1991	91.0	1996	92.6	➡	100
Venezuela	1990	88.1	1996	83.8	⬅	100
Zambia	1988	86.2	1995	74.8	⬅	100
COUNTRIES WITH NO RECENT DATA						
Bangladesh	1990	64.0				100
Bolivia	1990	90.7				100
Cape Verde	1989	99.4			⊚	100
Cameroon	1989	76.2				100
Central African Rep.	1990	53.1				100
Guadeloupe	1990	100.0			⊚	100
Guinea-Bissau	1987	44.9				100
Haiti	1990	22.1				100
Luxembourg	1987	85.1				100
Nepal	1988	64.3				100
Panama	1990	91.4				100
Papua New Guinea	1989	73.2				100
Suriname	1988	88.4				100
Vanuatu	1989	74.0				100
Yugoslavia	1990	69.4				100
COUNTRIES WITH NO STARTING POINT DATA						
Albania			1995	101.7	⊙	100
Argentina			1997	103.9	⊙	100
Belarus			1994	85.3		100
Burundi			1992	52.0		100
Comoros			1993	52.0		100
Equatorial Guinea			1993	83.4		100
Guatemala			1997	72.5		100
Hong Kong, China (SAR)			1995	89.5		100
Kyrgyzstan			1995	94.6		100
Lebanon			1996	76.1		100
Libyan Arab Jamahiriya			1992	96.5	⊙	100
Macau			1991	81.2		100
Malaysia			1994	102.2	⊙	100
Reunion			1993	104.7	⊙	100
Rwanda			1991	75.4		100
South Africa			1991	102.6	⊙	100

N.B. According to UNESCO, although the Net Enrolment Rate cannot exceed 100%. Values up to 105% show inconsistencies in the enrolment and/or population data.

Source: UNESCO Website Database 2001 (http://www.unesco.org).

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
⊚ Goal already met at the starting point
⊙ Countries with no starting point data. Met the goal by 2000
⊙▶ Countries with goal met before the starting point still progressing
◀⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
⬅ Some regression
❚❚ Stagnation
➡ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 2: To achieve a life expectancy of over 60 years by 2000

Life expectancy

	1990 (Years)	1999 (Years)	PROGRESS OR REGRESSION	GOAL 2000 (Years)
Average	**64.7**	**65.6**		
Afghanistan	42.7	46.1	➡	60
Albania	72.3	72.1	◀◉	60
Algeria	67.4	70.8	◉▶	60
Angola	45.5	46.5	➡	60
Antigua and Barbuda	73.8	75.0	◉▶	60
Argentina	71.6	73.6	◉▶	60
Armenia	71.7	74.5	◉▶	60
Australia	77.0	78.8	◉▶	60
Austria	75.7	77.9	◉▶	60
Azerbaijan	70.8	71.5	◉▶	60
Bahrain	71.4	73.0	◉▶	60
Bangladesh	54.7	60.7	⟶	60
Barbados	74.9	75.7	◉▶	60
Belarus	70.8	68.4	◀◉	60
Belgium	76.0	78.0	◉▶	60
Belize	71.2	72.0	◉▶	60
Benin	51.9	53.1	➡	60
Bolivia	58.3	62.1	⟶	60
Bosnia and Herzegovina	71.4	73.1	◉▶	60
Botswana	56.8	39.4	⟵	60
Brazil	65.4	67.2	◉▶	60
Brunei Darussalam	74.2	75.8	◉▶	60
Bulgaria	71.4	71.1	◀◉	60
Burkina Faso	45.4	44.9	⬅	60
Burundi	43.6	42.1	⬅	60
Cambodia	50.3	53.7	➡	60
Cameroon	54.2	50.9	⬅	60
Canada	77.2	79.0	◉▶	60
Cape Verde	65.3	68.6	◉▶	60
Central African Rep.	47.6	44.1	⬅	60
Colombia	68.9	70.4	◉▶	60
Comoros	56.0	60.6	⟶	60
Costa Rica	75.4	76.8	◉▶	60
Côte d'Ivoire	49.8	46.1	⬅	60
Croatia	72.2	73.0	◉▶	60
Cuba	75.0	76.3	◉▶	60
Cyprus	76.5	77.8	◉▶	60
Czech Republic	71.7	74.6	◉▶	60
Chad	46.2	48.5	➡	60
Channel Is.	76.9	78.7	◉▶	60
Chile	73.7	75.5	◉▶	60
China	68.9	70.1	◉▶	60
Denmark	74.7	75.9	◉▶	60
Djibouti	47.8	47.3	⬅	60
Dominica	73.2	76.2	◉▶	60
Dominican Republic	69.1	70.7	◉▶	60
Ecuador	66.9	69.2	◉▶	60
El Salvador	65.6	69.5	◉▶	60
Equatorial Guinea	47.2	50.6	➡	60
Eritrea	48.9	50.4	➡	60
Estonia	69.5	70.6	◉▶	60
Ethiopia	45.0	42.4	⬅	60
Fiji	71.1	72.9	◉▶	60
Finland	75.1	77.3	◉▶	60
France	76.8	78.5	◉▶	60
French Polynesia	69.6	72.6	◉▶	60
Gabon	51.9	52.6	➡	60
Georgia	72.3	72.9	◉▶	60
Germany	75.1	77.0	◉▶	60
Ghana	57.2	57.9	➡	60
Greece	76.9	77.9	◉▶	60
Guam	74.3	77.6	◉▶	60
Guatemala	61.4	64.9	◉▶	60
Guinea	43.7	46.4	➡	60
Guinea-Bissau	42.3	44.0	➡	60
Guyana	62.7	63.7	◉▶	60
Haiti	53.1	53.4	II	60
Honduras	66.8	69.8	◉▶	60
Hong Kong, China (SAR)	77.6	79.7	◉▶	60
Hungary	69.3	70.6	◉▶	60
Iceland	77.9	79.2	◉▶	60
India	59.8	63.2	⟶	60
Indonesia	61.7	65.7	◉▶	60
Iraq	61.2	59.2	◀◉	60
Ireland	74.6	76.1	◉▶	60
Israel	76.1	78.2	◉▶	60
Italy	77.1	78.3	◉▶	60
Jamaica	73.2	75.2	◉▶	60
Japan	78.8	80.6	◉▶	60
Jordan	68.5	71.3	◉▶	60
Kazakhstan	68.3	64.8	◀◉	60
Kenya	57.1	47.7	⟵	60
Kiribati	56.8	61.4	⟶	60
Kuwait	75.3	76.6	◉▶	60
Kyrgyzstan	68.3	67.3	◀◉	60
Lao People's Dem. Rep.	50.0	54.2	➡	60
Latvia	69.3	69.8	◉▶	60
Lebanon	67.9	70.2	◉▶	60
Lesotho	57.6	44.6	⟵	60
Liberia	45.1	47.2	➡	60
Libyan Arab Jamahiriya	68.5	70.8	◉▶	60
Lithuania	71.3	72.1	◉▶	60
Luxembourg	75.2	76.9	◉▶	60
Macau	76.4	77.9	◉▶	60
Macedonia, TFYR	71.6	72.8	◉▶	60
Madagascar	52.8	54.3	➡	60
Malawi	44.6	39.5	⬅	60
Malaysia	70.5	72.3	◉▶	60

Source: World Development Indicators 2001, World Bank.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
◎ Countries with no starting point data. Met the goal by 2000
◉▶ Countries with goal met before the starting point still progressing
◀◉ Countries with goal met before the starting point but going backwards
⟵ Significant regression
⬅ Some regression
II Stagnation
➡ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 2: To achieve a life expectancy of over 60 years by 2000

Life expectancy

	1990 (Years)	1999 (Years)	PROGRESS OR REGRESSION	GOAL 2000 (Years)
Average	**64.7**	**65.6**		
Maldives	61.7	67.9		60
Mali	45.0	42.6		60
Malta	75.5	77.4		60
Mauritania	50.7	53.9		60
Mauritius	69.6	70.8		60
Mexico	70.4	72.1		60
Moldova, Rep. of	68.3	66.6		60
Mongolia	62.7	66.6		60
Morocco	63.5	67.2		60
Mozambique	43.4	43.1		60
Myanmar	56.6	59.8		60
Namibia	57.5	50.0		60
Nepal	53.6	58.2		60
Netherlands	76.9	77.7		60
Netherlands Antilles	74.5	76.0		60
New Caledonia	71.0	73.0		60
New Zealand	75.3	77.4		60
Nicaragua	64.5	68.6		60
Niger	44.9	45.7		60
Nigeria	49.1	47.5		60
Norway	76.5	78.5		60
Oman	69.0	73.3		60
Pakistan	59.1	62.5		60
Panama	72.4	73.9		60
Papua New Guinea	55.1	58.4		60
Paraguay	68.1	70.0		60
Peru	65.8	68.7		60
Philippines	65.4	68.9		60
Poland	70.9	73.2		60
Portugal	73.7	75.4		60
Puerto Rico	74.8	75.9		60
Qatar	72.2	74.6		60
Romania	69.7	69.5		60
Russian Federation	68.9	65.9		60
Rwanda	40.2	40.0		60
Samoa (Western)	66.3	68.9		60
Sao Tomé and Principe	62.2	64.7		60
Saudi Arabia	69.0	72.2		60
Senegal	49.5	52.4		60
Seychelles	70.3	72.0		60
Sierra Leone	35.2	37.4		60
Singapore	74.3	77.6		60
Slovakia	70.9	72.7		60
Slovenia	73.3	75.1		60
Solomon Is.	68.5	71.0		60
Somalia	41.6	47.8		60
South Africa	61.9	48.5		60
Spain	76.7	77.9		60
Sri Lanka	71.4	73.5		60

	1990 (Years)	1999 (Years)	PROGRESS OR REGRESSION	GOAL 2000 (Years)
Average	**64.7**	**65.6**		
Sudan	51.0	55.6		60
Suriname	68.7	70.2		60
Swaziland	56.6	46.3		60
Sweden	77.5	79.3		60
Switzerland	77.3	79.6		60
Syrian Arab Republic	66.4	69.5		60
Tajikistan	69.3	68.6		60
Tanzania, U. Rep. of	50.1	45.0		60
Thailand	68.5	68.6		60
Togo	50.5	49.1		60
Tonga	68.8	70.8		60
Trinidad and Tobago	71.1	72.6		60
Tunisia	68.1	72.5		60
Turkey	66.1	69.5		60
Turkmenistan	66.2	66.1		60
Uganda	46.8	42.1		60
Ukraine	70.1	67.3		60
United Arab Emirates	73.5	75.3		60
United Kingdom	75.6	77.3		60
United States	75.2	76.9		60
Uruguay	72.6	74.3		60
Uzbekistan	69.2	69.6		60
Vanuatu	61.3	65.4		60
Venezuela	71.2	73.2		60
Viet Nam	66.6	68.6		60
Zambia	49.1	38.5		60
Zimbabwe	56.2	40.4		60
COUNTRIES WITH NO 1990 DATA				
Bahamas		73.0		60
Bhutan		61.5		60
Congo		48.2		60
Congo, Dem. Rep. of the		45.8		60
Egypt		66.8		60
Gambia		53.2		60
Grenada		72.3		60
Iran, Islamic Rep. of		71.1		60
Korea, Dem. Rep. of		60.2		60
Korea, Rep. Of		72.9		60
Micronesia, Fed. Sts.		67.6		60
Palestine		71.8		60
Saint Kitts and Nevis		70.6		60
Saint Lucia		71.6		60
St. Vincent and Grenadines		73.3		60
US Virgin Is.		77.3		60
Yemen		56.0		60
Yugoslavia		72.3		60

Source: World Development Indicators 2001, World Bank.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
Significant regression
Some regression
Stagnation
Some progress
Significant progress or goal already achieved

COMMITMENT 3A: To reduce infant mortality by one third of the 1990 values or to 50 per 1,000 live births by 2000 if this figure is lower

Goal 2015: To reduce infant mortality by two thirds (in relation to its present value)

Infant mortality rate (per 1,000 born live)

	1990	1999	PROGRESS OR REGRESSION	GOAL 2000 (*)	GOAL 2015
Average	**50**	**45**			
Afghanistan	163	165	←	50	55
Albania	32	29	→	21	10
Algeria	55	36	⟶	37	12
Andorra [A]	3	6	←	2	2
Angola	124	172	⟵	50	57
Antigua and Barbuda [A]	21	17	→	14	6
Argentina	24	19	→	16	6
Armenia	25	25	II	17	8
Australia	7	5	→	5	2
Austria	7	4	⟶	5	1
Azerbaijan	33	35	←	22	12
Bahamas	16	18	⟵	11	6
Bahrain	20	13	⟶	13	4
Bangladesh	91	58	→	50	19
Barbados	9	14	⟵	6	5
Belarus	16	23	⟵	11	8
Belgium	8	6	→	5	2
Belize	33	35	←	22	12
Benin	90	99	←	50	33
Bhutan	117	80	→	50	27
Bolivia	75	64	→	50	21
Bosnia and Herzegovina	15	15	II	10	5
Botswana	55	46	→	37	15
Brazil	47	34	→	31	11
Brunei Darussalam	9	8	→	6	3
Bulgaria	16	14	→	11	5
Burkina Faso	103	106	←	50	35
Burundi	120	106	→	50	35
Cambodia	116	86	→	50	29
Cameroon	65	95	⟵	43	32
Canada	6	6	II	4	2
Cape Verde	50	54	←	33	18
Central African Rep.	100	113	←	50	38
Chad	123	118	→	50	39
Chile	14	11	→	9	4
China	44	33	→	29	11
Colombia	28	26	→	19	9
Comoros	91	64	→	50	21
Congo	89	81	→	50	27
Congo, Dem. Rep. of the	95	128	⟵	50	43
Costa Rica	14	13	→	9	4
Côte d'Ivoire	91	102	←	50	34
Croatia	11	8	→	7	3
Cuba	10	6	⟶	7	2
Cyprus	9	7	→	6	2
Czech Republic	9	5	⟶	6	2
Denmark	8	4	⟶	5	1
Djibouti	115	104	→	50	35
Dominica [A]	18	16	→	12	5
Average	**50**	**45**			
Dominican Republic	42	43	←	28	14
Ecuador	50	27	⟶	33	9
Egypt	67	41	⟶	45	14
El Salvador	44	35	⟶	29	12
Equatorial Guinea	117	105	→	50	35
Eritrea	107	66	→	50	22
Estonia	15	17	⟵	10	6
Ethiopia	119	118	→	50	39
Fiji	23	18	→	15	6
Finland	5	4	→	3	1
France	7	5	→	5	2
Gabon	94	85	→	50	28
Gambia	132	61	→	50	20
Georgia	23	19	→	15	6
Germany	6	5	→	4	2
Ghana	81	63	→	50	21
Greece	9	6	→	6	2
Guatemala	48	45	→	32	15
Guinea	134	115	→	50	38
Guinea-Bissau	141	128	→	50	43
Guyana	63	56	→	42	19
Haiti	89	83	→	50	28
Honduras	43	33	→	29	11
Hungary	14	9	⟶	9	3
Iceland	5	5	II	3	2
India	78	70	→	50	23
Indonesia	58	38	⟶	39	13
Iran, Islamic Rep. of	43	37	⟶	29	12
Iraq	127	104	→	50	35
Ireland	7	6	→	5	2
Israel	9	6	→	6	2
Italy	8	6	→	5	2
Jamaica	14	10	→	9	3
Japan	4	4	II	3	1
Jordan	36	29	→	24	10
Kazakhstan	34	35	←	23	12
Kenya	71	76	←	47	25
Korea, Dem. Rep. of	24	23	→	16	8
Korea, Rep. of	11	5	⟶	7	2
Kuwait	18	11	⟶	12	4
Kyrgyzstan	39	55	⟵	26	18
Lao People's Dem. Rep.	97	93	→	50	31
Latvia	16	17	←	11	6
Lebanon	34	28	→	23	9
Lesotho	81	93	⟵	50	31
Liberia	200	157	→	50	52
Libyan Arab Jamahiriya	68	19	⟶	45	6
Lithuania	15	18	⟵	10	6
Luxembourg	6	5	→	4	2

Source: The Statistical Yearbook 1999, UN for data for 1990, except for (A) World Development Indicators 1999, World Bank. The State of the World's Children 2001 UNICEF, for 1999 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 3A: To reduce infant mortality by one third of the 1990 values or to 50 per 1,000 live births by 2000 if this figure is lower

Goal 2015: To reduce infant mortality by two thirds (in relation to its present value)

Infant mortality rate (per 1,000 born live)

	1990	1999	PROGRESS OR REGRESSION	GOAL 2000 (*)	GOAL 2015
Average	**50**	**45**			
Macedonia, TFYR	27	22	→	18	7
Madagascar	93	95	←	50	32
Malawi	148	132	→	50	44
Malaysia	13	8	⟶	9	3
Maldives	60	60	II	40	20
Mali	159	143	→	50	48
Malta	9	6	→	6	2
Mauritania	101	120	⟵	50	40
Mauritius	18	19	←	12	6
Mexico	34	27	→	23	9
Micronesia, Fed. Sts. A	39	20	⟶	26	7
Moldova, Rep. of	26	27	←	13	9
Mongolia	59	61	←	39	20
Morocco	62	45	→	41	15
Mozambique	118	127	←	50	42
Myanmar	90	79	→	50	26
Namibia	64	56	→	43	19
Nepal	96	75	→	50	25
Netherlands	6	5	→	4	2
New Zealand	9	6	→	6	2
Nicaragua	52	38	→	35	13
Niger	124	162	⟵	50	54
Nigeria	84	112	⟵	50	37
Norway	5	4	→	3	1
Oman	30	14	⟶	20	5
Pakistan	85	84	→	50	28
Palau A	25	28	⟵	17	9
Panama	25	21	→	17	7
Papua New Guinea	68	79	⟵	45	26
Paraguay	43	27	⟶	29	9
Peru	55	42	→	37	14
Philippines	40	31	→	27	10
Poland	14	9	⟶	9	3
Portugal	9	5	⟶	6	2
Qatar	20	12	⟶	13	4
Romania	24	21	→	16	7
Russian Federation	22	18	→	15	6
Rwanda	139	110	→	50	37
Saint Kitts and Nevis A	26	24	→	15	8
Saint Lucia A	19	17	→	13	6
Samoa (Western)	64	21	⟶	43	7
Sao Tomé and Principe A	61	59	→	41	20
Saudi Arabia	29	20	→	19	7
Senegal	68	68	II	45	23
Seychelles A	17	13	→	11	4
Sierra Leone	195	182	→	50	61
Singapore	5	4	→	3	1
Slovakia	13	9	→	9	3
Slovenia	7	5	→	5	2

	1990	1999	PROGRESS OR REGRESSION	GOAL 2000 (*)	GOAL 2015
Average	**50**	**45**			
Solomon Is.	27	22	→	18	7
Somalia	122	125	←	50	42
South Africa	53	54	←	35	18
Spain	8	6	→	5	2
Sri Lanka	18	17	→	12	6
Sudan	85	67	→	50	22
Suriname	28	27	→	19	9
Swaziland	75	62	→	50	21
Sweden	5	3	⟶	3	1
Switzerland	5	3	⟶	3	1
Syrian Arab Republic	39	25	⟶	26	8
Tajikistan	56	54	→	37	18
Tanzania, U. Rep. of	86	90	←	50	30
Thailand	32	26	→	21	9
Togo	91	80	→	50	27
Tonga A	25	18	→	17	6
Trinidad and Tobago	16	17	←	11	6
Tunisia	43	24	⟶	29	8
Turkey	53	40	→	35	13
Turkmenistan	57	52	→	38	17
Uganda	122	83	→	50	28
Ukraine	18	17	→	12	6
United Arab Emirates	19	8	⟶	13	3
United Kingdom	7	6	→	5	2
United States	8	7	→	5	2
Uruguay	20	15	→	13	5
Uzbekistan	43	45	←	29	15
Vanuatu	47	37	→	31	12
Venezuela	23	20	→	15	7
Viet Nam	42	31	→	28	10
Yemen	92	86	→	50	29
Zambia	111	112	←	50	37
Zimbabwe	70	60	→	47	20
COUNTRIES WITH NO 1990 DATA					
Cook Is.		26			
Grenada		22			
Kiribati		53			
Liechtenstein		10			
Marshall Is.		63			
Monaco		5			
Nauru		25			
San Marino		6			
St. Vincent and Grenadines		21			
Tuvalu		40			
Yugoslavia		20			

(*) According to the goals set in Copenhagen, countries which even reducing one third exceed 50 deaths, should take 50 per 1,000 live births as goal. 2015 goals do not mention these extreme cases in particular.

Source: The Statistical Yearbook 1999, UN for data for 1990, except for (A) World Development Indicators 1999, World Bank. The State of the World's Children 2001 UNICEF, for 1999 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 3B: To reduce under five mortality by one third of the 1990 values or to 70 per 1,000 live births by 2000 if this figure is lower

Goal 2015: To reduce under five mortality by two thirds (in relation to its present value)

Under-five mortality rate (per 1,000 live births)

	1990	1999	PROGRESS OR REGRESSION	GOAL 2000 (*)	GOAL 2015
Average	**77**	**65**			
Afghanistan	260	257	Some progress	70	86
Albania	41	35	Some progress	27	12
Algeria	48	41	Some progress	32	14
Angola	297	295	Some progress	70	98
Argentina	28	22	Some progress	19	7
Armenia	31	30	Some progress	21	10
Australia	10	5	Significant progress or goal already achieved	7	2
Austria	9	5	Significant progress or goal already achieved	6	2
Azerbaijan	44	45	Some regression	29	15
Bahamas	29	21	Some progress	19	7
Bahrain	23	16	Some progress	15	5
Bangladesh	140	89	Significant progress or goal already achieved	70	30
Barbados	15	16	Some regression	10	5
Belarus	19	28	Significant regression	13	9
Belgium	9	6	Significant progress or goal already achieved	6	2
Belize	49	43	Some progress	33	14
Benin	185	156	Some progress	70	52
Bhutan	166	107	Significant progress or goal already achieved	70	36
Bolivia	122	83	Significant progress or goal already achieved	70	28
Bosnia and Herzegovina	22	18	Some progress	15	6
Botswana	62	59	Some progress	41	20
Brazil	60	40	Significant progress or goal already achieved	40	13
Brunei Darussalam	11	9	Some progress	7	3
Bulgaria	18	17	Some progress	12	6
Burkina Faso	196	199	Some regression	70	66
Burundi	180	176	Some progress	70	59
Cambodia	193	122	Significant progress or goal already achieved	70	41
Cameroon	139	154	Some regression	70	51
Canada	9	6	Significant progress or goal already achieved	6	2
Cape Verde	73	73	Stagnation	49	24
Central African Rep.	177	172	Some progress	70	57
Chad	198	198	Stagnation	70	66
Chile	20	12	Significant progress or goal already achieved	13	4
China	47	41	Some progress	31	14
Colombia	40	31	Some progress	27	10
Comoros	120	86	Some progress	70	29
Congo	110	108	Some progress	70	36
Congo, Dem. Rep. of the	207	207	Stagnation	70	69
Cook Is.	32	30	Some progress	21	10
Costa Rica	16	14	Some progress	11	5
Côte d'Ivoire	150	171	Some regression	70	57
Croatia	13	9	Significant progress or goal already achieved	9	3
Cuba	13	8	Significant progress or goal already achieved	9	3
Cyprus	12	8	Significant progress or goal already achieved	8	3
Czech Republic	11	5	Significant progress or goal already achieved	7	2
Denmark	9	5	Significant progress or goal already achieved	6	2
Djibouti	164	149	Some progress	70	50
Dominica	23	18	Some progress	15	6
Dominican Republic	65	49	Some progress	43	16
Average	**77**	**65**			
Ecuador	50	35	Some progress	33	12
Egypt	106	52	Significant progress or goal already achieved	70	17
El Salvador	54	42	Some progress	36	14
Equatorial Guinea	206	160	Some progress	70	53
Eritrea	160	105	Significant progress or goal already achieved	70	35
Estonia	22	21	Some progress	15	7
Ethiopia	190	176	Some progress	70	59
Fiji	31	22	Some progress	21	7
Finland	7	5	Some progress	5	2
France	9	5	Significant progress or goal already achieved	6	2
Gabon	164	143	Some progress	70	48
Gambia	127	75	Significant progress or goal already achieved	70	25
Georgia	29	23	Some progress	19	8
Germany	9	5	Significant progress or goal already achieved	6	2
Ghana	127	101	Some progress	70	34
Greece	11	7	Significant progress or goal already achieved	7	2
Grenada	37	27	Some progress	25	9
Guatemala	81	60	Some progress	54	20
Guinea	237	181	Some progress	70	60
Guinea-Bissau	246	200	Some progress	70	67
Guyana	90	76	Some progress	60	25
Haiti	148	129	Some progress	70	43
Honduras	61	42	Significant progress or goal already achieved	41	14
Hungary	16	10	Significant progress or goal already achieved	11	3
Iceland	5	5	Stagnation	3	2
India	131	98	Some progress	70	33
Indonesia	91	52	Significant progress or goal already achieved	61	17
Iran, Islamic Rep. of	59	46	Some progress	39	15
Iraq	50	128	Significant regression	33	43
Ireland	9	7	Some progress	6	2
Israel	12	6	Significant progress or goal already achieved	8	2
Italy	10	6	Significant progress or goal already achieved	7	2
Jamaica	16	11	Significant progress or goal already achieved	11	4
Japan	6	4	Significant progress or goal already achieved	4	1
Jordan	38	35	Some progress	25	12
Kazakhstan	48	42	Some progress	32	14
Kenya	97	118	Some regression	65	39
Kiribati	88	72	Some progress	59	24
Korea, Dem. Rep. of	35	30	Some progress	23	10
Korea, Rep. of	9	5	Significant progress or goal already achieved	6	2
Kuwait	16	12	Some progress	11	4
Kyrgyzstan	83	65	Some progress	55	22
Lao People's Dem. Rep.	163	111	Significant progress or goal already achieved	70	37
Latvia	20	21	Some regression	13	7
Lebanon	40	32	Some progress	27	11
Lesotho	148	134	Some progress	70	45
Liberia	235	235	Stagnation	70	78
Libyan Arab Jamahiriya	42	22	Significant progress or goal already achieved	28	7
Lithuania	21	22	Some regression	14	7

Source: The State of the World's Children 2000, UNICEF for 1990 data and The State of the World's Children 2001, UNICEF for 1999 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
Significant regression
Some regression
Stagnation
Some progress
Significant progress or goal already achieved

COMMITMENT 3B: To reduce under five mortality by one third of the 1990 values or to 70 per 1,000 live births by 2000 if this figure is lower

Goal 2015: To reduce under five mortality by two thirds (in relation to its present value)

Under-five mortality rate (per 1,000 live births)

	1990	1999	PROGRESS OR REGRESSION	GOAL 2000 (*)	GOAL 2015
Average	**77**	**65**			
Luxembourg	9	5	⟶	6	2
Macedonia, TFYR	41	26	⟶	27	9
Madagascar	168	156	→	70	52
Malawi	230	211	→	70	70
Malaysia	21	9	⟶	14	3
Maldives	115	83	→	70	28
Mali	254	235	→	70	78
Malta	14	7	⟶	9	2
Marshall Is.	92	92	II	61	31
Mauritania	183	183	II	70	61
Mauritius	25	23	→	17	8
Mexico	46	33	→	31	11
Micronesia, Fed. Sts.	31	24	→	21	8
Moldova, Rep. of	37	34	→	25	11
Mongolia	150	80	⟶	70	27
Morocco	83	53	⟶	55	18
Mozambique	235	203	→	70	68
Myanmar	130	112	→	87	37
Namibia	84	70	→	56	23
Nepal	138	104	→	70	35
Netherlands	8	5	⟶	5	2
New Zealand	11	6	⟶	7	2
Nicaragua	66	47	→	44	16
Niger	320	275	→	70	92
Nigeria	190	187	→	127	62
Norway	9	4	⟶	6	1
Oman	30	16	⟶	20	5
Pakistan	138	112	→	92	37
Palau	34	34	II	23	11
Panama	21	27	←	14	9
Papua New Guinea	112	112	II	70	37
Paraguay	37	32	→	25	11
Peru	75	52	⟶	50	17
Philippines	66	42	⟶	44	14
Poland	19	10	⟶	13	3
Portugal	15	6	⟶	10	2
Qatar	36	16	⟶	24	5
Romania	32	24	→	21	8
Russian Federation	26	22	→	17	7
Rwanda	161	180	←	70	60
Saint Kitts and Nevis	44	29	⟶	29	10
Saint Lucia	24	19	→	16	6
Samoa (Western)	42	26	⟶	28	9
San Marino	10	6	⟶	7	2
Sao Tomé and Principe	90	76	→	60	25
Saudi Arabia	45	25	⟶	30	8
Senegal	147	118	→	70	39
Seychelles	21	17	→	14	6
Sierra Leone	323	316	→	70	105
Singapore	8	4	⟶	5	1
Slovakia	15	10	⟶	10	3
Slovenia	9	6	⟶	6	2
Solomon Is.	36	26	→	24	9
Somalia	215	211	→	70	70
South Africa	81	69	→	54	23
Spain	9	6	⟶	6	2
Sri Lanka	23	19	→	15	6
St. Vincent and Grenadines	26	25	→	17	8
Sudan	125	109	→	70	36
Suriname	44	34	→	29	11
Swaziland	115	90	→	70	30
Sweden	6	4	⟶	4	1
Switzerland	8	4	⟶	5	1
Syrian Arab Republic	44	30	⟶	29	10
Tajikistan	78	74	→	52	25
Tanzania, U. Rep. of	150	141	→	70	47
Thailand	41	30	→	27	10
Togo	152	143	→	70	48
Tonga	27	22	→	18	7
Trinidad and Tobago	24	20	→	16	7
Tunisia	52	30	⟶	35	10
Turkey	70	48	⟶	47	16
Turkmenistan	76	71	→	51	24
Tuvalu	56	56	II	37	19
Uganda	165	131	→	70	44
Ukraine	22	21	→	15	7
United Arab Emirates	14	9	⟶	9	3
United Kingdom	9	6	⟶	6	2
United States	10	8	→	7	3
Uruguay	24	17	→	16	6
Uzbekistan	58	58	II	39	19
Vanuatu	70	46	⟶	47	15
Venezuela	27	23	→	18	8
Viet Nam	55	40	→	37	13
Yemen	142	119	→	70	40
Yugoslavia	30	23	→	20	8
Zambia	192	202	←	70	67
Zimbabwe	80	90	←	53	30
COUNTRIES WITH NO 1990 DATA					
Andorra		7			
Antigua and Barbuda		20			
Liechtenstein		11			
Monaco		5			
Nauru		30			

(*) According to the goals set in Copenhagen, countries which even reducing one third exceed 70 deaths, should take 70 per 1,000 live births as goal. 2015 goals do not mention these extreme cases in particular.

Source: The State of the World's Children 2000, UNICEF for 1990 data and The State of the World's Children 2001, UNICEF for 1999 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
← Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 4: To reduce maternal mortality to one half the 1990 level by 2000

Goal 2015: To reduce maternal mortality by three quarters (in relation to its present value)

Maternal mortality rate (per 100,000 live births)

	1995	GOAL 2000	GOAL 2015
Average	**348**		
Afghanistan	820	410	205
Albania	31	16	8
Algeria	150	75	38
Angola	1300	650	325
Argentina	85	43	21
Armenia	29	15	7
Australia	6	3	2
Austria	11	6	3
Azerbaijan	37	19	9
Bahamas	10	5	3
Bahrain	38	19	10
Bangladesh	600	300	150
Barbados	33	17	8
Belarus	33	17	8
Belgium	8	4	2
Belize	140	70	35
Benin	880	440	220
Bhutan	500	250	125
Bolivia	550	275	138
Bosnia and Herzegovina	15	8	4
Botswana	480	240	120
Brazil	260	130	65
Brunei Darussalam	22	11	6
Bulgaria	23	12	6
Burkina Faso	1400	700	350
Burundi	1900	950	475
Cambodia	590	295	148
Cameroon	720	360	180
Canada	6	3	2
Cape Verde	190	95	48
Central African Rep.	1200	600	300
Chad	1500	750	375
Chile	33	17	8
China	60	30	15
Colombia	120	60	30
Comoros	570	285	143
Congo	1100	550	275
Congo, Dem. Rep. of the	940	470	235
Costa Rica	35	18	9
Côte d'Ivoire	1200	600	300
Croatia	18	9	5
Cuba	24	12	6
Cyprus	0	0	0
Czech Republic	14	7	4
Denmark	15	8	4
Djibouti	520	260	130
Dominican Republic	110	55	28
East Timor	850	425	213
Ecuador	210	105	53
Egypt	170	85	43
El Salvador	180	90	45
Equatorial Guinea	1400	700	350
Eritrea	1100	550	275
Estonia	80	40	20
Ethiopia	1800	900	450
Fiji	20	10	5
Finland	6	3	2
France	20	10	5
French Polynesia	20	10	5
Gabon	620	310	155
Gambia	1100	550	275
Gaza Strip	120	60	30
Georgia	22	11	6

	1995	GOAL 2000	GOAL 2015
Average	**348**		
Germany	12	6	3
Ghana	590	295	148
Greece	2	1	1
Guadeloupe	5	3	1
Guam	12	6	3
Guatemala	270	135	68
Guinea	1200	600	300
Guinea-Bissau	910	455	228
Guyana	150	75	38
Haiti	1100	550	275
Honduras	220	110	55
Hungary	23	12	6
Iceland	16	8	4
India	440	220	110
Indonesia	470	235	118
Iran, Islamic Rep. of	130	65	33
Iraq	370	185	93
Ireland	9	5	2
Israel	8	4	2
Italy	11	6	3
Jamaica	120	60	30
Japan	12	6	3
Jordan	41	21	10
Kazakhstan	80	40	20
Kenya	1300	650	325
Korea, Dem. Rep. of	35	18	9
Korea, Rep. of	20	10	5
Kuwait	25	13	6
Kyrgyzstan	80	40	20
Lao People's Dem. Rep.	650	325	163
Latvia	70	35	18
Lebanon	130	65	33
Lesotho	530	265	133
Liberia	1000	500	250
Libyan Arab Jamahiriya	120	60	30
Lithuania	27	14	7
Luxembourg	0	0	0
Macau	20	10	5
Macedonia, TFYR	17	9	4
Madagascar	580	290	145
Malawi	580	290	145
Malaysia	39	20	10
Maldives	390	195	98
Mali	630	315	158
Malta	0	0	0
Martinique	4	2	1
Mauritania	870	435	218
Mauritius	45	23	11
Mexico	65	33	16
Moldova, Rep. of	65	33	16
Mongolia	65	33	16
Morocco	390	195	98
Mozambique	980	490	245
Myanmar	170	85	43
Namibia	370	185	93
Nepal	830	415	208
Netherlands	10	5	3
Netherlands Antilles	20	10	5
New Caledonia	10	5	3
New Zealand	15	8	4
Nicaragua	250	125	63
Niger	920	460	230
Nigeria	1100	550	275

	1995	GOAL 2000	GOAL 2015
Average	**348**		
Norway	9	5	2
Oman	120	60	30
Pakistan	200	100	50
Panama	100	50	25
Papua New Guinea	390	195	98
Paraguay	170	85	43
Peru	240	120	60
Philippines	240	120	60
Poland	12	6	3
Portugal	12	6	3
Puerto Rico	30	15	8
Qatar	41	21	10
Reunion	39	20	10
Romania	60	30	15
Russian Federation	75	38	19
Rwanda	2300	1150	575
Samoa (Western)	15	8	4
Saudi Arabia	23	12	6
Senegal	1200	600	300
Sierra Leone	2100	1050	525
Singapore	9	5	2
Slovakia	14	7	4
Slovenia	17	9	4
Solomon Is.	60	30	15
Somalia	1600	800	400
South Africa	340	170	85
Spain	8	4	2
Sri Lanka	60	30	15
Sudan	1500	750	375
Suriname	230	115	58
Swaziland	370	185	93
Sweden	8	4	2
Switzerland	8	4	2
Syrian Arab Republic	200	100	50
Tajikistan	120	60	30
Tanzania, U. Rep. of	1100	550	275
Thailand	44	22	11
Togo	980	490	245
Trinidad and Tobago	65	33	16
Tunisia	70	35	18
Turkey	55	28	14
Turkmenistan	65	33	16
Uganda	1100	550	275
Ukraine	45	23	11
United Arab Emirates	30	15	8
United Kingdom	10	5	3
United States	12	6	3
Uruguay	50	25	13
Uzbekistan	60	30	15
Vanuatu	32	16	8
Venezuela	43	22	11
Viet Nam	95	48	24
Western Sahara	850	425	213
Yemen	850	425	213
Yugoslavia	15	8	4
Zambia	870	435	218
Zimbabwe	610	305	153

N.B. The redefinition of the methodology used for calculating this indicator does not allow having two comparison points yet.

Source: UNICEF Website 2001, End Decade Database (http://childinfo.org/).

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
Significant regression
Some regression
Stagnation
Some progress
Significant progress or goal already achieved

COMMITMENT 5: To achieve food security

To ensure caloric supply according to the FAO suggested levels (*)

	1990 (Cal./day)	1999 (Cal./day)	PROGRESS OR REGRESSION	GOAL 2000 (Cal./day)	GOAL 2010 (Cal./day)
Afghanistan [B]	1914	1755	⟵	2115	2336
Albania [C]	2657	2717	⟶	2678	2700
Algeria [E]	2903	2965	⟶	2951	3000
Angola [A]	1746	1873	→	2004	2300
Antigua and Barbuda [C]	2491	2396	⟵	2594	2700
Argentina [E]	2910	3176	⟶	2955	3000
Australia [F]	3218	3150	⊙▸		3200
Austria [F]	3490	3639	⊙▸		3200
Bahamas [E]	2747	2500	⟵	2871	3000
Bangladesh [B]	2082	2201	→	2300	2540
Barbados [F]	3215	3203	⊙▸		3200
Belgium [F]	3531	3625	⊙▸		3200
Belize [C]	2628	2889	⟶	2664	2700
Benin [C]	2318	2489	⟶	2502	2700
Bermuda [E]	2878	2883	→	2938	3000
Bolivia [B]	2095	2237	→	2314	2556
Botswana [C]	2391	2288	←	2541	2700
Brazil [E]	2755	3012	⟶	2875	3000
Brunei Darussalam [E]	2736	2793	→	2865	3000
Bulgaria [F]	3537	2847	⊙▸		3200
Burkina Faso [B]	2084	2376	⟶	2302	2543
Burundi [B]	1877	1628	⟵	2074	2290
Cambodia [B]	1830	2000	⟶	2021	2233
Cameroon [B]	2174	2260	→	2402	2653
Canada [F]	2995	3161	⟶	3096	3200
Cape Verde [F]	3009	3166	⟶	3103	3200
Central African Rep. [B]	1923	1978	→	2124	2347
Chad [A]	1688	2206	⟶	1970	2300
Chile [C]	2553	2858	⟶	2626	2700
Colombia [C]	2419	2567	⟶	2556	2700
Comoros [A]	1864	1800	←	2071	2300
Costa Rica [E]	2733	2761	→	2863	3000
Côte d'Ivoire [C]	2395	2582	⟶	2543	2700
Cuba [F]	3076	2490	⟵	3137	3200
Cyprus [F]	3279	3487	⊙▸		3200
Denmark [F]	3153	3317	⟶	3177	3200
Djibouti [A]	1862	2129	⟶	2069	2300
Dominica [F]	3036	2947	⟵	3117	3200
Dominican Republic [C]	2225	2333	→	2451	2700
Ecuador [C]	2498	2679	⟶	2597	2700
Egypt [F]	3176	3323	⟶	3188	3200
El Salvador [C]	2435	2463	→	2564	2700
Fiji [C]	2605	2934	⟶	2652	2700
Finland [F]	3140	3143	→	3170	3200
France [F]	3505	3575	⊙▸		3200
French Polynesia [E]	2832	2969	⟶	2915	3000
Gabon [C]	2356	2487	→	2522	2700
Gambia [C]	2460	2598	⟶	2577	2700
Germany [F]	3311	3411	⊙▸		3200
Ghana [A]	1831	2590	⟶	2052	2300

	1990 (Cal./day)	1999 (Cal./day)	PROGRESS OR REGRESSION	GOAL 2000 (Cal./day)	GOAL 2010 (Cal./day)
Greece [F]	3525	3689	⊙▸		3200
Grenada [C]	2658	2685	⟶	2679	2700
Guatemala [C]	2462	2331	⟵	2578	2700
Guinea [B]	1988	2133	→	2195	2425
Guinea-Bissau [C]	2486	2245	⟵	2591	2700
Guyana [C]	2342	2569	⟶	2515	2700
Haiti [A]	1785	1977	→	2026	2300
Honduras [C]	2326	2396	→	2506	2700
Hungary [F]	3711	3437	⊙▸		3200
Iceland [F]	3056	3313	⟶	3127	3200
India [C]	2292	2417	→	2487	2700
Indonesia [C]	2624	2931	⟶	2662	2700
Iraq [F]	3303	2446	◂⊙	3251	3200
Ireland [F]	3644	3649	⊙▸		3200
Israel [F]	3367	3542	⊙▸	3283	3200
Italy [F]	3591	3629	⊙▸		3200
Jamaica [C]	2620	2708	⟶	2660	2700
Japan [E]	2822	2782	←	2909	3000
Jordan [E]	2896	2834	⟵	2948	3000
Kenya [A]	1889	1886	II	2084	2300
Kiribati [D]	2591	2982	⟶	2645	2700
Kuwait [C]	2281	3167	⟶	2482	2700
Lao People's Dem. Rep. [B]	2159	2152	II	2385	2635
Lebanon [F]	3182	3256	⟶	3191	3200
Lesotho [C]	2296	2300	II	2490	2700
Liberia [B]	2100	2089	←	2320	2563
Libyan Arab Jamahiriya [F]	3255	3277	⊙▸		3200
Madagascar [B]	2139	1994	←	2362	2609
Malawi [B]	1935	2164	⟶	2138	2361
Malaysia [E]	2758	2946	⟶	2876	3000
Maldives [C]	2345	2298	←	2516	2700
Mali [C]	2313	2314	II	2499	2700
Malta [F]	3214	3482	⊙▸		3200
Mauritania [C]	2562	2702	⟶	2630	2700
Mauritius [E]	2882	2972	⟶	2941	3000
Mexico [F]	3103	3168	⟶	3151	3200
Mongolia [C]	2233	1963	⟵	2455	2700
Morocco [F]	3088	3010	⟵	3144	3200
Mozambique [A]	1840	1939	→	2057	2300
Myanmar [C]	2620	2803	⟶	2660	2700
Namibia [C]	2163	2096	←	2416	2700
Nepal [C]	2481	2264	⟵	2588	2700
Netherlands [F]	3282	3243	⊙▸		3200
Netherlands Antilles [D]	2407	2591	⟶	2549	2700
New Caledonia [E]	2825	2772	←	2911	3000
New Zealand [F]	3247	3152	⊙▸		3200
Nicaragua [C]	2227	2314	→	2452	2700
Niger [B]	2153	2064	←	2378	2627
Nigeria [C]	2376	2833	⟶	2533	2700
Norway [F]	3147	3425	⟶	3173	3200

Source: FAOSTAT 2001, FAO Website (http://www.fao.org/).

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
⊙ Goal already met at the starting point
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⊙▸ Countries with goal met before the starting point still progressing

◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 5: To achieve food security

To ensure caloric supply according to the FAO suggested levels (*)

	1990 (Cal./ day)	1999 (Cal./ day)	PROGRESS OR REGRESSION	GOAL 2000 (Cal./ day)	GOAL 2010 (Cal./ day)
Pakistan [C]	2412	2462	→	2552	2700
Panama [C]	2373	2496	→	2531	2700
Papua New Guinea [B]	2228	2186	←	2461	2718
Paraguay [C]	2421	2588	⟶	2557	2700
Peru [B]	1946	2621	⟶	2150	2375
Philippines [C]	2364	2357	׀׀	2526	2700
Poland [F]	3343	3368	⊙▸		3200
Portugal [F]	3495	3768	⊙▸		3200
Romania [F]	3041	3254	⟶	3120	3200
Rwanda [B]	1979	2011	→	2186	2415
Saint Kitts and Nevis [C]	2634	2677	⟶	2667	2700
Saint Lucia [C]	2666	2812	⟶	2683	2700
Sao Tomé and Principe [B]	2184	2269	→	2412	2665
Saudi Arabia [E]	2973	2953	⟵	2987	3000
Senegal [C]	2316	2307	←	2501	2700
Seychelles [C]	2315	2422	→	2500	2700
Sierra Leone [B]	1986	2017	→	2194	2423
Solomon Is. [B]	1969	2222	⟶	2175	2402
Somalia [A]	1788	1555	⟵	2028	2300
South Africa [F]	2920	2805	⟵	3057	3200
Spain [F]	3248	3353	⊙▸		3200
Sri Lanka [B]	2203	2411	⟶	2434	2688
St. Vincent and Grenadines [C]	2395	2540	⟶	2543	2700
Sudan [C]	2139	2360	⟶	2218	2300
Suriname [C]	2449	2604	⟶	2571	2700
Swaziland [C]	2607	2698	⟶	2653	2700
Sweden [F]	2974	3141	⟶	3085	3200
Switzerland [F]	3344	3258	⊙▸		3200
Syrian Arab Republic [F]	3184	3272	⟶	3192	3200
Thailand [C]	2142	2411	⟶	2405	2700
Togo [D]	2469	2527	→	2582	2700
Trinidad and Tobago [D]	2680	2703	⟶	2690	2700
Tunisia [F]	3166	3388	⟶	3183	3200
Turkey [F]	3565	3469	⊙▸		3200
Uganda [D]	2324	2238	←	2505	2700
United Arab Emirates [F]	3028	3182	⟶	3113	3200
United Kingdom [F]	3220	3318	⊙▸		3200
United States [F]	3487	3754	⊙▸		3200
Uruguay [D]	2534	2862	⟶	2616	2700
Vanuatu [E]	2654	2766	→	2822	3000

	1990 (Cal./ day)	1999 (Cal./ day)	PROGRESS OR REGRESSION	GOAL 2000 (Cal./ day)	GOAL 2010 (Cal./ day)
Viet Nam [D]	2219	2564	⟶	2448	2700
Yemen [B]	2018	2002	←	2229	2462
Zambia [B]	2044	1934	←	2258	2494
Zimbabwe [B]	2111	2076	←	2331	2575
COUNTRIES WITH NO 1999 DATA					
China [E]	2713			2853	3000
Congo [B]	2107			2327	2570
Congo, Dem. Rep. of the [B]	2130			2353	2599
Czech Republic	3650		◎		
Ethiopia [A]	1670			1960	2300
Iran, Islamic Rep. of [E]	2843			2921	3000
Korea, Dem. Rep. of [C]	2529			2613	2700
Korea, Rep. of [F]	3037			3118	3200
Tanzania, U. Rep. of [B]	2144			2368	2616
Venezuela [D]	2390			2540	2700
Yugoslavia	3673		◎		
COUNTRIES WITH NO 1990 DATA					
Armenia [E]		2167			3000
Azerbaijan [C]		2224			2700
Belarus [F]		3171			3200
Bosnia and Herzegovina [F]		2960			3200
Croatia [F]		2617			3000
Eritrea [F]		1646			2300
Estonia [E]		3154			3000
Georgia [F]		2347			3200
Kazakhstan [F]		2180			3200
Kyrgyzstan [F]		2833			3000
Latvia [F]		2904			3200
Lithuania [F]		2959			3200
Macedonia, TFYR [E]		2878			3000
Moldova, Rep. of [F]		2728			3000
Russian Federation [F]		2879			3200
Slovakia [F]		3101			3200
Slovenia [F]		3089			3200
Tajikistan [C]		1927			2700
Turkmenistan [E]		2746			3000
Ukraine [F]		2809			3000
Uzbekistan [E]		2870			3000

(*) Goals taken from WFS

A: Countries that must achieve a minimum of 2,300 cal. **B**: Countries that must grow 1% per year. **C**: Countries that starting off with less than 2,300 cal. can reach 2,700 cal. **D**: Countries that starting off with more than 2,300 cal. can reach 2,700 cal. **E**: Countries that starting off with more than 2,700 cal. can reach 3,000 cal. **F**: Countries that starting off with more than 2,950 cal. can reach 3,200 cal.

In the case of countries for which a SEA under 2,700 cal. is predicted for year 2010, the commitment should aim at rising by 20% (1% per year) between 1990-92 and 2010, or in a higher proportion if needed to meet the minimum.

Source: FAOSTAT 2001, FAO Website (http://www.fao.org/).

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ **Goal already met at the starting point**
⊙ **Countries with no starting point data. Met the goal by 2000**
⊙▸ **Countries with goal met before the starting point still progressing**
◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
׀׀ **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

COMMITMENT 6: To reduce severe and moderate malnutrition of children under 5 to one half of the 1990 rate by 2000

Goal 2015: To reduce by half severe and moderate malnutrition of children under 5 (in relation to its present value)

Percentage of under-5 children suffering from malnutrition

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**22.3**		**22.0**			
Algeria	1992	9.2	1995	12.8	⟵	4.6	6.4
Angola	1989	20.0	1996	40.6	⟵	10.0	20.3
Bangladesh	1990	65.8	1997	56.3	→	32.9	28.2
Benin	1987	35.0	1996	29.2	→	17.5	14.6
Bhutan	1988	37.9	1999	18.7	⟶	19.0	9.4
Bolivia	1990	11.1	1998	7.6	→	5.6	3.8
Brazil	1989	7.0	1996	5.7	→	3.5	2.9
Cameroon	1991	15.1	1998	22.2	←	7.6	11.1
Central African Rep.	1994	27.3	1995	23.2	⟶	13.7	11.6
Chile	1993	1.6	1999	0.8	⟶	0.8	0.4
China	1992	17.4	1998	9.0	⟶	8.7	4.5
Colombia	1989	10.1	1995	8.4	→	5.1	4.2
Comoros	1992	18.5	1996	25.8	←	9.3	12.9
Costa Rica	1990	2.8	1996	5.1	⟵	1.4	2.6
Côte d'Ivoire	1986	12.4	1994	23.8	⟵	6.2	11.9
Croatia	1994	0.7	1996	0.6	→	0.4	0.3
Djibouti	1989	22.9	1996	18.2	→	11.5	9.1
Dominican Republic	1991	10.3	1996	5.9	⟶	5.2	3.0
Egypt	1990	10.4	1998	10.7	←	5.2	5.4
El Salvador	1988	15.2	1998	11.8	→	7.6	5.9
Eritrea	1993	41.0	1995	43.7	←	20.5	21.9
Ghana	1988	30.3	1994	27.3	→	15.2	13.7
Guatemala	1987	33.2	1999	24.2	→	16.6	12.1
Haiti	1990	26.8	1995	27.5	←	13.4	13.8
Honduras	1992	18.0	1996	25.4	←	9.0	12.7
India	1990	63.9	1997	45.4	→	32.0	22.7
Indonesia	1987	39.9	1995	34.0	→	20.0	17.0
Iran, Islamic Rep. of	1995	15.7	1998	10.9	→	7.9	5.5
Jamaica	1991	4.6	1997	4.2	→	2.3	2.1
Jordan	1990	6.4	1997	5.1	→	3.2	2.6
Kenya	1993	22.6	1998	22.1	→	11.3	11.1
Lao People's Dem. Rep.	1993	44.0	1994	40.0	→	22.0	20.0
Lesotho	1992	15.8	1996	16.0	←	7.9	8.0
Madagascar	1992	40.9	1997	40.0	→	20.5	20.0
Malawi	1992	27.6	1995	29.9	←	13.8	15.0
Malaysia	1990	25.0	1995	20.1	→	12.5	10.1
Maldives	1994	39.0	1998	45.0	←	19.5	22.5
Mali	1987	30.6	1996	26.9	→	15.3	13.5
Mauritania	1991	47.6	1996	23.0	⟶	23.8	11.5
Mexico	1988	14.2	1996	16.9	←	7.1	8.5
Mongolia	1992	12.3	1999	12.5	←	6.2	6.3
Morocco	1987	12.1	1992	9.5	→	6.1	4.8
Mozambique	1995	27.0	1997	26.1	→	13.5	13.1
Myanmar	1990	32.4	1997	28.2	→	16.2	14.1
Nepal	1995	48.5	1996	46.9	→	24.3	23.5
Nicaragua	1993	11.0	1998	12.2	←	5.5	6.1
Niger	1992	42.6	1998	49.6	←	21.3	24.8
Nigeria	1990	35.3	1993	39.1	←	17.7	19.6
Oman	1991	24.3	1995	23.3	→	12.2	11.7
Pakistan	1991	40.2	1995	38.2	→	20.1	19.1
Peru	1992	10.7	1996	7.8	→	5.4	3.9
Philippines	1990	33.5	1993	29.6	→	16.8	14.8
Russian Federation	1993	4.2	1995	3.0	⟶	2.1	1.5
Rwanda	1992	29.4	1996	27.3	→	14.7	13.7
Senegal	1992	21.6	1996	22.3	←	10.8	11.2
Seychelles	1988	5.7	1996	6.0	←	2.9	3.0
Sri Lanka	1993	37.7	1995	32.9	→	18.9	16.5
Syrian Arab Republic	1993	12.1	1995	12.9	←	6.1	6.5
Tanzania, U. Rep. of	1992	28.9	1996	30.6	←	14.5	15.3
Thailand	1987	25.3	1993	18.6	→	12.7	9.3
Togo	1988	24.6	1998	25.1	←	12.3	12.6

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**22.3**		**22.0**			
Tunisia	1988	10.3	1995	9.0	→	5.2	4.5
Turkey	1993	10.4	1998	8.3	→	5.2	4.2
Uganda	1989	23.0	1995	25.5	←	11.5	12.8
Uruguay	1989	6.2	1993	4.4	⟶	3.1	2.2
Venezuela	1990	7.7	1998	8.1	←	3.9	4.1
Viet Nam	1989	45.0	1999	36.7	→	22.5	18.4
Yemen, Rep.	1992	30.0	1997	46.1	←	15.0	23.1
Zambia	1992	25.2	1997	23.5	→	12.6	11.8
Zimbabwe	1988	11.5	1994	15.5	←	5.8	7.8
COUNTRIES WITH NO RECENT DATA							
Bahrain	1989	7.2					
Belize	1992	6.2					
Burundi	1987	37.5					
Congo	1987	23.9					
Czech Republic	1991	1.0					
Ecuador	1986	16.5					
Ethiopia	1992	47.7					
Fiji	1993	7.9					
Guyana	1993	18.3					
Hungary	1988	2.2					
Iraq	1991	11.9					
Japan	1990	2.5					
Namibia	1992	26.2					
Panama	1992	6.1					
Paraguay	1990	3.7					
Romania	1991	5.7					
Sao Tomé and Principe	1986	16.6					
Sierra Leone	1990	28.7					
Solomon Is.	1989	21.3					
Sudan	1993	33.9					
Trinidad and Tobago	1987	6.7					
COUNTRIES WITH NO STARTING POINT DATA							
Afghanistan			1997	49.3			24.7
Albania			1998	8.1			4.1
Argentina			1994	1.9			1.0
Armenia			1998	3.3			1.7
Australia			1996	0.0			0.0
Azerbaijan			1996	10.1			5.1
Botswana			1996	17.2			8.6
Burkina Faso			1993	32.7			16.4
Cambodia			1996	47.4			23.7
Cape Verde			1994	13.5			6.8
Chad			1997	38.8			19.4
Congo, Dem. Rep. of the			1995	34.4			17.2
Gambia			1996	26.2			13.1
Georgia			1999	3.1			1.6
Kazakhstan			1995	8.3			4.2
Korea, Dem. Rep. of			1998	32.2			16.1
Kuwait			1997	1.7			0.9
Kyrgyzstan			1997	11.0			5.5
Lebanon			1996	3.0			1.5
Libyan Arab Jamahiriya			1995	4.7			2.4
Macedonia, TFYR			1999	5.9			3.0
Mauritius			1995	14.9			7.5
Qatar			1995	5.5			2.8
South Africa			1995	9.2			4.6
United Arab Emirates			1996	7.0			3.5
United States			1994	1.4			0.7
Uzbekistan			1996	18.8			9.4
Yugoslavia			1996	1.6			0.8

Source: World Development Indicators 2001, World Bank.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 7: To provide access to health care services for all by 2000

Percentage of population with access to health services

	1990 (%)	1990-95 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Average	**82**	**76**		
Bahrain [A,D]	100	97	◂⊙	100
Bangladesh [A]	38	45	→	100
Benin	41	18	⟵	100
Bhutan [A]	65	65	II	100
Cameroon [A]	15	80	⟶	100
Central African Rep. [A]	13	52	⟶	100
Colombia [A]	87	81	⟵	100
Cuba [A]	100	100	◎	100
Cyprus [A]	95	100	⊙▸	100
Chad [E]	26	30	→	100
Chile [A]	95	97	⊙▸	100
Egypt [A]	99	99	◎	100
Ethiopia [A]	45	46	II	100
Fiji [A]	100	99	◎	100
Gabon [A,D]	87	72	⟵	100
Ghana [A]	65	60	←	100
Guatemala [A]	60	57	←	100
Guinea [A]	32	80	⟶	100
Haiti [A]	45	60	→	100
Honduras [A]	62	69	→	100
Indonesia [A]	43	93	⟶	100
Iran, Islamic Rep. of [A]	73	88	⟶	100
Iraq [A]	93	93	II	100
Jordan [A]	85	97	⟶	100
Korea, Dem. Rep. of [A,D]	100	100	◎	100
Korea, Rep. of [A]	100	100	◎	100
Kuwait [A,D]	100	100	◎	100
Lesotho [A]	80	80	II	100
Libyan Arab Jamahiriya [A]	100	95	◂⊙	100
Madagascar [A]	65	38	⟵	100
Malawi [A,D]	35	82	⟶	100
Maldives [A,D]	75	42	⟵	100
Mauritius [A]	100	100	◎	100
Mexico [A]	91	93	→	100
Micronesia, Fed. Sts. [A,D]	75	73	←	100
Mongolia [A]	100	95	◂⊙	100
Mozambique [A]	30	39	→	100
New Zealand [A]	100	100	◎	100
Niger [E]	30	99	⟶	100
Nigeria [E]	67	51	⟵	100
Oman [E]	89	96	⟶	100
Panama [A]	82	70	⟵	100
Papua New Guinea [A]	96	96	◎	100
Qatar [A]	100	100	◎	100
Samoa (Occidental) [A]	100	100	◎	100
Saudi Arabia [A]	93	97	⟶	100
Senegal	40	90	⟶	100
Seychelles [A]	99	99	◎	100
Singapore [A,D]	100	100	◎	100
Sudan [A]	70	70	II	100
Syrian Arab Republic [A]	83	90	⟶	100
Thailand [E]	59	90	⟶	100
Tonga [A]	100	100	◎	100
Trinidad and Tobago [A]	99	100	⊙▸	100
Uganda [A]	71	49	⟵	100
COUNTRIES WITH NO RECENT DATA				
Antigua and Barbuda [A]	100		◎	100
Australia [A]	100		◎	100
Austria [A]	100		◎	100
Bahamas [A]	100		◎	100
Barbados [A]	100		◎	100
Belarus [A]	100		◎	100
Belgium [A]	100		◎	100
Botswana [A]	86			100
Bulgaria [A]	100		◎	100
Canada [A]	99		◎	100
Cape Verde [A]	82			100
Costa Rica [A]	97		◎	100
Côte d'Ivoire [A]	60			100

	1990 (%)	1990-95 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Denmark [A]	100		◎	100
Dominica [A]	100		◎	100
Ecuador [A]	80			100
Finland [A]	100		◎	100
Guyana [A]	96		◎	100
Israel [A]	100		◎	100
Liberia [A]	34			100
Luxembourg [A]	100		◎	100
Netherlands [A]	100		◎	100
Norway [A]	100		◎	100
Poland [A]	100		◎	100
Saint Kitts and Nevis [A]	100		◎	100
Saint Lucia [A]	100		◎	100
Sao Tomé and Principe [A]	88			100
Solomon Is. [A]	80			100
Sri Lanka [A]	90			100
St. Vincent and Grenadines [A]	80			100
Suriname [A]	91			100
Sweden [A]	100		◎	100
Switzerland [A]	100		◎	100
Turkey [A]	100		◎	100
Ukraine [A]	100		◎	100
Zambia [A]	75			100
COUNTRIES WITH NO 1990 DATA				
Afghanistan [C]		40		100
Algeria		98	⊚	100
Angola		24		100
Argentina		71		100
Belize		95	⊚	100
Bolivia		67		100
Brazil [F]		71		100
Burkina Faso		90		100
Burundi		80		100
Cambodia		53		100
China		88		100
El Salvador		40		100
Gambia [D]		70		100
Guinea-Bissau [D]		41		100
India		85		100
Jamaica		90		100
Japan		100	⊚	100
Kenya		77		100
Kiribati		100	⊚	100
Lao People's Dem. Rep.		67		100
Lebanon		95	⊚	100
Malaysia		88		100
Morocco		70		100
Myanmar		60		100
Namibia		59		100
Nicaragua		83		100
Pakistan		55		100
Paraguay		63		100
Peru		44		100
Philippines		71		100
Rwanda		80		100
Sierra Leone		38		100
Swaziland		55		100
Tanzania, U. Rep. of		42		100
Tunisia [B]		90		100
United Arab Emirates		99	⊚	100
Uruguay		82		100
Vanuatu		80		100
Viet Nam		90		100
Yemen		38		100
Zimbabwe		85		100

A: 1988 data taken as 1990, **B**: 1992 data taken as 1990-95,
C: 1993 data taken as 1990-95, **D**: 1991-93 data taken as 1990-95,
E: 1991 data taken as 1990, **F**: data from IBGE, Brazil 1998.

Source: World Development Indicators of the World Bank 1998 for 1990 data, Human Development Report 1998, UNDP for 1990-95 data and HFADB 1999, WHO for 1991-93 data.

COUNTRIES IN BLUE: **Countries with starting point above average**
COUNTRIES IN GREY: **Countries with starting point below average**
◎ **Goal already met at the starting point**
⊚ **Countries with no starting point data. Met the goal by 2000**
⊙▸ **Countries with goal met before the starting point still progressing**
◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
II **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

COMMITMENT 8A: To provide access to reproductive health care services to all persons

Pregnancies attended by trained health personnel (per 1,000 live births)

	1989-90	RECENT DATA (Year)		PROGRESS OR REGRESSION	GOAL 2000
Average	**639**		**741**		
Australia	999	1991	1000	◎	1000
Bahrain	990	1995	971	◂⊙	1000
Bangladesh	400	1999-2000	333	←	1000
Belize	915	1999	959	⟶	1000
Benin	690	1996	803	→	1000
Bolivia	379	1998	690	→	1000
Botswana	710	2000	968	⟶	1000
Brunei Darussalam	1000	1994	1000	◎	1000
Burkina Faso	488	1998-99	607	→	1000
Cambodia	520	2000	377	←	1000
Cameroon	560	2000	753	→	1000
Central African Rep.	376	1994-95	669	⟶	1000
Colombia	589	2000	908	→	1000
Comoros	760	2000	743	←	1000
Cuba	1000	2000	1000	◎	1000
Chad	220	2000	416	→	1000
Dominican Republic	434	1996	983	⟶	1000
Egypt	500	2000	529	→	1000
Equatorial Guinea	148	1994	370	⟶	1000
Ethiopia	130	2000	267	→	1000
Gabon	860	2000	944	→	1000
Ghana	650	1998	875	→	1000
Guatemala	340	1998-99	596	→	1000
Guinea-Bissau	500	2000	620	→	1000
Honduras	777	1996	842	→	1000
India	700	1998-99	595	←	1000
Indonesia	765	1997	894	→	1000
Iran, Islamic Rep. of	690	1997	765	→	1000
Iraq	650	1996	780	→	1000
Jamaica	674	1997	990	⟶	1000
Jordan	750	1997	956	⟶	1000
Kenya	900	2000	761	⟵	1000
Kiribati	602	1994	880	⟶	1000
Kuwait	700	1994-96	950	⟶	1000
Lao People's Dem. Rep.	80	2000	288	→	1000
Madagascar	783	2000	730	←	1000
Malawi	760	1992	897	⟶	1000
Mali	280	1995-96	469	→	1000
Mauritania	387	1990-91	480	⟶	1000
Mongolia	984	2000	970	◂⊙	1000
Morocco	323	1997	420	→	1000
Mozambique	540	1997	714	→	1000
Myanmar	901	1997	758	⟵	1000
Namibia	820	1992	872	⟶	1000
Nepal	180	2000	270	→	1000
New Zealand	950	1994	950	◎	1000
Nicaragua	865	1998	815	←	1000
Niger	328	2000	410	→	1000
Nigeria	855	1999	636	⟵	1000
Oman	980	1999	960	◂⊙	1000
Papua New Guinea	675	1996	775	→	1000
Philippines	767	1998	857	→	1000
Rwanda	820	2000	924	→	1000
Saudi Arabia	700	1996	900	⟶	1000
Senegal	737	1999-2000	772	→	1000
Sri Lanka	863	2000	984	⟶	1000
Sudan	540	1992-93	746	⟶	1000
Syrian Arab Republic	400	1993	510	→	1000
Tanzania, U. Rep. of	950	1999	488	◂⊙	1000
Thailand	534	1996	859	⟶	1000
Tunisia	719	1994-95	790	→	1000
United Arab Emirates	760	1995	968	⟶	1000
Uruguay	556	1997	940	⟶	1000
Viet Nam	728	2000	683	←	1000
Yemen	260	1997	343	→	1000
Zambia	800	1996	956	⟶	1000

	1989-90	RECENT DATA (Year)		PROGRESS OR REGRESSION	GOAL 2000
COUNTRIES WITH NO 1989-90 DATA					
Albania		2000	952	⊙	1000
Algeria		1988-92	580		1000
Antigua and Barbuda		1998	820		1000
Argentina		1991-93	950	⊙	1000
Armenia		2000	923		1000
Austria		1991-93	1000	⊙	1000
Azerbaijan		2000	687		1000
Barbados		1999	890		1000
Belarus		1999	999	⊙	1000
Bosnia and Herzegovina		2000	992	⊙	1000
Brazil		1996	857		1000
Cape Verde		1998	993	⊙	1000
Chile		1991-93	950	⊙	1000
Costa Rica		1999	696		1000
Côte d'Ivoire		2000	875		1000
Czech Republic		1993	990	⊙	1000
Dominica		1999	999	⊙	1000
Ecuador		1998	688		1000
El Salvador		1998	760		1000
Eritrea		1995	489		1000
Finland		1991-93	1000	⊙	1000
France		1991-93	990	⊙	1000
Georgia		1999	953	⊙	1000
Grenada		1999	980	⊙	1000
Guinea		1999	707		1000
Haiti		2000	788		1000
Kazakhstan		1999	910		1000
Kyrgyzstan		1997	973	⊙	1000
Lebanon		1995	870		1000
Lesotho		1995	876		1000
Libyan Arab Jamahiriya		1995	808		1000
Macedonia, TFYR		1997	1000	⊙	1000
Mexico		1995	861		1000
Moldova, Rep. of		1997	988	⊙	1000
Montserrat		1999	1000	⊙	1000
Pakistan		1999	276		1000
Palestine		2000	956	⊙	1000
Panama		1998	722		1000
Paraguay		1998	890		1000
Peru		1996	673		1000
Sierra Leone		2000	680		1000
Slovenia		1992	980	⊙	1000
Somalia		1999	323		1000
South Africa		1998	942		1000
St. Vincent and Grenadines		1999	918		1000
Suriname		2000	906		1000
Tajikistan		2000	713		1000
Togo		1998	820		1000
Turkey		1998	675		1000
Turks and Caicos Islands		1999	820		1000
Uganda		1995	912		1000
Uzbekistán		2000	972	⊙	1000
Venezuela		2000	897		1000
Zimbabwe		1999	931		1000
COUNTRIES WITH NO RECENT DATA					
British Virgin Is.	1000			◎	1000
Burundi	800				1000
Liberia	829				1000
Qatar	1000			◎	1000
Saint Kitts and Nevis	1000			◎	1000
Saint Lucia	1000			◎	1000
Trinidad and Tobago	976			◎	1000
United States	983			◎	1000

Source: HFADB 1999, WHO for 1989-90 data; UNICEF Website 2001, End Decade Database (http://childinfo.org/) for latest data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
⊙ Countries with no starting point data. Met the goal by 2000
⊙▸ Countries with goal met before the starting point still progressing
◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
ıı Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 8B: To provide access to reproductive health care services to all persons

Goal 2015: To reduce the percentage of non-attended deliveries by three quarters (*)

Percentage of deliveries attended by trained health personnel

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**69**		**73**			
Angola	1990	17	1996	23	→	100	81
Antigua and Barbuda	1990	86	1998	100	⟶	100	100
Argentina	1990	96	1999	98	⊙▸	100	99
Australia	1990	99	1991	100	⊙▸	100	100
Austria	1993	100	1993	100	⊚	100	100
Bahrain	1990	94	1995	98	⟶	100	99
Bangladesh	1990	14	1999-2000	13	←	100	78
Barbados	1990	98	1999	91	◂⊙	100	98
Belarus	1990	100	1999	100	⊚	100	100
Belgium	1990	100	-	100	⊚	100	100
Benin	1990	38	1996	60	→	100	90
Bhutan	1990	12	1994	15	→	100	79
Bolivia	1990	46	1998	59	→	100	90
Botswana	1990	77	2000	99	⟶	100	100
Brazil	1990	73	1996	92	⟶	100	98
Brunei Darussalam	1990	98	1994	98	⊚	100	100
Burkina Faso	1990	43	1998-99	31	←	100	83
Cambodia	1990	47	2000	34	←	100	84
Cameroon	1990	58	2000	56	←	100	89
Canada	1990	100	-	100	⊚	100	100
Cape Verde	1990	49	1998	89	⟶	100	97
Central African Rep.	1990	46	2000	44	←	100	86
Chad	1990	15	2000	16	→	100	79
Chile	1990	98	1998	100	⊙▸	100	100
China	1990	85	1999	70	⟵	100	93
Colombia	1990	85	2000	86	→	100	97
Comoros	1990	24	2000	62	→	100	90
Costa Rica	1990	97	1999	98	⊙▸	100	100
Côte d'Ivoire	1990	45	1998-99	47	→	100	87
Cuba	1990	99	1999	100	⊙▸	100	100
Cyprus	1990	98	-	100	⊙▸	100	100
Dominica	1988	96	1999	100	⊙▸	100	100
Dominican Republic	1990	90	1996	99	⟶	100	100
Ecuador	1990	64	1999	99	⟶	100	100
Egypt	1990	46	2000	61	→	100	90
El Salvador	1990	87	1998	90	→	100	98
Eritrea	1993	6	1995	21	⟶	100	80
Ethiopia	1990	8	2000	10	→	100	77
Finland	1990	100	1993	100	⊚	100	100
France	1993	99	1993	99	⊚	100	100
Georgia	1990	95	1999	96	⊙▸	100	99
Ghana	1990	44	1998	44	II	100	86
Grenada	1988	81	1999	99	⟶	100	100
Guatemala	1990	35	1998-99	41	→	100	85
Guinea	1990	31	1999	35	→	100	84
Haiti	1990	20	2000	27	→	100	82

	APPROX. 1990 (Year)	(%)	RECENT DATA (Year)	(%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**69**		**73**			
Honduras	1990	47	1996	55	→	100	89
India	1990	35	1998-99	42	→	100	86
Indonesia	1990	36	1999	56	→	100	89
Iran, Islamic Rep. of	1990	74	1997	86	→	100	97
Ireland	1990	99	-	100	⊙▸	100	100
Israel	1990	99	-	99	⊚	100	100
Jamaica	1990	92	1997	95	⟶	100	99
Japan	1990	100	1990	100	⊚	100	100
Jordan	1990	87	1997	97	⟶	100	99
Kenya	1989	50	1998	44	←	100	86
Kiribati	1990	74	1994	72	←	100	93
Korea, Rep. of	1990	95	1990	98	⊙▸	100	100
Kuwait	1990	99	1996	98	◂⊙	100	100
Lao People's Dem. Rep.	1990	30	2000	21	←	100	80
Lesotho	1990	50	2000	60	→	100	90
Libyan Arab Jamahiriya	1992	76	1995	94	⟶	100	99
Luxembourg	1990	100	-	100	⊚	100	100
Macedonia, TFYR	1988	88	1998	97	⟶	100	99
Madagascar	1990	57	2000	46	←	100	87
Malawi	1990	55	1992	55	II	100	89
Malaysia	1990	98	1998	96	◂⊙	100	99
Maldives	1990	55	1994	90	⟶	100	98
Mali	1990	24	1995-96	24	II	100	81
Malta	1990	98	1993	98	⊚	100	100
Mauritania	1990	40	1990-91	40	II	100	85
Mauritius	1990	97	1999	99	⊙▸	100	100
Mexico	1990	69	1997	86	→	100	96
Mongolia	1990	97	1998	93	◂⊙	100	98
Morocco	1990	40	1995	40	←	100	85
Mozambique	1990	30	1997	44	→	100	86
Myanmar	1990	52	1997	56	→	100	89
Namibia	1990	68	2000	76	→	100	94
Nepal	1990	8	2000	12	→	100	78
Netherlands	1990	100	1998	100	⊚	100	100
New Zealand	1990	65	1994	95	⟶	100	99
Nicaragua	1990	61	1998	65	→	100	91
Niger	1990	15	2000	16	→	100	79
Nigeria	1990	31	1999	42	→	100	85
Norway	1990	100	-	100	⊚	100	100
Oman	1990	92	1995	91	←	100	98
Pakistan	1990	18	1998-99	20	→	100	80
Panama	1990	84	1998	90	→	100	98
Papua New Guinea	1990	33	1996	53	→	100	88
Paraguay	1990	66	1998	71	→	100	93
Peru	1990	53	1996	56	→	100	89
Philippines	1990	53	1998	56	→	100	89

Source: The United Nations Statistical Division, 1999 for all the 1990 data; UNICEF Website 2001, End Decade Database (http://childinfo.org/) for latest data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
⊚ **Goal already met at the starting point**
◎ **Countries with no starting point data. Met the goal by 2000**
⊙▸ **Countries with goal met before the starting point still progressing**
◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
II **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

COMMITMENT 8B: To provide access to reproductive health care services to all persons

Goal 2015: To reduce the percentage of non-attended deliveries by three quarters (*)

Percentage of deliveries attended by trained health personnel

	APPROX. 1990 (Year)	APPROX. 1990 (%)	RECENT DATA (Year)	RECENT DATA (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average		**69**		**73**			
Poland	1990	99	-	99	◎	100	100
Portugal	1989	98	1989	98	◎	100	100
Qatar	1990	97	1996	98	⊙▸	100	100
Rwanda	1990	26	2000	31	→	100	83
Saint Kitts and Nevis	1993	97	1998	99	⊙▸	100	100
Saint Lucia	1993	98	1997	100	⊙▸	100	100
Saudi Arabia	1990	90	1996	91	→	100	98
Senegal	1990	47	1999-2000	51	→	100	88
Solomon Is.	1990	85	1994	85	II	100	96
Sri Lanka	1990	94	1993	94	→	100	99
St. Vincent and Grenadines	1993	73	1999	99	⟶	100	100
Suriname	1990	91	1996	95	⟶	100	99
Swaziland	1990	56	1994	56	II	100	89
Sweden	1990	100	-	100	◎	100	100
Syrian Arab Republic	1990	67	1993	76	⟶	100	94
Tanzania, U. Rep. of	1990	44	1999	36	←	100	84
Togo	1990	32	1998	51	→	100	88
Tonga	1990	95	1991	92	◂⊙	100	98
Trinidad and Tobago	1990	98	1997	99	⊙▸	100	100
Tunisia	1990	90	2000	90	II	100	97
Turkey	1990	76	1998	81	→	100	95
Uganda	1989	38	1995	38	II	100	84
Ukraine	1990	100	1999	100	◎	100	100
United Arab Emirates	1990	96	1995	96	◎	100	99
United States	1990	99	-	99	◎	100	100
Uruguay	1990	96	1999	100	⊙▸	100	100
Vanuatu	1990	79	1994	87	⟶	100	97
Venezuela	1990	97	2000	95	◂⊙	100	99
Viet Nam	1990	79	2000	70	←	100	92
Yemen	1992	16	1997	22	→	100	80
Yugoslavia	1993	90	2000	99	⟶	100	100
Zambia	1990	51	1996	47	←	100	87
Zimbabwe	1990	69	1999	73	→	100	93
COUNTRIES WITH NO RECENT DATA							
Afghanistan	1990	8				100	
Algeria	1992	77				100	
Bahamas	1990	100			◎	100	
Belize	1990	77				100	
Bulgaria	1990	100			◎	100	
Burundi	1990	24				100	
Congo	1990	50				100	
Djibouti	1990	79				100	
Estonia	1990	95			◎	100	
Fiji	1990	100			◎	100	
Gabon	1988	79				100	
Gambia	1990	44				100	

	APPROX. 1990 (Year)	APPROX. 1990 (%)	RECENT DATA (Year)	RECENT DATA (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Guinea-Bissau	1993	50				100	
Guyana	1990	93				100	
Iraq	1990	54				100	
Italy	1990	100			◎	100	
Korea, Dem. Rep. of	1990	100			◎	100	
Micronesia, Fed. Sts.	1990	82				100	
Samoa (Western)	1990	52				100	
Sao Tomé and Principe	1990	63				100	
Seychelles	1990	99			◎	100	
Singapore	1990	100			◎	100	
Somalia	1990	2				100	
Sudan	1990	86				100	
Switzerland	1990	99			◎	100	
Thailand	1990	71				100	
COUNTRIES WITH NO STARTING POINT DATA							
Armenia			2000	97	⊙	100	
Azerbaijan			2000	88		100	
Bosnia and Herzegovina			2000	100	⊙	100	
British Virgin Is.			1999	100	⊙	100	
Cook Is.			1991	99	⊙	100	
Croatia			1998	100	⊙	100	
Czech Republic			-	99	⊙	100	
Denmark			1987	100	⊙	100	
Equatorial Guinea			1994	5		100	
Germany			1986	100	⊙	100	
Kazakhstan			1999	99	⊙	100	
Kyrgyzstan			1997	98	⊙	100	
Latvia			-	100	⊙	100	
Lebanon			1994-96	89		100	
Montserrat			1999	100	⊙	100	
Niue			1990	99	⊙	100	
Palau			1990	99	⊙	100	
Palestine			2000	97	⊙	100	
Romania			1996	99	⊙	100	
Russian Federation			1999	99	⊙	100	
Sierra Leone			2000	42		100	
Slovenia			1992	100	⊙	100	
South Africa			1998	84		100	
Tajikistan			2000	71		100	
Turkmenistan			2000	97	⊙	100	
Turks and Caicos Islands			1999	88		100	
Tuvalu			1990	100	⊙	100	
Uzbekistan			2000	96	⊙	100	

(*) This goal is related to the reduction of maternal mortality by three quarters.

Source: The United Nations Statistical Division, 1999 for all the 1990 data; UNICEF Website 2001, End Decade Database (http://childinfo.org/) for latest data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ **Goal already met at the starting point**
⊙ **Countries with no starting point data. Met the goal by 2000**
⊙▸ **Countries with goal met before the starting point still progressing**
◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
II **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

COMMITMENT 9: To reduce mortality and morbidity due to malaria by 20% of 1995 levels in at least 75% of countries affected

Goal 2015: Have halted and begun to reverse the incidence of malaria and other major diseases

Malaria cases (per 100,000 people)

	1994	1997	PROGRESS OR REGRESSION	GOAL 2000	GOAL 2015
Average	**3625**	**8140**			
Argentina	3	2	⟶	2	< 2
Bangladesh	143	56	⟶	114	< 56
Belize	4787	1790	⟶	3830	< 1790
Benin	10398	11918	⟵	8318	< 11918
Bhutan	2238	464	⟶	1791	< 464
Bolivia	480	662	⟵	384	< 662
Brazil	360	240	⟶	288	< 240
Cambodia	870	1096	⟵	696	< 1096
Cameroon	1065	4613	⟵	852	< 4613
Cape Verde	6	5			
Colombia	6	452	⟵	5	< 452
Congo	362	350	→	289	< 350
Costa Rica	1428	126	⟶	1142	< 126
China	0	2			
Djibouti	1050	700	⟶	840	< 700
Dominican Republic	22	10	⟶	17	< 10
Ecuador	267	137	⟶	214	< 137
Guatemala	214	305	⟵	171	< 305
Guinea	8567	10951	⟵	6853	< 10951
Guyana	4819	3806	⟶	3855	< 3806
Honduras	949	1101	⟵	759	< 1101
India	243	275	⟵	195	< 275
Iran, Islamic Rep. of	77	60	⟶	61	< 60
Iraq	500	66	⟶	400	< 66
Islas Solomón	35980	16854	⟶	28784	< 16854
Korea, Rep. of	0	4			
Lao People's Dem. Rep.	1111	1076	→	889	< 1076
Malaysia	299	127	⟶	239	< 127
Maldives	7	4			
Mauritius	3	6			
Mexico	14	5			
Myanmar	1582	256	⟶	1265	< 256
Namibia	27209	26217	→	21767	< 26217
Nepal	45	29	⟶	36	< 29
Nicaragua	1035	915	⟶	828	< 915
Niger	9238	10026	←	7390	< 10026
Oman	341	45	⟶	273	< 45
Pakistan	82	54	⟶	65	< 54
Panama	26	19	⟶	21	< 19
Papua New Guinea	14974	847	⟶	11980	< 847
Paraguay	12	11	⟶	10	< 11
Peru	528	754	⟵	422	< 754
Philippines	345	59	⟶	276	< 59
Saudi Arabia	56	106	⟵	45	< 106
South Africa	25	75	⟵	20	< 75
Sri Lanka	1540	1196	⟶	1232	< 1196
Suriname	1115	2748	⟵	892	< 2748
Syrian Arab Republic	4	1			

	1994	1997	PROGRESS OR REGRESSION	GOAL 2000	GOAL 2015
Average	**3625**	**8140**			
Tanzania, U. Rep. of	27343	3602	⟶	21875	< 3602
Thailand	177	163	→	141	< 163
Turkey	7	56	⟵	6	< 56
Vanuatu	2285	3442	⟵	1828	< 3442
Venezuela	64	98	⟵	51	< 98
Viet Nam	1189	86	⟶	952	< 86
Yemen	260	8560	⟵	208	< 8560
Zambia	44498	37458	⟶	35598	< 37458
COUNTRIES WITH NO DATA IN 1994					
Armenia		24			< 24
Azerbaijan		130			< 130
Comoros		2422			< 2422
Côte d'Ivoire		6990			< 6990
Chad		4843			< 4843
Gabon		3152			< 3152
Gambia		27369			< 27369
Ghana		11941			< 11941
Indonesia		79			< 79
Mali		3688			< 3688
Nigeria		593			< 593
Rwanda		20310			< 20310
Sudan		5283			< 5283
Tajikistan		507			< 507
United Arab Emirates		4			< 4
COUNTRIES WITH NO RECENT DATA					
Angola	6377			5101	
Botswana	2089			1672	
Brunei Darussalam	13			10	
Burkina Faso	4637			3710	
Burundi	14022			11217	
Central African Rep.	2562			2050	
Cuba	133			106	
El Salvador	51			41	
Equatorial Guinea	3812			3049	
Haiti	331			265	
Kenya	23068			18454	
Kuwait	50			40	
Malawi	49410			39528	
Qatar	74			59	
Singapore	8			7	
Togo	8274			6619	
Zimbabwe	2964			2372	

Source: Human Development Report 2001, UNDP.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
ıı Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 10: To eradicate, eliminate or control the main diseases constituting sanitary problems on a world level by 2000

Percentage of children under 1 totally immunized

	SUMMARY	TUBERCULOSIS (%) 1990-1994	TUBERCULOSIS (%) 1997-1999	TUBERCULOSIS (%) PROGRESS OR REGRESSION	DPT (%) 1990-1994	DPT (%) 1997-1999	DPT (%) PROGRESS OR REGRESSION	POLIO (%) 1990-1994	POLIO (%) 1997-1999	POLIO (%) PROGRESS OR REGRESSION	MEASLES (%) 1990-1994	MEASLES (%) 1997-1999	MEASLES (%) PROGRESS OR REGRESSION
Afghanistan	→	44	50	→	25	37	→	18	38	→	20	42	→
Albania	⟶	81	93	⟶	94	97	⟶	97	97	◎	96	85	◂⊙
Algeria	⟶	92	97	⟶	58	83	⟶	72	83	→	53	78	⟶
American Samoa					44						63		
Andorra						90			90			90	
Angola	→	48	65	→	24	29	→	28	29	→	38	49	→
Antigua and Barbuda A	⟶				100	100	◎		100	⊙	89	100	⟶
Argentina	→	100	68	◂⊙	87	86	←	84	91	→	93	97	⟶
Armenia	→	83	93	⟶	81	88	→	92	96	⟶	95	84	◂⊙
Australia B	II				95	88	◂⊙		88		86	89	→
Austria A	⟶				90	90	II		95	⊙	60	90	⟶
Azerbaijan	⟶	50	91	⟶	84	93	⟶	94	96	→	82	87	→
Bahamas B	⟶				87	89	→		88		86	93	⟶
Bahrain A	⟶		72		95	98	⊙▸		98	⊙	87	100	⟶
Bangladesh	←	95	95	◎	69	69	II	94	68	⟵	82	66	⟵
Barbados B	←				91	87	←		86		87	86	←
Belarus	⟶	93	99	⟶	85	98	⟶	93	99	⟶	96	98	⊙▸
Belgium A	⟵				94	62	⟵	100	72	◂⊙	85	64	⟵
Belize B	←		93		91	87	←		87		86	84	←
Benin	⟶	90	100	⟶	78	90	⟶	81	90	⟶	73	92	⟶
Bermuda					62						63		
Bhutan	←	96	90	⟵	84	88	→	84	89	→	79	77	←
Bolivia	⟶	91	95	→	41	87	⟶	86	89	→	53	100	⟶
Bosnia and Herzegovina B	⟶	24	100	⟶		90		45	90	⟶		83	
Botswana	⟶	92	98	⟶	56	85	⟶	78	82	→	55	74	→
Brazil	⟶	92	99	⟶	66	94	⟶	68	96	⟶	78	96	⟶
Brunei Darussalam A	→		98	⊙	100	92	◂⊙		97	⊙		94	
Bulgaria	→	98	98	◎	99	96	◂⊙	97	97	◎	98	95	◂⊙
Burkina Faso C	→	63	72	→		37			42			46	
Burundi	←	62	71	→	86	63	⟵	50	59	→	75	47	⟵
Cambodia	⟶	78	78	II	38	64	⟶	54	65	→	34	63	⟶
Cameroon	→	46	66	→	36	48	→	31	48	→	36	46	→
Canada B	⟶					97	⊙					96	⊙
Cape Verde B	⟵		75		88	69	⟵		70		79	61	⟵
Cayman Is. C	II				95		◎				82		
Central African Rep.	⟵	82	55	⟵	61	28	⟵	29	34	→	67	40	⟵
Colombia	⟵	99	80	⟵	87	74	⟵	95	77	◂⊙	82	77	←
Comoros B	⟵		84		94	75	⟵		75		87	67	⟵
Congo	⟵	94	39	⟵	77	29	⟵	79	29	⟵	77	23	⟵
Congo, Dem. Rep. of the B	⟵		22		36	15	⟵		16		37	15	⟵
Cook Is.			74			70			70			63	
Costa Rica	⟵	97	87	⟵	95	85	◂⊙	88	85	←	90	86	←
Côte d'Ivoire B	⟶		84		42	61	→		61		40	66	⟶
Croatia B	⟶	92	96	⟶		93		85	93	⟶		92	
Cuba	⟶		99	⊙	92	94	→		98	⊙	94	95	→
Cyprus A	⟶				93	98	⟶		98	⊙	76	90	⟶
Czech Republic	⟶	98	99	⟶		98	⊙	98	97	◂⊙		95	⊙
Chad	⟶	43	57	→	20	33	→	18	34	→	23	49	⟶
Chile A	→		96	⊙	97	93	◂⊙		93		81	93	⟶
China	⟵	94	85	⟵	97	85	◂⊙	94	90	⟵	98	85	◂⊙
Denmark A	→				95	90	◂⊙	95	97	⊙▸	84	84	II
Djibouti B	⟵		26		85	23	⟵		24		85	23	⟵
Dominica	⟶		100	⊙	69	99	⟶		99	⊙	96	99	⊙▸
Dominican Republic	→	64	90	⟶	69	83	⟶	98	84	◂⊙	96	94	◂⊙
Ecuador	→	100	100	◎	75	80	→	78	70	←	67	75	→
Egypt	⟶	95	99	⟶	87	94	⟶	91	95	→	87	97	⟶
El Salvador	←	83	72	⟵	80	94	⟶	92	92	II	98	75	◂⊙
Equatorial Guinea A	⟶		99	⊙	14	81	⟶		81		18	82	⟶
Eritrea B	→	46	64	→		56		36	56	→		55	
Estonia	⟶	99	100	⟶	76	94	⟶	87	94	⟶	82	89	→
Ethiopia	⟶	50	80	⟶	49	64	→	36	64	⟶	38	53	→
Fiji A	⟶		95	⊙	82	86	→		88		72	75	→
Finland	⟶	99	99	◎	90	99	⟶	100	98	◂⊙	97	98	⊙▸
France	⟶	78	83	→	95	96	⊙▸	92	97	⟶	71	97	⟶
French Guiana													
French Polynesia					81						62		
Gabon	⟵	97	60	⟵	78	31	⟵	66	31	⟵	76	30	⟵
Gambia	⟵	98	97	⟵	92	87	⟵	92	88	⟵	86	88	→
Georgia	→	67	92	⟶	69	80	→	69	80	→	81	73	←

Source: The State of the World's Children 1996, UNICEF for 1990-94 data and the State of the World's Children 2001, UNICEF for 1997-99 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
⊙ Countries with no starting point data. Met the goal by 2000
⊙▸ Countries with goal met before the starting point still progressing
◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 10: To eradicate, eliminate or control the main diseases constituting sanitary problems on a world level by 2000

Percentage of children under 1 totally immunized

	SUMMARY	TUBERCULOSIS (%)			DPT (%)			POLIO (%)			MEASLES (%)		
		1990 1994	1997 1999	PROGRESS OR REGRESSION	1990 1994	1997 1999	PROGRESS OR REGRESSION	1990 1994	1997 1999	PROGRESS OR REGRESSION	1990 1994	1997 1999	PROGRESS OR REGRESSION
Germany A	⟶				80	95	⟶	90	95	⟶	50	88	⟶
Ghana	⟶	61	88	⟶	50	72	⟶	48	72	⟶	52	73	⟶
Greece	⟶	50	70	→	54	85	⟶	95	95	◎	76	90	⟶
Grenada B	⟶				81	88	→		87		85	94	⟶
Guam					56						57		
Guatemala	⟶	70	88	⟶	66	89	⟶	73	91	⟶	68	81	→
Guinea	→	75	76	→	20	46	⟶	70	43	⟵	25	52	⟶
Guinea-Bissau	⟵	95	25	⟵	61	6	⟵	68	12	⟵	53	19	⟵
Guyana B	→		91		82	83	→		83		77	86	→
Haiti	⟶	42	59	→	41	61	→	40	60	→	31	84	⟶
Honduras	⟶	95	93	←	84	95	⟶	95	95	◎	90	98	⟶
Hong Kong, China (SAR)					84						80		
Hungary	⟶	100	100	◎	99	100	⊙▶	99	100	⊙▶	99	100	⊙▶
Iceland	→		98	⊙	99	98	◀⊙		99	⊙	99	98	◀⊙
India	⟵	96	72	⟵	92	69	⟵	91	69	⟵	87	55	⟵
Indonesia	⟵	100	97	◀⊙	87	64	⟵	93	74	⟵	86	71	⟵
Iran, Islamic Rep. of	⟶		99	⊙	91	100	⟶		100	⊙	85	99	⟶
Iraq A	⟶		85		83	90	→	50	89	⟶	83	94	⟶
Ireland					65						78		
Israel B	→				91	93	→		92		91	94	→
Italy A	⟶				83	95	⟶		96	⊙	43	55	→
Jamaica	←	100	89	◀⊙	86	84	←	93	84	⟵	69	82	→
Japan	⟶	93	91	←	87	100	⟶	94	98	⟶	66	94	⟶
Jordan A	⟵				92	85	⟵	96	85	◀⊙	87	83	←
Kazakhstan A	→		99	⊙	80	98	⟶		92		95	87	◀⊙
Kenya	⟶	92	96	⟶	42	79	⟶	84	81	←	41	79	⟶
Kiribati B	⟵		70		97	78	◀⊙		77		75	62	⟵
Korea, Dem. Rep. of B	←		64		98	37	◀⊙		77		98	34	◀⊙
Korea, Rep. of	⟶	72	99	⟶	74	94	⟶	74	94	⟶	93	96	→
Kuwait A	←				94	94	II	98	94	◀⊙	98	96	◀⊙
Kyrgyzstan	→	97	98	→	99	98	◀⊙	84	98	⟶	99	97	◀⊙
Lao People's Dem. Rep. B	⟶		63		18	56	⟶		64		32	71	⟶
Latvia	⟶	89	100	⟶	85	94	⟶	72	94	⟶	97	97	◎
Lebanon B	⟶				82	94	⟶		94		39	81	⟶
Lesotho	←	59	68	→	77	64	⟵	59	60	→	87	55	⟵
Liberia			43			23			25			35	
Libyan Arab Jamahiriya	⟶		100	⊙	62	97	⟶		95	⊙	59	92	⟶
Lithuania	⟶	96	99	⟶	76	93	⟶	88	88	II	89	97	⟶
Luxembourg A	⟶		58		90	94	→		98	⊙	80	91	⟶
Macau					83						57		
Macedonia, TFYR A	⟶	96	99	⟶		98	⊙	91	98	⟶		92	
Madagascar	⟵	81	66	⟵	71	48	⟵	64	48	⟵	57	46	←
Malawi	→	99	92	⟵	87	94	⟶	98	93	◀⊙	81	90	⟶
Malaysia A	⟶		98	⊙	89	90	→		89		70	88	⟶
Maldives	⟶		98	⊙	94	97	⟶		98	⊙	96	97	⊙▶
Mali	⟶	67	84	⟶	42	52	→	39	52	→	43	57	→
Malta A	→		96	⊙	63	92	⟶		92		80	60	⟵
Marshall Is. B	II		81		92	66	⟵		86		52	93	⟶
Mauritania B	←		76		33	19	⟵		19		38	56	→
Mauritius	II	87	87	II	85	85	II	89	86	←	76	80	→
Mexico	⟶	98	100	⟶	66	87	⟶	92	97	⟶	78	98	⟶
Micronesia, Fed. Sts. B	⟵		52		85	76	⟵		76		81	79	←
Moldova, Rep. of	⟶		100	⊙		97	⊙		98	⊙		99	⊙
Monaco A	II		90		100	99	◀⊙		99	⊙	100	98	◀⊙
Mongolia	→	90	97	⟶	69	90	⟶	77	89	⟶	92	86	⟵
Morocco	⟶	93	90	←	81	94	⟶	87	94	⟶	79	93	⟶
Mozambique	⟶	78	100	⟶	46	81	⟶	55	81	⟶	59	90	⟶
Myanmar	⟶	83	90	→	69	75	→	77	88	⟶	68	86	⟶
Namibia	←	100	80	◀⊙	38	72	⟶	79	72	←	77	65	⟵
Nauru C	II		78			50			36			100	⊙
Nepal	→	61	86	⟶	80	76	←	62	70	→	68	73	→
Netherlands A	⟶				97	97	◎		97	⊙	94	96	→
New Caledonia													
New Zealand A	←	20			90	88	←	68	85	⟶	90	82	⟵
Nicaragua	→	89	100	⟶	66	90	⟶	84	93	⟶	82	71	⟵
Niger	→	32	36	→	22	21	←	20	21	→	25	25	II
Nigeria	⟵	46	27	⟵	56	21	⟵	35	22	←	48	26	⟵
Niue	⟶		100	⊙		100	⊙		100	⊙		100	⊙
Northern Mariana Is.					12								

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⊙ Countries with no starting point data. Met the goal by 2000
⊙▶ Countries with goal met before the starting point still progressing
◀⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
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COMMITMENT 10: To eradicate, eliminate or control the main diseases constituting sanitary problems on a world level by 2000

Percentage of children under 1 totally immunized

	SUMMARY	TUBERCULOSIS (%) 1990 1994	TUBERCULOSIS (%) 1997 1999	TUBERCULOSIS (%) PROGRESS OR REGRESSION	DPT (%) 1990 1994	DPT (%) 1997 1999	DPT (%) PROGRESS OR REGRESSION	POLIO (%) 1990 1994	POLIO (%) 1997 1999	POLIO (%) PROGRESS OR REGRESSION	MEASLES (%) 1990 1994	MEASLES (%) 1997 1999	MEASLES (%) PROGRESS OR REGRESSION
Norway [B]	→				86	92	→		92		87	93	→
Oman	⟶	96	98	⟶	98	99	⊙▸	97	100	⊙▸	98	99	⊙▸
Pakistan	⟵	78	73	←	83	58	⟵	66	58	←	76	54	⟵
Palau [A]	II				100	96	◂⊙		96	⊙	98	96	◂⊙
Palestine													
Panama	⟶	95	99	⟶	86	98	⟶	83	99	⟶	99	96	◂⊙
Papua New Guinea	⟵	91	70	⟵	67	56	←	66	45	⟵	66	57	←
Paraguay	←	97	87	⟵	79	77	←	83	73	⟵	70	72	→
Peru	→	91	72	⟵	72	98	⟶	87	96	⟶	64	92	⟶
Philippines	⟵	89	91	→	88	79	⟵	88	81	⟵	85	71	⟵
Poland [A]	II		94		96	95	◂⊙		95	⊙	95	91	◂⊙
Portugal	→	92	88	⟵	89	97	⟶	92	96	⟶	85	96	⟶
Qatar [A]	⟶		100	⊙	82	94	⟶		94		79	90	⟶
Reunion													
Romania	⟶		100	⊙	96	97	⊙▸		98	⊙	92	98	⟶
Russian Federation	⟶	87	100	⟶	60	92	⟶	82	97	⟶	81	97	⟶
Rwanda	⟶	32	94	⟶	57	85	⟶	23	85	⟶	55	78	⟶
Saint Kitts and Nevis	⟶		100	⊙	100	100	◎		100	⊙	100	99	◂⊙
Saint Lucia [A]	→		100	⊙	91	89	←		89		83	95	⟶
Samoa (Western)	⟶		99	⊙	90	98	⟶		98	⊙	89	91	→
San Marino	⟶		97	⊙		98	⊙		100	⊙		96	⊙
Sao Tomé and Principe [B]	⟵		80		92	73	⟵		72		71	59	⟵
Saudi Arabia [B]	→		92		92	93	→		93		88	92	→
Senegal	→	71	90	⟶	66	60	←	55	57	→	57	60	→
Seychelles	⟶		100	⊙	99	99	◎		99	⊙	86	99	⟶
Sierra Leone	←	60	55	←	83	22	⟵	43	72	⟶	75	29	⟵
Singapore	⟶	98	98	◎	85	94	⟶	92	95	→	84	86	→
Slovakia [A]	⟶		92		99	99	◎		99	⊙	99	99	◎
Slovenia [C]	II		98	⊙		91			90			93	
Solomon Is. [A]	⟶		99	⊙	77	86	→		84		70	96	⟶
Somalia	←	48	39	←	18	18	II	23	18	←	30	26	←
South Africa [A]	⟶		97	⊙	74	76	→		72		79	82	→
Spain [B]	⟵				93	88	⟵		81		97	78	◂⊙
Sri Lanka	⟶	86	97	⟶	86	99	⟶	88	99	⟶	80	95	⟶
St. Vincent and Grenadines	⟶		99	⊙		99	⊙		99	⊙		99	⊙
Sudan	⟶	78	100	⟶	62	88	⟶	70	87	⟶	57	88	⟶
Suriname [B]	⟶				83	85	→		84		65	85	⟶
Swaziland [A]	→		94		89	96	⟶		96	⊙	86	72	⟵
Sweden [A]	⟶		12		99	99	◎		99	⊙	95	96	⊙▸
Switzerland					90						90		
Syrian Arab Republic	⟶		100	⊙	90	97	⟶		97	⊙	87	97	⟶
Tajikistan	⟶	69	98	⟶	94	94	II	74	95	⟶	91	95	→
Tanzania, U. Rep. of [B]	II		93		78	82	→		81		79	78	←
Thailand	⟶	98	98	◎	85	97	⟶	93	97	⟶	70	94	⟶
Togo	⟵	73	63	←	77	48	⟵	71	48	⟵	65	47	⟵
Tonga [A]	⟶		100	⊙	94	94	II		94		86	97	⟶
Trinidad and Tobago [A]	⟶				89	91	→	85	91	→	79	89	⟶
Tunisia	⟶	80	99	⟶	91	100	⟶	97	100	⊙▸	88	93	→
Turkey	→	72	78	→	74	79	→	81	79	←	67	80	→
Turkmenistan	⟶	94	99	⟶	79	98	⟶	92	98	⟶	80	97	⟶
Tuvalu [C]	II		100	⊙		84			83			94	
Uganda	⟵	100	83	◂⊙	77	54	⟵	79	55	⟵	74	53	⟵
Ukraine	⟶	89	99	⟶	79	99	⟶	91	99	⟶	89	99	⟶
United Arab Emirates [A]	⟶		98	⊙	89	94	→		94		78	95	⟶
United Kingdom	⟶		99	⊙	85	95	⟶		96	⊙	89	95	⟶
United States [C]	II					90		79	94	⟶		91	
Uruguay	→	99	99	◎	97	93	◂⊙	88	93	→	97	93	◂⊙
Uzbekistan	⟶	89	97	⟶	79	99	⟶	51	99	⟶	85	96	⟶
Vanuatu [A]	⟶		99	⊙	76	93	⟶		87		66	94	⟶
Venezuela	⟶	95	95	◎	61	77	→	73	86	⟶	61	78	→
Viet Nam	⟶	95	95	◎	85	93	⟶	94	93	←	85	94	⟶
Yemen [B]	←		78		89	72	⟵		72		74	74	II
Yugoslavia [C]	II		87			94			95	⊙		94	
Zambia	→	100	87	◂⊙	71	92	⟶	88	92	→	68	72	→
Zimbabwe [B]	→		88		78	81	→		81		76	79	→

A: countries with summary based on three indicators. **B**: countries with summary based on two indicators. **C**: countries with summary based on one indicator.

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◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
II **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

COMMITMENT 11: To reduce adult illiteracy to at least one half of the 1990 level

Illiteracy rate

	1990 (%)	1999 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Average	**29.9**	**23.9**		
Afghanistan	73.1	64.4	➡	36.5
Albania	22.6	16.0	➡	11.3
Algeria	45.7	33.4	➡	22.9
Argentina	4.3	3.3	➡	2.2
Armenia	2.6	1.7	➡	1.3
Bahamas	5.3	4.3	➡	2.7
Bahrain	17.8	12.9	➡	8.9
Bangladesh	65.0	59.2	➡	32.5
Belarus	0.7	0.5	➡	0.3
Belize	10.9	6.9	➡	5.4
Benin	71.9	61.0	➡	36.0
Bolivia	21.6	15.0	➡	10.8
Botswana	31.8	23.6	➡	15.9
Brazil	19.1	15.1	➡	9.6
Brunei Darussalam	14.4	9.0	➡	7.2
Bulgaria	2.8	1.7	➡	1.4
Burkina Faso	83.6	77.0	➡	41.8
Burundi	62.0	53.1	➡	31.0
Cambodia	69.3	61.3	➡	34.7
Cameroon	37.4	25.2	➡	18.7
Cape Verde	36.2	26.4	➡	18.1
Central African Rep.	66.7	54.6	➡	33.3
Chad	72.3	59.0	➡	36.2
Chile	5.9	4.4	➡	3.0
China	23.0	16.5	➡	11.5
Colombia	11.4	8.5	➡	5.7
Comoros	46.2	40.8	➡	23.1
Congo	32.9	20.5	➡	16.5
Congo, Dem. Rep. of the	52.4	39.7	➡	26.2
Costa Rica	6.1	4.5	➡	3.0
Côte d'Ivoire	66.2	54.3	➡	33.1
Croatia	3.1	1.8	➡	1.5
Cuba	4.8	3.4	➡	2.4
Cyprus	5.7	3.1	➡	2.8
Djibouti	47.0	36.6	➡	23.5
Dominican Republic	20.6	16.8	➡	10.3
Ecuador	12.6	9.0	➡	6.3
Egypt	52.9	45.4	➡	26.5
El Salvador	27.5	21.7	➡	13.8
Equatorial Guinea	26.7	17.8	➡	13.4
Eritrea	57.0	47.3	➡	28.5
Ethiopia	71.9	62.6	➡	36.0
Fiji	11.4	7.4	➡	5.7
Gambia	74.4	64.3	➡	37.2
Ghana	41.6	29.7	➡	20.8
Greece	5.0	2.9	➡	2.5
Guatemala	38.8	31.9	➡	19.4
Guinea-Bissau	71.8	62.3	➡	35.9
Guyana	2.8	1.6	➡	1.4
Haiti	60.3	51.2	➡	30.1
Honduras	31.5	26.0	➡	15.8
Hong Kong, China (SAR)	10.0	6.7	➡	5.0
Hungary	0.9	0.7	➡	0.4
India	50.7	43.5	➡	25.4
Indonesia	20.3	13.7	➡	10.1
Iran, Islamic Rep. of	36.0	24.3	➡	18.0
Iraq	54.7	45.2	➡	27.4
Israel	6.1	4.2	➡	3.0
Italy	2.3	1.6	➡	1.1
Jamaica	18.0	13.6	➡	9.0
Jordan	18.7	10.8	➡	9.4
Kenya	29.2	18.5	➡	14.6
Korea, Rep. of	4.1	2.4	➡	2.0
Kuwait	22.5	18.1	➡	11.3
Lao People's Dem. Rep.	63.8	52.7	➡	31.9
Latvia	0.2	0.2	II	0.1
Lebanon	19.7	14.4	➡	9.9
Lesotho	22.1	17.1	➡	11.1
Liberia	60.6	46.8	➡	30.3
Libyan Arab Jamahiriya	31.8	20.9	➡	15.9
Lithuania	0.7	0.5	➡	0.3
Madagascar	42.0	34.3	➡	21.0
Malawi	48.2	40.8	➡	24.1
Malaysia	19.1	13.0	➡	9.6
Maldives	6.1	3.8	➡	3.0
Mali	74.4	60.2	➡	37.2
Malta	11.5	8.2	➡	5.8
Mauritania	63.6	58.4	➡	31.8
Mauritius	20.1	15.8	➡	10.1
Mexico	12.2	8.9	➡	6.1
Moldova, Rep. of	2.6	1.3	⟶	1.3
Mongolia	47.1	37.7	➡	23.5
Morocco	61.3	52.0	➡	30.6
Mozambique	66.5	56.8	➡	33.3
Myanmar	19.2	15.6	➡	9.6
Namibia	25.1	18.6	➡	12.6
Nepal	69.4	59.6	➡	34.7
Netherlands Antilles	4.4	3.6	➡	2.2
Nicaragua	35.1	31.8	➡	17.5
Niger	88.6	84.7	➡	44.3
Nigeria	51.4	37.4	➡	25.7
Oman	45.3	29.7	➡	22.6
Pakistan	63.9	55.0	➡	32.0
Panama	11.0	8.3	➡	5.5
Papua New Guinea	42.4	36.1	➡	21.2
Paraguay	9.7	7.0	➡	4.8
Peru	14.4	10.4	➡	7.2
Philippines	7.5	4.9	➡	3.8
Poland	0.4	0.3	➡	0.2
Portugal	12.6	8.1	➡	6.3
Puerto Rico	8.5	6.5	➡	4.3
Qatar	23.0	19.2	➡	11.5
Romania	3.0	2.0	➡	1.5
Russian Federation	0.8	0.5	➡	0.4
Rwanda	46.7	34.2	➡	23.4
Samoa (Western)	24.0	19.8	➡	12.0
Saudi Arabia	32.8	23.9	➡	16.4
Senegal	71.7	63.6	➡	35.8
Singapore	11.1	7.9	➡	5.6
Slovenia	0.4	0.4	II	0.2
South Africa	18.7	15.1	➡	9.4
Spain	3.7	2.4	➡	1.9
Sri Lanka	11.3	8.6	➡	5.7
Sudan	53.7	43.1	➡	26.9
Swaziland	28.4	21.1	➡	14.2
Syrian Arab Republic	35.1	26.4	➡	17.5
Tajikistan	1.8	0.9	⟶	0.9
Tanzania, U. Rep. of	36.2	25.3	➡	18.1
Thailand	7.6	4.7	➡	3.8
Togo	54.0	43.7	➡	27.0
Trinidad and Tobago	8.6	6.5	➡	4.3
Tunisia	40.9	30.1	➡	20.5
Turkey	22.0	15.4	➡	11.0
Uganda	43.9	33.9	➡	22.0
Ukraine	0.6	0.4	➡	0.3
United Arab Emirates	29.5	24.9	➡	14.8
Uruguay	3.4	2.3	➡	1.7
Uzbekistan	16.7	11.5	➡	8.4
Venezuela	11.0	7.7	➡	5.5
Viet Nam	9.5	6.9	➡	4.8
Yemen	67.3	54.8	➡	33.7
Zambia	31.9	22.8	➡	15.9
Zimbabwe	19.3	12.0	➡	9.6

Source: World Development Indicators 2001, World Bank.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
Goal already met at the starting point
Countries with no starting point data. Met the goal by 2000
Countries with goal met before the starting point still progressing
Countries with goal met before the starting point but going backwards
Significant regression
Some regression
II Stagnation
➡ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 12A: To provide access to safe drinking water and adequate sanitation for all

Percentage of population with access to sanitation

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Average	**63**	**74**		
Afghanistan	1	12	→	100
Algeria [A]	59	73	→	100
Argentina [A]	89	85	←	100
Australia	86	100	⟶	100
Austria	100	100	◎	100
Bahamas	98	93	◂⊙	100
Bangladesh [B]	35	53	→	100
Barbados [B]	100	100	◎	100
Belize	43	42	←	100
Benin [B]	22	23	→	100
Bhutan [B]	13	69	→	100
Bolivia	25	66	→	100
Brazil [A]	78	77	←	100
Bulgaria	99	100	⊙▸	100
Burkina Faso	8	29	→	100
Cameroon	40	92	→	100
Canada	85	100	⟶	100
Cape Verde	24	71	→	100
Central African Rep. [A]	15	31	→	100
Chad	27	29	→	100
Chile [A]	83	97	⟶	100
Colombia [A]	65	85	→	100
Comoros	83	98	→	100
Costa Rica [A]	97	96	◂⊙	100
Cuba [B]	92	95	→	100
Cyprus	100	100	◎	100
Djibouti	84	91	→	100
Dominican Republic [A]	60	71	→	100
Ecuador [A]	56	59	→	100
Egypt [A]	80	94	→	100
El Salvador	61	83	→	100
Equatorial Guinea [B]	42	53	→	100
Ethiopia [A]	10	15	→	100
Finland	100	100	◎	100
Gabon [B]	76	21	⟵	100
Gambia	84	37	⟵	100
Ghana	27	63	→	100
Guatemala	66	85	→	100
Guinea [B]	14	58	→	100
Guinea-Bissau	24	47	→	100
Guyana [B]	49	87	→	100
Haiti [A]	22	28	→	100
Honduras	62	77	→	100
Hungary	94	99	→	100
India [B]	16	31	→	100
Indonesia [B]	55	66	→	100
Iran, Islamic Rep. of	82	81	←	100
Iraq	87	79	←	100
Jamaica [B]	74	84	→	100
Jordan	70	99	→	100

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Average	**63**	**74**		
Kenya	86	86	ǁ	100
Korea, Dem. Rep. of	100	99	◂⊙	100
Korea, Rep. of	100	63	◂⊙	100
Lao People's Dem. Rep.	19	46	→	100
Lesotho	32	92	→	100
Madagascar	3	42	→	100
Malawi [A]	59	77	→	100
Maldives [B]	49	56	→	100
Malta	100	100	◎	100
Mauritania	64	33	⟵	100
Mauritius	100	99	◂⊙	100
Mexico	60	73	→	100
Monaco	100	100	◎	100
Mongolia [A]	100	30	◂⊙	100
Morocco [A]	54	75	→	100
Mozambique [A]	47	43	←	100
Myanmar	36	46	→	100
Namibia	23	41	→	100
Nepal	6	27	→	100
Netherlands	100	100	◎	100
Nigeria	61	63	→	100
Oman [A]	76	92	→	100
Pakistan	21	61	→	100
Panama [A]	84	99	⟶	100
Papua New Guinea	29	82	→	100
Paraguay [A]	58	95	⟶	100
Peru [A]	42	76	→	100
Philippines	83	83	ǁ	100
Romania	100	53	◂⊙	100
Rwanda [A]	55	8	⟵	100
Samoa (Western) [A]	84	99	⟶	100
Saudi Arabia	78	100	⟶	100
Singapore	97	100	⊙▸	100
Slovakia	51	100	⟶	100
South Africa [B]	53	86	→	100
Sri Lanka [B]	61	83	→	100
Sudan [A]	26	62	→	100
Suriname	94	83	⟵	100
Sweden	100	100	◎	100
Switzerland	100	100	◎	100
Syrian Arab Republic	78	90	→	100
Tanzania, U. Rep. of [B]	86	90	→	100
Thailand	70	96	→	100
Togo	22	34	→	100
Trinidad and Tobago [A]	99	88	◂⊙	100
Turkey	94	91	←	100
Uganda [B]	67	75	→	100
United Kingdom	100	100	◎	100
United States	85	100	⟶	100
Uruguay [B]	82	95	→	100

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)
Average	**63**	**74**		
Uzbekistan [B]	18	100	→	100
Vanuatu [A]	44	100	⟶	100
Venezuela [A]	92	74	⟵	100
Viet Nam	56	73	→	100
Yemen [B]	51	45	←	100
Zambia [A]	70	78	→	100
Zimbabwe [A]	56	68	→	100
COUNTRIES WITH NO 2000 DATA				
Congo [B]	9			100
Côte d'Ivoire [A]	50			100
Denmark	100		◎	100
Malaysia	91			100
Moldova, Rep. of [B]	50			100
Norway	100		◎	100
Slovenia [B]	97		◎	100
Tonga	70			100
COUNTRIES WITH NO STARTING POINT DATA				
Andorra		100	⊙	100
Angola		44		100
Cambodia		18		100
China		38		100
Congo, Dem. Rep. of the		20		100
Cook Is.		100	⊙	100
Eritrea		13		100
Fiji		43		100
French Guiana		79		100
French Polynesia		98	⊙	100
Grenada		97	⊙	100
Guadeloupe		61		100
Kazakhstan		99	⊙	100
Kiribati		48		100
Kyrgyzstan		100	⊙	100
Lebanon		99	⊙	100
Libyan Arab Jamahiriya		97	⊙	100
Mali		69		100
Nicaragua		84		100
Niger		20		100
Niue		100	⊙	100
Palau		100	⊙	100
Saint Kitts and Nevis		96	⊙	100
Senegal		70		100
Sierra Leone		28		100
Solomon Is.		34		100
St. Vincent and Grenadines		96	⊙	100
Tuvalu		100	⊙	100

A: 1988 data taken as 1990

B: 1993 data taken as 1990

Source: World Development Indicators 1999, World Bank for 1990 data and U.N. Statistical Division Website (http://www.un.org/depts/unsd/) for 2000 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average

- ◎ Goal already met at the starting point
- ⊙ Countries with no starting point data. Met the goal by 2000
- ⊙▸ Countries with goal met before the starting point still progressing
- ◂⊙ Countries with goal met before the starting point but going backwards
- ⟵ Significant regression
- ← Some regression
- ǁ Stagnation
- → Some progress
- ⟶ Significant progress or goal already achieved

COMMITMENT 12B: To provide access to safe drinking water and adequate sanitation for all

Goal 2015: To halve the proportion of people without sustainable access to safe drinking water (*)

Percentage of population with access to safe water

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average	**66**	**76**			
Afghanistan	20	13	←	100	57
Algeria [A]	77	94	→	100	97
Argentina [A]	64	79	→	100	90
Australia	95	100	◎▸	100	100
Bangladesh [B]	84	97	→	100	99
Barbados [A]	100	100	◎	100	100
Belize	80	76	←	100	88
Benin [B]	70	63	←	100	82
Bhutan	34	62	→	100	81
Bolivia	53	79	→	100	90
Brazil [A]	89	87	←	100	94
Cambodia [B]	13	30	→	100	65
Cameroon	34	62	→	100	81
Canada	100	100	◎	100	100
Cape Verde	52	74	→	100	87
Central African Rep. [A]	19	60	→	100	80
Chad	48	27	←	100	64
Chile [A]	86	94	→	100	97
Colombia [A]	88	91	→	100	96
Comoros	46	96	→	100	98
Congo	47	51	→	100	76
Costa Rica [A]	94	98	→	100	99
Côte d'Ivoire [B]	82	77	←	100	89
Cuba [B]	98	95	◂◎	100	98
Cyprus	100	100	◎▸	100	100
Djibouti	24	100	⟶	100	100
Dominica [D]	92	97	→	100	99
Dominican Republic [A]	52	79	→	100	90
Ecuador [A]	58	71	→	100	86
El Salvador	46	74	→	100	87
Ethiopia [A]	10	24	→	100	62
Fiji [A]	79	47	⟵	100	74
Finland [B]	98	100	◎▸	100	100
Gabon [A]	52	70	→	100	85
Ghana [B]	57	64	→	100	82
Grenada [D]	85	94	→	100	97
Guatemala	60	92	→	100	96
Guinea [A]	27	48	→	100	74
Guinea-Bissau	23	49	→	100	75
Guyana [B]	83	94	→	100	97
Haiti [A]	42	46	→	100	73

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average	**66**	**76**			
Honduras	64	90	→	100	95
India [B]	85	88	→	100	94
Indonesia [B]	65	76	→	100	88
Iraq	96	85	◂◎	100	93
Jamaica	83	71	←	100	86
Jordan	96	96	◎	100	98
Kenya	47	49	→	100	75
Kiribati [B]	100	47	◂◎	100	74
Kyrgyzstan [B]	81	77	←	100	89
Lesotho	45	91	→	100	96
Madagascar [B]	16	47	→	100	74
Malawi [A]	51	57	→	100	79
Mali [B]	49	65	→	100	83
Malta [C]	100	100	◎	100	100
Mauritania	41	37	←	100	69
Mauritius [A]	95	100	◎▸	100	100
Mexico	80	86	→	100	93
Mongolia [A]	100	60	◂◎	100	80
Morocco [A]	47	82	→	100	91
Mozambique [A]	19	60	→	100	80
Myanmar	32	68	→	100	84
Namibia	64	77	→	100	89
Nepal	57	81	→	100	91
Netherlands [A]	100	100	◎	100	100
Nicaragua [A]	33	79	→	100	90
Niger	55	59	→	100	80
Nigeria	47	57	→	100	79
Norway	100	100	◎	100	100
Oman [A]	59	39	←	100	70
Pakistan	55	88	→	100	94
Palau [D]	100	79	◂◎	100	90
Panama [A]	83	87	→	100	94
Papua New Guinea	41	42	→	100	71
Paraguay [A]	33	79	→	100	90
Peru [A]	58	77	→	100	89
Philippines	78	87	→	100	94
Romania [B]	62	58	←	100	79
Rwanda [A]	70	41	⟵	100	71
Samoa (Western) [A]	90	99	⟶	100	100
Saudi Arabia	76	95	→	100	98
Senegal	50	78	→	100	89

Source: World Development Indicators 1999, World Bank for 1990 data and UN Statistical Division Website (http://www.un.org/depts/unsd/) for 2000 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
◉ Countries with no starting point data. Met the goal by 2000
◎▸ Countries with goal met before the starting point still progressing

◂◎ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
ıı Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

COMMITMENT 12B: To provide access to safe drinking water and adequate sanitation for all

Goal 2015: To halve the proportion of people without sustainable access to safe drinking water (*)

Percentage of population with access to safe water

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Average	**66**	**76**			
Sierra Leone [C]	34	28	←	100	64
Singapore	100	100	⊚	100	100
Slovenia	98	100	⊙▸	100	100
South Africa [C]	59	86	→	100	93
Sri Lanka [B]	53	83	→	100	92
Sudan [A]	65	75	→	100	88
Switzerland [A]	100	100	⊚	100	100
Syrian Arab Republic	76	80	→	100	90
Thailand	78	80	→	100	90
Togo	59	54	←	100	77
Tonga	100	100	⊚	100	100
Trinidad and Tobago [A]	96	86	◂⊙	100	93
Uganda [B]	42	50	→	100	75
United Kingdom [B]	100	100	⊙▸	100	100
United States	90	100	⟶	100	100
Uruguay [A]	85	98	⟶	100	99
Uzbekistan [B]	57	85	→	100	93
Vanuatu	72	88	→	100	94
Venezuela [A]	89	84	←	100	92
Zambia [A]	70	64	←	100	82
Zimbabwe [A]	65	85	→	100	93
COUNTRIES WITH NO RECENT DATA					
Botswana	60			100	
Burundi	45			100	
Malaysia	88			100	
New Zealand [A]	95			100	
COUNTRIES WITH NO STARTING POINT DATA					
American Samoa		100	⊙	100	100
Andorra		100	⊙	100	100
Angola		38		100	69
Austria		100	⊙	100	100
Bahamas		96	⊙	100	98
Belarus		100	⊙	100	100
Bulgaria		100	⊙	100	100
China		75		100	88

	APPROX. 1990 (%)	2000 (%)	PROGRESS OR REGRESSION	GOAL 2000 (%)	GOAL 2015 (%)
Congo, Dem. Rep. of the		45		100	73
Cook Is.		100	⊙	100	100
Denmark		100	⊙	100	100
Egypt		95	⊙	100	98
Equatorial Guinea		43		100	72
Eritrea		46		100	73
French Guiana		84		100	92
French Polynesia		100	⊙	100	100
Gambia		62		100	81
Guadeloupe		94		100	97
Hungary		99	⊙	100	100
Iran, Islamic Rep. of		95	⊙	100	98
Kazakhstan		91		100	96
Korea, Dem. Rep. of		100	⊙	100	100
Korea, Rep. of		92		100	96
Lao People's Dem. Rep.		90		100	95
Lebanon		100	⊙	100	100
Libyan Arab Jamahiriya		72		100	86
Maldives		100	⊙	100	100
Moldova, Rep. of		100	⊙	100	100
Monaco		100	⊙	100	100
Niue		100	⊙	100	100
Russian Federation		99	⊙	100	100
Saint Kitts and Nevis		98	⊙	100	99
Saint Lucia		98	⊙	100	99
Slovakia		100	⊙	100	100
Solomon Is.		71		100	86
St. Vincent and Grenadines		93		100	97
Suriname		95	⊙	100	98
Sweden		100	⊙	100	100
Tanzania, U. Rep. of		54		100	77
Turkey		83		100	92
Tuvalu		100	⊙	100	100
Viet Nam		56		100	78
Yemen		69		100	85

A: 1988 data taken as 1990. **B**: 1993 data taken as 1990
C: 1994 data taken as 1990. **D**: 1995 data taken as 1990
Progress index calculation was based on actual date
(*) This goal means a 50% increase in current access to safe drinking water in relation to the current population without coverage.

Source: World Development Indicators 1999, World Bank for 1990 data and UN Statistical Division Website (http://www.un.org/depts/unsd/) for 2000 data.

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
⊚ **Goal already met at the starting point**
⊙ **Countries with no starting point data. Met the goal by 2000**
⊙▸ **Countries with goal met before the starting point still progressing**
◂⊙ **Countries with goal met before the starting point but going backwards**
⟵ **Significant regression**
← **Some regression**
॥ **Stagnation**
→ **Some progress**
⟶ **Significant progress or goal already achieved**

PROGRESS OR REGRESSIONS IN THE FULFILMENT OF THE COPENHAGEN GOALS

	BASIC EDUCATION	CHILDREN'S HEALTH	FOOD SECURITY & INFANT NUTRITION	REPRODUCTIVE HEALTH	HEALTH & LIFE EXPECTANCY	SAFE WATER & SANITATION
Afghanistan		→	⟵		→	II
Albania	⊙	→	⟶	⊙	◂⊙	
Algeria	→	⟶	II		⊙▸	→
American Samoa						⊙
Andorra		←				⊙
Angola		II	←	→	→	
Antigua and Barbuda		→	⟵	⟶	⊙▸	
Argentina	⊙	→	⟶	⊙▸	⊙▸	II
Armenia		→		⊙	⊙▸	
Australia	◂⊙	→	⊙▸	⊙▸	⊙▸	⟶
Austria	←	⟶	⊙▸	⊙▸	⊙▸	⊙▸
Azerbaijan		II			⊙▸	
Bahamas	⊙▸	→	⟵	◎	⊙	⊙▸
Bahrain	◎	⟶		→	◎	
Bangladesh		→	→	←	→	→
Barbados	←	⟵	⊙▸	◂⊙	⊙▸	◎
Belarus		←		⊙▸	◂⊙	⊙
Belgium	⊙▸	→	⊙▸	◎	⊙▸	
Belize	→	←	⟶	→	⊙▸	←
Benin	→	→	→	→	←	II
Bermuda		→				
Bhutan	⊙	→	⟶	→	→	→
Bolivia		⟶	→	→	⟶	→
Bosnia and Herzegovina		→		⊙	⊙▸	
Botswana	←	→	←	→	⟵	
Brazil	II	⟶	→	⟶	⊙▸	←
British Virgin Is.			⊙▸			
Brunei Darussalam	←	→	→	◎	⊙▸	
Bulgaria	→	→	⊙▸	◎	◂⊙	⊙▸
Burkina Faso	→	←	⟶	II	←	→
Burundi		→	⟵		←	
Cambodia	→	⟶	⟶	←	→	→
Cameroon		←	II	II	→	→
Canada	◂⊙	→	⟶	◎	⊙▸	→
Cape Verde	◎	←	⟶	⟶	⊙▸	→
Cayman Is.		II				
Central African Rep.		←	→	→	→	→
Colombia	⟶	II	→	→	←	→
Comoros	⟶	II	←	II	⟶	→
Congo	⟵	II				→
Congo, Dem. Rep. of the	→	⟵				
Cook Is.		→		⊙		⊙
Costa Rica	→	II	←	⊙▸	⊙▸	II
Côte d'Ivoire	→	II	II	→	←	←
Croatia	II	⟶	→	⊙	⊙▸	
Cuba	⟶	⟶	⟵	⊙▸	⊙▸	II
Cyprus	⊙▸	⟶	⊙▸	⊙▸	⊙▸	⊙▸
Czech Republic	←	⟶	◎	⊙	⊙▸	
Chad	→	→	⟶	→	→	II
Channel Is.					⊙▸	
Chile	→	→	⟶	⊙▸	⊙▸	→
China	⊙▸	II	⟶	⟵	⊙▸	
Denmark	⊙▸	⟶	⟶	⊙	⊙▸	⊙▸

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COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
⊙ Countries with no starting point data. Met the goal by 2000
⊙▸ Countries with goal met before the starting point still progressing
◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

PROGRESS OR REGRESSIONS IN THE FULFILMENT OF THE COPENHAGEN GOALS

	BASIC EDUCATION	CHILDREN'S HEALTH	FOOD SECURITY & INFANT NUTRITION	REPRODUCTIVE HEALTH	HEALTH & LIFE EXPECTANCY	SAFE WATER & SANITATION
Djibouti	II	II	→		←	→
Dominica		→	⟵	⊙▸	⊙▸	→
Dominican Republic		→	→	⟶	⊙▸	→
Ecuador	⟶	→	⟶	⟶	⊙▸	→
Egypt	→	⟶	→	→	⊙▸	⟶
El Salvador	→	→	→	→	⊙▸	→
Equatorial Guinea		→		⟶	→	→
Eritrea	II	→	←	⟶	→	
Estonia	II	→		◎	⊙▸	
Ethiopia	←	→		→	←	→
Fiji	⊙▸	→	⟶	◎	⊙▸	⟵
Finland	◂⊙	→	→	⊙▸	⊙▸	⊙▸
France	⊙▸	⟶	⊙▸	⊙▸	⊙▸	
French Polynesia	⊙▸		⟶		⊙▸	⊚
Gabon	⟵	II	→	→	←	←
Gambia	II	→	⟶			⟵
Georgia	→	→		⊙▸	⊙▸	
Germany	→	⟶	⊙▸	⊚	⊙▸	
Ghana		→	→	→	II	→
Greece	II	⟶	⊙▸		⊙▸	
Grenada		→	⟶	⟶	⊚	⟶
Guadeloupe	◎					
Guam					⊙▸	
Guatemala	→	→	←	→	II	→
Guinea	II	→	→	→	→	→
Guinea-Bissau		II	⟵	→	→	→
Guyana	II	→	⟶		⊙▸	→
Haiti		→	II	→	→	→
Honduras	→	⟶	II	→	→	→
Hong Kong, China (SAR)	◎				⊙▸	
Hungary	→	⟶	⊙▸		⊙▸	⟶
Iceland	◂⊙	→	⟶		⊙▸	
India	←	II	→	II	⟶	→
Indonesia	◎	→	→	→	⟶	→
Iran, Islamic Rep. of	◂⊙	⟶	→	→	⟶	→
Iraq	⟵	→	⟶	→	←	←
Ireland	→	→	⊙▸	⊙▸	⊙▸	
Israel		→	⟵	◎	⊙▸	
Italy	◂⊙	⟶	⊙▸	◎	⊙▸	
Jamaica	◂⊙	→	→	→	⊙▸	II
Japan	⊙▸	→	←	◎	⊙▸	
Jordan	II	II	←	⟶	⟶	→
Kazakhstan		→		⊚	◂⊙	⊚
Kenya		II	→	←	←	→
Kiribati	◂⊙	←	⟶	→	⟶	◂⊙
Korea, Dem. Rep. of		→		◎	⊙▸	⊙▸
Korea, Rep. of	◎	⟶		⊙▸	⊙▸	◂⊙
Kuwait	→	→	⟶	→	⊙▸	
Kyrgyzstan		II		⊚	◂⊙	→
Lao People's Dem. Rep.	→	⟶	→	II	→	→
Latvia	→	II		⊚	⊙▸	
Lebanon		→	⟶		⊙▸	⊚
Lesotho	←	←	←	→	←	→

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
◎ Goal already met at the starting point
⊚ Countries with no starting point data. Met the goal by 2000
⊙▸ Countries with goal met before the starting point still progressing
◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

PROGRESS OR REGRESSIONS IN THE FULFILMENT OF THE COPENHAGEN GOALS

	BASIC EDUCATION	CHILDREN'S HEALTH	FOOD SECURITY & INFANT NUTRITION	REPRODUCTIVE HEALTH	HEALTH & LIFE EXPECTANCY	SAFE WATER & SANITATION
Liberia		→	←		→	
Libyan Arab Jamahiriya	◉	⟶	⊙▸	⟶	⊚	◉
Liechtenstein			⟶			
Lithuania		←			⊙▸	
Luxembourg		⟶		⊚	⊙▸	
Macau					⊙▸	
Macedonia, TFYR	→	⟶		⟶	⊙▸	
Madagascar	→	←	‖	←	←	→
Malawi	‖	→	→	→	→	→
Malaysia	⊙▸	⟶	→	◂⊙	⊙▸	
Maldives		→	←	⟶	←	⟶
Mali	→	→	→	→	←	→
Malta	⊙▸	→	⊙▸	⊚	⊙▸	⊚
Marshall Is.		‖				
Martinique	◂⊙					
Mauritania	←	←	⟶	→	→	←
Mauritius	→	‖	⟶	⊙▸	⊙▸	⊚
Mexico	⊚	→	→	→	→	→
Micronesia, Fed. Sts.		→			→	
Moldova, Rep. of		→		◉	◂⊙	◉
Monaco		‖				⊙▸
Mongolia	→	→	⟵	◂⊙	⊚	◂⊙
Montserrat				◉		
Morocco		⟶	←	‖	⊙▸	→
Mozambique	‖	→	→	→	→	‖
Myanmar		→	→	←	⟶	→
Namibia	→	→	←	→	⟵	→
Nauru		‖				
Nepal		→	←	→	→	→
Netherlands	⊙▸	⟶	⊙▸	⊚	⊙▸	⊚
Netherlands Antilles			⟶		⊙▸	
New Caledonia	⊙▸		←		⊙▸	
New Zealand	⊙▸	→	⊙▸	→	⊙▸	
Nicaragua	→	→	‖	‖	⊙▸	→
Niger	→	‖	←	→	→	→
Nigeria		←	→	←	←	→
Niue		⟶		◉		◉
Norway	◂⊙	→	⟶	⊚	⊙▸	⊚
Oman	‖	⟶	→	←	⟶	‖
Pakistan		‖	→	→	⟶	→
Palau		←		◉		⊙▸
Palestine	⊚			◉	◉	
Panama	⊚	→	→	→	←	→
Papua New Guinea	‖	⟵	←	→	→	→
Paraguay	→	→	⟶	→	⊙▸	→
Peru	‖	→	→	→	⊙▸	→
Philippines	⊙▸	⟶	→	→	⊙▸	→
Poland	◂⊙	→	⊙▸	⊚	⊙▸	
Portugal	◂⊙	⟶	⊙▸	⊚	⊙▸	
Puerto Rico					⊙▸	
Qatar	→	⟶		⊙▸	⊙▸	
Reunion	◉					
Romania	⟶	→	⟶	◉	◂⊙	←

COUNTRIES IN BLUE: Countries with starting point above average
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⊚ Goal already met at the starting point
◉ Countries with no starting point data. Met the goal by 2000
⊙▸ Countries with goal met before the starting point still progressing

◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
‖ Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

PROGRESS OR REGRESSIONS IN THE FULFILMENT OF THE COPENHAGEN GOALS

	BASIC EDUCATION	CHILDREN'S HEALTH	FOOD SECURITY & INFANT NUTRITION	REPRODUCTIVE HEALTH	HEALTH & LIFE EXPECTANCY	SAFE WATER & SANITATION
Russian Federation	◂⊙	→	⟶	⊙̲	◂⊙	⊙̲
Rwanda		→	→	→	II	⟵
Saint Kitts and Nevis		⟶	⟶	⊙▸	⊙̲	⊙̲
Saint Lucia	⊙̄	→	⟶	⊙▸	⊙̲	⊙̲
Samoa (Western)	◂⊙	⟶			⊙▸	⟶
San Marino	⊙̄	⟶				
Sao Tomé and Principe		II	→		⊙▸	
Saudi Arabia	→	→	⟵	→	⟶	→
Senegal	→	→	←	→	→	→
Seychelles	⊙▸	→	II	⊙̄	⊙▸	
Sierra Leone		→	→		→	←
Singapore	◂⊙	⟶		⊙̄	⊙▸	⊙▸
Slovakia		⟶			⊙▸	⟶
Slovenia	II	→		⊙̲	⊙▸	⊙▸
Solomon Is.	◂⊙	→	⟶	II	⊙▸	
Somalia		←	⟵		→	
South Africa	⊙̲	→	⟵		◂⊙	→
Spain	◂⊙	→	⊙▸		⊙▸	
Sri Lanka	◂⊙	→	→	→	⊙▸	→
St. Vincent and Grenadines		→	⟶	⟶	⊙̲	⊙̲
Sudan	◂⊙	→	⟶	⟶	→	→
Suriname	⊙̄	→	⟶	→	⊙▸	II
Swaziland	→	→	⟶	II	←	
Sweden	⊙̄	⟶	⟶	⊙̄	⊙▸	⊙▸
Switzerland	→	⟶	⊙▸	⊙̄	⊙▸	⊙̄
Syrian Arab Republic	◂⊙	⟶	→	→	⟶	→
Tajikistan		→			◂⊙	
Tanzania, U. Rep. of	→	II	←	←	←	→
Thailand		→	→	⟶	⟶	→
Togo	→	II	II	→	←	II
Tonga	⊙▸	→		◂⊙	⊙▸	⊙̄
Trinidad and Tobago	II	→	⟶	⊙▸	⊙▸	◂⊙
Tunisia	⟶	⟶	→	→	⊙▸	
Turkey	→	→	→	→	⊙▸	←
Turkmenistan		→		⊙̲	◂⊙	
Tuvalu	⊙̲	II		⊙̲		⊙̲
Uganda		II	←	II	←	→
Ukraine		→		⊙̄	◂⊙	
United Arab Emirates	II	⟶	⟶	→	⊙▸	
United Kingdom	⊙▸	⟶	⊙▸		⊙▸	⊙▸
United States	◂⊙	→	⊙▸	⊙̄	⊙▸	⟶
Uruguay	→	→	⟶	⟶	⊙▸	→
US Virgin Is.					⊙̲	
Uzbekistan		→		⊙̲	⊙▸	→
Vanuatu		⟶	→	⟶	⊙▸	→
Venezuela	II	→	←	◂⊙	⊙▸	←
Viet Nam		→	→	←	⊙▸	→
Yemen		→	←	→		←
Yugoslavia		→	⊙̄	→	⊙̲	
Zambia	←	←	II	→	←	II
Zimbabwe	◂⊙	→	←	→	←	→

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⊙̄ Goal already met at the starting point
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◂⊙ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

Gender gap evolution

	ILLITERACY (15-24 YEARS)	UNEMPLOYMENT	NET PRIMARY ENROLMENT		ILLITERACY (15-24 YEARS)	UNEMPLOYMENT	NET PRIMARY ENROLMENT
Afghanistan	■		▼	El Salvador	■	▲	▽
Albania	△		■	Equatorial Guinea	△		■
Algeria	△		△	Eritrea	■		△
Argentina	△	■	■	Estonia		△	■
Armenia	△			Ethiopia	△		▼
Australia		■	■	Fiji	△		■
Austria		■	△	Finland		▽	△
Azerbaijan		△	■	France		△	■
Bahamas	△	▽	▽	French Polynesia			■
Bahrain	▲		■	Gabon			■
Bangladesh	■	△	▲	Gambia	▽		▲
Barbados		△	△	Georgia		▽	▽
Belarus	■	▼	▼	Germany		△	▽
Belgium		▲	▽	Ghana	△		▲
Belize	▲	▲	■	Greece	■	△	■
Benin	▼		▲	Guadeloupe			■
Bhutan			▲	Guatemala	■		△
Bolivia	■	▽	△	Guinea			▲
Botswana	△		■	Guinea-Bissau	▼		▲
Brazil	△	▽		Guyana	■		△
Brunei Darussalam	▲		■	Haiti	■		■
Bulgaria	▼	▲	■	Honduras	■	△	■
Burkina Faso	■		△	Hong Kong, China (SAR)	▲	△	△
Burundi	△		▽	Hungary	■	■	▽
Cambodia	▽		■	Iceland		■	■
Cameroon	△		▲	India	■		▲
Canada		■	■	Indonesia	■		■
Cape Verde	■		■	Iran, Islamic Rep. of	■		△
Central African Rep.	■		▲	Iraq	■		△
Colombia	△	△	▼	Ireland		△	■
Comoros	■		▲	Isle of Man		■	
Congo	△		■	Israel	▲	△	▼
Congo, Dem. Rep. of the	■		▼	Italy	■	△	■
Costa Rica	△	▽	■	Jamaica	△	△	■
Côte d'Ivoire	■		△	Japan		△	■
Croatia	■	▲	■	Jordan	▲		△
Cuba	▼		■	Kazakhstan			△
Cyprus	■	▽	■	Kenya	△		△
Czech Republic		▽	▽	Korea, Rep. of	■	▽	■
Chad	■		▲	Kuwait	△		△
Chile	△	▽	▽	Kyrgyzstan			■
China	▽	■	■	Lao People's Dem. Rep.	■		△
Denmark		▽	■	Latvia	■	▲	▼
Djibouti	■		△	Lebanon	■		■
Dominican Republic	■	▽	▽	Lesotho	▲		■
Ecuador	■	△	■	Liberia	▽		
Egypt	■	▽	△	Libyan Arab Jamahiriya	▼		■

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
△ **Below average rate of countries still progressing**
▲ **Above average rate of countries still progressing**

■ **Growth rate below 1% per year.**
▽ **Above average rate of countries going backwards**
▼ **Below average rate of countries going backwards**

Gender gap evolution

	ILLITERACY (15-24 YEARS)	UNEMPLOYMENT	NET PRIMARY ENROLMENT
Lithuania	■	▽	△
Macau		▲	△
Macedonia, TFYR		△	■
Madagascar	■		▽
Malawi	■		▲
Malaysia	△		■
Maldives	▲		■
Mali	■		▲
Malta	▲	△	■
Martinique			■
Mauritania	■		▲
Mauritius	△		■
Mexico	■	▲	■
Moldova, Rep. of	■	▼	▽
Mongolia	■		△
Morocco	■	■	
Mozambique	■		▼
Myanmar	△		■
Namibia	△		■
Nepal	▽		▲
Netherlands		△	■
Netherlands Antilles	■	△	
New Caledonia			■
New Zealand		■	■
Nicaragua	■	■	▽
Niger	■		▲
Nigeria	△		△
Norway		■	■
Oman	▼		△
Pakistan	▽	▼	▼
Panama	■	■	
Papua New Guinea	■		△
Paraguay	△	▽	■
Peru	■	▲	■
Philippines	△	△	■
Poland	■	■	▽
Portugal	■	△	■
Puerto Rico	△	■	
Qatar	▲		△
Romania	▲	▲	▽
Russian Federation	■	■	■
Rwanda	△		▼
Saint Helena	■		
Saint Lucia		▲	
Samoa (Western)	■		■
San Marino		■	
Saudi Arabia	△		▲
Senegal	■		▲
Sierra Leone			▲
Singapore	△	▽	■
Slovakia		■	■
Slovenia	■	■	▽
Solomon Is.			△
South Africa	■		■
Spain	■	■	■
Sri Lanka	△	▲	■
Sudan	△		▲
Suriname		▽	■
Swaziland	△		■
Sweden		■	△
Switzerland		△	▽
Syrian Arab Republic		▼	
Tajikistan	■	▽	▽
Tanzania, U. Rep. of	△		■
Thailand	▼	△	▽
Togo	▽		▲
Trinidad and Tobago	△	▽	■
Tunisia	▽		■
Turkey	▽	△	▽
Uganda	■		△
Ukraine	■	▽	▽
United Arab Emirates	▲	△	▽
United Kingdom		△	■
United States		■	■
Uruguay	△	■	■
Uzbekistan	■	▽	▽
Vanuatu			▼
Venezuela	▲	▽	■
Viet Nam	△		
Yemen	▽		△
Yugoslavia			■
Zambia	■		△
Zimbabwe	▽		■

N.B: Unlike previous SW reports, this table does not refer to the exclusive evolution of women's advances but to the evolution of the gender gap in the three areas shown with the nearest available data to 1990 and 2000, respectively.
Regarding the countries' classification, break values were obtained from the annual growth rate of the gender gap for each variable.

Source:
Illiteracy (15-24 years): Human Development Report 2001, UNDP.
Unemployment: ILO LABORASTA, (Labour Statistics Database) and World Development Indicators 2001, World Bank.
Net Primary Enrolment: UNESCO Statistical Database Website (http://www. unesco.org)

COUNTRIES IN BLUE: Countries with starting point above average
COUNTRIES IN GREY: Countries with starting point below average
△ **Below average rate of countries still progressing**
▲ **Above average rate of countries still progressing**
■ **Growth rate below 1% per year.**
▽ **Above average rate of countries going backwards**
▼ **Below average rate of countries going backwards**

CHANGES IN PUBLIC EXPENDITURE

	EDUCATION EXPENDITURE INCREASE	HEALTH EXPENDITURE INCREASE	DEFENCE EXPENDITURE REDUCTION	EXTERNAL DEBT EXPENDITURE REDUCTION
	Public expenditure on education as % of GNP	Public expenditure on health as % of GDP	Military expenditure as % of GDP	Total debt service as % of GDP
	1990-1995/97	1990-1998	1990-1999	1990-1999
Albania		△		▽
Algeria	▽	▽	▼	▲
Angola			▼	▼
Argentina	△	△	▽	▼
Armenia	▼			
Australia	△	△	△	
Austria	■	△	△	
Azerbaijan	▼			
Bahamas		▽		
Bahrain	▽		△	
Bangladesh	△	▲	▽	△
Barbados	▽	▽		▲
Belarus	▲	▲		
Belgium	▼	▲	▲	
Belize	△	■	▽	▽
Benin		■		▽
Bhutan		▲		△
Bolivia		▲	△	▲
Botswana	▲	△	△	▲
Brazil		▽	△	▼
Brunei Darussalam			▽	
Bulgaria	▼	▽	▲	▼
Burkina Faso	△	△	▲	▼
Burundi	△	▽	▼	▽
Cambodia			▽	▲
Cameroon		△	■	▼
Canada	△	▽	△	
Cape Verde				▼
Central African Rep.				△
Chad	△			▼
Chile	△	△	△	▲
China	■		△	▽
Colombia	▲	▲	△	▲
Comoros				▼
Congo	△	△		▲
Congo, Dem. Rep. of the				▲
Costa Rica	△	▽		▲
Côte d'Ivoire		▽	△	▼
Croatia	▽			
Cyprus	▲		▲	
Czech Republic		▲		▼
Denmark	▲	▽	△	
Djibouti			▲	▲
Dominican Republic		△		▲
Ecuador	△	△		▲
Egypt	▲		△	▲
El Salvador	△	▲	▲	▲
Equatorial Guinea				▲
Ethiopia	△	△	▼	△
Fiji		△	△	▲
Finland	▲	▼	△	
France	△	△	△	
Gabon		△		▼
Gambia	△	▽	△	▲
Georgia		▼		
Germany			▲	
Ghana	△	△	▽	▽
Greece	△	▲	▽	
Guatemala	△	△	▲	△
Guinea	▽	△		▲
Guinea-Bissau				▼
Guyana	△	▲		▲
Haiti		△		▽

Source: Human Development Report 2001, UNDP.

No data
▲ Significant progress (more than 1%)
△ Some progress (less than 1%)
■ Stagnation
▽ Some regression (less than 1%)
▼ Significant regression (more than 1%)

CHANGES IN PUBLIC EXPENDITURE

	EDUCATION EXPENDITURE INCREASE	HEALTH EXPENDITURE INCREASE	DEFENCE EXPENDITURE REDUCTION	EXTERNAL DEBT EXPENDITURE REDUCTION
	Public expenditure on education as % of GNP	Public expenditure on health as % of GDP	Military expenditure as % of GDP	Total debt service as % of GDP
	1990-1995/97	1990-1998	1990-1999	1990-1999
Honduras	▽	△		▲
Hong Kong, China (SAR)	△			
Hungary	▼		▲	▼
Iceland	▽	△		
India	▽		△	△
Indonesia	△	△	△	▼
Iran, Islamic Rep. of	▽	△	△	▼
Ireland	△	▽	△	
Israel	▲	▲	▲	
Italy		▽	△	
Jamaica	▲	△		▲
Japan		▲	■	
Jordan	▼	▲	▲	▲
Kazakhstan	▲	△		
Kenya	▽	■	▲	▲
Korea, Rep. of	△	△	△	▼
Kuwait	▲		▲	
Kyrgyzstan	▼	▼		
Lao People's Dem. Rep.				▼
Latvia	▲	▲		
Lebanon			▲	△
Lesotho	▲		△	▼
Lithuania	▲	▲		
Luxembourg	▲	▽	△	
Macedonia, TFYR		▼		
Madagascar	▽		▽	▲
Malawi	▲		△	▲
Malaysia	▽	▽	△	▲
Maldives	△	△		▲
Mali		△	▽	▼
Malta	▲		△	▼
Mauritania			▲	▲
Mauritius	▲		△	▽
Mexico	▲		▽	▼
Moldova, Rep. of	▲	▲		
Mongolia	▼		▲	
Morocco	▽	△		▼
Mozambique		▽	▲	■
Myanmar		▽	△	
Namibia	▲	△		
Nepal	▲	△	■	▽
Netherlands	▽	△	△	
New Zealand	△	△	△	
Nicaragua	△	▲	▲	▼
Niger	▽			▲
Nigeria	▽	▽	▽	▲
Norway	△	△	△	
Oman	▲	△	▲	▲
Pakistan	■	▽	▲	▽
Panama	△	△	■	▼
Papua New Guinea		▽	▲	▲
Paraguay	▲	▲	△	▲
Peru	△	▲		▼
Philippines	△	△	△	▽
Poland	▲		△	▼
Portugal	▲	▲	△	
Qatar	■			
Romania	△		▲	
Russian Federation	■		▲	▽
Rwanda		△	▽	▽
Samoa (Western)		△		△
Saudi Arabia	▲		▽	
Senegal	▽	▲	△	△

Source: Human Development Report 2001, UNDP.

No data
▲ Significant progress (more than 1%)
△ Some progress (less than 1%)
■ Stagnation
▽ Some regression (less than 1%)
▼ Significant regression (more than 1%)

CHANGES IN PUBLIC EXPENDITURE

	EDUCATION EXPENDITURE INCREASE	HEALTH EXPENDITURE INCREASE	DEFENCE EXPENDITURE REDUCTION	EXTERNAL DEBT EXPENDITURE REDUCTION
	Public expenditure on education as % of GNP	Public expenditure on health as % of GDP	Military expenditure as % of GDP	Total debt service as % of GDP
	1990-1995/97	1990-1998	1990-1999	1990-1999
Sierra Leone			▽	▽
Singapore	■	△	▽	
Slovakia	▽	△		▼
Slovenia	△			
South Africa	▲	△	▲	
Spain	△	△	△	
Sri Lanka	△	▽	▼	▲
Sudan			▲	▽
Suriname	▼			
Swaziland	△	△	▽	▲
Sweden	△	▽	△	
Switzerland	△	▲	△	
Syrian Arab Republic	▽	△	▲	▲
Tajikistan	▼			
Tanzania, U. Rep. of		▽		▲
Thailand	▲	△	△	▼
Togo	▼	■		▲
Trinidad and Tobago	△	■		▲
Tunisia	▲	▽	△	▲
Turkey	△		▼	▼
Turkmenistan		△		
Uganda	▲		△	△
Ukraine	△	△		
United Arab Emirates	■	■	▲	
United Kingdom	△	△	▲	
United States	△	△	▲	
Uruguay	△	■	△	▲
Uzbekistan	▼	▼		
Venezuela	▲	△	△	▲
Viet Nam	△	▽		▼
Yemen			▲	▲
Zambia	▽	▲	▲	▼
Zimbabwe	▽		▲	▼

Source: Human Development Report 2001, UNDP.

No data
▲ Significant progress (more than 1%)
△ Some progress (less than 1%)
■ Stagnation
▽ Some regression (less than 1%)
▼ Significant regression (more than 1%)

TRENDS OF THE OFFICIAL DEVELOPMENT ASSISTANCE (% OF GNP)

	1990	2000	PROGRESS OR REGRESSION
Australia	0.34	0.27	←
Austria	0.25	0.25	II
Belgium	0.46	0.36	←
Canada	0.44	0.25	⟵
Denmark	0.94	1.06	⦿▸
Finland	0.65	0.31	⟵
France	0.60	0.33	⟵
Germany	0.42	0.27	←
Greece	-	0.19	→
Ireland	0.16	0.30	→
Italy	0.31	0.13	⟵
Japan	0.31	0.27	←
Luxembourg	0.21	0.70	⟶
Netherlands	0.92	0.82	◂⦿
New Zealand	0.23	0.26	→
Norway	1.17	0.80	◂⦿
Portugal	0.24	0.26	→
Spain	0.20	0.24	→
Sweden	0.91	0.81	◂⦿
Switzerland	0.32	0.34	→
United Kingdom	0.27	0.31	→
United States	0.21	0.10	←

Source: OECD, web site (http://www.oecd.org).

⦿▸ Countries with goal met before the starting point still progressing
◂⦿ Countries with goal met before the starting point but going backwards
⟵ Significant regression
← Some regression
II Stagnation
→ Some progress
⟶ Significant progress or goal already achieved

Table of signatures and ratifications of international treaties mentioned in the Millennium Declaration

As of 13 December 2001

A: Rome Statute of the International Criminal Court. 1998 (Rome, Italy). Not yet in force.

B: Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. 1997 (Oslo, Norway). Entry into force: 1 March 1999.

C: Protocol II on Prohibitions or Restrictions on the Use of Mines, Booby-Traps and Other Devices as amended on 3 May 1996 annexed to the Convention on Certain Conventional Weapons. 1996 (Geneva, Switzerland). Entry into force: 3 December 1998.

D: Kyoto Protocol to the United Nations Framework Convention on Climate Change. 1997 (Kyoto, Japan). Not yet in force.

E: Convention on the Rights of the Child. 1989 (New York, USA). Entry into force: 2 September 1990.

F: Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict. 2000 (New York, USA). Entry into force: 12 February 2002.

G: Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography. 2000 (New York, USA). Entry into force: 18 January 2002.

H: Convention on Biological Diversity. 1992 (Rio de Janeiro, Brazil). Entry into force: 29 December 1993.

I: United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa. 1994 (Paris, France). Entry into force: 26 December 1996.

J: Convention on the Elimination of All Forms of Discrimination against Women. 1979 (New York, USA). Entry into force: 3 September 1981.

	A	B	C	D	E	F	G	H	I	J
Afghanistan					●			○	●	○
Albania	○	●			●			●	●	●
Algeria	○	●			●			●	●	●
Andorra	●	●			●	●	●			
Angola	○	○			●			●	●	●
Anguilla					●					
Antigua and Barbuda	●	●		●	●			●	●	●
Argentina	●	●	●	●	●	○		●	●	●
Armenia	○				●			●	●	●
Aruba	●							●		●
Australia	○	●	●	○	●			●	●	●
Austria	●	●	●	○	●	○	○	●	●	●
Azerbaijan				●	●	○	○	●	●	●
Bahamas	○	●		●	●			●	●	●
Bahrain	○				●			●	●	
Bangladesh	○	●	●	●	●	●	●	●	●	●
Barbados	○	●		●	●			●	●	●
Belarus					●			●	●	●
Belgium	●	●	●	○	●	○	○	●	●	●
Belize	●	●			●	○	○	●	●	●
Benin	○	●			●	○	○	●	●	●
Bermuda					●					
Bhutan					●			●		●
Bolivia	○	●	●	●	●		○	●	●	●
Bosnia and Herzegovina	○	●	●		●	○	○			●
Botswana	●	●			●			●	●	●
Brazil	○	●	●	○	●	○	○	●	●	●
British Virgin Is.					●			●	●	
Brunei Darussalam		○			●					
Bulgaria	○	●	●	○	●	○	○	●	●	●
Burkina Faso	○	●			●	○	○	●	●	●
Burundi	○	○		●	●	○		●	●	●
Cambodia	○	●	●		●	○	○	●	●	●
Cameroon	○	○			●	○	○	●	●	●
Canada	●	●	●	○	●	●	○	●	●	●
Cape Verde	○	●	●		●			●	●	●
Cayman Is.					●			●		
Central African Rep.	●				●			●	●	●
Chad	○	●			●			●	●	●
Chile	○	●		○	●	○	○	●	●	●
China			●	○	●	○	○	●	●	●
Colombia	○	●	●	●	●	○	○	●	●	●
Comoros	○				●			●	●	●
Congo	○	●			●			●	●	●
Congo, Dem. Rep. of the	○				●	●	●	●	●	●
Cook Is.		○		●	●			●	●	
Costa Rica	●	●	●	○	●	○	○	●	●	●
Côte d'Ivoire	○	●			●			●	●	●
Croatia	●	●		○	●			●	●	●
Cuba				○	●	○	●	●	●	●
Cyprus	○	○		●	●		○	●	●	●
Czech Republic	○	●	●	●	●	●		●	●	●
Denmark	●	●	●	○	●	○	○	●	●	●
Djibouti	○	●			●			●	●	●
Dominica	●	●			●			●	●	●
Dominican Republic	○	●			●			●	●	●
Ecuador	○	●	●	●	●	○	○	●	●	●
Egypt	○			○	●			●	●	●
El Salvador		●	●	●	●	○		●	●	●
Equatorial Guinea		●		●	●			●	●	●
Eritrea	○	●			●			●	●	●
Estonia	○		●	○	●			●		●
Ethiopia		○			●			●	●	●
Fiji	●	●		●	●			●	●	●
Finland	●		●	○	●	○	○	●	●	●
France	●	●	●	○	●	○	○	●	●	●
Gabon	●	●			●	○	○	●	●	●
Gambia	○	○		●	●	○	○	●	●	●
Georgia	○			●	●			●	●	●
Germany	●	●	●	○	●	○	○	●	●	●
Ghana	●	●			●			●	●	●
Greece	○	○	●	○	●	○	○	●	●	●
Greenland										
Grenada		●			●			●	●	●
Guatemala		●	●	●	●	○	○	●	●	●
Guinea	○	●		●	●			●	●	●
Guinea-Bissau	○	●			●	○	○	●	●	●
Guyana	○	○			●			●	●	●
Haiti	○	○			●			●	●	●
Holy See		●	●		●	●	●			
Honduras	○	●		●	●			●	●	●
Hong Kong, China (SAR)					●					
Hungary	●	●	●		●			●	●	●
Iceland	●	●			●	●	●	●	●	●
India			●		●			●	●	●
Indonesia		○		○	●	○	○	●	●	●
Iran, Islamic Rep. of	○				●			●	●	
Iraq					●					●
Ireland	○	●	●	○	●	○	○	●	●	●
Isle of Man					●					
Israel	○		●	○	●	○	○	●	●	●
Italy	●	●	●	○	●	○	○	●	●	●
Jamaica	○	●		●	●	○	○	●	●	●
Japan		●	●	○	●			●	●	●
Jordan	○	●	●		●	○	○	●	●	●
Kazakhstan				○	●	○	●	●	●	●
Kenya	○	●			●	○	○	●	●	●
Kiribati		●		●	●			●	●	
Korea, Dem. Rep. of					●			●		●
Korea, Rep. of	○		●	○	●	○	○	●	●	●
Kuwait	○				●			○	●	●
Kyrgyzstan	○				●			●	●	●

Source: United Nations Treaty Collection Website. Database 'Status of Multilateral Treaties Deposited with the Secretary General'. (http://untreaty.un.org/).

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○ **Signature**

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	A	B	C	D	E	F	G	H	I	J
Lao People's Dem. Rep.					●			●	●	●
Latvia	○			○	●			●		●
Lebanon					●		○	●	●	●
Lesotho	●	●		●	●	○	○	●	●	●
Liberia	○	●			●			●	●	●
Libyan Arab Jamahiriya					●			●	●	●
Liechtenstein	●	●	●	○	●	○	○	●	●	●
Lithuania	○	○	●	○	●			●		●
Luxembourg	●	●	●	○	●	○	○	●	●	●
Macau					●			●		●
Macedonia, TFYR	○	●			●	○	○	●		●
Madagascar	○	●			●	○	○	●	●	●
Malawi	○	●		●	●	○	○	●	●	●
Malaysia		●		○	●			●	●	●
Maldives		●	●	●	●			●		●
Mali	●	●	●	○	●	○		●	●	●
Malta	○	●		●	●	○	○	●	●	●
Marshall Is.	●	○		○	●			●	●	
Mauritania		●			●			●	●	●
Mauritius	○	●		●	●	○	○	●	●	●
Mexico	○	●		●	●	○	○	●	●	●
Micronesia, Fed. Sts.				●	●			●	●	
Moldova, Rep. of	○	●	●		●			●	●	●
Monaco	○	●	●	○	●	●	○	●	●	
Mongolia	○			●	●	○	○	●	●	●
Morocco	○				●	○	●	●	●	●
Mozambique	○	●			●			●	●	●
Myanmar					●			●	●	●
Namibia	○	●			●	○	○	●	●	●
Nauru	●	●	●	●	●	○	○	●	●	
Nepal					●	○	○	●	●	●
Netherlands	●	●	●	○	●	○	○	●	●	●
Netherlands Antilles	●							●		●
New Zealand	●	●	●	○	●	●	○	●	●	●
Nicaragua		●	●	●	●			●	●	●
Niger	○	●		○	●			●	●	●
Nigeria	●	●			●	○	○	●	●	●
Niue		●		●	●			●	●	
Norway	●	●	●	○	●	○	●	●	●	●
Oman	○				●			●	●	
Pakistan			●		●	○	○	●	●	●
Palau				●	●			●	●	
Panama	○	●	●	●	●	●	●	●	●	●
Papua New Guinea				○	●			●	●	●
Paraguay	●	●		●	●	○	○	●	●	●
Peru	●	●	●	○	●	○	○	●	●	●
Philippines	○	●	●	○	●	○	○	●	●	●
Poland	●	○		○	●			●	●	●
Portugal	○	●	●	○	●	○	○	●	●	●
Qatar		●			●			●	●	
Romania	○	●		●	●	●	●	●	●	●
Russian Federation	○			○	●	○		●		●
Rwanda		●			●			●	●	●
Saint Kitts and Nevis		●			●			●	●	●
Saint Lucia	○	●		○	●			●	●	●
Samoa (Western)	○	●		●	●			●	●	●
San Marino	●	●			●	○	○	●	●	
Sao Tomé and Principe	○	○			●			●	●	○
Saudi Arabia					●			●	●	●
Senegal	●	●	●	●	●	○	○	●	●	●
Seychelles	○	●	●	○	●	○	○	●	●	●
Sierra Leone	●	●			●	○	●	●	●	●
Singapore					●	○		●	●	●
Slovakia	○	●	●	○	●	○	○	●		●
Slovenia	○	●		○	●	○	○	●	●	●
Solomon Is.	○	●		○	●			●	●	
Somalia										
South Africa	●	●	●		●			●	●	●
Spain	●	●	●	○	●	○	○	●	●	●
Sri Lanka					●	●		●	●	●
St. Vincent and Grenadines		●		○	●			●	●	●
Sudan	○	○			●			●	●	
Suriname		○			●			●	●	●
Swaziland		●			●			●	●	
Sweden	●	●	●	○	●	○	○	●	●	●
Switzerland	●	●	●	○	●	○	○	●	●	●
Syrian Arab Republic	○				●			●	●	
Tajikistan	●	●	●		●			●	●	●
Tanzania, U. Rep. of	○	●			●			●	●	●
Thailand	○	●		○	●			○	●	●
Togo		●			●	○	○	●	●	●
Tonga					●			●	●	
Trinidad and Tobago	●	●		●	●			●	●	●
Tunisia		●			●			●	●	●
Turkey					●	○	○	●	●	●
Turkmenistan		●		●	●			●	●	●
Tuvalu				●	●			○	●	●
Uganda	○	●			●		●	●	●	●
Ukraine	○	○	●	○	●	○	○	●		●
United Arab Emirates	○				●			●	●	
United Kingdom	●	●	●	○	●	○	○	●	●	●
United States	○		●	○	○	○	○	○	●	○
Uruguay	○	●	●	●	●	○	○	●	●	●
Uzbekistan	○			●	●			●	●	●
Vanuatu		○		●	●			●	●	●
Venezuela	●	●			●	○	○	●	●	●
Viet Nam				○	●	○	○	●	●	●
Yemen	○	●			●			●	●	●
Yugoslavia	●				●	○	○	○		●
Zambia	○	●		○	●			●	●	●
Zimbabwe	○	●			●			●	●	●

Source: United Nations Treaty Collection Website. Database 'Status of Multilateral Treaties Deposited with the Secretary General'. (http://untreaty.un.org/).

● **Ratification, accession, approval, notification or succession, acceptance or definitive signature**

○ **Signature**

Signature and ratification of key international agreements

1: International Covenant on Economic, Social and Cultural Rights 1966
2: International Covenant on Civil and Political Rights 1966
3: International Convention on the Elimination of All Forms of Racial Discrimination 1965
4: Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment 1984
5: Convention on the Prevention and Punishment of the Crime of Genocide 1948 (A)
6: Convention Relating to the Status of Refugees 1951 (A)

	1	2	3	4	5	6
Afghanistan	●	●	●	●	●	
Albania	●	●	●	●	●	●
Algeria	●	●	●	●	●	●
Andorra				●		
Angola		●	●	●		●
Antigua and Barbuda	●			●	●	●
Argentina	●	●	●	●	●	●
Armenia	●	●	●	●	●	●
Australia	●	●	●	●	●	●
Austria	●	●	●	●	●	●
Azerbaijan	●	●	●	●	●	●
Bahamas	●			●	●	●
Bahrain	●			●	●	
Bangladesh	●	●	●	●	●	
Barbados	●	●	●	●	●	
Belarus [B]	●	●	●	●	●	●
Belgium	●	●	●	●	●	●
Belize	○	●	○	●	●	●
Benin	○	●	●	●		●
Bhutan	○			●		
Bolivia	●	●	●	●	○	●
Bosnia and Herzegovina	●	●	●	●	●	●
Botswana	●	●		●		●
Brazil	●	●	●	●	●	●
Brunei Darussalam				●		
Bulgaria	●	●	●	●	●	●
Burkina Faso	●	●	●	●	●	●
Burundi	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●
Cameroon	●	●	●	●		●
Canada	●	●	●	●	●	●
Cape Verde	●	●	●	●		
Central African Rep.	●	●	●	●		●
Chad	●	●	●	●		●
Chile	●	●	●	●	●	●
China	●	○	●	●	●	●
Colombia	●	●	●	●	●	●
Comoros	○			●		
Congo	●	●	●	●		●
Congo, Dem. Rep. of the	●	●	●	●	●	●
Cook Is.				●		
Costa Rica	●	●	●	●	●	●
Côte d'Ivoire	●	●	●	●	●	●
Croatia	●	●	●	●	●	●
Cuba	●			●	●	
Cyprus	●	●	●	●	●	●
Czech Republic	●	●	●	●	●	●
Denmark	●	●	●	●	●	●
Djibouti				●		●
Dominica		●	●	●		●

	1	2	3	4	5	6
Dominican Republic	●	●	●	●	○	●
Ecuador	●	●	●	●	●	●
Egypt	●	●	●	●	●	●
El Salvador	●	●	●	●	●	●
Equatorial Guinea		●	●	●		●
Eritrea				●		
Estonia	●	●	●	●	●	●
Ethiopia	●	●	●	●	●	●
Fiji	●			●	●	●
Finland	●	●	●	●	●	●
France	●	●	●	●	●	●
Gabon	●	●	●	●	●	●
Gambia	●	●	●	●	●	●
Georgia [B]	●	●	●	●	●	●
Germany	●	●	●	●	●	●
Ghana	●	●	●	●	●	●
Greece	●	●	●	●	●	●
Grenada	○	●	●	●		
Guatemala	●	●	●	●	●	●
Guinea [B]	●	●	●	●	●	●
Guinea-Bissau	○	○	●	●		●
Guyana	●	●	●	●		
Haiti	●	●		●	●	●
Holy See	●			●		●
Honduras		●	●	●	●	●
Hong Kong, China (SAR)	-	-	-	-	-	-
Hungary	●	●	●	●	●	●
Iceland	●	●	●	●	●	●
India	●	●	●	●	●	
Indonesia	●			●		
Iran, Islamic Rep. of	●	●	●	●	●	●
Iraq	●	●	●	●	●	
Ireland	●	●	●	●	●	●
Israel	●	●	●	●	●	●
Italy	●	●	●	●	●	●
Jamaica	●	●	●	●	●	●
Japan	●	●	●	●		●
Jordan	●	●	●	●	●	
Kazakhstan	●			●	●	●
Kenya		●	●	●		●
Kiribati				●		
Korea, Dem. Rep. of		●	●	●	●	
Korea, Rep. of	●	●	●	●	●	●
Kuwait	●	●	●	●	●	
Kyrgyzstan	●	●	●	●	●	●
Lao People's Dem. Rep.	●	○	○	●	●	
Latvia	●	●	●	●	●	●
Lebanon	●	●	●	●	●	
Lesotho	●	●	●	●	●	●
Liberia	●	○	○	●	●	●

Source: Human Development Report 2001, UNDP.

● **Ratification, accession, approval, notification or succession, acceptance or definitive signature**
○ **Signature not yet followed by ratification**

Signature and ratification of key international agreements

1: International Covenant on Economic, Social and Cultural Rights 1966
2: International Covenant on Civil and Political Rights 1966
3: International Convention on the Elimination of All Forms of Racial Discrimination 1965
4: Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment 1984
5: Convention on the Prevention and Punishment of the Crime of Genocide 1948 (A)
6: Convention Relating to the Status of Refugees 1951 (A)

	1	2	3	4	5	6
Libyan Arab Jamahiriya	●	●	●	●	●	
Liechtenstein	●	●	●	●	●	●
Lithuania	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●
Macedonia, TFYR	●	●	●	●	●	
Madagascar	●	●	●	●		●
Malawi	●	●	●	●		●
Malaysia				●	●	
Maldives	●			●	●	
Mali	●	●	●	●	●	●
Malta	●	●	●	●		●
Marshall Is.				●		
Mauritania	●			●		●
Mauritius	●	●	●	●		
Mexico [B]	●	●	●	●	●	●
Micronesia, Fed. Sts.				●		
Moldova, Rep. of	●	●	●	●	●	
Monaco	●	●	●	●	●	●
Mongolia	●	●	●	●	●	
Morocco	●	●	●	●	●	●
Mozambique	●	●		●	●	●
Myanmar				●	●	
Namibia	●	●	●	●	●	●
Nauru				●		
Nepal	●	●	●	●	●	
Netherlands	●	●	●	●	●	●
New Zealand	●	●	●	●	●	●
Nicaragua	●	●	●	●	●	●
Niger	●	●	●	●		●
Nigeria	●	●	●	●		●
Niue				●		
Norway	●	●	●	●	●	●
Oman				●		
Pakistan	●			●	●	
Palau				●		
Panama	●	●	●	●	●	●
Papua New Guinea	●			●	●	●
Paraguay [B]	○	●	●	●	●	●
Peru	●	●	●	●	●	●
Philippines	●	●	●	●	●	●
Poland	●	●	●	●	●	●
Portugal	●	●	●	●	●	●
Qatar	●			●		
Romania	●	●	●	●	●	●
Russian Federation	●	●	●	●	●	●
Rwanda	●	●	●	●	●	●
Saint Kitts and Nevis				●		
Saint Lucia	●			●		
Samoa (Western)				●		
San Marino		●	●	●		
Sao Tomé and Principe	○	○	○	●	●	●
Saudi Arabia	●			●	●	
Senegal	●	●	●	●	●	●
Seychelles	●	●	●	●		●
Sierra Leone	●	●	●	●	●	●
Singapore				●	●	●
Slovakia	●	●	●	●	●	●
Slovenia	●	●	●	●		●
Solomon Is.	●		●	●		●
Somalia	●	●	●		●	●
South Africa	●	●	○	●	●	●
Spain	●	●	●	●	●	●
Sri Lanka	●	●	●	●	●	
St. Vincent and Grenadines	●	●	●	●		●
Sudan	●	●	●	●		●
Suriname	●	●	●	●		●
Swaziland [B]	●			●		●
Sweden	●	●	●	●	●	●
Switzerland [B]	●	●	●	●	●	●
Syrian Arab Republic	●	●	●	●	●	
Tajikistan	●	●	●	●		●
Tanzania, U. Rep. of	●	●	●	●	●	●
Thailand		●	●	●		
Togo	●	●	●	●	●	●
Tonga	●			●	●	
Trinidad and Tobago [B]	●	●	●			●
Tunisia	●	●	●	●	●	●
Turkey	○	○	○	●	●	●
Turkmenistan	●	●	●	●		●
Tuvalu				●		●
Uganda	●	●	●	●	●	●
Ukraine	●	●	●	●	●	
United Arab Emirates	●			●		
United Kingdom	●	●	●	●	●	●
United States	●	●	○	○	●	
Uruguay	●	●	●	●	●	●
Uzbekistan	●	●	●	●		
Vanuatu				●		
Venezuela	●	●	●	●	●	
Viet Nam	●	●	●	●	●	
Yemen	●	●	●	●	●	●
Yugoslavia	●	●	●	●	●	●
Zambia	●	●	●	●		●
Zimbabwe	●	●	●	●	●	●

(A): Human Development Report 1999, UNDP
(B): United Nations Treaty Collection Website, Database 'Status of Multilateral Treaties Deposited with the Secretary General' http://untreaty.un.org/

Source: Human Development Report 2001, UNDP.

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As of 18 December 2001

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C98: Right to Organise and Collective Bargaining Convention, 1949
C100: Equal Remuneration Convention, 1951
C105: Abolition of Forced Labour Convention, 1957
C111: Discrimination (Employment and Occupation) Convention, 1958
C138: Minimum Age Convention, 1973
C182: Worst Forms of Child Labour Convention, 1999

	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		ELIMINATION OF FORCED AND COMPULSORY LABOUR	ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION		ABOLITION OF CHILD LABOUR	
COUNTRY	**C 87**	**C 98**	**C 105**	**C 100**	**C 111**	**C 138**	**C 182**
Afghanistan	□	□	■	■	■	□	□
Albania	■	■	■	■	■	■	■
Algeria	■	■	■	■	■	■	■
Angola	■	■	■	■	■	■	■
Antigua and Barbuda	■	■	■	□	■	■	□
Argentina	■	■	■	■	■	■	■
Armenia	□	□	□	■	■	□	□
Australia	■	■	■	■	■	□	□
Austria	■	■	■	■	■	■	□
Azerbaijan	■	■	■	■	■	■	□
Bahamas	■	■	■	■	■	■	■
Bahrain	□	□	■	□	■	□	■
Bangladesh	■	■	■	■	■	□	■
Barbados	■	■	■	■	■	■	■
Belarus	■	■	■	■	■	■	■
Belgium	■	■	■	■	■	■	□
Belize	■	■	■	■	■	■	■
Benin	■	■	■	■	■	■	■
Bolivia	■	■	■	■	■	■	□
Bosnia and Herzegovina	■	■	■	■	■	■	■
Botswana	■	■	■	■	■	■	■
Brazil	□	■	■	■	■	■	■
Bulgaria	■	■	■	■	■	■	■
Burkina Faso	■	■	■	■	■	■	■
Burundi	■	■	■	■	■	■	□
Cambodia	■	■	■	■	■	■	□
Cameroon	■	■	■	■	■	■	□
Canada	■	□	■	■	■	□	■
Cape Verde	■	■	■	■	■	□	■
Central African Rep.	■	■	■	■	■	■	■
Chad	■	■	■	■	■	□	■
Chile	■	■	■	■	■	■	■
China	□	□	□	■	□	■	□
Colombia	■	■	■	■	■	■	□
Comoros	■	■	■	■	□	□	□
Congo	■	■	■	■	■	■	□
Congo, Dem. Rep. of the	■	■	■	■	■	■	■
Costa Rica	■	■	■	■	■	■	■
Côte d’Ivoire	■	■	■	■	■	□	□
Croatia	■	■	■	■	■	■	■
Cuba	■	■	■	■	■	■	□
Cyprus	■	■	■	■	■	■	■
Czech Republic	■	■	■	■	■	□	■
Denmark	■	■	■	■	■	■	■
Djibouti	■	■	■	■	□	□	□
Dominica	■	■	■	■	■	■	■
Dominican Republic	■	■	■	■	■	■	■
Ecuador	■	■	■	■	■	■	■
Egypt	■	■	■	■	■	■	□
El Salvador	□	□	■	■	■	■	■
Equatorial Guinea	■	■	■	■	■	■	■
Eritrea	■	■	■	■	■	■	□
Estonia	■	■	■	■	□	□	■
Ethiopia	■	■	■	■	■	■	□
Fiji	□	■	■	□	□	□	□
Finland	■	■	■	■	■	■	■
France	■	■	■	■	■	■	■
Gabon	■	■	■	■	■	□	■
Gambia	■	■	■	■	■	■	■
Georgia	■	■	■	■	■	■	□
Germany	■	■	■	■	■	■	□
Ghana	■	■	■	■	■	□	■
Greece	■	■	■	■	■	■	■
Grenada	■	■	■	■	□	□	□
Guatemala	■	■	■	■	■	■	■
Guinea	■	■	■	■	■	□	□
Guinea-Bissau	□	■	■	■	■	□	□
Guyana	■	■	■	■	■	■	■
Haiti	■	■	■	■	■	□	□
Honduras	■	■	■	■	■	■	■
Hungary	■	■	■	■	■	■	■
Iceland	■	■	■	■	■	■	■
India	□	□	■	■	■	□	□
Indonesia	■	■	■	■	■	■	■
Iran, Islamic Rep. of	□	□	■	■	■	□	□
Iraq	□	■	■	■	■	■	■
Ireland	■	■	■	■	■	■	■
Israel	■	■	■	■	■	■	□
Italy	■	■	■	■	■	■	■
Jamaica	■	■	■	■	■	□	□
Japan	■	■	□	■	□	■	■
Jordan	□	■	■	■	■	■	■
Kazakhstan	■	■	■	■	■	■	□
Kenya	□	■	■	■	■	■	■
Kiribati	□	□	□	□	□	□	□
Korea, Rep. of	□	□	□	■	■	■	■
Kuwait	■	□	■	□	■	■	■
Kyrgyzstan	■	■	■	■	■	■	□
Lao People’s Dem. Rep.	□	□	□	□	□	□	□
Latvia	■	■	■	■	■	□	□
Lebanon	□	■	■	■	■	□	■
Lesotho	■	■	■	■	■	■	■

Source: ILOLEX. ILO Website Database (http://www.ilo.org/).

■ **Convention ratified**
□ **Convention not yet ratified**
⊡ **Convention denounced**

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COUNTRY	C 87	C 98	C 105	C 100	C 111	C 138	C 182
Liberia	■	■	■	□	■	□	□
Libyan Arab Jamahiriya	■	■	■	■	■	■	■
Lithuania	■	■	■	■	■	■	□
Luxembourg	■	■	■	■	■	■	■
Macedonia, TFYR	■	■	□	■	■	■	□
Madagascar	■	■	□	■	■	■	■
Malawi	■	■	■	■	■	■	■
Malaysia	□	■	⊡	■	□	■	■
Mali	■	■	■	■	■	□	■
Malta	■	■	■	■	■	■	■
Mauritania	■	□	■	□	■	□	□
Mauritius	□	■	■	□	□	■	■
Mexico	■	□	■	■	■	□	■
Moldova, Rep. of	■	■	■	■	■	■	□
Mongolia	■	■	□	■	■	□	■
Morocco	□	■	■	■	■	■	■
Mozambique	■	■	■	■	■	□	□
Myanmar	■	□	□	□	□	□	□
Namibia	■	■	■	□	■	■	■
Nepal	□	■	□	■	■	■	□
Netherlands	■	■	■	■	■	■	□
New Zealand	□	□	■	■	■	□	■
Nicaragua	■	■	■	■	■	■	■
Niger	■	■	■	■	■	■	■
Nigeria	■	■	■	■	□	□	□
Norway	■	■	■	■	■	■	■
Oman	□	□	□	□	□	□	■
Pakistan	■	■	■	■	■	□	■
Panama	■	■	■	■	■	■	■
Papua New Guinea	■	■	■	■	■	■	■
Paraguay	■	■	■	■	■	□	■
Peru	■	■	■	■	■	□	□
Philippines	■	■	■	■	■	■	■
Poland	■	■	■	■	■	■	□
Portugal	■	■	■	■	■	■	■
Qatar	□	□	□	□	■	□	■
Romania	■	■	■	■	■	■	■
Russian Federation	■	■	■	■	■	■	□
Rwanda	■	■	■	■	■	■	■
Saint Kitts and Nevis	■	■	■	■	■	□	■
Saint Lucia	■	■	■	■	■	□	■
San Marino	■	■	■	■	■	■	■
Sao Tomé and Principe	■	■	□	■	■	□	□
Saudi Arabia	□	□	■	■	■	□	■
Senegal	■	■	■	■	■	■	■
Seychelles	■	■	■	■	■	■	■
Sierra Leone	■	■	■	■	■	□	□
Singapore	□	■	⊡	□	□	□	■
Slovakia	■	■	■	■	■	■	■
Slovenia	■	■	■	■	■	■	■
Solomon Is.	□	□	□	□	□	□	□
Somalia	□	□	■	□	■	□	□
South Africa	■	■	■	■	■	■	■
Spain	■	■	■	■	■	■	■
Sri Lanka	■	■	□	■	■	■	■
St. Vincent and Grenadines	■	■	■	□	■	□	□
Sudan	□	■	■	■	■	□	□
Suriname	■	■	■	□	□	□	□
Swaziland	■	■	■	■	■	□	□
Sweden	■	■	■	■	■	■	■
Switzerland	■	■	■	■	■	■	■
Syrian Arab Republic	■	■	■	■	■	■	□
Tajikistan	■	■	■	■	■	■	□
Tanzania, U. Rep. of	■	■	■	□	□	■	■
Thailand	□	□	■	■	□	□	■
Togo	■	■	■	■	■	■	■
Trinidad and Tobago	■	■	■	■	■	□	□
Tunisia	■	■	■	■	■	■	■
Turkey	■	■	■	■	■	■	■
Turkmenistan	■	■	■	■	■	□	□
Uganda	□	■	■	□	□	□	■
Ukraine	■	■	■	■	■	■	■
United Arab Emirates	□	□	■	■	■	■	■
United Kingdom	■	■	■	■	■	■	■
United States	□	□	■	□	□	□	■
Uruguay	■	■	■	■	■	■	■
Uzbekistan	□	■	■	■	■	□	□
Venezuela	■	■	■	■	■	■	□
Viet Nam	□	□	□	■	■	□	■
Yemen	■	■	■	■	■	■	■
Yugoslavia	■	■	□	■	■	■	□
Zambia	■	■	■	■	■	■	□
Zimbabwe	□	■	■	■	■	■	■
Total of 175	139	150	155	154	154	115	109
Africa (53)	45	51	51	46	47	33	32
Americas (35)	32	31	35	31	32	22	23
Asia (42)	18	24	27	32	31	19	24
Europe (45)	44	44	42	45	44	41	30

Source: ILOLEX. ILO Website Database (http://www.ilo.org/).

■ **Convention ratified**
□ **Convention not yet ratified**
⊡ **Convention denounced**

THEMATIC REPORTS

2

Illuminating the dark corners of the financial system

Marina Ponti
Federica Biondi

Financial mechanisms, as they stand today, are not able to counteract illegal transactions. Greater transparency and stricter rules should be prioritised by richer countries, not only as a means of fostering social justice and redistribution of wealth, but also as an instrument to fight criminal operations and terrorism. Along these lines, a currency transaction tax would be a relevant step forward and provide a concrete mechanism for monitoring cross-border financial transactions.

> *"The fundamental problem is to find a social system which is efficient economically and morally."*
>
> *J.M. Keynes, 1925*

Donor countries lament lack of resources as the reason for neglecting their commitment to give at least 0.7% of GNP for Official Development Assistance. But these same countries allow the many dark corners of their financial markets to cause large and increasing losses of fiscal revenues every year. Financial markets are not transparent; this implies an enormous loss of revenue and creates a breeding ground for illicit transactions. The current international financial system disperses those precious resources, which could otherwise be used for the implementation of successful development policies. Unfortunately, the Monterrey Conference on Financing for Development neglects this issue, despite its relevance for development.

Transparency of financial markets means correct management of all information related to capital flows. The benefits of transparency are many, but most importantly, full tax revenue. Greater public resources would be available for the pursuit of public policies, amongst these, development and a greater redistribution of wealth. Developing countries have often been reprimanded for their insufficient and malfunctioning financial and tax systems. But when loss of potential tax revenue decreases their ability to guarantee social services and defend human rights, they are not the only guilty parties in the game. Northern countries hold a great responsibility for this general loss of revenue by allowing vicious national and international mechanisms to contaminate financial markets.

In Europe, there are many examples of tax systems that allow funds deriving from commercial activities in a country to flow through a special *agent company* before being transferred to a company registered in a tax haven. Various countries in Europe allow agent companies to operate in their territory. This system works as follows: The *agent company* (A), situated in one of these particular European countries, is both the mother company of the *active company* (C) (situated in a different country) and the daughter of a company (H) situated in a tax haven. Given that the A acts on behalf of H, providing only financial services (*ie*, the collection and distribution of the proceeds of the commercial company C), said A is only allowed to retain a small percentage of the profits created by C and destined to H. This mechanism thus allows all the proceeds of C to flow through A to H. H then "pays" A for its services and this amount is then taxed in the country where A is situated. But the amount paid to A by H for its services is a very small percentage of the total sum of funds that it channels.

The implications are various: the commercial company C evades taxation in its country, thus drastically reducing the tax revenue for said country; the intermediate country (*ie*, that of company A) receives a tax revenue it would otherwise not receive, given that company A's sole purpose is to "provide services" for H (*ie*, channeling funds); the large majority of revenue produced by C ends up in a tax haven where no (or a minimal) taxation is applied. These operations not only distort the fiscal framework, but also lead to negative fiscal effects in the country of origin, which, seeing its tax revenue reduced, seeks other ways of increasing it, *eg*, by increasing tax pressures. This causes general discontent amongst the tax-paying population, thus further increasing the risk of illegal flight of funds to avoid high taxation. A vicious circle sets in.

Another example of the lack of transparency in cross-border financial transactions is the agencies that transfer money worldwide using money orders. These agencies have widespread networks of offices all over the world. They are used mainly by people who have moved from a "developing country" to a "developed" one to find work and who wish to send part of their earnings to their families without the complications of opening a bank account. Considering the number of people in this situation, it is easy to deduce that the figures involved are huge. These transactions are not monitored and not even the traditional banking system has a clear idea of the size. It follows that fiscal authorities are also in the dark.

A third point: bank secrecy towards governmental authorities, including tax authorities, may enable taxpayers to hide illegal activities and to escape taxation. The effective administration and enforcement of many laws and regulations, including those on taxation, require access to, and analysis of, records of financial transactions. Technological advances, particularly in the area of e-commerce and banking, have made international banking readily accessible to a wide range of taxpayers, not just to large multinationals and wealthy individuals. The elimination of exchange controls by OECD countries and many non-member countries, has facilitated the rapid expansion of cross-border financial transactions. This new era of "banking without borders" has raised new challenges for tax administrations around the globe. Experience has shown over the last 50 years that inadequate access to bank information has been an impediment to tax administration and law enforcement. The scope of non-compliance with the tax laws, which is facilitated by lack of access to bank information, is difficult to measure precisely because there is insufficient access to the necessary information.

The same problem exists in attempting to measure the extent of money laundering. Nevertheless, the Financial Action Task Force on Money Laundering annual report 1995-96 estimates that the size of that problem amounts to hundreds of billions of dollars annually.

The elimination of tax evasion has never been high on the political agenda of governments, but the fight against criminal organisations and illegal trade has. Nevertheless, after September 11 attempts to use international financial mechanisms to freeze the financial assets of suspected terrorists was not completely successful because of the current structure of the financial system. Despite the political primacy of the case, it was not possible to obtain all the required information from banks and other actors involved. Financial mechanisms, as they stand today, are not able to counteract illegal transactions. Greater transparency and stricter rules should be prioritised by richer countries, not only as a means of fostering social justice and redistribution of wealth, but also as an instrument to fight criminal operations and terrorism.

Tax co-operation is crucial in addressing both social and criminal issues, but the political will to put tax co-operation in place is not yet there. The current international framework shows the exact opposite, with the proliferation of tax havens (40 countries at present). They represent the total absence of financial transparency and impede any form of fiscal co-operation. Tax havens offer many services with very high added value, with the cost being paid by those who do not use the services. Financial mechanisms that involve tax havens can be used for the discrete management of huge family fortunes and show-business or sports revenues; for speculation and fiscal fraud; for fiscal evasion and the transfer of multinational profits to their off-shore shell companies; to finance political parties and individual candidates; and to pay for all kinds of illicit operations. Tax havens offer a wide range of relatively low-cost financial services: bank secrecy protected from any juridical request; absence of exchange controls; the right to stipulate any kind of contracts, to carry out any transaction and set up any company, even if fictitious; guarantee of anonymity; absence of fiscal pressure; free access in real time to all the worldwide markets; guaranteed connection with the largest bank circuits, usually represented on location; and weak or non-existent mechanisms for the repression of financial criminality. The mere existence of these tax havens encourages people to use them.

The first draft of the preparatory document in view of the Monterrey Conference, prepared by the former President of Mexico Ernesto Zedillo, contained a very important proposal regarding the establishment of a tax organisation. This organisation would have been charged with addressing tax matters, tax-harmonisation, the fight against tax havens and, more broadly, tax competition.

Such an organisation could have been the right forum for discussing the implementation of global taxes devoted to financing the development targets contained in the Millennium Declaration, as agreed upon by heads of states and government in September 2000. Along these lines, a *currency transaction tax* would be a relevant step forward and provide a concrete mechanism for monitoring cross-border financial transactions. Moreover, the setting up of such a tax system would necessarily require the transparency of financial flows.

Currently, most financial transactions are carried out through the SWIFT banking system. Therefore, such a tax could be implemented and enforced through the SWIFT itself. In addition, as an increasing number of civil society organisations argue, a currency transaction tax would:

- reduce short-term speculative currency and capital flows;
- enhance national policy autonomy;
- restore taxation capacity of individual countries eroded by the globalisation of markets;
- distribute tax pressures more equitably among different sectors of the economy;
- trace movements of capital to fight tax evasion and money laundering.

Transparency will be achieved when there is sufficient political will to put it in place. Civil society will continue to fight for its achievement, despite the current lack of political will. Transparency means democracy, and democracy is a vital component of human development. ■

> *"There is nothing more difficult to execute, nor more dubious of success, nor more dangerous to administer, than to introduce a new order of things; for he who introduces it has all those who profit from the old order as his enemies, and he has only lukewarm allies in all those who might profit from the new. This lukewarmness partly stems from fear of their adversaries…and partly from the skepticism of men, who do not truly believe in new things unless they have actually had personal experience of them."*
>
> *Macchiavelli, The Prince, 1532.*

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Building ownership of antipoverty strategies

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While the PRSP approach is the new 'wrapper' for IFI operations and processes in low-income countries, replacing the old tripartite Policy Framework Paper, the actual contents of reform programmes have yet to show much change. This article highlights some of the main obstacles to a successful country-owned poverty reduction strategy and gives proposals on how to enhance country ownership.

In September 1999, the Annual Meetings of the World Bank and International Monetary Fund (IMF) announced a new poverty focus in the work of all the international financial institutions (IFIs) in low-income countries. The most immediate and concrete outcome of the new approach was the announcement of the new 'Poverty Reduction Strategy Papers' (PRSPs). EURODAD has been closely following the evolution of the PRSP process since its inception.

While the PRSP approach is the new 'wrapper' for IFI operations and processes in low-income countries, replacing the old tripartite Policy Framework Paper, the actual contents of reform programmes have yet to show much change. This article is based on a recent EURODAD policy paper "Many Dollars, Any Change?" in which we highlight some of the main obstacles to a successful *country-owned* poverty reduction strategy and give proposals on how to enhance country ownership.[1]

Ownership is vital

Recent debates in development have stressed that 'country ownership' of strategies and programmes is key to ensuring successful outcomes.[2] Because ownership is an inherently 'political' concept, however, external stakeholders face particular challenges when a country's government is not committed to poverty reduction.

What does 'ownership' actually mean: a useful concept?

As one commentator notes, ownership is a concept "*slippery and unsatisfactory in many respects*".[3] It is perhaps best seen as a 'label' for a broad concept whereby countries take the initiative in (as well as being responsible and accountable for) their efforts to reduce poverty through policy changes and reforms. Where ownership has taken hold, one might expect to see countries being responsible for formulating poverty reduction plans themselves, and for proactively commissioning and organising technical and donor input into them, rather than playing a passive role with external donors and creditors in the driving seat.

Ownership is a concept that can be applied at many levels. The move to take responsibility for formulating and implementing poverty strategies changes the relationship between national governments and a range of external stakeholders (IFIs, bilateral donors, UN and aid agencies, *etc.*) and might be called 'external' ownership. Equally, ownership might be used to describe how governments' plans for poverty reduction have been drawn up within a country. This 'internal' ownership would reflect the degree to which internal stakeholders (parliaments, line ministries, private sector groups, local civil society organisations, unions, faith-based groups, *etc.*) have been involved in the processes that result in a particular set of policies being adopted by the government. Internal ownership is thus closely bound up with participatory processes.[4]

Ownership implies a move away from abstract, technical discussion of policy details to situating debates in the political context of a country's decision-making process. As one report puts it, "politics matters" in development: "*Poverty reduction is, for better or worse, embedded in living political systems. This implies that the PRSP 'experiment' will work through the political systems and policy processes of the countries concerned, or it will not work at all.*"[5]

A recent World Bank research report, *Aid and Reform in Africa*, points out how, "*Economic policy is primarily driven by domestic politics, not by outside agents. The key to successful reform is a political movement for change, and donors cannot do very much to generate this. …The ongoing use of conditionality disguises the true ownership of the reform program, takes up valuable government time, and limits the participation in the debate and decision-making about economic policy.*"[6]

The point then is that ownership of poverty strategies by country authorities is vital for ensuring that those poverty strategies are successfully and sustainably implemented. Outsiders' money cannot 'buy' reforms that are not supported by the authorities in the country.

This has profound implications for the poverty reduction strategy (PRS) process on which many countries are currently embarked, with the enthusiastic support of donors and creditors. If getting pro-poor reforms implemented on a sustainable basis is key to poverty reduction, then successfully fostering ownership will be vital to the success of the PRS concept. It takes two to tango…

The fostering of ownership in development co-operation is not a panacea for alleviating poverty, however. More country ownership does not necessarily mean that country authorities will miraculously propose and implement perfect pro-poor strategies. As we noted in our previous PRS update,[7] many governments respond to powerful social forces and economic actors whose priorities are not poverty reduction. The political control in many societies lies with people who use the state for their narrow interests. Therefore some groups will do everything to ensure that the *status quo* is maintained.[8]

Even proposed reforms that are demonstrably "pro-poor" will not be implemented if they threaten powerful vested interests. In Kenya, for example, the PRS process was viewed as being 'owned' by a broad range of stakeholders. But progress in certain key poverty aspects —good governance in particular—

1 For more information on the PRSP approach, see EURODAD's paper "An Independent Guide to PRSP" http://www.eurodad.org/2poverty/indexpoverty1.htm

2 For discussions in 'official' documents see, *eg*, *External Evaluation of ESAF*, IMF 1998.

3 *PRSP Processes in Eight African Countries Initial Impacts and Potential for Institutionalisation*, paper prepared for WIDER Development Conference on Debt Relief, Helsinki 17-18 August 2001, David Booth, ODI, p. 12.

4 'Internal' and 'external' ownership are not necessarily separate entities: ownership could be analysed along any number of different lines. The distinction between 'external' and 'internal' ownership is used here simply for ease of analysis.

5 *PRSP Processes in Eight African Countries*, *op cit*, p. 6.

6 *Aid and Reform in Africa: Lessons from Ten Case Studies*, World Bank March 2001 www.worldbank.org/research/aid/africa/draftsum.pdf, p. 32.

7 EURODAD Poverty and Structural Adjustment update Spring Meetings 2001 www.eurodad.org/2poverty/indexpoverty1.htm

8 For example, *"the ruling elites found it convenient to perpetuate low literacy rates. The lower the proportion of lower and literate people, the lower the probability that the ruling elite could be displaced"*, Hussain 1999, quoted by Easterly www.worldbank.org/research/growth/pdfiles/five_myths.ppt

was recently stopped when an older pattern of top-down presidential rule reasserted itself. One commentator notes, "*none of this necessarily means that the Kenyan PRSP will have no benefits; but it does serve as a reminder that the benefits will be constrained —but also enabled — by Kenya's particular realities.*"[9] The move to greater ownership implies a shifting of responsibility from outsiders to governments. In a situation where the government shows little willingness to bear that responsibility and little commitment to fighting poverty, there is very little that outsiders can do.

External and internal obstacles to greater country ownership

At theoretical and rhetorical levels, the international development community has picked up quickly on these themes. 'Participation' and 'ownership' are the new buzzwords, compulsory in all documents, if hazily defined. Despite these changes in IFI rhetoric, however, true ownership in development co-operation has yet to be established. There is still a critical 'credibility gap', which is leading civil society groups in many Southern countries to question the value of their participation in PRS processes, and which thus threatens to undermine support for the new approach. The following section identifies a series of external and internal obstacles that prevent better ownership of countries' poverty reduction strategies.

'External' obstacles to increased ownership

One set of obstacles to increased ownership is 'external': that is, relating to external development partners:

- **Dominance of the IFIs in agenda-setting and choices of reforms.** When a PRSP is completed the staffs of the World Bank (WB) and IMF write a 'Joint Staff Assessment' (JSA) of the PRSP, setting out their view of the paper. The board then discusses the document and decides whether or not to 'endorse' it: that is, whether or not the JSA provides a sound basis for future WB and IMF lending and debt relief. Gaining this IFI seal of approval is vital to accessing not only IFI financing and debt relief, but also broader donor support. As a result, PRSPs are necessarily written with the aim of having them endorsed by the IFIs.[10] There are several examples where the IFIs really shaped the whole process from the beginning, as in Ghana where "*Necessarily put together in haste … there was heavy World Bank involvement in its preparation and programmes included in it were drawn from the Bank's Country Assistance Strategy document.*"[11]
- **A tendency to 'back-door' policy specification.** Another concern has been the additional specification of policies and reforms in documents other than the PRSP. This was an issue in the first couple of World Bank PRSCs (Poverty Reduction Support Credit), where there was a tendency to make up for the lack of specification in the PRSP by adding additional details in the documentation for the PRSC, namely the Letter of Development Policy.
- **The umbilical linkage between PRSPs and the HIPC Initiative.** Civil society groups have reported time and again that governments are rushing PRS processes in order to achieve HIPC Initiative Decision or Completion Points. Donors too have complained that the rush has damaged the quality of PRSPs. Even IFI officials have admitted to us that the proposed solution to this tension, the PRSP Initiative, has largely failed to mitigate the tension between 'speed' and 'quality'. As such, the HIPC Initiative-PRSP linkage has been a major structural obstacle to achieving high-quality country-owned strategies.
- **Lack of connection to broader international and national development processes.** A further structural obstacle to fostering country ownership is the relative 'isolation' of the preparation of PRSPs from broader development and political processes. This happens both at the international level (*eg*, the National Strategies for Sustainable Development adopted in the context of the Rio+10 process, or the European Union's Cotonou process), and at the national level (*eg*, the disconnect between Honduras' PRSP and its 'Master Plan for Reconstruction and Transformation' after Hurricane Mitch, or between Chad's PRS process and its mechanism for managing oil revenues).
- **Slow movement of donors to budget support.** The PRS approach requires significant changes in donor behaviour. If PRS processes are to result in a transfer of ownership, this implicitly implies a shift from project-based aid towards budgetary support, on the basis that budget support gives governments greater leeway to direct resources to the sectors prioritised in their strategies. As one commentator puts it, "…*the PRSP movement has also been associated with a fairly aggressive assertion of the desirability of donors moving away from project-based aid in favour of general programme or budget support.*"[12]

Through a combination of these structural obstacles, the original aim of the PRSP to be the focus of all a country's efforts to combat poverty has not come to fruition. There is evidence that the PRS approach has succeeded in removing poverty reduction efforts from the 'social sector ghetto' and in tying expenditure decisions more closely to poverty priorities. The impression has nonetheless developed that PRSPs are somehow 'separate' and distinct from other aspects of a country's internal planning, and a product designed for the consumption of the IFIs. Unfortunately, many groups in the South already perceive the PRSP as a 'Washington thing'.

'Internal' obstacles to increased ownership

Structural impediments to increasing ownership in countries' development strategies are not just found at the 'external' level. One must also look at domestic —and especially governmental— impediments to preparing national poverty strategies.

- **Lack of capacity.** A lack of economic policymaking capacity in poor countries, particularly in negotiations with IFIs and donors, often leads to decisions that are not tailored to solving country-specific poverty problems. A civil society report on the PRSP in Tanzania questions *"...whether macroeconomic policies are carefully and critically analysed, reviewed and assessed as of their impact at the micro level, and on different*

9 *PRSP Processes in Eight African Countries*, *op cit*, p. 7.

10 When the PRSP approach was first adopted, there was much theoretical discussion about what would happen in the event that a country embarked on a controversial reform path, and whether or not the IFIs would endorse the strategy. With hindsight, this debate was a red herring, as the key concern for country authorities has of course been continued access to donor funding. To this end, there has been little willingness to 'rock the PRSP boat'.

11 *Poverty-Reducing Institutional Change and PRSP Processes: The Ghana case*, Tony Killick, ODI, August 2001, p. 11.

12 *Ibid.*, p. 15.

stakeholders. As a result the government is not in a position to take a proactive stand vis-à-vis International Financial Institutions."[13] The same arguments also apply to civil society groups: as a Ugandan civil society organisation (CSO) puts it, "*Many CSOs lack the adequate capacity to engage in quality dialogues with stakeholders such as the donors and even the government itself. A lot has to be done to enhance the capacity of CSOs in the decision-making process.*"[14]

- **Document access.** Making documentation available in a timely fashion and in local languages remains an obstacle to wider participation. For example, the recent Cambodian full PRSP was only made available in the local language, Khmer, in the final version and not in earlier drafts. The fact that the document had been prepared for the consumption of external donors in the first instance meant that the opportunity for widespread input was lost.
- **Marginalisation of CSOs.** A continuing concern has been that governments marginalise civil society in the preparation process, particularly by leaving it out of the macro/structural reform debate in many cases, and by failing to make substantive use of civil society proposals. In Tanzania, for example, the government failed to catalyse substantive CSO involvement in the recent Consultative Group process. It informed participants at very short notice and conducted two parallel processes with informal and formal meetings.[15] One NGO representative summed up the problem at a recent conference: "*the poor are not participating, they are being participated.*"
- **Marginalisation of parliaments.** "*PRSPs have tended not to involve parliaments, as institutions, in a major way…it would be unwise to allow parliaments to be as uninvolved as they have been until now*".[16] Whilst it is not likely that all parliaments are capable of playing a 'watch-dog' role, the lack of involvement of parliamentarians in countries' poverty strategies is a worrying development. This has been a recurring theme in Southern CSOs' analyses: in Malawi, for example, the NGO network comments that "*only five MPs are involved in the PRSP process…key sectors are operating without any parliamentary representation*".[17]
- **Institutions often inaccessible to the poor.** There has been increasing recognition in recent years that well-functioning institutions (courts, parliaments, the machinery of government, regulatory bodies and so forth) are a vital aspect of a successful poverty strategy. The latest World Bank *World Development Report* takes as its central theme the need to strengthen the institutions that support markets and private sector activity, including property rights, competition regulation and anti-corruption laws.[18] Furthermore, poor people have to be able to use the institutions – and if they are not accessible to them, then they are as good as useless.
- **A focus on budgets misses key inter-sectoral issues.** Many governments have convened working groups to draw up drafts for different parts of the country strategy, generally with the involvement of key stakeholders. They have tended to be organised, however, by 'spending sectors' that can be linked directly to the budget (*eg,* 'health', 'environment', 'infrastructure', *etc.*). Whilst linking the strategy directly to the budget is vital for ensuring that spending is on the prioritised areas and is pro-poor, it appears in many cases that this has been done at the expense of addressing cross—sectoral issues: "*one problem … is the failure of most groups to address cross-cutting themes.*"[19]
- **Complementary 'administrative' changes needed.** One interesting donor comment on PRSPs is that "*PRSPs are unlikely to achieve very much on their own, but depend for their impact on the existence of parallel changes in government financial and staff management arrangements.*"[20] A consensus has emerged that the countries where the PRS process is proceeding most successfully are where it is connected to ongoing public-sector reforms, particularly of public-finance management.

Proposals to enhance countries' ownership of their poverty strategies

This concluding section sets out a series of suggestions on how to overcome the ownership obstacles that remain despite the PRS approach. These address both the external 'top-down' problems posed by the actions of external stakeholders, but also things that country authorities themselves can do to produce their own tailored and effective plans for reducing poverty.

- **Move to a 'Consultative Group'-style endorsement of countries' strategies as a first step.** Moving country-donor interaction away from requiring *a priori* IFI endorsement before a poverty reduction strategy is implemented will be important for enhancing ownership. We propose moving instead to a Consultative Group-style type of endorsement as a first step, where the IFIs are not the *primi inter pares* amongst donors, and where the link can be made between discussion of countries' strategies and the financing that donors are prepared to put in.
- **Reconsider the role of conditionality.** The IFIs face the dilemma that conditionality has largely failed to achieve the policy results that were intended, yet they need at the same time to safeguard the use of their resources. The response so far has mostly been to reduce the numbers of conditions in programmes. Yet there needs to be more fundamental reflection on the link between ownership and conditionality. While in our view conditionality is not *necessarily* antipathetic to ownership, conditionality would need to be 'self-imposed' for it to avoid compromising ownership. Further, more thought needs to be put into the role of results-based *ex-post* financing where access to IFI funds would be on the basis of results in achieving a country's poverty reduction goals. The focus on *end-results* achieved in reducing poverty is key.[21]

13 *Poverty Reduction Strategy Paper; Input from Civil Society Organisations*, TCDD/PRSP Coalition, March 2000, p. 5.

14 *The PRSP process in Uganda*, Zie Garuyo, Uganda Debt Network 2001, p. 19.

15 *Donors and Government Marginalise Civil Society in the CG Process*, Feminist Activism Coalition Tanzania, (FEMACT) September 2001.

16 *PRSP Processes in Eight African Countries*, *op cit*, p. 11.

17 *PRSP in Malawi – Progress Report and Recommendations*, Malawi Economic Justice Network, April 2001, p. 21.

18 *Building Institutions for Markets,* World Development Report, World Bank, 2002 www.worldbank.org/

19 *PRSP in Malawi*, April 2001, *op cit*, p. 20.

20 *PRSP Processes in Eight African Countries*, *op cit*, p. 9.

21 There are of course practical issues with how to measure results, but this also holds true for current practice.

- **Put everything in the publicly available poverty strategy.** The temptation to 'top up' the specification of proposed policy reforms in IFI lending documentation (*eg*, in PRSC documents), but without adding this additional information to the overall poverty strategy, must be avoided. All the plans and proposed reforms must be in the public, country-owned document, in the form of appendices if necessary, and open for public discussion.
- **Expect countries' strategies for poverty reduction to be even more comprehensive than the current macro/structural/social parameters of the current PRSP specification.** Development planning must also consider areas that are traditionally not part of World Bank or IMF concerns. These might be purely political matters, such as institutional reform issues (*eg*, relating to the role of parliaments, or to institutionalising responsibilities for participation). They might also be politically contentious reforms, such as land reform, which the IFIs have avoided in the past, but which are vital for addressing key poverty issues such as equity, security and access to productive assets.
- **Ask for an appendix of stakeholder comments.** NGOs have proposed the inclusion of an appendix or accompanying report to the finished strategy that gives space to comments from non-governmental stakeholders involved in the strategy process, including the private sector, CSOs, faith-based groups and others. This would be an effective way of allowing the international community to assess how participatory the process had been, and to what extent proposals from non-governmental stakeholders had been incorporated.
- **Address the HIPC Initiative-PRSP process tension.** Whilst it is now too late to address the problems inherent in the PRSP Initiative approach, we feel that the 'flexible PRSP' approach agreed at the 2000 Annual Meetings should be extended. It was decided then that, in the event that a full PRSP had not been drawn up one year after the PRSP Initiative, a 'progress report' would be an acceptable basis for continued IFI lending and continued interim debt relief under the HIPC Initiative.
- **Tie donor assistance more closely to countries' plans.** Bilateral donors should go further in integrating their development assistance with a country's poverty strategy and in collaborating more closely with each other. One important step for enhancing ownership is to move towards budgetary support. In addition, a key area to which the European Commission[22] for example attaches great importance is the strengthening of institutional capacity in developing countries.[23]
- **And a final proposal: Drop the 'PRSP' label.** We have been careful here not to talk about 'PRS' processes or 'PRSPs' in a generic fashion, and have confined use of those terms only to discussion of the specific papers being prepared for endorsement by the IFIs' boards. In future, it would be better to talk about a country's strategy for poverty reduction, or plans for sustainable development, or whatever the country authorities themselves want to call their documents. This would be a simple gesture underlining the fact that ownership of countries' strategies should be transferred to countries themselves. They should be free to call them what they want. ■

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22 EC Delegations, with the support of headquarters, are trying to identify a possible role for EC-financed technical assistance including training in the process of strengthening institutions and capacity-building.

23 *Poverty Reduction Strategy Papers: Guidance Notes*, European Commission DG Development, August 2000, p. 5.

The Monterrey Consensus: consolidate globalisation at the expense of women

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The unwritten consensus of the so-called Monterrey Consensus continues to use the institutionally embedded social reproductive roles of women to support global economic production.

For over 50 years, development has focused on economic growth. The International Conference on Financing for Development (FfD) offers no a radical shift away from this perspective.[1] The Monterrey Consensus consolidates the forces of globalisation. It seeks to expand global capital by promoting foreign direct investment, integrate the poor into the global market through market access for exports, and legitimate the supremacy of the World Bank-International Monetary Fund-World Trade Organisation in economic governance. The unwritten consensus continues to use the institutionally embedded social reproductive roles of women to support global economic production.

It should come as no surprise that FfD has not lent itself to a discussion of gender perspectives in global macroeconomic policymaking. A gender analysis of macroeconomics is itself a relatively new area of study, with some aspects better studied than others, *eg*, gender budget analysis and gender and trade. Thus, the inclusion of gender language in the Monterrey Consensus is limited to the use of gender-sensitive descriptive qualifiers, listing of special concerns with inclusion of women and gender mainstreaming. There is a strong need to disseminate the elements of a gender analysis of macroeconomics at the many levels of policymaking in order broaden the discourse on the examination of globalisation.

A corollary weakness of the Monterrey Consensus is the absence of human rights language as a framework for proposed actions despite reference to upholding the United Nations Charter. This absence is incongruent with the commitment to the principles of justice and equity found in the document. Since the Monterrey Consensus will form part of a body of soft law—"strictly formulated obligations but contained in recommendatory non-binding instruments"—the absence of human rights language inhibits the Monterrey Consensus from providing a solid normative framework for the formation of law and binding legislation.[2]

Gender and macroeconomics

Separation of social policy and macroeconomic policy

Macroeconomic policy and social policy are often discussed as separate concerns in public policy. Macroeconomic policy is implemented in pursuit of economic stability and growth. Social policy is implemented in pursuit of social objectives such as universal education and disease prevention. Macroeconomic policy deals with hard issues while social policy deals with soft issues. Most often, women's issues are identified with social policy and remain invisible in macroeconomic policy formulation.

Bridging this divide through proper integration of both policy spheres would be an important first step. Unfortunately, the Monterrey Consensus fails to take this bold step. Rather, it has chosen to promote social protection and social safety nets, which are seen as appropriate responses to social risks. This approach has been criticised by Esping-Andersen[3] as inappropriate to today's realities. In addition, the mainstream approaches to social protection that substitute for social policy in the Asian economies in the aftermath of the 1997 crisis are inadequate. These were formulated as an afterthought to macroeconomic policy and are considered by Elson and Cagatay[4] as an "adding on social policy approach". A severe criticism of safety nets as envisioned by multilateral and regional funding agencies is that safety nets are designed only to deal with "shocks" as if these were coming from outside the system of production rather than produced by it.

Social policy is seldom formulated using the principles of social justice. Doing so would create a set of instruments that could help eliminate exploitative relations in both the productive and reproductive spheres of economic and social activity that create and exacerbate poverty and inequality.

The social content of macroeconomic policy

The usual approach to a gender analysis of macroeconomic policy is to investigate the social impact of a set of policies. Elson and Cagatay[5] look deeper into the social content of macroeconomic policy by identifying the power structures that drive the direction of macroeconomic policy. Three biases that work against women are highlighted.

A *deflationary bias* brought about by high interest rates makes it difficult for businesses to remain viable. In times of economic crisis, women are disproportionately negatively affected through job losses in the formal sector, increased crowding in the informal sector, and greater household responsibilities as women help their families cope with the crisis. Financial bailouts are more common than social bailouts.

A *male breadwinner bias* is created by the reliance on full employment and economic growth to meet social goals, coupled with the assumption that men—the main providers of labour in the formal sector—support a set of dependents, usually women, children, and the elderly. Exemplified by European welfare states, women are dependent on men for social benefits provided by the state. Women, who largely comprise the informal sector and part-time workers, do not have access these benefits.

A *commodification bias* manifests itself when government spending policy is defined in terms of minimising the budget deficit. Social services are increasingly privatised making access even more difficult for the poor. The lack of publicly-provided services is made up for by women who are expected to bear the caring responsibilities in a household.

Since women are rarely seen and heard in the hallowed halls where macroeconomic policy is formulated, their issues and concerns are rarely reflected in the decision-making processes. This imbalance at the national level is mirrored at the global level when ministers of finance and governors of central banks gather to determine the direction of global macroeconomic processes.

1 United Nations. "Monterrey Consensus," agreed draft text, final unedited version, 27 January 2002, New York City.

2 Asif H. Qureshi. *International Economic Law*. London: Sweet and Maxwell, 1999.

3 Gosta Esping-Andersen. "Social indicators and welfare monitoring," Social Policy and Development Paper No. 2, Geneva: United Nations Research Institute for Social Development, 2000.

4 Diane Elson and Nilufer Cagatay. "The social content of macroeconomic policies," *World Development* 28(7)2000: 1347-64.

5 *Ibid.*

Gender relations embedded in institutions

Gender norms are embedded in institutions, defined as a set of structures that govern economic and social behaviour. Existing gender relations enforce an arrangement where the caring support found in households and social organisations makes market activities possible. The implementation of macroeconomic policy in this supportive setting without acknowledging its role and influence results in the biases described above.

Existing gender norms place an additional burden on women who want to participate in the market but are hindered from doing so because of socially determined limitations on physical mobility and ownership of assets. In some cases, norms are formalised in marriage customs and legal structures. As DAWN articulated in its intervention during the Third Preparatory Committee Meeting of the FfD, "[t]he goal of creating a truly enabling financial environment in support of development that will equally benefit women and men requires addressing long-term institutional deficiencies and barriers to gender equality."

From national to global and back

The discussion has so far engaged the realm of policymaking at the national level. While many national weaknesses are replicated at the global level, the replication is not straightforward. The already well-known tension between capital mobility and labour mobility, and trends in the segmentation of capital and the segmentation of labour make the nature of gender biases more complex.

Furthermore, globalisation severely challenges policymaking at the national level because of increased pressure towards economic integration and the use of a single economic model for growth. National economic sovereignty, with the nation-state as the ultimate decision-maker over the use of its resources and other resources located within its territories, can no longer be practised in a conventional manner because economic borders have eroded. Multiple bilateral, regional, and multilateral agreements on money and finance, investment, and trade have made economic borders less clear and less defined. The range of policy instruments available to developing countries today is narrower than that available to developed countries when they were in a similar stage of development. Policy discretion is heavily curtailed.

The success of the FfD should be judged by its ability to resolve the tensions arising from challenges to national economic sovereignty. As FfD discussions progressed and entered into the negotiations phase, however, the pragmatic view prevailed. Government stakeholders wanted everybody to "stay on board" and this meant that the FfD could not be seen as a venue for resolving differences on globalisation.

The supremacy of capital mobility

The Monterrey Consensus has sealed the supremacy of capital mobility in this era of globalisation. This is expressed mainly as an "anti-tax" position, since the proposal for an International Tax Organisation and the hotly contested Currency Transactions Tax were removed from discussion after the Fourth Preparatory Committee Meeting in January 2002. This is a matter of concern especially considering Rodrik's[6] 1997 findings that capital income's share of total taxes has decreased and labour income's share has increased. In general, any mention of regulatory measures on any form of capital has met with strong opposition, chiefly from source countries.

In contrast, there is no reference to migration except for the "movement of persons" under the theme of international trade, referring to terminology used by the World Trade Organisation in its General Agreement on Trade in Services. This reference does not contain any commitments and only raises concern over this and other trade matters important to developing and least developed countries. The lack of commitments on migration despite the recommendation of the Zedillo Report contradicts the intent to "open up opportunities for all," especially to those whose only asset is their labour.

Segmented capital: portfolio flows vs. foreign direct investment

Even capital and capitalists are now segmented and possibly working against each other. Several financial crises resulting from uncontrolled short-term capital inflows have destroyed national economies and forced closure of foreign firms located in those economies. Foreign direct investment is still relatively footloose. Huge losses may be incurred in moving operations from one country to another and profitability can be threatened at any time by the onslaught of crisis.

Foreign short-term financiers find partners among national elite who own and control local financial assets. An atmosphere is created where arbitrage becomes profitable and domestic financial institutions are encouraged to engage in risk-taking. These are often the same institutions that hold a conservative stance regarding lending to poor people and to women. Not only are financial intermediaries reluctant to lend to women, but women may also be reluctant to borrow (risk-averse) because they hesitate to place the dependents in their household at risk.[7]

In contrast, women are more visible in relation to foreign direct investment because they constitute a pool of workers in export processing zones and in subcontracted work. The benefits of increased employment opportunities provided to women need to be weighed against the nature of employment relations in these firms and the impact on women's work and status in their households.

In addition, foreign direct investors are able to use their preferential position to extract concessions from host governments in the form of government contracts, infrastructure, and tax breaks. These revenue losses should be sharply contrasted with the limits placed on social service expenditures.

Segmented labour: skilled labour vs. *unskilled labour*

There is a high level of suspicion and general lack of interest in many countries associated with the opening of borders to foreign labour. In agreeing to discuss the movement of persons, the FfD may be acknowledging that globalisation could offer increased opportunities to people with specialised skills or professionals. Developed countries may become more amenable to porous borders as their demographic profile becomes older and their working age population thins. The opportunities offered, however, are mainly limited to middle class households who can afford to get an education and pay for the costs of migration. Whether such migration leads to an intensification of the "brain drain" from developing countries has yet to be determined.

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6 Dani Rodrik (1997). "The paradoxes of the successful state," *European Economic Review*, 41(3-5): 411-442.

7 Diane Elson. "International financial architecture: A view from the kitchen," paper at the Annual Conference of the International Studies Association in Chicago, February 2001, mimeo; Maria S. Floro. "Gender dimensions of the financing for development agenda," working paper prepared for UNIFEM, 22 April 2001, New York: UNIFEM.

The pattern of employment is sex-segregated by occupation. Teaching and nursing professionals are predominantly women while engineers and architects are predominantly men.

Low-skilled and unskilled labourers often take risks using illegal channels of migration. Low-skilled and unskilled labourers that remain in their home countries form the reserve pool of labour available to domestic and foreign capitalists alike. This process has undermined international solidarity among workers by pitting the desperation of workers in poor countries against the threat of unemployment of workers in rich countries.

Economic and social governance: wherefore art thou, UN?

The potential of the FfD to address long-term systemic problems underlying development remains unrealised. The Monterrey Consensus failed to establish a leadership role for the United Nations in global economic and social governance. The Monterrey Consensus secured and legitimised the positions of the World Bank, International Monetary Fund and World Trade Organisation in their respective roles in global macroeconomic governance. The United Nations could have served as a balancing force for these institutions, but the complete buy-in of the policy prescriptions from the multilateral financial institutions only served to consolidate the current nature and direction of globalisation.

Successfully "staying engaged" in this arena requires decisive and assertive reformulations of the global economic order in three inter-related areas: international economic policymaking, international political economy, and international economic law.[8]

On international economic policymaking

An open economic system naturally means that economic developments in one country find translation into its partner economies. The major industrialised economies whose currencies serve as the major trading instruments can cause disruptions in the economies of their trading partners. Yet their policies promote their own national interests (or the interests of a privileged small group), without consideration of the impact these policies may have on their trading partners.

The *ad hoc* and informal groups and networks that initiate policy are not legitimate, since they lack transparency and have limited membership and, therefore, undemocratic proceedings. In some instances, such as the Basle Committee made up of the G-10's central bank officials, legitimacy is questioned because the officials are technocrats whose mandate for representation is unclear. These groups must clarify and justify their jurisdiction over the agenda they cover. If it is found that such groups are necessary, then formal institutions should be established with clear mechanisms for accountability and responsibility.

On international political economy

Decision-making processes in the various intergovernmental fora require serious restructuring. Where voting structures depend on equity subscriptions, the richer countries will get more votes. Where voting structures depend on exclusive membership, outsiders will never get a vote. Even when voting structures appear level—as in the one-state-one-vote process—voting power and real power still diverge. Despite developing countries having two-thirds majority in the UN General Assembly, these countries are unable to use their number to press for their demands.

Suspicions over the governance of multilateral groupings persuade countries to form blocks or create side-agreements, which, strictly speaking, undermine the multilateral agreements. Given the asymmetry in the balance of power described above, a regional response can prove positive for weaker countries, particularly when large influential nations are kept out. It is very important, however, that regional responses create alternatives rather than imitate the content and structure of the multilateral forums.

At the national level, further clarification on the relationship between the executive and legislative branches of government in forging international agreements with domestic legislative implications is needed. Representative democracy seems to be undermined when legislators are rarely if ever involved in the process of negotiating agreements. National executive branch representatives to multinational institutions must be held answerable for decisions made while they were involved in the multilateral institutions.

On international economic law

Much of the discussion on the themes of the FfD has legal implications. Since these are international agreements, they fall under the legal discipline of international economic law. Apparently, international economic law is weak in the area of international development law, where, as with many UN resolutions, most formulations are not binding.[9] Although agreements on trade, money and finance can have a developmental aspect, they do not directly address development.

The 'international agreements' subset of the body of law must contain the elements of fairness and justice since justice is a core principle of law. Moreover, the relationship between international economic agreements and the legal instruments of human rights and the right to development should be clearly established, including at the national level.

8 Marina Fe B. Durano. "New Goals for Global Governance?", *DAWN Informs*, November 2001. Excerpts of a presentation in the same titled conference hosted by the Danish UN Association in Copenhagen.

9 Qureshi, *op.cit.*

Enabling environment revisited

In laying down the principles required to create an enabling environment for raising financial resources for development, it should be remembered that such action leads to attainment of the means to development, not to the ends that make up development. The FfD should consider a redefinition of 'enabling environment' for future work that involves viewing people as the end rather than the means to development.

Macroeconomic policy, particularly its employment generation component, aims to provide jobs to the poor so that they can earn wages to pay for their consumption. In this framework, people are a means for income generation and the growth of income is equated with development.

Viewing people as an end changes our perspective on macroeconomics. Policy instruments build an external environment that enables each person's capabilities to function to the fullest. When a person's internal capabilities are coupled with this favourable external environment, "combined capabilities" are developed. It is these combined capabilities that development process aims to achieve. The enabling environment assures the existence of the social basis for these capabilities.[10]

This view stands in sharp contrast to policy that creates an enabling environment for investment and growth. The promotion of investment and economic growth can only provide the resources; it cannot guarantee that the resources made available actually help a person function "in a truly human way."

Social justice and gender justice are better served in this redefinition as global economic governance focuses its attention on the individuals that it hopes to serve. This is particularly crucial for women who have "often been treated as the supporters of the ends of others, rather than as ends in their own right". Development for all will be realised only when each person is treated as an end. ■

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10 Martha C. Nussbaum. *Women and Human Development: The Capabilities Approach*. Cambridge: Cambridge University Press, 2000.

Women push their development demands on the financing front

June Zeitlin
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The challenges of increasing inequality and exclusion and the feminisation of poverty have been exacerbated by the rapid globalisation of the world economy. However, the draft of the Monterrey Consensus document failed to challenge the current macroeconomic framework that perpetuates global imbalances, inequality and suffering.

The 1992 UN Conference on Environment and Development (UNCED) and Agenda 21 marked the start of a global agenda-setting process that has transformed public policy demands and allowed civil society more influence in policy-making.

At UNCED women from around the globe came together in all their diversity to strategise and to gain formal recognition of their crucial role in achieving development that is socially, economically and environmentally sustainable. At subsequent conferences on development, women advanced their agenda, winning government commitments to protect and advance women's human rights (Vienna), reproductive health and rights (Cairo), poverty and social development (Copenhagen) and a broad platform of political, economic and social advances for women (Beijing).[2]

But even as women have struggled to hold their governments accountable in the implementation of these commitments, the challenges of inequality and the feminisation of poverty have been exacerbated by rapid globalisation of the world economy. For women, therefore, the Financing for Development (FfD) process—with its focus on mechanisms to finance the development goals of the Millennium Forum and the 1990s conferences—held great promise.

For years, women's organisations and other NGOs have monitored six critical aspects of development finance: mobilising domestic resources; mobilising international resources for Foreign Direct Investment; trade; official development assistance (ODA); debt; and systemic issues such as reform of the international financial architecture. In the FfD process, civil society argued that the existing approach to economic globalisation is leaving many countries and people behind and that new approaches were needed. A growing number of governments, leaders of the international financial and trade institutions and some business leaders are beginning to agree.

Despite these efforts there has been a steady whittling away of the political will to reform the international financial and economic system. Governments have elected to stick with the failed policies of the Washington Consensus—deregulation, privatisation, and trade and financial liberalisation—that have swelled the ranks of the poor, particularly women, and led to growing global inequality. To our dismay, as the Fourth Preparatory Committee drew to a close in January 2001, the draft of the Monterrey Consensus document failed to challenge the current macroeconomic framework that perpetuates global imbalances, inequality and suffering.

Although it is generally accepted that women make up the majority of the world's poor,[3] the Monterrey Consensus is almost devoid of gender analysis or any clear commitment to gender equality. It ignores women's unique position within the labour market and the uneven and negative impact of global economic policies on the sectors where women predominate.

It expresses little understanding of the extra responsibilities of women in managing their households in addition to their income-generating activities. As social services are privatised, cut back or eliminated in the wake of globalisation, women get more household responsibilities and less income. This fact has not been considered in the official financing deliberations.

For the first time, gender is mentioned in the Mobilising International Resources section with businesses urged "to take into account … the developmental, social, gender and environmental implications of their undertakings" (para. 21). And though the Systemic Issues section includes a call to "mainstream the gender perspective into development policies at all levels and in all sectors" (para. 58), this was watered down from an earlier and more specific call for gender mainstreaming in international financial and development institutions. The other three sections—Trade, ODA, and Debt—make no mention of the needs or concerns of women. The final document will almost certainly lack the kind of systemic changes or systematic gender analysis that would make a real difference to women.

Foreign direct investment, Official Development Assistance (ODA), free trade zones and other external forces that directly affect the social and economic restructuring of developing countries are key development issues for women of the South. For example, structural adjustment policies are celebrated by industrial nations as a means to promote effective, sustained economic growth, but in practice they open the economies, peoples and natural resources of developing countries to exploitation by external entities. This reality directly impacts the livelihoods of women in the South, but their perspectives have been marginalised thus far in the FfD process.

Women's perspectives and recommendations in the FfD process were explored at a WEDO/UNIFEM (United Nations Development Fund for Women) consultation at the Second Preparatory Committee in February 2001. The meeting brought together some 30 representatives of women's organisations from around the world to map out ways of bringing a feminist perspective to the FfD agenda. Representatives of six of the participating groups[4] developed recommendations from which advocacy materials were produced. The materials—a set of issue briefing papers and a document of specific proposals on each of the FfD themes—provided a point of reference for FfD delegates seeking ways to incorporate gender concerns into the process, and for other civil society organisations to engender their own sectoral proposals. The main points and recommendations made by the women follow.[5]

Mobilising domestic financial resources for development

National governments play the primary role in development of the national financial sector, protection of social services, and provision of resources needed for the growth of human potential and capacity. But globalisation and market liberalisation place severe limitations on the ability of governments to provide social protection

1 June Zeitlin, Executive Director; Nadia Johnson, Economic and Social Justice Programme Associate; Women's Environment and Development Organisation (WEDO).

2 World Conference on Human Rights (WCHR), 1993, Vienna, Austria; International Conference on Population and Development (ICPD) 1994, Cairo, Egypt; World Summit for Social Development (WSSD) 1995, Copenhagen, Denmark; Fourth World Conference on Women (FWCW), Beijing, China.

3 Seventy percent is the commonly-used estimate, but since "gender-sensitive income-poverty indicators have yet to emerge…there is no way of estimating the extent of feminisation of poverty." "*Biennial Report: Progress of the World's Women 2000*". UNIFEM, 2000. p 95.

4 Association for Women's Rights In Development (AWID), Canada; Freedom From Debt Coalition, Philippines; Gender and Trade Network, Washington, DC; World Council of Churches Ecumenical Team (WCC/ET), New York; Women's Environment and Development Organisation (WEDO), New York; Women's Eyes on the Multilaterals, Mexico.

5 Partly derived from a paper commissioned by UNIFEM: M. Floro. "Gender Dimensions of the Financing for Development Agenda". April 2001.

and invest in human resources. Governments are instead confronted with the dilemma of creating a "competitive" economic environment from policies that result in social and economic devastation. Liberalised markets intensify women's subordination in numerous areas such as literacy, life expectancy, and access to land, information, technology, and education. Taxation policies could be a useful tool for redistributing wealth and redressing social inequities, but the ability of governments to generate tax revenues is inhibited by IMF/World Bank-type reforms that favour predominantly male, middle-to-high income brackets while reducing or eliminating subsidies on basic goods such as milk, bread and cooking gas, on which poor communities, particularly women, rely.[6]

Women's recommendations

- Develop gender-disaggregated analyses of national budgets to obtain the facts about women's labour—paid and unpaid, formal and informal—in comparison with men, from which economic development policies and strategies that are truly equitable and efficient can be devised.
- Adopt and enforce transparency measures in financial decision-making bodies, government agencies and institutions. Such measures would increase public awareness and involvement in policy-making processes, thus promoting good governance and democracy and reducing incidences of corruption.
- Incorporate gender-aware analyses into all macroeconomic decision-making. Micro-credit alone cannot eliminate the barriers women face in accessing markets and financial resources. Macroeconomic policies involving trade and loan agreements, agribusiness, land distribution, and tax administration must be developed with awareness and consideration of their gender implications.

Mobilising international resources for development: foreign direct investment and other private flows

Gender awareness is crucial in the mobilisation of international financial resources involving the transfer of funds. Policies and institutions are not gender-neutral: they affect women and men differently. Women constitute half the global population but control fewer than 10% of the resources and earn less than men for comparable work. Gender-sensitivity is necessary if investment and trade policies are to be effective since gender inequalities and biases constrain women's ability to use available opportunities, respond to policy initiatives or engage in productive advances in terms of land rights, credit, and technology. The guiding question must be how to mobilise international resources for development, in the context of gender-aware economic and financial policy-making, to ensure that the concerns of women and girls are addressed.[7]

Women's recommendations

- Prioritise gender-sensitive sustainable human development as an integral part of economic growth. A mechanism to facilitate this policy could be the establishment of a gender desk in national finance ministries.
- Enact gender- and environmentally-sensitive regulatory frameworks to monitor global capital flows and employment practices of global corporations and multinationals.
- Establish gender-sensitive Sustainability Impact Assessments of public-private sector partnerships that review fiscal and social risks of joint investments and ventures as well as social responsibility, accountability, transparency and the participation of women's and other civil society organisations and unions.
- Develop gender-sensitive programmes that link small business development with foreign enterprises and encourage the transfer of information and technology to small businesses and the informal sector.

International trade as an engine for development

Trade liberalisation is proceeding rapidly with little consideration of the cost to women and men in developing countries or its impact on gender and social equality. This lack of attention poses particular challenges to women in the areas of food security and protection, agricultural livelihood and rural development, health and health care, and access to public services, biological diversity, and technology. Additionally, restrictive investment measures have serious implications for the growth and development of micro and small businesses, where women are concentrated.[8]

Women's recommendations

- Undertake a comprehensive gender and social impact assessment of the current General Agreement on Trade in Services (GATS) framework followed by re-negotiation to meet the needs of developing countries.
- Remove Agreements on Agriculture, Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Trade-Related Investment Measures (TRIMS) from the WTO discipline; agriculture and investment decisions should be left at the national level.
- Design gender-sensitive and socially equitable development systems that protect traditional knowledge by recognising the contribution of men and women farmers, the nature of the benefit sharing, and prior consent provisions.
- Ensure that linkages between foreign direct investment and trade policies result in equitable, safe, and sustainable employment. Export processing zones are replete with examples of the negative impacts this linkage can have on workers, particularly women and children.

Increasing international financial cooperation for development

To effectively eradicate poverty, financial assistance must focus on women and girls, who constitute the majority of the world's poor and who suffer most the effects of poverty. ODA and other forms of international financial assistance play a significant role in defining the macro economic frameworks and their related processes. Yet some important new strategies that have the potential to improve donor coordination and local ownership of development models—Country Development Frameworks, Poverty Reduction Strategy Papers (PRSP), SWAPs, and so on—are gender neutral. Given the experience of past economic reform policies, these new approaches are likely to have equally destabilising impacts, and negative effects, particularly on women. These new strategic frameworks must be revised to support sound socio-economic policies and enable development entities in receiving countries to direct the implementation of ODA, focusing on environmental protection, labour rights and gender equality.[9]

6 N. Johnson. "Mobilising Domestic Resources: Women's Consultation Briefing Paper". September 2001, New York.

7 J. Goodson Foerde. "Mobilising International Resources: Women's Consultation Briefing Paper". September 2001, New York.

8 M. Williams and M. Riley. "Trade: Women's Consultation Briefing Paper". September 2001, Washington D.C.

9 J. Kerr. "Official Development Assistance: Women's Consultation Briefing Paper". September 2001, Canada.

Women's recommendations

- Industrialised nations must increase ODA to 0.7% of GNP in keeping with commitments made at the Millennium Forum and Third UN Conference on the Least Developed Countries. A timetable must be established to meet this target, starting with a commitment to the UN Secretary General's challenge to double contributions to USD 100 billion within the next two or three years in order to reduce by half the number of people living in extreme poverty by 2015.[10]
- ODA must support technical assistance for institutional capacity building in gender analysis, including resources and technical assistance for gender disaggregated data such as policy impacts on different groups of women and men; and must strengthen programme design and management and operational policies and procedures within developing countries and countries in economic transition.
- Finance global public goods in addition to ODA, and include the eradication of HIV/AIDS and other major infectious diseases, environmental protection, poverty eradication, and gender equality among these goals.
- Focus international cooperation on meeting the internationally agreed upon development goals, including those in human rights treaties, in outcome documents of UN conferences of the 90s and in the Millennium Declaration.

Sustainable debt financing and external debt relief

Foreign debt is growing exponentially and debt relief continues to be an exercise of power and control through structural adjustment policies imposed by the international financial institutions that drain debtor nations of precious resources. Present debt-management proposals—the Heavily Indebted Poor Countries (HIPC) Initiative and the Enhanced HIPC—offer too little too late to too few countries since they are devised by creditors for debt collection not debt relief. But unless present debt-management plans are transformed into effective, equitable, development-oriented and durable debt release opportunities, the devastating cycle of debt accumulation will repeat itself, condemning millions more people to suffering.

Structural adjustment policies give priority to debt repayments over spending on health, education, sanitation, clean water and other social needs. This undermines accountability by debtor governments to their people and erodes local democratic institutions. Debt and loan negotiations are conducted in secret between elites in the North and elites in the South, fostering corruption. Caught as they are at the divide between the productive and reproductive spheres of life, women have borne the full impact of debt dependence, adherence to SAPs and underdevelopment.[11]

Women's recommendations

- Cancel the debt of low-income countries and the illegitimate debts of all countries of the South, with immediate effect.
- Institute immediate debt relief for severely indebted middle-income countries.
- Ensure the active participation of civil society in decision-making to determine the allocation of funds from new loans and debt relief.
- Starting with the heavily indebted poor countries in Africa, eliminate conditions attached to new loans and debt relief that perpetuate indebtedness, as articulated in the PRSP and the enhanced HIPC initiatives.
- Introduce an independent, transparent arbitration process for negotiating international debt cancellation that ensures losses and gains are shared equally, and establish ethical lending and borrowing policies to prevent future debt crises.

Systemic issues: enhancing the coherence and consistency of the international monetary, financial, and trading systems in support of development

Reforming the international financial architecture, improving global governance, and strengthening the role of the UN are the three major dimensions to this contentious issue. At stake is the direction that development financing will take beyond Monterrey. Women and other NGOs argue that the global human ecosystem is being jeopardised by severe imbalances in productivity, resource mobilisation, and the distribution of goods and services resulting from the policies of the Washington Consensus, which promotes deregulation, privatisation, and trade and financial liberalisation. This model, which subordinates poverty eradication and gender equality to economic growth, is economically and politically unsustainable. The challenge is to change the existing governance structure and rules to a system that will help achieve sustainable human development.

Women's recommendations

- Monitor global economic conditions, policies, and institutions from the perspective of overall development goals, including poverty eradication and gender equality as established in the UN Charter, Millennium Declaration, and all UN conferences of the past decade.
- Include all sectors of civil society, particularly women, in the design and application of trade, fiscal, and financial policies, at national, regional, and international levels.[12]
- Establish the primacy of the UN in addressing the lack of institutional democracy and transparency in the international financial and trade institutions—the World Bank, IMF and WTO.[13]
- Support government efforts to achieve full and effective implementation of the Beijing Platform for Action.

Regional perspectives

Women have been organising at both the regional and national levels to ensure that gender is integrated into all economic development financing and decision-making. Meetings between economists, activists, and in some cases government officials, have taken place in India, the Philippines, and Denmark, and new networks such as the Cartagena Initiative in Latin America have formed.

Women policymakers and activists have recognised that women organisers at the grassroots level are shut out of the official FfD process. To address this critical problem, WEDO and UNIFEM sponsored a joint initiative to help facilitate gender-sensitive policy and decision-making in the FfD process. As part of this partnership, regional workshops for Africa, Central and Eastern Europe/Newly Independent States, and Asia/Pacific were organised. These workshops brought together government officials, grassroots women activists, and feminist economists to share experiences,

10 FfD NGO Caucus Statement to the Press, 22 January 2002, New York.

11 Lerner, G., Lozada, R., and Torres, V., "Debt: Women's Consultation Briefing Paper", September 2001, New York and Philippines.

12 Laura Frade, Women's Eyes on the Multilaterals, "Women's Consultation Recommendations, FfD PrepCom III", 2-8 May 2001, New York.

13 FfD NGO Caucus Statement to the Press. *Op.cit.*

strategise, and network around FfD issues in their regions. These workshops aimed to attract regional attention to the FfD process and catalyse further advocacy efforts at the national, regional, and global levels.

The Africa regional workshop, organised by the African Women's Economic Policy Network (AWEPON), was held in Kampala, Uganda, and covered the regional dimensions of economic and social governance, gender and trade, external debt, security and peace, HIV/AIDS, technical aid, food security, and domestic resource mobilisation.

The Central and Eastern Europe/Newly Independent States regional workshop was held in Kiev, Ukraine, and was organised by the Liberal Society Institute. Issues of concern included corruption, access to micro-finance, domestic resource mobilisation, social protection, new forms of violence against women, sex trafficking, and the recent emergence of external debts.

The Asia/Pacific workshop was organised by South Asia Watch and held in Kathmandu, Nepal. Regional and sub-regional issues identified were the external debt crisis, women's high illiteracy rates, lack of food security, the supply and demand side of corruption, sex trafficking, and the exploitative labour of women and children fostered by current neo-liberal FDI and trade frameworks. The need to decentralise power and increase state autonomy was highlighted.

These workshops provided an arena to inform, strengthen networks, and develop strategies for future activities such as information sharing, research and education, training, lobbying and advocacy, publishing, and participation. They also developed advocacy statements and concrete language proposals for the Facilitator's outcome document. Connections were made between FfD and the World Summit on Sustainable Development—recognition of the need to form linkages between development financing and economic, social, and environmental sustainability. The discussions were both informative and inspiring, and the combined networks of the participants demonstrated the potential for women's advocacy around the impact of macroeconomic issues at the national, regional, and global levels, and at the Monterrey Conference and beyond.

Women's participation

The FfD process has provided women the opportunity to bring gender analysis and feminist perspective to the macroeconomic discussion. While WEDO, DAWN, the World Council of Churches/Ecumenical Team, the International Confederation of Free Trade Unions (ICFTU), and a number of women activists have sought to provide this analysis and these perspectives and were a constant presence and reminder of the importance of gender concerns, overall women's participation has been limited.

Part of this results from the objective limitations of financial and human resources among women's NGOs. But a major problem lies in the lack of women in economic decision-making and amongst the larger civil society movement against financial globalisation. Despite the gains women have made in many fields, they are still poorly represented in decision-making bodies. Women comprise only 13% of those in national legislatures. Among government ministers worldwide, women fare only slightly better at 14%, and they are largely concentrated in sectors typically seen as the least powerful, such as education, health and sports. The number of women heading those government sectors with the most clout in the power structure is particularly low, with only 9.4% in the legal area and less than 5% in economic, political and executive positions.[14] In the IMF women are 2.2% of governors (4 out of 179) and there are no women among the 24 directors.[15] At the World Bank it is not much better: 5.5% of governors (10 out of 181) and 2 out of 24 directors.[16]

Unless women are present in critical numbers and empowered to share their different experiences, perspectives, concerns, and needs, these will not be recognised in the policy debate. This is true not only in governmental and inter-governmental institutions but among civil society organisations as well. Women are still under-represented in the anti-globalisation movement, which has been in the forefront of redefining a new approach to globalisation focused on promoting sustainable development and addressing income inequality. Women activists must organise around globalisation issues and seek to influence the agendas not only of governments but also of NGOs.

Future engagement: first steps

At the UN it will be very important to carry forward the FfD discussions and outcomes into the preparations for the World Summit on Sustainable Development, to be held in Johannesburg in August 2002. The vision and reach of WSSD will rest in part on the financing possibilities and commitments reached in Monterrey.

WSSD presents an opportunity to apply a broader gender lens to the Millennium Development Goals—combating violence against women and addressing the issues of women's equality and empowerment in eradicating poverty are significant inclusions but cannot in themselves adequately meet the overall needs of women, nor their role in development. To successfully attain the Millennium Goals of eradicating poverty and hunger, achieving universal primary education, reducing child mortality, improving maternal health and combating HIV/AIDS, it is critical to document and understand the different positions of men and women, girls and boys in society.

In addition to the social and economic indicators in the Millennium Development Goals, commitments for achieving environmental sustainability are also given prominence. Thus the WSSD is an opportunity to unify the social, economic, and environmental components of sustainability within the context of the Millennium Goals and UN conferences and agreements of the past decade.

Women know that the various financing mechanisms on the table at FfD are means to a larger end, that of human development. These finance mechanisms are discussed in many other forums—WTO, IMF, World Bank, regional development banks and multinational corporations. However, there is no single institution that is looking at how each of them is appropriated or at the relationships between them. The social consequences of their policy decisions are secondary considerations. Thus, the UN provides the only forum for formal intergovernmental discussion linking financing to social development. This feature of FfD is what makes it unique and what lends it such importance for women.

Women forged a visionary agenda during the past decade of global meetings on development from the heady days of Rio to the triumphs in Beijing. But while we can celebrate some successes in gaining implementation of these commitments—gender budgets in several countries; new gender equity laws; improvements in electoral legislation—it is not enough. As WEDO's founder Bella Abzug declared, *"We have the words, now we need the music, and the music is the action."* To turn the words into action at the global level, women must take FfD forward to the forum on Sustainable Development. And, we must do so in larger numbers—working at national, regional and global levels—as we press forward to full equality in the social, political *and* economic arenas. ■

Women's Environment and Development Organization (WEDO)
<www.wedo.org>

14 S. Reyes. "Women Working with Women: Breaking Down the Barriers"; "Getting the Balance Right: Strategies for Change". WEDO, 2001, New York.

15 IMF Annual Report, 2001.

16 http://www.worldbank.org/about/

The European Union's contribution to the Millennium Development Goals

SIMON STOCKER

The actual test of the EU's commitment to the Millennium Development Goals goes beyond the use of the EU's aid budget, or indeed the promotion of increased levels of ODA. Increased resources for the Millennium Goals will not succeed on their own. The EU can make an important contribution here, but its global responsibility also requires it to respond to challenges in other areas of the development paradigm, not least the macro-economic framework. Ultimately the EU will be judged by its willingness to take bold initiatives that help to secure an "enabling environment" for development.

The introduction of Euro notes and coins at the start of 2002 completes the replacement of national currencies in 12 of the current 15 member states by a single currency.[1] This is a tangible sign of the European Union's (EU) evolution and of its steady economic integration. Already the Euro is vying to compete as a global currency with the dollar, and over time "Eurozone" countries will increasingly act as a single voice within the International Financial Institutions.

The EU's global role will be further enhanced through the expected expansion from the current 15 to a potential 28 member countries over the next few years. It is expected that negotiations with 10 of the 13 candidate countries will be completed by the end of 2002 with the possibility that some, or even all of the 10, becoming members at the beginning of 2004.[2] This would coincide with the next elections for the European Parliament, scheduled for June of that year, and the appointment of a new Commission a few months later. Already, the influence of expected new members is being felt, with their heads of state and government invited to participate fully in the March 2002 European Summit.

To prepare the way for these substantial changes, a process has been launched to focus on the "future of Europe". In December 2001, EU leaders established a Convention tasked with bringing forward proposals on the future, and with making recommendations about changes that could be made to the Treaty on European Union. The treaty defines the objectives and scope of the EU, as well as the institutions, their powers and procedures. The aim is to reach agreement on amendments to the treaty before the European Parliament elections in 2004.[3]

On the international front, the EU has sought to promote itself as a champion of development, and particularly of the least developed and most marginal countries. In 2000, the EU adopted a development policy that made poverty reduction the principal objective of its development co-operation for the first time.[4] In May 2001, it hosted the Third UN Conference for Least Developed Countries (LDCs). In the lead up to this conference, it adopted the widely promoted *Everything but Arms* initiative, which provides duty and quota free market access for all LDC products for all exports into the EU apart from armaments.[5]

The EU has also been actively promoting the comprehensive "development" round of trade negotiations within the World Trade Organisation (WTO), particularly seeking to win support from developing countries for their agenda. At the same time, the EU has been seeking to establish a new generation of free trade agreements with groups of developing countries. For the 77 countries in the African, Caribbean and Pacific (ACP) group, whose terms of co-operation with the EU are defined by the Cotonou Agreement[6], there is a commitment to start formal negotiations on establishing Economic Partnership Agreements in September 2002.

Finally, in the lead up to the March 2002 UN Financing for Development Conference and the World Summit for Sustainable Development that will take place in Johannesburg six months later, EU leaders have started to promote the need for more official aid to support the implementation of the Millennium Development Goals. Not only have they re-endorsed the 0.7% UN target for Official Development Assistance (ODA), but have called for "tangible" initiatives to be taken towards achieving this goal.[7] The EU already provides more than half of total global ODA.[8] Four EU member states already provide more than the 0.7% target,[9] and others have set out timetables for reaching 0.7%.[10] There is already, therefore, a strong impetus to increase levels of ODA within the EU as a whole and it is on this basis that the EU is able to make a claim to global leadership. Even if the recent decision of the new conservative government in Denmark to cut aid by 10% undermines this claim, it does not fundamentally alter the picture as Denmark will remain part of the 0.7 club.

Even before these recent developments, the global economic power of the EU had been evident. Besides providing more than half of all ODA, the EU holds a third of the World's GNP, produces over a third of total exports on the world market and provides a half of the world's Foreign Direct Investment outflows. In addition the EU collectively holds the largest block of votes on the boards of the International Financial Institutions.[11]

Until now, the EU's political weight has not matched its economic influence in the international community. In the past, and even now, the EU's member states have been reluctant to compromise their individual external priorities,

1 The Eurozone countries include Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. Notes and coins went into circulation on 1 January 2002 and by 1 March the national currencies in all 12 countries will no longer be valid.

2 The 13 countries are Poland, Hungary, Czech Republic, Estonia, Slovenia, Cyprus, Latvia, Lithuania, Slovakia, Romania, Bulgaria, Malta, and Turkey. Of these Romania, Bulgaria and Turkey are not expected to complete their negotiations with the EU by the end of 2002.

3 The Convention is a forum set up under former French president Giscard d'Estaing, to present proposals to the European Council in 2003. An Intergovernmental Conference will negotiate treaty changes to be agreed in the early 2004.

4 *The European Community's Development Policy - Statement by the Council and Commission*, November 2000.

5 Rice, sugar and bananas are excluded now with phase-in to be completed by 2008.

6 This refers to the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000. It establishes the terms of co-operation between the 77 countries of the ACP group and the European Union and is valid for 20 years. The financial instruments provided under this agreement are contained within the European Development Fund, which is negotiated every five years.

7 The European Council Declaration made in Gothenburg stated that *"the Union reaffirmed its commitment to reach the UN target for official development assistance of 0.7% of GNP as soon as possible and to achieve concrete progress to reaching this target before the World Summit for Sustainable Development in Johannesburg in 2002"*.

8 EU member states and European Commission combined.

9 Denmark, Luxembourg, Netherlands and Sweden.

10 Ireland has set itself a timetable to reach 0.7% by 2007.

11 Mirjam van Reisen, *EU Global Player: the North South Policies of the European Union*, International Books, 1999.

which reflect their own specific interests. Individual national approaches continue to undermine a common political position, but recent reform of the EU Treaty has started the gradual building of a common external political policy.[12] This is especially evident with regard to regions bordering the EU. With the coming of the Euro, the EU has added external political and monetary dimensions to its common positioning on trade.

In these three areas of policy, finance and trade, the internal interests of the EU are decisive in determining policy and practice, as is the practice of all states. The EU's current projection of global leadership, and its championing of the interests of the developing world, need to be set within that context.

At the level of the European Commission, the development of a common foreign policy is already affecting the traditional role of the EU in development co-operation. The European Commission manages almost a fifth of total world ODA. The new development co-operation policy adopted in 2000 stressed the needs of developing countries, placed the international development targets at the centre of the process, and promoted the concept of ownership by developing countries. However, the EU's stronger common foreign policy shows signs of eclipsing its development objectives.

There is concern that recent reforms of the European Commission will result in the marginalisation of development policy and that aid resources will be increasingly used to support the common political policies of the EU.[13] The latest reforms follow previous ones that were ostensibly pursued to improve the effectiveness of the Commission's aid programme. Already, development policy is being separated from the implementation of the aid programme. In addition, the current Commissioner for Development is directly responsible only for the country programmes for sub-Saharan Africa, the Caribbean and the Pacific, as well as for humanitarian aid.

Country programmes for Asia, Latin America and the Mediterranean fall under the Commissioner for External Relations – whose principal responsibility is external political relations. The External Relations Commissioner is also the Chair of the board that oversees the EuropeAid Office within the Commission.[14] EuropeAid was established as a technical office in early 2001. It is tasked with the complete cycle for implementation of most of the Commission-managed aid programmes. Consequently it has been growing rapidly in terms of personnel, initially at the expense of other parts of the Commission, particularly the Directorate for Development. The Commissioner for Development is a member of the board of EuropeAid, with the designation of Chief Executive Officer.

The European Parliament has sought, as part of its budgetary authority,[15] to establish a means by which the Commission-managed aid programme could be more clearly directed towards its principal objective – poverty reduction – and to directly support the achievement of international development goals. For the 2001 budget, the European Parliament succeeded in setting indicative output targets for EU programmes for ACP, Asia, and Latin America. These were set out in a form that identified indicative priorities for the use of resources in these regions according to the categorisation system of the Development Assistance Committee (DAC) of the Organisation for Economic and Development Co-operation (OECD).[16] The indicative figures drew on statistical information that the Commission provided on the use of its resources in previous years. The intention was for these indicators to be used as a comparison with the final figures when the European Parliament discharges the 2001 budget in 2003.

Initially the Commission's Directorate for Development was supportive of these proposals, but after interventions from External Relations the Commission sought to remove these targets. It was argued that these output targets put the Commission into a "straight jacket" when it needed flexibility. It was also maintained that setting targets contradicted the notion of developing country ownership. It was further argued that, since the EU's support was part of overall donor contributions, it may not be appropriate for Commission-managed finance to be used for supporting specific sectors as other donors might already be funding these sectors. Ultimately, the Commission also stated that it would not be in a position to provide the statistical information sought with the current systems in place, and therefore the exercise was in any case futile.[17]

The compromise reached between the European Parliament and the Commission for the 2002 budget is that within the EU's budget for the ACP, Asia and Latin America a global figure of 35% should be spent on social development. This was defined as "*including macroeconomic assistance with social sector conditionality, are allocated to social infrastructure, mainly education and health, recognising that the EU contribution must be seen as part of the overall donor support to the social sectors in a given country and that a degree of flexibility must be the norm"*.[18] This at least ensures that the issue of utilising Commission managed funds towards meeting the Millennium Development Goals remains a focus of accountability.

The actual test of the EU's commitment to the Millennium Development Goals goes beyond the use of the EU's aid budget, or indeed the promotion of increased levels of ODA. Increased resources for the Millennium Goals will not succeed on their own. The EU can make an important contribution here, but its global responsibility also requires it to respond to challenges in other areas of the development paradigm, not least the macro-economic framework. The EU likes to project the new WTO round agreed in Doha as being one that is good for developing countries, but this interpretation is challenged in many quarters.

Meeting the Millennium Development Goals also requires an "enabling environment" that is far from evident in most countries. Ultimately the EU will be judged by its willingness to take bold initiatives that help to secure such an environment. Central to this must be a willingness to ensure that its external policies give sufficient space to safeguard the interests of those beyond its borders, and not just pursuit of policies derived from internal self-interest. ■

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12 The Maastricht Treaty (1992) established the Common Foreign and Security Policy, but it effectively became operable only under the changes made in the Amsterdam Treaty (1999).

13 Mirjam van Reisen, *European integration and enlargement. Is there a future for European development policy?* Brussels, October 2001.

14 The Board of EuropeAid is comprised of the four Commissioners with external responsibilities: Chris Patten (External Relations) who is Chair; Poul Nielson (Development and Humanitarian Assistance) - Chief Executive Officer, Pascal Lamy (Trade) and Günter Verheugen (Enlargement). Pedro Solbes Mira, Commissioner for Economic and Monetary Affairs is also a member of the Board.

15 The EU's budgetary authority comprises the European Parliament and the European Council.

16 These were set out in five main categories: social infrastructure, economic infrastructure, production sectors, multi-sectoral/cross cutting and commodity aid and general programme assistance. The aim was to get increased support for the first category, and particularly for basic education and basic health.

17 The Commission is in the process of establishing a system that will provide DAC with compatible information.

18 Set out in the commentary of the relevant budget lines within the EU 2002 budget.

A summit against intolerance

Atila Roque[1]

The terrorist attacks on the United States, which occurred only three days after the close of the 3rd World Conference Against Racism, Xenophobia, Racial Discrimination and Similar Forms of Intolerance (WCR) in Durban, South Africa, unequivocally revealed the currentness of the issues discussed at that conference. What is at stake is the possibility of another paradigm of civilisation that does not lend itself to simplistic and black-and-white reductions regarding right and wrong, and that values diversity, universal human rights and the preservation of life. These principles and premises are systematically emphasised in the WCR Declaration and Programme of Action.

On 11 September 2001, the world watched in horror the acts of terror perpetrated in New York and Washington. The perplexity and indignation caused by the brutal death of thousands of people focused international debate on terrorism and its causes. The United States' response—a pitiless war against Afghanistan—deepened the pain and suffering of civilians in that country. The consequences of those terrible events are still not fully clear. What is clear is the need to join forces with all those committed to peace and democracy to counteract the conservative and militarist wave that is being mobilised. Combating horror with more horror is not acceptable. Solidarity among peoples is essential at a time like this.

The terrorist attacks on the United States, which occurred only three days after the close of the 3rd World Conference Against Racism, Xenophobia, Racial Discrimination and Similar Forms of Intolerance (WCR) in Durban, South Africa, unequivocally revealed the currentness of the issues discussed at that conference. The Conference, which took place from August 31 to September 8, 2001, brought together over 2,500 representatives from 170 countries, including 16 heads of state, 58 ministers of foreign affairs and 44 other ministers. In addition to official representatives, some 4,000 NGOs from across the world and approximately 1,300 journalists were accredited to cover the sessions.

Because of difficulties encountered in arriving at a consensus on some of the main themes of the conference – especially those related to the Israel-Palestine question, to past slavery and identification of the victims of discrimination – the negotiations took one day more than scheduled. For those following the process in Durban it was clear from the outset that it was not just any conference. The name of the conference itself, chosen after lengthy discussions among governments, was an early indication of tensions that would arise over the course of the preparatory process and final negotiations. It was a world conference that would have to come to grips, at an unprecedented level, with the profound causes of hate, violence and social desegregation.

Of all the UN social conferences, the WCR most forcefully called upon "national" societies to face their own demons. At the centre of the debates were issues affecting the wellbeing and security of individuals and groups in their everyday lives, issues that cross traditional boundaries between North and South. Problems such as those of immigrants, the *Roma* (gypsies), the *Dalits* (India's "untouchables"), African descendants, indigenous peoples and women go beyond national and geopolitical boundaries. The same can be said of the problems of those who suffer discrimination because of their sexual or religious preferences.

Aggravated by economic and political variables, intolerance and discrimination, which are deep-routed in our cultures, are seen in day-to-day actions and reaffirmed by the media. Intolerance and discrimination manifest exclusion in social relations that is transmitted from one generation to another. The way in which societies deal with these issues affects social hierarchy and access to the benefits of development.

Achieving international legitimacy for their struggles was, in certain cases, the main goal of social movements involved in the preparatory process for Durban and during the conference itself. In some cases, these groups met with tough opposition from governments, as happened with the *Dalits*, whose case against discrimination was excluded from the documents because of India's veto. The problem of discrimination based on sexual preferences was also excluded from the final documents, with only Brazil actively defending inclusion in the final moments of negotiations.

In some cases, governments insisted on restricting debate to the sphere of mechanisms already established in international negotiations and processes. An example was the attempt by African countries to address reparations due to victims of slave trafficking, from the period of slavery and colonialism, only in the context of policies on economic aid to Africa. In the same way, an effort was made to avoid specifically addressing current manifestations of such practices in the conference.

The participation of social organisations and movements in the WCR guaranteed that the promise of compromise contained in the title was not lost on the way to Durban. With regard to issues concerning people of African descent, the mobilisation of social movements resulted in the incorporation of a set of extremely advanced proposals into the document approved at the regional preparatory meeting for the Americas, held in Santiago, Chile, in December 2000.

The mobilisation and coordination of Latin American and Caribbean people of African descent played a crucial role in this process. The establishment of the Afro-Latin-Caribbean Alliance may be considered one of the main political achievements of the WCR. The Alliance provides not only a political reference for pressuring governments, but also a forum for discussion with organisations of people of African descent from Europe and North America (USA and Canada), as well as African organisations.

The art of possible commitment

Despite the many obstacles, the agreements reached in South Africa represent a decisive step towards greater tolerance and peace. The polarisation of debate on the Middle East conflict made the construction of consensus difficult almost to the end and left deep scars on the Durban negotiations. The radicalisation of positions caused the United States and Israel to leave the negotiations at one of the tensest moments. Not even the NGO Parallel Forum escaped this tension. The text of the final document of the Forum on the Israel-Palestine question, although quite strong relative to Israeli policy, suffered reservations from bodies such as Amnesty International and Human Rights Watch.

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The agreement reached on the Israel-Palestine conflict sharpened United States' isolation. Israel was not criticised individually and both anti-Semitism and anti-Islamism were condemned. The right to self-determination of the Palestinian people was recognised, but Zionism was not rated as racism. The language of the commitment adopted disappointed those who had hoped for a stronger condemnation of Israeli violation of Palestinian rights in the occupied territories, but it enabled achievement of consensus on the text.

The Declaration and Programme of Action adopted at Durban did not openly address the causes of discrimination, racism and xenophobia, nor did it address issues of immigrants and indigenous peoples. Some groups protested the non-recognition of indigenous peoples' right to call themselves "nations." Among the most polemical issues were those relating to the classification of slave trade and slavery as crimes against humanity, and the whole debate on reparation due those who suffered its consequences.

Regarding condemnation of transatlantic slave trade and slavery, the Conference reached an intermediary formulation: it classified as crimes against humanity contemporary episodes, stating that it "should always have been so." The text adopted at the end of the Conference represents significant and historical progress:

> *"We acknowledge that slavery and the slave trade, including the transatlantic slave trade, were appalling tragedies in the history of humanity not only because of their abhorrent barbarism but also in terms of their magnitude, organised nature and especially their negation of the essence of the victims, and further acknowledge that slavery and the slave trade are a crime against humanity and should always have been so, especially the transatlantic slave trade and are among the major sources and manifestations of racism, racial discrimination, xenophobia and related intolerance, and that Africans and people of African descent, Asians and people of Asian descent and indigenous peoples were victims of these acts and continue to be victims of their consequences."*

In fact, from the standpoint of people of African descent, there were many positive points in the documents approved. Specific issues were broadly contemplated, although the central theme of reparation, one of the points giving rise to infinite controversy, was too generically formulated in the final document:

> *"...we invite the international community and its members to honour the memory of the victims of these tragedies. We further note that some have taken the initiative of regretting or expressing remorse or presenting apologies, and call on all those who have not yet contributed to restoring the dignity of the victims to find appropriate ways to do so..."*

The WCR was less specific on concrete measures and new goals, leaving details of actions up to the countries themselves, who will be responsible for the preparation of National Plans of Action for the promotion of diversity, equality, social justice and equity. The guidelines and priorities of these actions were clearly indicated by the delegates, however, and these constitute a set of basic commitments to be taken on by governments and international institutions. Among the most important set out in the Durban documents are the following:

- Recognition of the importance of currently existing international instruments for the struggle against racism, racial discrimination, xenophobia and similar forms of intolerance, in particular the International Convention on the Elimination of All Forms of Racial Discrimination, establishing the year 2005 as a goal for its ratification;
- Reform of judicial institutions and national legislation, in order to struggle against racism, racial discrimination, xenophobia and similar forms of intolerance, including the guarantee to punish those responsible for such practices;
- Improvement of national and international information and research systems, and the regular production of social indicators making it possible to measure progress or regression regarding the Conference objectives. The Conference also requested that the United Nations develop research, educational and communication programmes aimed at redeeming Africa's contribution to the history of humanity;
- Promotion of *assertive action* as the best way of fighting racial inequality, especially in the areas of education, labour market, health, housing, sanitation, drinking water and environmental monitoring;
- Incorporation of a gender dimension into programmes fighting racism, racial discrimination, xenophobia and related forms of intolerance;
- Prioritisation of the struggle against poverty in the fight against racism, through initiatives such as the New African Initiative and other innovative mechanisms such as the World Solidarity Fund for the Eradication of Poverty;
- The developed countries, United Nations and multilateral financial institutions must find the means to offer new financial resources to fund actions arising from the implementation of the Durban commitments;
- The Conference supported the proposal made by the UN High Commissioner for Human Rights to set up an Anti-Discrimination Unit to collaborate with member states and other UN agencies in the process of implementing the commitments, issuing annual reports on progress, gathering information and seeking the cooperation of civil society organisations.

The Durban conference revealed the difficulty around the world of addressing racism and all forms of intolerance. The impasse and near failure of the negotiations because it was impossible to reach agreement on the Middle East and on the so-called "subjects of the past" was only the most visible aspect of a climate of extreme sectoralism that prevailed practically to the last day.

The commitments taken on by governments in the Declaration and Programme of Action are still timid and limited in view of the enormity of the problems, but they are an indisputable advance, a step forward, towards solution of the problems being discussed.

Finally, given the agenda elaborated by the Third World Conference Against Racism, Xenophobia, Racial Discrimination and Similar Forms of Intolerance, we face crucial decisions in the construction of a world in which acts of absolute disregard for human life, so frequent in the history of humanity, are no longer possible. The results of Durban will be the compass, although they are fragile and contradictory, guiding us through the storms on the horizon.

What is at stake is the possibility of another paradigm of civilisation that does not lend itself to simplistic and black-and-white reductions regarding right and wrong, and that values diversity, universal human rights and the preservation of life. These principles and premises are systematically emphasised in the WCR Declaration and Programme of Action. Additionally, the role of civil society organisations in addressing the major challenges following 11 September should not be neglected.

As was the case in the WCR where civil society guaranteed that controversial voices were not silenced, it is the duty of civil society throughout the world, together with political and religious leaders, to react vigorously to the dehumanising nihilism of those who treat life as an insignificant detail. ■

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COUNTRY REPORTS

3

The eruption of a model

The social and economic system prevailing in Argentina for the last 25 years erupted on 19 and 20 December 2001, the most tragic days the country has experienced since its return to a democratic system in 1983.

The December 2001 events

The profound economic, political and social crisis led to a general uprising, characterised by the presence of diverse social sectors. Thousands took to the streets. Their objectives differed, but they shared repudiation of the Alianza[1] government headed by Fernando de la Rúa and of the ruling class in general.

The middle class from the City of Buenos Aires showed its discontent outside the National Congress and Government House to the sound of "cacerolazos,"[2]. In the Province of Buenos Aires and in various cities inland, supermarkets were ransacked by citizens whose basic food needs were unsatisfied.

The political and institutional result of these social manifestations of despair was the resignation of the Minister of Finance, Domingo Cavallo; later, when the situation become untenable, the President himself resigned.

The spontaneous civil demonstrations that took place across Argentina revealed the legitimate demands of people who have been harmed by adjustment policies and growing social exclusion. For years now, this situation has met with a single response – systematic repression – and protests were considered crimes.

The absence of a rapid and adequate institutional reaction to the people's claims has threatened the validity of the democratic state and ultimately precipitated the end of the Fernando de la Rúa government, which, in a gesture of absolute incapacity, unconstitutionally decreed a state of siege.

In the streets the consequences were tragic. At the beginning of January 2002 about 30 people were killed and at least 54 others shot in the city of Buenos Aires. More than 4,500 people were arrested. Acts of violence were triggered within the framework of a state of emergency decreed by a government offering indiscriminate repression as its only reaction to social discontent.

The brutal repression that cost the lives of various people and injuries to hundreds of others cannot be explained on the basis of isolated excesses, but of a systematic and prolonged task. The violent actions of some groups can never justify the brutal reaction of those whose institutional mission is to impose respect for the law and protect citizen's rights.

The resignation of Fernando de la Rúa opened the way – according to constitutional mandate – for the election by the Legislative Assembly (both houses of parliament) of Adolfo Rodriguez Saa, a member of the Justicialista Party (PF) and governor of the Province of San Luis. Rodriguez Saa's mandate was to continue until new elections in March 2002. However, the political support that made his election possible, in particular from his own party, began to evaporate as the days went by. For their part, middle class social sectors, again self-convened, repeated their repudiation of the election of highly questionable people, many suspected of corruption, to key government posts. Rodriquez Saa was soon forced to resign.

Two days later, the Legislative Assembly was called again. They elected Eduardo Duhalde, who also belongs to the Justicialista Party, as new president to serve from January 1, 2002, until the end of the mandate of the resigning Fernando de la Rúa in December 2003.

Considering this background, there is no doubt that the government's agenda for transition will have to respond to the demands for change so dramatically expressed by the people. The obviously unconstitutional policies of the outgoing government must be abolished. These include the prohibition to freely dispose of bank deposits and the Zero Deficit Law, which caused reductions in salaries, pensions and the loss of social security. The lawlessness of these regulations was directly related to the social discontent that accelerated the crisis.

Addressing social issues must occupy a foremost position on the transition agenda. The new economic policies must be decided on the basis of political consensus; the needs of hungry people must become a priority. No economic measure is valid if it cannot be sustained in social terms. Public policies must aim at fighting poverty, not from the perspective of public assistance, but through a redistribution of income and strict respect for social rights. The recent events have shown that rehabilitation of social citizenship is an essential condition for the validity of a democratic state. The government must adopt measures directed at fulfilling the obligations taken on by virtue of ratification of the International Covenant on Economic, Social and Cultural Rights and assert these principles before the multilateral credit bodies, such as the World Bank and the International Monetary Fund. Those institutions, in turn, should respect Argentina's right to pursue these goals.

In extreme situations, the protection of human rights demands that democracy be strengthened, not weakened.

1 The "Alianza" is a coalition formed by the Radical Civic Union (UCR) and the Country Front for Solidarity (FREPASO).

2 The "cacerolazos" are demonstrations of public repudiation by the people. They consist of banging kitchen utensils and metal objects in the streets. They have been frequent in Latin America since the 1980s, when they were used in the struggle against the dictatorships in the Southern Cone.

Adjustment and repression

Argentina is in its fifth consecutive year of economic recession. The population living below the poverty line has continued to grow and the gap between the poor and the rich has grown at a fast pace. The government has insisted on implementing economic plans characterised by drastic reduction in public expenditure and consequent cutbacks in essential public services. These policies have only widened the income gap and increased the numbers of the people in crisis.

For example, in May 2001, 32.7% (3,959,000 people) of the population were considered "poor" in the City of Buenos Aires and in Greater Buenos Aires and 10.3% (1,247,000 people) were called "extremely poor" according to official statistics.[3] If this data were extrapolated to the whole country, over 15 million people, 41% of the population, would be living in poverty.[4]

Insufficient social planning, cronyism and lack of transparency in distribution methods—as well as the permanent cuts in social spending mandated by the adjustment process—have worked together to keep people poor.

An increase in unemployment can also be understood in this light. The unemployment rate continues to rise; it is presently at 18.3% and the underemployment rate is an additional 16.3%. Compared with October 2000, there are 505,000 more unemployed people. The total of unemployed is 4.8 million excluding the rural population. Nearly 1,400 people lose their jobs each day.[5]

Non-registered workers are also on the increase. According to Ministry of Labour data,[6] 41.1% of salary earners (3,744,497 people) are moonlighters who are outside the social security system.

This trend toward increased joblessness, which deprives many of their social rights, goes hand in hand with the concentration of wealth in a very small portion of society. While the great majority of Argentines grows poorer, a small fraction becomes steadily richer.

This trend has continued without interruption over the past decade. Argentina is now among the worst 15 countries in the world with regard to distribution of wealth and heads the list for social inequality among countries with economies having relatively high standards of living.[7]

Taking into account measurements made over the past 25 years –in particular as from the mid-nineties– the income of people of lesser resources has been atomized, to the extent that the richest 20% of the population, which earned 7.8 times more than the poorest 20% in 1974, now receives 14.6 times more. According to the consulting company Equis, this figure represents the worst gap in the distribution of income ever registered, even greater than that recorded during the hyper-inflationary waves in 1998 and 1990 and during the Tequila crisis in 1995.[8]

The government's response in 2001 of greater cuts in public spending and systematic repression of opposition was bound to make this situation worse.

The Zero Deficit Law

In July 2001, the so-called Zero Deficit Law (Law No. 25,453) substantially changed the rationale for the use of public funds. Numerous budgetary cuts resulted that have affected both social expenditure and the totality of civil servant pensions and salaries. These are only paid when sufficient funds are available in the public coffers, meaning that the government has given itself the ability to lower, unilaterally and without any contractual obligation, pensions and salaries in the whole public sector. This has spurred the economic recession and increased poverty and extreme poverty.

While this situation affects all workers who depend on the national government, the situation in the provinces is much more serious. In Buenos Aires, Jujuy, Tucumán, Entre Ríos and Río Negro, for example, where the main source of employment is the civil service, measures for the reduction of salaries have been combined with payment in treasury bills that do not have the value of legal currency and that are rated at less than their nominal value. The result is a substantial drop in the quality of life of the citizens involved.

The Zero Deficit Law has also caused a drastic cut in allocations to social programmes such as food aid and sanitation, which aim to alleviate, at least partially, the deficiencies suffered by the more vulnerable sectors of the population.

The structural adjustment process has also affected the right to health care, sending many to public hospitals that are unable to care for them, weakened as they are by budgetary cuts in the public sector. It has also resulted in drug shortages; some drugs are totally out of reach for HIV/AIDS patients and pensioners. With regard to the latter, *Obra Social* (Social Work),[9] which provides them with medical coverage (PAMI), has virtually ceased providing services, meaning that approximately 3 million senior citizens have lost or could lose their medical coverage.

Protest becomes a criminal offence

Confronted by demonstrations of discontent, frustration and despair caused by deterioration in the socio-economic situation and withdrawal of economic, social and cultural rights, the government continues its practices of repression and criminal prosecution of demonstrators. This repression has resulted in hundreds of people being prosecuted, seriously injured and even killed. Withdrawal of social rights has come full circle with the government's repressive action.[10]

In June 2001, during a people's demonstration of a considerable size in the city of General Mosconi, Salta province, two people lost their lives. The government illegally repressed the protest and took many protestors to court, although their actions were protected by the right to petition and the right of expression. So far the injuries and deaths caused by government's repressive actions have not been diligently investigated.

The culmination of this repressive spiral came on 19 and 20 December 2001, the most tragic days the country has experienced since its return to a democratic system in 1983. ■

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3 INDEC, EPH, total for urban agglomerations, May 2001.

4 Cf. *Clarín* newspaper of 17 August 2001.

5 Cf. latest measurement by INDEC, EPH, October 2001.

6 Cf. *Clarín* newspaper 14 July 2001.

7 Cf. Equipos de Investigación Social (Equis). *Estudio Distribución del Ingreso y brecha entre ricos y pobres. Participación en el Producto Bruto Interno (PBI) y disponibilidad de ingreso anual y diario para la población total desagregados por decil de hogares. Comparación con países seleccionados según datos PNUD/ONU y entre provincias. Evolución de los últimos 25 años.* November 2001.

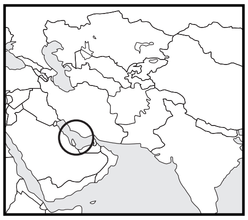
8 *Ibid.*

9 A corporate-based institution providing health services.

10 A case against Argentine government abuses was submitted for consideration of the UN Human Rights Committee and the OAS Inter-American Commission for Human Rights by the Centre for Justice and International Law (CEJIL), the Centre for Legal and Social Studies (CELS), and the Legal Action Committee (CAJ) of the Argentine Workers Central Union (CTA), in March 2001. See also *Social Watch 2001*, Argentina report, p. 82.

Beginning to open

Sabika Al-Najjar



The year 2001 witnessed the launching of political reform in Bahrain for the first time in the country's modern history. In the social and economic sector, however, no development plan has yet been established and there is no clear poverty line. The eradication of poverty will require a viable social strategy that includes a social security scheme, a minimum wage and creation of jobs. Unemployment still threatens the political stability of the country.

The year 2001 witnessed the launching of political reform in Bahrain for the first time in the country's modern history. These reforms could be summarised as follows:

- Abolition of the state security law, state security court and the state of emergency in the country.
- Release of all political detainees.
- Return of political exiles.
- Allowing a certain degree of freedom of expression.
- Licensing of two newspapers, one of which belongs to an exiled opposition leader who recently returned to Bahrain.
- Promising the return of the National Assembly by 2004.
- Allowing more civil societies to be established including political societies led by some returned opposition leaders.

The Amir formed two supreme committees. One is in charge of activating the National Charter, which was accepted by 98.4% votes in a referendum; the other is responsible for reviewing the actual laws and regulations, and drafting new ones. About a year has passed now, but the public has not been informed of the accomplishments of these two committees.

In the social and economic sector, the government announced on several occasions its intention to introduce substantive changes aimed at enhancing the standard of living and creating a favourable environment for local and foreign investments in order to create more jobs for nationals. It should be noted here that the unemployment problem was the main cause for the turmoil and the political unrest of the 1990s. Nevertheless, there is no planning body within the government and the country has never had a development plan. Instead, each ministry has its short-term *ad hoc* plan. No doubt this situation impedes the progress of the country and challenges the efforts to make rational use of financial and human resources.

No clear poverty line

It is difficult to know the number of poor people in the country because there is no clear poverty line. In fact the term "poor people" is most often avoided in all official literature. The terms "needy families" and/or "low-income people" are used instead. In 1998 the Ministry of Labour and Social Affairs allocated BHD 3,696,807[1] (about USD 1,393,696) to be distributed among approximately 10,681 needy individuals and families. In addition, the Amir allocated some funds for needy orphans and widows, but the exact amount is not yet known. On the occasion of the National Day that falls on 16 December, he also decided to allocate to needy families 30% of the income of one of the main commercial complexes belonging to the government. No mechanism for the distribution of this money has been announced.

The eradication of poverty will require a viable social strategy that includes a social security scheme, a minimum wage, creation of jobs, and encouraging more people – especially women – to start small businesses. A poverty line should also be established.

Unemployment, the hidden bomb

Some members of the Advisory Council estimated the number of unemployed Bahrainis at 25,000 persons in 2001, while the population census that took place in April of the same year estimated 16,965 unemployed persons.

Unemployment was the main cause of political unrest in the nineties. Since then the Ministry of Labour and Social Affairs has made some efforts to create jobs in the private sector. Limited success has been realised, and unemployment remains a hidden bomb that threatens the security of the country. In response the government has declared an *ad hoc* plan to create jobs, train youth for vital jobs in the market and provide unemployed people with financial assistance for about six months.

A viable strategy to solve the unemployment issue should include the following points:

- A labour market survey and jobs tracking system.
- A minimum wage policy.
- A training programme that meets labour market requirements.
- A reform of the social security system for both public and private sectors.
- Special attention to female job seekers, who are the majority of unemployed people.

1 USD 1= BHD 0.377

Social integration

The Amir promised to finalise the problem of stateless nationals (those who did not hold Bahraini passports) by the end of December 2001. More than 8,000 people were naturalised, among them many foreigners engaged in the army and the security forces. Most came from Yemen, Syria, Jordan, Sudan, Pakistan and Baluchistan.

Employment of Shiites in the army and the security forces is still restricted. Moreover, according to unpublished rules, it is prohibited for citizens to own properties or accommodations in certain towns such as Riffaa, where most of the royal family members reside, unless they get permission from the Amiri Court. The Bahrain Human Rights Society considers this situation a violation of human rights and calls for an end to it.

Voting rights for women in 2001

The Ministry of Labour and Social Affairs is responsible for women's affairs within the government. The Ministry does not have a national plan to implement the action plans of the Fourth World Conference on Women or the Social Summit. Recently the Advisory Council and the Cabinet of Ministers agreed in principle to sign the Convention on the Elimination of all Forms of Discrimination Against Women.

Women suffer from the absence of family civil law. Their rights in marriage, divorce and child custody are frequently violated. Moreover, women do not have the right to benefit from the government housing plan except in the case of divorce or death of a husband and then only with difficulty. In cases where a woman marries a foreigner, her husband and children cannot get Bahraini nationality. Women also suffer from discrimination in employment, salaries and enrolment at the Bahrain University.

Women were given voting rights in 2001, and they are expected to participate in the election of the Municipal Councils and the National Assembly. The highest government position reached by a woman is Assistant Under-Secretary.

In October 2001 the Amir ordered the establishment of the Supreme Council for Women with an aim to draw up a plan of action for women's progress. The Council will be responsible for monitoring women's development in the public and private sectors and proposing changes in laws and regulations. In addition to the Council, a Women's Union will be established early next year.

Social expenditures, health and education

Social expenditures in 2000 reached 26.6% of the total government expenditures. No figures are published concerning the spending of the army and the security forces, but it is believed that they absorb a great portion of the government budget.

Education is not compulsory but it is free up to the secondary level. Thanks to this fact, the rate of enrolment at schools for both girls and boys is almost identical. The educational system needs reform to meet the requirements of the labour market. Curricula should be reviewed to remove negative stereotypes of women, and principles such as human rights and gender equity ought to be introduced. Modern technology must be applied at all levels of education.

University fees dropped significantly. This permitted students from low-income families to continue their higher education. Two new colleges are under construction: one for law and the other a college for girls only. It is expected that the latter will encourage girls from Saudi Arabia and other Gulf countries in addition to Bahraini girls from conservative families to enrol. On the other hand establishing a college restricted to girls will reinforce social segregation of the sexes and deprive women of some academic specialisations. Women's colleges are normally limited to traditional studies, which, though less needed in the labour market, are believed to be the most suitable for girls. Therefore graduates from women's colleges might be less employable.

The illiteracy rate was 12.3% in 2001. The government was not able to eradicate illiteracy by the year 2000 as it had predicted on various occasions. The naturalisation of thousands of illiterate or non-Arabic-speaking foreigners was the main factor behind this failure.

Civil society

Political parties are still prohibited in Bahrain. However, the Amir made it known that he will not oppose formation of political parties if the upcoming National Assembly agrees.

Since coming to power, the Amir has guaranteed democracy and the margin of freedom. All of the opposition political organisations that were operating in exile have established their political societies to prepare for the coming elections, awaiting the day when the government allows them to form political parties. Hundreds of new civil societies have been established: women's societies, charity funds, a transparency society, the Bahrain Human Rights Society and others. The laws regulating the establishment and activities of civil societies are still under revision by a special committee. It is expected that this law will give a degree of freedom of movement to the civil societies and empower them to be effective partners for social development. ■

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Birds in a larger cage

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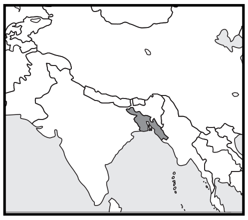

Women's participation in society and the economy lags far behind the rest of the population. Traditional social and cultural practices and the country's archaic laws and customs limit their achievements and perpetuate their subjugation. They cannot vote or own land, they are underrepresented, less educated, more ill, worse paid, more poor and their security is under permanent threat. Women are like birds in a cage.

Women cannot exercise their voting rights

Adult women enjoy the franchise in Bangladesh, but they cannot always exercise their voting rights in many cases because of strict religious prohibitions (*fatwa*), long distances to polling centres and a poor transportation system. Despite these impediments there was higher voter turnout in the national elections of 1996 and 2001 suggesting greater participation by women. However, there are only six directly elected women members in the 300-member Parliament. This is even lower than the earlier parliament, which had eight such women members.

The government took a significant step towards female empowerment by reserving one-third of the seats in local government for women. But this opportunity could not be translated into real political power because of the poverty and insecurity of many of the women members, the burden of their household chores, the short-sighted policy of committee chairmen and impediments created by unsympathetic male colleagues such as circulating malicious rumours about women members.

The socio-economic gap

Education

There are major differences between men and women in many areas. The adult literacy rate of women is only 49.5% as against 67% for men. Various governmental and non-governmental education programmes focused on women have facilitated the progress in women's education observed in recent years. Still the difference in education level between male and female remains wide.

Student enrolment at various levels of education has a pyramidal structure æ the number of students falls as the level of education rises. This tendency is even more pronounced in the case of women; very few are college-educated.

Health

Although there has been some improvement in women's health and nutrition in recent years, the suffering and deprivation in these areas are still glaring. The average life expectancy of women is marginally lower than that of men æ 60.5 years compared with 60.7 years. The incidence of sickness is much higher æ 148/1,000 for women as against 136/1,000 for men.

Landless

Women are at a major disadvantage in terms of access to and control over resources. In rural areas the most important asset is land, but the laws of inheritance treat men and women differently in terms of land distribution. The Muslim law of inheritance allows a daughter only half the property of that of a son. Women under Hindu law of inheritance are always deprived of property. Women who own little or no land cannot get access to other types of resources. For example, they are less able to borrow from the formal credit market, as borrowing requires collateral.

Less employment, lower wages, worse jobs

The labour force participation rate of women is much lower than that of men – 50% in the case of females compared with 77% in the case of males. The types of employment of women are also different from those of men. Most women (77%) are engaged in household work while most men (43%) are self-employed. While 8.7% of women work as paid employees, the corresponding number for men is 14.4%. The differences are caused, to some extent, by the special problems faced by women in taking outside employment. It has been observed that women suffer from discrimination in wages and promotion, lack of adequate transportation and lack of access to appropriate health care and childcare facilities. Overtime work, which often involves travelling at night, can be dangerous; there have been several attacks on women who were on their way to or from work. Sexual abuse at the workplace by supervisors or bosses is another problem. These factors discourage women from seeking paid employment and cause those who do get jobs to leave them prematurely.

Under the threat of acid

Violent crime is a growing problem in Bangladesh and women are more often than men its victims. Rape, murder, prostitution, attacks by hijackers and purse-snatchers, incidents of teasing, demanding sexual favours and even acid-throwing in the streets make women's lives insecure both in and outside their homes. This insecurity limits their freedom of movement and thus their life and occupational choices. Rape seems to be the most frequent type of violence against women; victims suffer long-lasting physical and mental trauma or even permanent disability. While married women are more often the victims of murder, acid attacks, physical assault, dowry-related crimes, religious restraints and suicide, unmarried women suffer mostly from rape, kidnapping, trafficking and prostitution.

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In a good number of cases the perpetrators of these crimes are acquainted with their victims. In the case of murder and dowry-related violence, the perpetrator is often the victim's own husband, presumably the person with whom she is most intimate.

Feminisation of poverty

The incidence of poverty is greater among women than men, as shown by several socio-economic indicators. There has been an increase in the country of the number of households headed by women. Female-headed households are, in general, poorer than male-headed households. The average income of female-headed households is only 55% of the average income of poor households as a whole. Women are as a group the poorest of the poor.

The increased feminisation of poverty poses a great challenge to policy-makers because poverty-alleviation measures have failed to improve women's economic standing despite having a strong focus on women's issues. Women's lack of access to assets and resources and their general social and economic backwardness have been responsible for this worrisome situation. Moreover, some benefits of poverty-alleviation measures intended for women have flowed to other members of their families. In some cases, the micro-credits given to women are in fact used by men to repay other debts or pay a dowry. In a credit-starved economy where females have greater access to micro-credit than male family members such misdirection is probably inevitable.

Low funding for women's programmes

Funding for women's programmes in the national budget is disappointingly low. Development projects that have direct bearing on women have received lower allocations. For example, in the 2000-2001 budget, the agriculture sector, where most women are engaged, has only 44 out of 186 projects that benefit women directly. Together, these projects claim only 31.6% of the funding allocated to agriculture. The allocation in other sectors is similarly biased against women.

No right to have rights

Women are discouraged or prevented from exercising their legal or natural rights. They often are not given *moharana* (an agreement in every Muslim marriage to pay the bride a sum of money either in cash or kind) or alimony. Women are strongly discouraged from joining any organisation, including NGOs, or working outside their homes. These restrictions indicate that men still want women to stay in the confines of their homes performing traditional roles. However, there is a brighter side of the story as well. Myriads of women groups and organisations have been formed that are making substantial efforts at reducing their un-freedoms.

Nevertheless, women in Bangladesh are like birds confined in a larger cage! ■

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The gap between two countries grows

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The free flow of capital and attraction of foreign direct investment are not per se the moving power behind national development as promised by the partisans of structural adjustment. On the contrary, privatisation of the economy has left the government with no genuine sources of income and modified the pattern of accumulation in Bolivia, privileging transnational capital and putting most of its citizens at a disadvantage.

Economic globalisation is characterised by free markets for goods and services, unrestricted capital flows, promotion of technical innovation and increasing hegemony of neo-liberal economic policies. This process has dramatically modified conditions for development in backward countries and for their international insertion.

While globalisation presents potential advantages, such as new and larger markets, it also presents incommensurable risks arising from the instability of these markets, *eg*, the instability of financial markets when effective regulation is missing.

Opening up without development

Globalisation in Bolivia has occurred primarily through the indiscriminate opening to foreign trade and foreign direct investment (FDI), which have created a new scenario, characterised by: i) the imposition of new conditions for competitiveness on the weak national productive apparatus, which now faces more demanding foreign markets and the free flow of cheaper foreign products, ii) an in-depth restructuring of the national productive apparatus and of the composition of economic agents.

TABLE 1

Foreign Direct Investment

Amount of investment by economic activity 1993 – 2001*

ACTIVITY	AMOUNT (IN THOUSANDS OF USD)
Hydrocarbons	1,899,536
Mining	284,532
Industry and agro-industries	417,799
Trade and services	2,363,402
TOTAL	4,965,269

* Data up to and including the first semester of 2001.

Source: Vice-ministry of Investment and Privatisation, Ministry of Foreign Trade and Investment.

These in-depth changes are fueling major uncertainty about the future of the national economy. Their most visible consequences are, on the one hand, increased vulnerability of the national productive system to pressures from recurrent international crises and, on the other, the contradiction between FDI corporate objectives and the interests of the population. These contradictions are manifest in a constant rise in prices and tariffs, a situation deriving from the permissive regulations arranged to favour privatisation and the weakness of the existing regulatory system.

Reliance on FDI as a means to transform processes and disseminate technical progress in the national productive system has not had the expected results. This is because investment is concentrated on items that have little to do with the rest of the economy in terms of demand for inputs and intermediary goods.

These factors – linked to the persistence of a high fiscal deficit, uneven balance of payments and low internal savings rates – limit the availability of resources for public investment and their allocation to the productive and social sectors. In this way, the general economic environment is characterised by a competitiveness based on a greater exploitation of labour that does not ensure a stronger and long-term cycle for economic growth.

This situation has become evident in the last two years, when domestic and foreign factors joined to create a scenario of economic recession. The rate of growth of the Gross Domestic Product (GDP) dropped to 0.6% in 1999 and everything indicates similar behaviour in 2001,[1] with a very slow recovery over the following two years. Furthermore, the economic crisis is developing in a context of contraction of the domestic market and a less competitive position for exports.

Hydrocarbons: more FDI, less tax weight[2]

The two sectors of Bolivian economy contributing most to economic growth are hydrocarbons and communications.[3] This pace is generated by important flows of FDI in those sectors (See Table 1). However, growth in those sectors is not having the expected effects on the population, since their use of labour is marginal vis-à-vis the economically active population, and their contribution in taxes to the national treasury is minor relative to taxes paid by most of the population through consumer and transaction taxes. Let us look at the situation in the hydrocarbon sector.

In 2000, the production of natural gas rose by 38% and the export of gas to Brazil rose by 242%. Despite this significant increase in sectoral economic activity, the percentage of tax income from hydrocarbons in relation to the total tax and current income of the national treasury dropped between 1999 and 2000 (Table 2).

1 Up to the third quarter of this year, Bolivian economy grew at a rate of 0.7%.

2 Part of this analysis is by Carlos Arze, for a presentation on "The Bolivian economy: crisis and possible solutions" at a seminar held in La Paz by the Association Network of Promotion and Education Institutions (AIPE) at the beginning of 2001.

3 Up to the third quarter of 2001, the oil and natural gas sector grew by 31.7%, while communications grew 9.8%.

TABLE 2

Percentage of tax income from hydrocarbons in relation to total tax and current income 1999 - 2000

TAX INCOME FROM HYDROCARBONS	1999 %	2000 %
Total tax income	28	27
Total current income	17	16

Source: Unit for the Analysis of Economic Policy (UDAPE).

This implies that the most dynamic sector of the national economy (31.7% growth so far in 2001), the sector most privileged by policies to attract FDI (it has concentrated 38% of the total FDI since 1993), does not increase tax contributions to the public treasury and, therefore does not generate genuine national resources for development purposes. Furthermore, the heaviest tax burden continues to fall on the majority of the Bolivian population through consumer and transaction taxes.

Unresolved fiscal fragility

The government's fiscal fragility continues to require a solution. The international crisis brought with it a gradual increase in the fiscal deficit: in 1999 the fiscal deficit was 3.9% of the GDP, in 2000 this figure increased to 4.05% and by the third quarter of 2001, the deficit was 8.3% of GDP.[4]

In the same way, government sources of funding to cover the deficit have varied over the past three years. In 1999, 60% came from to foreign sources, in 2000, this figure was 57%, and in 2001, the situation was reversed as domestic credit funded over 65% of the fiscal deficit.

These figures show that: i) the government, despite having reduced its expenses as a result of the crisis, has fewer resources with which to face its obligations; ii) normally, the government depended on foreign resources to cover its deficit, but the external debt taken on in 2001 is more expensive than the debt from foreign resources.

This fiscal fragility is even more pronounced in times of crisis because the tax burden continues to be regressive; that is to say, while the most dynamic sectors continue along their outwards spiral of growth, with very favourable fiscal measures, the most depressed sectors continue to generate the major part of the government's resources through taxes on consumption and commercial transactions.

More social expenditure: a mere formality?

The social adjustment policy has noted the need to increase social expenditure, as this contributes to capacity building of the population, and to improving health and living conditions. This has been reflected in a gradual increase of investment in social sectors. Between 1996 and 2000, social expenditure – which includes both current expenditure and capital expenditure – has increased by 10 percentage points, from 42.9% to 52.9% of the Non Financial Public Sector.[5] This increase implies that, by 2000, social expenditure had reached 17.2% of the GDP.[6]

An increase in social expenditure was foreseen for the year 2001, since Bolivia was to have resources from the enhanced initiative for heavily indebted poor countries (HIPC). However, the effects of the international crisis on Bolivian economy conspired against this possible increase.[7]

In any case, the results of this increase in social investment are not yet visible to the population, not only because it is an investment with long-term results, but also because of contradictions generated by this same model of development.

To reflect on the results of this policy, let us look at the relationship between education and employment.[8] This relationship presents a contradiction showing a structural problem: the educational system is not geared to current employment opportunities, and the private sector offers few job opportunities with labour conditions that lead to a better quality of life.

The market absorbs those with less schooling

Job insecurity affects a major part of the employed population. The understanding of this phenomenon can be enhanced with an analysis of educational levels, both of the employed and unemployed population in La Paz.

Forty-eight per cent of the population in La Paz did not complete basic schooling while 15.7% completed the basic cycle. Hence most of the employed (64.3%) have low levels of education. Furthermore, if the educational profile is observed for the unemployed in the city of La Paz, the following trend will be noted: the proportion of unemployed population with incomplete or complete higher education (40.9%) is higher than the proportion of the employed population with this same educational level (35.07%).

The average number of years of study of the unemployed has increased in the last few years. In 1995, the average years of study of the unemployed was 8.6, while in 2000, this average rose to 11.6 years. That is to say, social policies helped to increase the level of education of the population of La Paz, but did not significantly change their insertion into the job market.

The enhancement of human capital should entail an increase in access to jobs, improved income and better living conditions. In La Paz, this did not happen. How can this situation be explained?

To answer this question, we look at the type of employment presently demanded. It was mentioned earlier that jobs in general are insecure and of low quality. This is because most jobs (58.6%) in the city of La Paz are in the informal sector.

Furthermore, 41% of the jobs correspond to self-employed workers, non-remunerated family workers and home employees. These are jobs created by households and not by companies. As a result they have low levels of capitalisation and technological sophistication.

Some conclusions

The free flow of capital and attraction of foreign direct investment are not *per se* the moving power behind national development as promised by the partisans of structural adjustment. On the contrary, privatisation of the economy has left the government with no genuine sources of income and modified the pattern of accumulation in Bolivia, privileging transnational capital and putting most of its citizens at a disadvantage.

The relationship between economic growth and human development must be reciprocal. That is to say, although the levels of investment enable the population to be more productive and efficient, the state must provide means of production, economic opportunities and better working conditions. In Bolivia this reciprocity is not effective: high unemployment, precarious working conditions and the growth of informal activities are a reflection of this situation.

With this policy orientation, what has been promoted is the gap between two Bolivias. In the midst of a galloping economic crisis, while a small sector linked to the dynamics of transnational capital benefits from surpluses generated by the economy, the great majority are smothered in the mire of the domestic economy. ■

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4 Preliminary data.

5 Data from the unit for fiscal programming, Vice-Ministry of Public Investment and Foreign Funding, Ministry of Finance of the Bolivian government.

6 *Ibid.*

7 The amount of debt alleviation for 2001 reached USD 28 million. However due to the effect of the crisis on fiscal co-participation resources for the municipalities – the main agents for public social investment at local level – reduction is calculated at approximately USD 40 million. Cf. "Los tropiezos de la estrategia antipobreza" in *Boletín Control Ciudadano N°1*, Cedla - Proyecto Control Ciudadano, November 2001, La Paz.

8 For more details of this analysis see: "Desempleo ilustrado o la política social desencantada" in *Boletín Control Ciudadano N°1*, Cedla - Proyecto Control Ciudadano, November 2001, La Paz.

At the mercy of the "sentiment of the market"

FERNANDO J. CARDIM DE CARVALHO[1]

Almost three years after Brazil changed from semi-fixed to floating exchange rates the economy is still exhibiting mediocre growth, high unemployment and perverse income distribution profiles. The economy has been crawling along, allowing little opportunity for adopting more effective policies to combat social exclusion and poverty.

Brazil's current state of external vulnerability has many roots: the indiscriminate free trade policies first implemented in the late 1980s; the financial liberalisation and capital account opening policies adopted during the 1990s; and the overvaluation of the domestic currency with respect to the US dollar, as an element of the stabilisation plan of 1994.

The stabilisation strategy relied heavily on the availability of imports made cheap by exchange rate overvaluation. Sustaining such a strategy, however, required maintaining high interest rates to attract capital inflows (enough to pay for the trade deficit) and, thus, increasing external debt.[2]

To grow, the Brazilian economy needs rising imports and, to pay for the imports, rising capital inflows. Heavily dependent on capital inflows and having lost most of its capital control instruments, the economy is constrained in its growth perspectives by the "sentiment of the market", as unforgettably put by former IMF Managing Director Michel Camdessus. In fact, if financial investors are happy with their perceived opportunities in Brazil, they will supply the means necessary to cover trade deficits. If not, growth is stalled by rising interest rates and fiscal austerity, which the government is forced to adopt to attract investors back to the country. Inflation has been beaten by the stabilisation plan, but sustainable output and employment growth have not been achieved. The economy lives through periods of stop-and-go growth, with stops lasting longer than go-times, depending on how international investors react to worldwide as well as domestic turbulence.

During the last months of 2000 and for the whole of 2001, financial investors actually had plenty of reasons to harbour bad feelings about the Brazilian economy. Even though the domestic currency (*real*) has not been overvalued for quite some time, exports took much longer than expected to react, and when the reaction timidly began, the US went into a recession, worsening trade expectations for everybody. In addition, the Argentine economy has been floundering since the end of 2000, with no end for the crisis in sight. Some degree of contagion to the Brazilian economy is inevitable under these circumstances.

In the first half of 2001, the federal government suddenly found out that the improvident energy policy it had adopted for years, which badly neglected needed investment in new production capacity, finally necessitated energy rationing that is still in force. On top of all that, political crises have been taking place almost without interruption since President Cardoso was inaugurated for the second term he coveted so much. This time, the crisis took place in the Senate, involving close associates of the president, and ended up in the dismissal of three senators, including the former and the then-current presidents of the Federal Senate.

Consequences of external vulnerability

All this hit an economy already in need of financing about USD 25 billion of current account deficit, besides rolling over outstanding foreign debts. As a result, interest rates were kept at very high levels by the Central Bank (19% of annual overnight rates for an annual inflation rate of about 7%). This was reflected in average interest rates of 55% in June 2001 (up from 51% in December 2000) being charged for credit to the private sector. At these rates, credit supply could only stagnate, bringing down the economy with it. According to IMF predictions (made public in December 2001), the economy should grow by only 1.8% in 2001 (a much lower rate than the one projected by the Brazilian government).

Under these circumstances, it should not be surprising that unemployment remains very high (6.2% in August 2001, not counting disguised unemployment in the form of "informal" jobs like street-peddling).

Three significant initiatives

Not everything was bad news. The federal government has begun to implement some potentially significant social programmes. The strategy seems to be to de-emphasise the Community in Solidarity initiatives, led by the First Lady, which used to be an umbrella campaign to include federal social programs, in favour of topic initiatives that may achieve greater visibility when they are announced one-by-one. Foremost among these is the *Bolsa-Escola* programme, in which very poor families are given a small grant if they keep their children (ages 7 to 14) at school. Although the program has been criticised for the small amount it grants per child, it is still a positive initiative, combining some attenuation of extreme poverty with a stimulus to families to give children at least basic formal education instead of putting them precociously to work. Some critics accept the principle behind the programme, but argue that if it focused on fewer communities in this initial phase, it could give families a higher grant and be more effective in improving their living conditions.

Another major advance is the initiatives to combat racial discrimination.

1 Fernando J. Cardim de Carvalho is Professor of Economics at Universidade Federal do Rio de Janeiro (UFRJ) and IBASE collaborator. The data used in this report come from *Brasil - Memorando de Politica Economica,* Finance Ministry of Brazil, 12 September 2001; and from the website of the Central Bank of Brazil, except when otherwise noted.

2 Overvalued exchange rates cause current account imbalances (that is, the trade and services balance) to emerge because a cheap foreign currency stimulates imports and reduces exports. Cheap imports compete with local production preventing the latter's prices from rising. The flipside, of course, is increasing foreign indebtedness, since if one imports more than one exports, one has to borrow to pay for the excess imports.

The subject received a large amount of attention in 2001, as a by-product of the UN Conference Against Racism in Durban, South Africa. The position of the Brazilian government in Durban was praised as very progressive, but it has also been criticised because of its limited ability to be implemented domestically. Be that as it may, opening the debate around a subject that has always been deliberately ignored, not only by authorities, but also by a large share of the Brazilian population (which has for the most part happily accepted the myth of a racial democracy prevailing in the country), is in itself a great step forward. Beyond rhetoric, some measures have been taken, even if largely symbolic.[3]

Finally, one should not ignore the important victories obtained by the health authorities against multinational drug producers, inaugurating a pattern that is beginning to spread to other countries. The Ministry of Health has been praised for its anti-AIDS policies, which include the free distribution of drugs to those infected by HIV who cannot afford them. The government reserved the right to break patents protecting the manufacturers of those drugs if they tried to use their monopoly power to impose unreasonable prices on their medicine. The case was taken to the WTO, and despite the strong pressure of drug manufacturers, the Brazilian authorities held their ground. The right to treat events like the AIDS epidemic as national emergencies was recognised. This case serves as an important precedent to developing countries in their relations with monopolistic producers of strategic goods, such as special medicines. In the end, those firms had to retreat and accept the need to negotiate prices within reasonable parameters with the government.

Fiscal policy

One crucial side-effect of external vulnerability, as mentioned above, has been the need to maintain the good will of international investors so that they will finance balance of payments for large deficits. An important instrument of good will has been the offer of high interest rates on financial investments in the country.[4] Rising interest rates directly impact the service of public debt. If interest rates are kept low, capital flight ensues and, in a floating exchange rate system, the local currency is devalued. In either case, the impact on public finances is disastrous. By far, most of the public debt in Brazil is indexed either to overnight interest rates or to exchange rates. If the authorities allow the *real* to devalue, debt service will rise; if they raise interest rates to avoid devaluation, debt service will rise as well.

In December 1998, on the eve of the change in exchange rate rules when it was witnessing strong capital outflows, Brazil signed a Stand-by Agreement (SBA) with the IMF. One should keep in mind that the liberal policy mix implemented so far was done on the initiative of the local government. Liberalisation policies were adopted by local authorities because of the latter's political persuasion, not because foreign institutions imposed them (as was the case in the crisis countries in Asia). The coincidence of views between the government and the IMF did not prevent the IMF from attaching many sets of conditionalities to the SBA, among which was giving priority to pursuing positive fiscal primary surpluses (that is, fiscal surplus before servicing the public debt) for the duration of the agreement. Since the Brazilian government signed a new SBA in 2001, even before the first was actually concluded, the conditionalities remain. In fact, the Brazilian government has passed a law, the Fiscal Responsibility Act, giving priority to servicing public debt over other fiscal expenditures (including social expenditures).

The precedence of public debt servicing over other expenditures has led the federal government to cut planned expenditures and to withhold payment even from programmes that were actually budgeted. Thus, as is shown in the table below,[5] some of the social expenditures programmed for 2001 are not only far from completion, but virtually non-existent.

TABLE 1

Implementation of budgetary programmes in 2001

As of 16 November 2001

PROGRAMME	IMPLEMENTATION (%)
Urban infrastructure	0
Construction of federal highways	0
Electricity in rural areas	0
Energetic policy management	1,36
Basic sanitation	2,35
Energy in small communities	4,81
Social reinsertion of minors in conflict with the law	6,71
Innovation for competitiveness	9,88
Brazil in action	11,43
Struggle against poverty	11,49
Active Community	14,74
Quality and efficiency of the Health Single System	22,92
Support for health research	26,98
Protection of the Amazon	32,17
Quality school for all	32,27
Defence of children's rights	42,74

Source: SIAFI/STN – COFF-CD and PRODASEN – Prepared by INESC.

Conclusion

The difficulty of significantly improving living conditions for the majority of the country's population is not so much a problem of adopting the right specific programmes, as of giving too low a priority to social goals.[6] Government policy is dominated by concern with the "sentiment of financial markets", which leaves little room for any change of priorities. It is to be expected that 2002 will bring some change, being the year of general elections, but the latitude for any real change is limited in the strategy adopted by the present administration. One should expect only marginal improvements at best. ■

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3 Such as the decision by the Minister of Agrarian Reform to reserve quotas for the employment of Afro-Brazilians in the ministry's jobs and the debates around the creation of quotas for minorities at public universities.

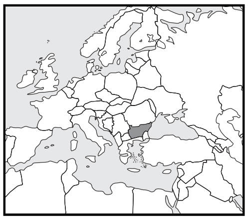
4 International investors are not only foreign investors, but also residents that are enabled through financial liberalisation to take their money out the country and invest abroad. Thus, even if *foreign* investors do not invest in domestic securities, the authorities still have to keep the good will of domestic investors, lest they flee with their capital. With financial liberalisation it is not the nationality of the investor that matters, but their range of investment. Capital flight begins at home. Brazilian investors brought the former exchange system down in 1998, just as Mexicans did in Mexico in 1994, Thais in Thailand in 1997, and so on. Capital controls are needed not to prevent foreigners from leaving but residents from fleeing.

5 Prepared by Luiz Fenelon, of Instituto de Estudos Socio-Economicos (INESC).

6 This point was extensively debated in an article by Célia Kerstenetsky and Fernando Carvalho included in the Brazilian edition of Social Watch, *Observatório da Cidadania 2000*.

The price of being agreeable to the IMF

Genoveva Tisheva
Plamenka Markova



For more than 10 years, since Bulgaria's commitment to the Bretton Woods institutions and its imposed restructuring and privatisation policies, the "financial stability" has brought only more poverty. The hardships of moving towards market liberalisation and European Union membership exacerbate the need for social safeguards. The Bulgarian government must try to create a competitive environment while protecting its citizens from the potential harm of free markets.

On the brink of failure

A draft memorandum was approved in December 2001 for a two-year stand–by agreement worth USD 300 million between Bulgaria and the International Monetary Fund. It is the latest in a series of agreements with the IMF in the last decade, purportedly aimed at stabilising the country's economy. The recent agreement focuses on the key policies the Bulgarian government should follow: reduce the vulnerability of the state in respect to current and future changes in the world economy; keep the currency board agreement stable; and reduce the foreign debt/GDP ratio. These goals are to be achieved through further liberalisation, especially in the energy sector. The IMF required setting by early 2002 a long-term pricing policy, privatisation of energy distribution and market liberalisation.

The agreement requires not only financial stabilisation, but also boosting the competitiveness of the Bulgarian economy and solving social problems. Although the concrete parameters of the final memorandum will not be made public until the first quarter of 2002 and despite the lack of opportunities for public participation in the negotiating process, it is obvious that the government has had to make many concessions. Many good social promises made in the pre-election and post-election periods (national elections were held in June 2001 and the new government started functioning in July) were blown down by the conditions imposed by the IMF. The declared "people-centred" governmental programme is about to fail. A striking example of the eagerness of the government to please the IMF was the decision to increase by 10%, starting in October 2001, the consumer price of electrical power and heat. The decision was taken in violation of the law, without consulting the trade unions, and was recently reversed by a decision of the Supreme Administrative Court. This tough measure, still deemed necessary despite the court decision, obviously impacts the already low living standard of the population as a whole.

The government, along with its commitment to improve the investment climate, has declared its intentions to enhance social safeguards by boosting employment and social security. Here it has to counter the negative effects of restructuring policies encouraged by the international financial institutions from previous periods, especially in heavy industry. The new government is strongly committed to curbing unemployment, the official rate being already above 19%, which is one of the highest rates, if not the highest, among the countries in Central and Eastern Europe.

A very recent example is the 10 million Euros grant from the European Union's Phare programme to support more than 100 projects called SMAEP: Steel and Mining Areas Employment Projects. The programme will be administered by the Ministry of Labour and Social Policy and will cover 51 municipalities in the areas of Pernik, Sofia, Bourgas, Eastern and Western Rhodopes, all areas affected by the current adjustment in the mining and steel sectors. It is officially stated that SMAEP is aimed at offsetting the negative social effects of economic restructuring. Globalisation and market liberalisation have increased the need for additional education and training to adapt the labour force to the new market requirements. In fact, the programme provides training and retraining mechanisms to create jobs for steel workers and miners who have been made redundant. The estimations are that over 5,000 jobless people will be employed and 1,000 persons will receive aid to start small businesses. The successful implementation of the programme will require additional guarantees for specific business training and for business credits, as the average amounts envisioned for starting small businesses are insufficient. This approach, where reparations follow structural adjustment policies, instead of accompanying or even preceding them, proves that priority has been given to restructuring and not to human resources.

The "ambulance" social policy

Another result of the interference of the international financial institutions is the lack of a consistent social policy by the government. Family policy, for example, is a key feature of democratic governments and a major indicator of a good standard of living. The recently approved targeted family allowances system illustrates Bulgarian reality. The already extremely poor allowance of BGL 7 per child per month (less than USD 5) – one of the lowest rates among Central and Eastern European countries – was doubled, but from January 2002 it will be allocated only to families with incomes of less than BGL 150 (slightly above USD 70) per person. According to the estimates, three times fewer children will be reached by the allowances than before, yet this measure will be assessed as effective for the alleviation of poverty in Bulgaria. This change, strongly recommended by the World Bank as a condition for receiving loans for poverty alleviation, has been pending for more than two years, yet there has been no real public debate around the issue.

This is only an illustration of the targeted approach endorsed by the international financial institutions and imposed on governmental social policy as a whole. It is not accidental that the whole social programme of the Bulgarian government, full of good intentions, is deprived of real, consistent and long-term elements, the focus being put on social assistance only. This, not surprisingly, is in compliance with the draft Country Assistance Strategy (CAS) of the World Bank. Although the proposed CAS is open for national discussion, it contains core directions that must be followed regardless of the outcome of the consultation process. Here again the main theme is the targeted approach; without taking pervasive poverty into account, the measures are focused only on specific groups of the population and the proposed solutions are based on redistribution. It is shocking that poverty in Bulgaria is still widespread: according to the most recent data from trade unions, about 38% of the population receive less than BGL 100 (USD 50) per month.

Ten years after: balance measured in poverty

For more than 10 years now, a period that coincides with Bulgaria's commitment to the Bretton Woods institutions and the resulting intense negotiations process, there have been no real positive results from the restructuring and privatisation policies imposed. The appeal was to speed up privatisation, even at the price of widespread corruption, which was condoned by these institutions. The restructuring of the health and education systems, performed with loans from the World Bank, illustrates the adverse effect of the assistance of the financial institutions on the social sphere and the human resources in these sectors. The said sectors, although they were in need of improvement and modernisation, were subjected to fundamental changes that practically liquidated the positive and competitive elements they possessed. Furthermore, dramatic shifts occurred in the related labour force, which was 70 - 80% female. In this case, as in other instances of restructuring and privatisation, the reforms had gender implications, if not a clearly disproportionate gender impact. The human side of the reforms have not been taken into account by the international institutions or considered sufficiently by the government. This is despite the recommendation of the UN Committee on Economic, Social and Cultural Rights in December 1999 that the Bulgarian government "in the course of the negotiations with the international financial institutions ... bear in mind its obligations to respect, protect and fulfil the rights set forth in the Covenant."

In the meantime, with an average monthly salary of USD 115 (according to the most recent data of the WB), Bulgaria still lags behind other EU candidate countries from the Central Eastern European (CEE) region (USD 270 in Latvia and Lithuania and USD 151 in Romania). In the last report of the European Commission on the progress of Bulgaria towards accession, the country was found once again not in compliance with the EU economic criteria. After years of negotiations with the Bretton Woods for economic liberalisation, the EU did not find a functioning market economy in Bulgaria! The slogan "financial stability" has brought only more poverty.

Joining the WTO and the EU

The membership of Bulgaria in the World Trade Organisation (WTO) since 1996 did not improve the situation. Trade liberalisation can correct trade imbalances and alleviate foreign debt only in healthy and competitive economies. It was the wrong moment to join the WTO, because it brought about structural reform in a framework of open markets and strong international competition. This jeopardised the structural reform itself and had a negative impact on crucial sectors of the economy. In addition, Bulgaria "jumped" into the WTO directly with the status of a developed country although its indicators were far behind those of many developing countries that therefore had advantages in the WTO. As a result of this inaccurate initial status, the Bulgarian government has had difficulty defining a realistic position for itself in face of the new challenges of the WTO.

In this context, it is crucial that the government and civil society become active participants in the global process aimed at establishing a new system of international economic governance. This requires from the government more transparency in all internal and external economic decision-making and increased access for civil society in the decision-making process, including negotiations with the international financial institutions. If Bulgaria is to emerge from endless economic transition, the government should take a position on national economic development independent of reforms imposed by international institutions. It should also take a position on the reforms of the international financial institutions In the meantime, civil society can contribute by raising awareness and disseminating information about the open and hidden agendas of the international institutions, thus taking an active part in the movement towards a "new" globalisation. ■

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Towards assimilation into the world economy

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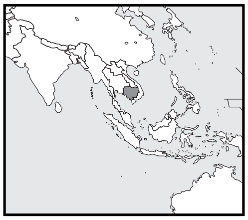

Under the national reconciliation programme initiated after the election of 1993, Cambodia set out to reconstruct her ruined economy, transform the central economy to a free market economy, and create a liberal democracy and multi-party system. The journey over the past decade has not been smooth, as the nation strives to build stability for economic growth and social development.

The Paris Peace Accord in late 1991 put an end to Cambodia's conflict of over twenty years. The internal turmoil had destroyed the entire social and economic infrastructure of the country and resulted in a complete isolation from the world economy since 1975.

Under the national reconciliation programme initiated after the election of 1993, Cambodia set out to reconstruct her ruined economy, transform the central economy to a free market economy, and create a liberal democracy and multi-party system. The journey over the past ten years has not been smooth, as the nation strives to build stability for economic growth and social development.

Cambodian recovery has been bumpy since the armed conflict in July 1997 and was further slowed by the 1997 Asian economic crisis.

Since the second election in 1998, Cambodia has taken pride in its integration into the world community and the regional economic community, the Association of South East Asian Nations (ASEAN). Loans to Cambodia have increased, and Official Development Assistance (ODA) has decreased. Cambodia has signed most international treaties, showing the leadership's willingness to conform to international standards. Implementation of those standards has proven difficult, however, because of weak government institutions and the lack of human resources.

The status of the economy

After the turbulence of civil war and long years of neglect, GDP growth has not caught up with population growth. The population growth rate in urban areas has increased, indicating that development growth is concentrated in urban areas and is pulling workers from rural areas, as shown on Tables 1 and 2.

TABLE 1

GDP growth in the last decade

YEAR	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
% OF GDP GROWTH RATE	1.2	7.7	7	4	3.9	7.8	6	2	3.5	5.1	4.8

Source: Ministry of Finance.

TABLE 2

GDP, population and labour force 1999-2000

	UNIT	1999	2000
Population	millions	11.70	12.23
Population growth rate	%	3	2.36
GDP growth rate	%	5	4.5
GDP *per capita*	USD	268	300
Urban/total population	%	10	12
Labour force	millions	5	5.4

Source: 1998 Census data.

Finance

Government tax collection has improved in the last year. National government operations nevertheless rely increasingly on foreign grants and loans.

Tax collection increased by 11% in 2001, but is less than 6% of the planned budget.[2] The government has faced many difficulties raising revenue, because of the inefficiency of government institutions. Furthermore, the general population does not cooperate because of its distrust of government handling of state funds and the abuse of power by government employees. The government often does not adhere to the budget approved by the National Assembly. The Office of the Prime Minister and the Ministry of Defence and National Security often overdraw their budget at the expense of social and educational programmes. The government is attempting to raise revenue by increasing the gasoline tax and by other unconventional means such as encouraging the opening of more casinos and lotteries, and by reliance on foreign donors and loans. At this time, Cambodia is not yet considered a heavily indebted country, but it will become one in the near future if the current mode of government operation continues without major reforms.

1 With the contribution of Mr. In Suon Savann.

2 Flash Report of The Cambodian Economy, The Cambodia Development Resource Institute (CDRI), December 2001.

Government institutions are corrupt and function mainly along political party lines. Government employees are low paid and expected to find other sources of income to support their families. Those with the opportunity take advantage of their positions to fundraise for themselves and their political patrons. The practice has spread even to teachers, who are forced to extort money from students for their basic education.

Most development bank loans go to building infrastructure and strengthening the capacity of government institutions to handle and manage state contracts. There is a current trend of government employees rushing to form companies or to collide with companies to bid on government contracts. This situation has led to many conflicts of interest in the management and monitoring of contracts.

National saving is minimal, because the general population lacks confidence in the banking system. The situation has got worse because in the last two years the government closed down eleven banks. As a result, many depositors, including several development NGOs and community groups, lost their funds and savings. The recovery of the banking sector will take a long time. The lack of a functional legal system makes matters worse. This situation is a disincentive for overseas investors.

A national debt of over USD one billion was incurred before 1991 during the cold war. USD 800 million alone is owed to Russia.[3] Between 1993 and 2000, the total borrowed from the French development agency (ADF) was USD 461.8 million;[4] of this, USD 375 million came from the International Development Agencies (IDA), USD 87 million from The International Fund for Agriculture Development (IFAD), the Organisation of Petroleum Exporting Countries (OPEC) and others, and USD 81.9 million from International Monetary Fund (IMF).

Status of the population below regional averages

The poverty index of Cambodia is the lowest among the ASEAN countries,[5] trailing behind Laos and Myanmar.

TABLE 3

Human Poverty Index (HPI) ranking with ASEAN neighbours

COUNTRIES	HPI VALUE %
Vietnam	26.2
Myanmar	31.2
Lao P.D.R.	40.1
Cambodia	52.5

Despite the impact of war on its human resources, education was a low priority for the government until recently. The literacy rate is next to the lowest, just above the Lao People's Democratic Republic. The government is now awaiting donor funding to make operational their five-year strategic plan.

TABLE 4

Literacy rates among ASEAN neighbours

COUNTRIES	BOTH SEXES	MALE	FEMALE
Vietnam	93.7	96.5	91.2
Myanmar	83.1	88.7	77.7
Cambodia	65.9	77.2	55.2
Lao P.D.R.	56.6	69.4	44.4

Source: UNESCO, World Education Report 1998; Adult literacy rate 1996-EFA The Year 2000 Assessment, MoEYS.

The future of the country depends on the good health of its population. General health trends are encouraging, although more work is needed. Polio has been eliminated (last case in 1997). The child mortality rate has decreased from 242 per 1000 births in 1977 to 125 in 2000.[6] Health costs are the major cause of landlessness (46%),[7] with the people spending about USD 20 *per capita per annum*.

The government has responded by reforming the health sector. The result is increased use of health care centres and a doubling of the national budget allocation from USD one million to USD 2.1 million in 2000. The success of the reform is still questionable, however, as it will depend on the effects of other factors such as low salaries of civil servants and corruption.

In the past year, expenditures for defence and security have decreased vis-à-vis priority sectors such as education, health, agriculture and rural development. Defence and security spending decreased from 62% of the national budget in 1994 to 32% in 2001, whereas spending in social priority sectors increased from 17% to 37%.

Gender issues: the heaviest burden, of course

As in most developing countries, Cambodian women and children carry most of the burden without much support from government. Women make up 51.8% of the total population, but do not have proportional representation in decision-making at any social stratum. Of 122 National Assembly members, only 14 are female, and among 24 government ministers, only two are female. Among the 169,000 civil servants, only 8% is female, and it is concentrated in non-decision making positions.[8] More women are represented in civil society organisations and agencies.

Access to basic services such as health care and education shows discrepancies between women and men in rural areas.[9] Only 19.5% of men had access to health care vs. 34% of women in rural areas. The infant mortality rate is 86 per 1000 births in 1999, whereas the maternal mortality rate is 473 for 100,000 births, compared with the regional average of 160, one of the highest rates in the world. Over 50% of children under five are undernourished, making prospects for work force recovery bleak.

The numbers of girls and boys is equal in primary education, but girls are only 28% of students in 10th grade. Despite efforts of advocates, the government has refused to take political measures to remedy the situation. For example, they have refused to set a quota for women in the election law. ■

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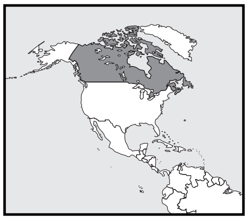
The road from Monterrey: a caution from Canada

ARMINE YALNIZYAN[1]



The International Conference on Financing for Development in Monterrey represents a historic moment: the first time the United Nations will sit with the IMF, the World Bank, and the WTO to negotiate common cause. Which vision will dominate? The UN's, which defines where we should go, but not how to get there from here? Or the IMF-World Bank-WTO, who tell us what road to take, but not what to do when we get there? Canada, having followed to the letter the IMF-World Bank-WTO road map strongly warns against it.

What follows is a cautionary message from a nation that has followed, to the letter, the steps that are now being proposed as the agenda for Financing for Development. Yet creating a favourable business climate and watching the economy grow at rates not seen in over a generation has not been enough to prevent the continued deterioration of public goods. Canadian society is moving further away from, not closer to, the vision of the Universal Declaration of Human Rights, even as national wealth increases. The following traces the steps that Canadian governments have taken, the same steps that are being urged for all at the Monterrey talks. The results here should raise questions about the wisdom of adopting this agenda globally.

Create a favourable business climate

Reduce the size of government

- Most aggressive reduction in size of government among the G-7 nations.[2]
- Federal role contracted from 16% of GDP (1990) to just over 11% (2000).[3]
- Smallest size of government since 1951, through cutting spending and cutting taxes.

Increase confidence with lower inflation, lower costs of borrowing money

- Average inflation rate over the past five years 1.7%.
- Inflation well below other G-7 countries,[4] lower than has been since 1965.[5]
- Prime lending rate for business at a record low, 3.75%.
- Previous low was between November 1944 and March 1956, at 4.5%.

Increase reliance on trade

- Exports more than doubled over the 1990s.
- Exports as a share of the economy rose from 24% in 1990 to 43% by 2000.
- U.S. share of total Canadian exports grew from 74% in 1990 to 87% in 1999.[6]

Attract more foreign investment

- Foreign direct investment into Canada grew from CAD 130 billion to CAD 292 billion between 1999 and 2000.[7]
- As a share of the economy, it went from 18.6% of GDP in 1985 to 28% in 2000.
- Compared to other G-7 nations the Canadian economy is highly open: the G-7 average over the same period went from 5.2% to 9.5% of GDP.[8]

These four steps are the heart of the model that will be featured at the Monterrey talks. Promoting "policy convergence" means convergence towards trade liberalisation and privatisation, ostensibly for the benefit of all. In the immediate, these policies require rolling back gains in social development for the least powerful under the guise of better things to come down the road.

The result of implementing these politically difficult policy changes has been improvement in the "economic fundamentals", *ie,* lower interest rates and less inflation. Though these conditions have contributed to a rapidly growing economy, other economic benefits, such as lower unemployment rates and higher incomes, have been slower to follow. This model of growth has distinctively different impacts on the economy and on people.

Results for the Canadian economy

The economy grew

- From 1990 to 2000 the economy grew by 55% in nominal terms, and 31% in inflation-adjusted terms.[9] (Both 1990 and 2000 were peaks in the business cycle, so this captures the growth in the productive capacity of the economy as well.)
- Over CAD 1 trillion produced annually by 2000, CAD 374 billion more than in 1990, creating a vastly greater capacity to finance social development initiatives.
- Unemployment dropped briefly to a 25 year low, at 6.6% in July 2000. As of December 2001 the rate was at 8%.

Record budgetary surpluses at the federal level

- Fiscal year 2000-01 was the fourth consecutive year in which the federal government recorded a budget surplus. This was last accomplished in

1 Research Associate, Canadian Centre for Policy Alternatives.

2 Government of Canada, Department of Finance, *Fiscal Reference Tables*, September 2001, Table 54.

3 *I bid.* Table 8. These fiscal years are both peaks of the business cycle, so the contraction is not due simply to the strengthening of the economy.

4 Department of Finance Canada, *A Report on Plans and Priorities*, 2001-02 Estimates, p. 11.

5 Statistics Canada, Consumer Price Index, CANSIM P200000. Note that the Government used the War Measures Act on 18 October 1941, during World War II, to set limits on wages and prices. The measures came off in 1945, when the war ended, and prices grew at an annual average of 7% until 1952.

6 All figures from Industry Canada, *Departmental Performance Report 2000-2001*, 31 March 2001, Section 2.4. Available on-line at: http://www.ic.gc.ca/cmb/welcomeic.nsf 532340a8523f33718525649d006b119d/030fbd4595e348cd05256b03004eec15!OpenDocument

7 *Ibid.*

8 Industry Canada, Micro-Economic Policy Analysis Branch, *The Trade and Investment Monitor, Fall/Winter 1999/2000*, pp. 24-26.

9 Statistics Canada, *National Accounts*, Gross Domestic Product, Expenditure-Based, CANSIM 14840, CANSIM 100126.

the four-year run up to 1951-52 fiscal year.

- The scale of current surpluses is unprecedented. In November 2000, estimates of its size over a five-year horizon ranged between CAD 150 and almost CAD 200 billion.[10]

Federal debt decreased

- Net federal public debt fell from 70.7% of GDP in 1995-96 to 51.8% in 2000-01.
- Fastest and deepest rate of debt reduction within the G-7 nations.[11]
- Canada's public debt was reduced by CAD 35.8 billion between 1996-97 and 2000-01, making debt reduction one of the biggest public expenditure programmes of the 1990s.
- A record CAD 17.1 billion paid by the federal government in 2000-01 alone.

Deep tax cuts

- The federal government has planned for CAD 100 billion in tax cuts over the next five years, the key method for eliminating the budgetary surplus. These are the biggest cuts in Canadian history.
- Tax cuts reduced federal revenues by CAD 17 billion in 2000-01, estimated to rise to CAD 20 billion in 2001-02. To put this into perspective, there was less than CAD 7 billion in increased programme spending for the Canadian economy in 2000-01.
- The tax cut promise remains sacrosanct, despite the deepening economic downturn unleashed by the events of September 11. Accelerating the reduction in government revenues while spending more on security means other domestic spending will be cut.

Results for the people of Canada

Creating a hospitable environment for business investment and reducing the size of government has resulted in fewer mechanisms to ensure that the benefits of growth would translate to all citizens.

Inequality grew

- Only the top 20% of families saw any improvements in incomes over the 1990s. By 1999 they accounted for 44% of all earnings, while the share of earnings dropped for all other groups.[12]
- The after-tax income gap between the rich and poor was wider in 1999 than in 1990, a result of trends in earnings, the reduction of income supports—which most affect those at the bottom—and accelerating tax cuts—which most benefit those at the top.
- Examining wealth, rather than income, the top 20% of the population saw their median net worth increase by 39% between 1984 and 1999, to 70% of all personal wealth. The bottom 20% saw their share of wealth remain virtually unchanged, at close to 0%.[13]

More hunger

- The number of people receiving emergency groceries from a food bank doubled between 1989 and 2000 to over 760,000 people. Almost 40% of those who relied on these programmes were under the age of 18.[14]
- In Toronto alone, the numbers relying on food banks rose to 140,000 in 2001, an increase of 22% since 1995, notwithstanding strong economic growth.[15]
- More women now rely on the programmes, rising from 51% to 58% of all recipients.

Unsafe drinking water

- The number of instances of contaminated drinking water continues to escalate across the country.
- In 2000, seven people died of E-coli in Walkerton, Ontario, and thousands fell ill.
- Despite this, in 2001: 7,000 people were infected by a cryptosporidiosis outbreak in North Battleford, Saskatchewan; half the 500 communities in Newfoundland had a boil-water advisory during the summer; one of the biggest cities in the country (Vancouver) issued a water safety warning to its residents in early 2002.
- It is estimated that CAD 1 billion a year is required in federal funding alone over the next ten years to maintain safe water infrastructure systems in municipalities.[16]
- The federal government has committed CAD 2.65 billion over the next six years for all infrastructure investment.

Access to quality public education and health care declining

- Funding cutbacks have increased class size and reduced learning resources in primary level public education.
- Private school enrolment is on the rise, to 5.6% of all children in elementary and secondary schools in 1998-89 from 4.6% in 1987-88.
- Tuitions at post-secondary institutions have increased by an average 126% between 1990 and 2000 due to large reductions in public spending.
- University tuitions are being deregulated, meaning there is no upper limit. A law degree at University of Toronto now costs about CAD 13,000 a year, and there are plans to raise this to CAD 25,000 a year in more than one major academic institution.
- Health care funding was dramatically cut in the 1995 budget, and federal funding is still not at levels comparable to 1994.[17] The ensuing (and predictable) crisis in health care delivery has called the "sustainability" of current health care provisions into question.
- In 2002 alone there will be three top-level commissions looking at "new" ways to finance, or scale back, these provisions.

Conclusion

Canada's experience shows that though economic growth may promise a better quality of life, the means can overtake the ends. The objectives of the Universal Declaration of Human Rights, once seemingly easy to secure in affluent countries like Canada, are becoming increasingly distant for a growing number of citizens.

It is ironic that more Canadians enjoyed greater human rights when the economy was much smaller. The reason was the active will and intervention of governments that saw their purpose as insuring a "framework of fundamental fairness and decency within which all Canadians are able to pursue their individual goals".[18] This stands in sharp contrast to the reductionist goal of insuring the right "economic fundamentals".

The federal government has followed the advice now being presented to developing countries to the letter, and has been praised by the institutions that created the game plan. The Monterrey agenda reinforces this plan globally, a plan that believes the private sector can secure the public good.

But the bottom line is that there are certain things the private sector cannot do. The role of the public sector in keeping an entire nation healthy and educated is irreplaceable. The private sector can no more deliver these public goods to all members of society than it can deliver a justice system, or the defence of a nation.

The outcome of the Monterrey talks will set the stage for what help people can expect from their governments in their struggle for a better life. Concerned citizens everywhere need to reinforce the importance and legitimacy of public investments in the most basic areas of human life. When people are adequately fed and housed, healthy and educated, economic growth naturally follows. The notion that basic human needs will be met only when economic "basics" have been properly aligned is a perverse logic that is unfortunately being promoted globally.

Canada's experience should serve as a caution for those who take the road from Monterrey following the IMF/World Bank/WTO road map. It is a route that takes us further away, not closer to, the destination we set out for ourselves more than 50 years ago: the objectives set out in the 1948 Universal Declaration of Human Rights. It is time to carve out an alternate route, a more direct route, a route that puts the attainment of human basics first. ■

10 Armine Yalnizyan, *What would they do with the surplus?* Ottawa: Canadian Centre for Policy Alternatives, November 2000, pp. iv and 6.

11 Government of Canada, Department of Finance, *Annual Financial Report of the Government of Canada, Fiscal Year 2000-01*, p. 5.

12 Statistics Canada, *The Daily*, 6 November 2001, "Family Income".

13 Livio Di Matteo, "Middle Class Gains the Most from Redistribution of Wealthy Line", *National Post*, 28 August 2001, p. C15.

14 Carly Steinman, "A Surplus of Hunger: Canada's Annual Survey of Emergency Food Programmes", prepared for the Canadian Association of Food Banks, October 2000.

15 Daily Bread Food Bank, *Who's Hungry Now: Food Recipient Profiles, 1995 to 2001*, Toronto: 2001.

16 Federation of Canadian Municipalities, 2001, p. 22.

17 A CAD 21 billion programme multi-year re-injection of federal funds is scheduled to bring it back to that level over the next four years. See details at http://www.fin.gc.ca/fedprov/cimefe.html

18 Liberal Party of Canada, *Creating Opportunity: The Liberal Plan for Canada*, Ottawa: 1993, p. 73.

Growth without equity

Coral Pey   Dante Donoso   Luis Arellano

At the beginning of the twenty-first century, Chile shows paradoxical characteristics. While Chile is being touted as a champion of economic liberalisation, the country is finding that the free trade measures adopted are not reactivating its economy or reducing the persistent and high unemployment rate and the serious and prevailing inequality. The private sector is not receptive to monetary and tax incentives, and the old government is financing thousands of emergency jobs, an intervention that reminds us of the hardest times of the 1980s.

The global economic crisis is being used by the private sector to press for minimum environmental regulations, hinder tax increases needed to fund social programmes, reduce substantially the scope of basic labour reforms and impose a "pro-growth" business agenda.[1]

The government is establishing a trade agenda that is at odds with its development agenda. There is considerable dynamism in pursuing the former, with the signing of various free trade treaties. This has not been the case, however, with agreements, treaties and conventions regarding international law, which are facing serious difficulties in their implementation.

Radical free trade is inconsistent with protection of domestic production by medium and small enterprises and traditional agriculture, which are the major generators of employment in the country. At the same time, persistent unemployment causes a feeling of insecurity among the population, reducing demand and negatively impacting the economy, employment and, consequently, the quality of life. The quality of life in Chile is worse today than it was thirty years ago.

Nevertheless, in official spheres, insistence is placed on a free trade strategy in accordance with the WTO regulations and following the concept of 'open regionalism', which has been promoted since the early 1980s and through the 1990s. Although Chile has made commitments with various countries in the world, a main objective is to conclude a free trade agreement with the United States.

Free trade at all costs

In late 2000, prior to the MERCOSUR Summit meeting in Florianopolis, Brazil, Chile was invited by President Clinton to begin negotiations for a FTA.[2] Although this gesture lacked value because Clinton's term as President was coming to an end, the invitation was welcomed. With this, the strategy for linking trade at the MERCOSUR level was postponed. Such strategy would have made it possible to reach a consensus on a sub-regional position regarding negotiations for the establishment of a Free Trade Area for the Americas (FTAA).

Despite the efforts of Chile, the US and others, the FTAA has not progressed at the speed expected by successive US administrations. Chile is seeking to make the FTAA feasible by signing bilateral treaties with Canada, Mexico and Central American countries, and it is eagerly endeavouring to establish such an agreement with the US.

The reasons set out for a trade agreement between Chile and the US are based on the fact that the US is the main destination (as a country) for Chilean exports, the main origin of its imports and the main investing country.[3] It should be pointed out that the bilateral trade balance has traditionally shown a deficit for Chile, a deficit that reached USD 150 million in 2000.

Seeking partnership with big brother

Sales to the US follow the general rule for Chilean exports to all destinations. They are mainly natural resources (53.4%), followed by manufactured goods based on natural resources (36%). Less than 10% is manufactured goods not based on natural resources.

This ratio does not apply at a sub-regional level, because exports to MERCOSUR member countries are more elaborated or come from the service sector.[4]

Nearly 20% of total imports come from the US. In 2000, imports reached USD 3,338.5 million. Of this, 51.8% corresponded to intermediary products, followed by capital goods (39.5%) and consumer goods (8.4%).

The US is by far the main supplier of imports of telecommunication and information goods, valued in excess of USD 650 million in 2000. Mobile telephone equipment is 62% of telecommunications imports, and computers constitute 57.9% of information goods.

Regarding investment, according to the Economic Commission for Latin America and the Caribbean (ECLAC), Chile attracted some USD 41,800 million in the 1990s, recording unprecedented income in the areas of natural resources (33% to the mining sector) and services (22%). Investments from the US represented 29% of the total received by Chile. ECLAC reported: "[T]his income from FDI [Foreign Direct Investment] had a strong impact on the country's exports, mainly on mining and other areas linked to natural resources (forestation, agriculture and fisheries)."

Domestic debt

Among other negative impacts, Chile's economic strategy has caused an increase in the concentration of wealth. This belies the magic formula that a greater flow of investment and exports results in greater economic growth and

1 The "pro-growth" agenda established the priorities of economic policy for the next four years of President Ricardo Lagos' government.

2 Chile has sought to become a trade partner with the United States since 1991.

3 At present, Chile trades with nearly all regions of the world and has signed trade agreements or is in process of doing so with the main trade blocks in the world (US, EU), is a member of APEC (Asian-Pacific Economic Co-operation forum), and has signed investment agreements with nearly 50 countries.

4 The same situation occurs in exchanges with the Andean Community of Nations (CAN).

more employment for the country.[5] In Chile, investment has concentrated on the purchase of companies in the fields of telecommunications, electricity, finance and natural resource exploitation, with scant value being added.

Despite dynamic international trade, the country has not managed to reverse the situation of exclusion and socio-economic and gender imbalances. This places a question mark on the strategy for "growth with social security" outlined for 2002.[6]

According to the latest CASEN survey,[7] the percentage of unemployment in Chile—which threatens to become structural—is close to two digits, at 11.5% for women and 9.4% for men. Twenty per cent of the population is under the poverty line, while the level of extreme poverty is 5.7%, that is to say, 850,000 people. Of these, 20% of the poorest population corresponds to 32.5% of unemployed women and 23.1% of unemployed men.

Poverty also shows geographical imbalances, with pockets of poverty surpassing 32% and 27% (9th and 8th Regions respectively). The Metropolitan Region does not escape this scenario.[8]

Chile's income distribution is among the most unequal in the world. Ten per cent of the population receives only 3.7% of the national income, while the richest 10% receives 53.4 %.[9]

Regarding employment, the trend in Chile is towards greater labour flexibility, insecurity and informality. Many are employed in the service sector, particularly in commercial and personal services. Sixteen per cent of women workers are employed in domestic services. Efforts have been made to formalise employment in the service sector and to extend social security and health benefits. Domestic services are not covered, however.

There are also deficiencies in the education sector. Increases in government expenditure have been insufficient to bridge the quality gap in education received by the lower income sectors and the wealthier ones. In higher education, the wealthiest 20% receive seven times more education than the poorest 20%.

In 2000, 106,000 children aged 14 to 17, equivalent to 10% of that age group, dropped out of school. Most of them (76%) came from 40% of the population with the lowest incomes.

Modernisation of rural activities, precariousness of employment

In the agricultural sector, a concentration of land holdings has taken place[10] along with dwarf-holdings[11] in a peasant subsistence economy.[12] This has given rise to migration of the workforce from traditional agriculture[13] to export agriculture and other sectors of the economy. Export agriculture has increased the presence of women in an activity that is increasingly important to the national economy.

Modernisation of rural activities has increased job insecurity.[14] Twenty thousand temporary or seasonal women workers contribute billions of dollars to the country every year.[15] They tolerate insecure labour and unsanitary conditions (*eg*, exposure to insecticides that are prohibited in their countries of origin, with serious risks of foetal malformation[16]). Despite some progress regarding social security and health care, the labour situation of these women workers has not improved and they continue to be prevented from forming trade unions or undertaking collective negotiations.

At the end of 2000, 83.6% of the poor population lived in urban zones and 16.4% lived in rural zones. Of the population living in extreme poverty, 79.2% was in urban zones and 20.8% was in rural zones. The relative impact of poverty and extreme poverty was higher in the rural sector (23.8% and 8.3% respectively), however, than in the urban sector (20.1% and 5.3% respectively).

The imbalance between the rural and urban population is also to be seen in access to education at the various levels (pre-school, basic and secondary education), becoming more acute in the first and last cases: in urban areas, coverage amounts to 92%, while in the rural sector it is only 76.8%.

Conclusions

The official agenda is moving towards accommodation of corporate demands, in the hope that national and foreign investors will create jobs to reactivate the economy and lower unemployment rates. Priority is given to free trade agreements, although these are of questionable benefit to the country, in particular considering the "equal conditions" between deeply unequal economies.

Trade negotiations comply with national legislation only and disregard commitments made in the framework of the United Nations. They progressively weaken internal protective frameworks, such as the monitoring of financial capital. Additionally, these negotiations continue to take place behind closed doors, without the participation of civil society and with biased information on the commitments and their implications.

This brings us to the following question: Are we trying to improve the life of people within the framework of an equitable globalising phenomenon, or are we trying to make the country more competitive for those sectors that are able to play by the rules of the multilateral financial institutions? Are we progressing towards the principles of international law, towards a "globalisation of rights" as set out in international conventions signed by the Chilean government, or does the international dimension include only the rules of the WTO? The issue is still pending. ■

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5 According to the economist Consuelo Silva, "[these] are emphasised by their weak impact on the generation of total direct employment and of female employment in particular. For example, mining, which represented a little less than 50% of total exports in 1998, did not contribute to more than 2.0% of total employment of the country and represented only 0.34% of all employment of women that year." (*Revista Oikos*, Year 3, Nº 8, 1999)5.

6 ECLAC, in the document 'Gasto social en América Latina', mentions Chile among the countries having a high level of inequality and concentration of income in the 1990s: "...even in those countries that managed to maintain a high level of sustained growth, Chile among others, the distribution of income showed an enormous resistance to altering its high rate of concentration..."

7 Household survey, carried out in 2000, by the Ministry of Planning, MIDEPLAN. It leaves out domestic female workers.

8 A third of the population of Chile lives in the metropolitan region, gathered in 52 communes, in some of which poverty reaches 31%, according to the CASEN survey. At the extreme opposite, there are communes that record 0%. Source: *La Tercera*, 17 February 2002.

9 CASEN Survey, 2000.

10 In general, land is concentrated in the hands of 312 owners, who occupy an agricultural area of over 26 million hectares.

11 There are 17,000 middle-sized farmers with an average of 300 hectares. A further 9,000 farms occupy 15.5 million hectares.

12 These are 102,000 farms of less than 10 hectares each covering an area of a little over one million hectares.

13 The lack of support for peasant family agriculture, involving 376,000 farms occupying eight million hectares, is what leads them to become agricultural workers or to migrate to large cities. This happens despite of a letter of intent agreed in 2000 among the official sectors and peasant representatives.

14 There are a total of 1.25 million peasants. The number of peasants working as salaried agricultural workers dropped from 800,000 to almost 700,000 in 2000-2001, according to the National Institute of Statistics (INE).

15 Agricultura con Manos de Mujer, *El Mercurio*, 17 December 1999.

16 About 40 highly toxic internationally prohibited insecticides have been recorded. These cause diseases such as neurological damage, cancer, congenital malformation and even, death. *El Mercurio*, 20 August 2000.

Adjustment produces redistribution that favours the financial sector

ALBERTO YEPES P. [1]

In December 1999 the Colombian government signed an "Extended Facilities Agreement" with the International Monetary Fund (IMF) to be implemented between 2000 and 2002. Although the public finance deficit is the result of financial debts, not of an increase in social spending, the adjustment programme focuses on increasing taxes and reducing social spending.

The Agreement aims to correct the macroeconomic imbalance affecting the Colombian economy, evident in the external sector deficit and the deterioration in the financial sector. These imbalances came to light when the Bank of the Republic proved unable to control the exchange rate and prevent the flight of private capital, which had been on the rise since mid-1997 owing to the financial crisis in South East Asia and the worryingly high level of indebtedness in the Colombian economy.

The Agreement consists of an IMF loan for USD 2,700 million, which will be released if and when a series of severe fiscal adjustment goals are met. Compliance with these goals is also a prerequisite for the approval of other loans from multilateral bodies, to a value of USD 4,200 million, which in turn have additional conditions attached.

Public debt: a dead weight in the budget

The national debt rose from USD 17,014 million in June 1997 to USD 21,890 million in June 2001. If we add to this the total private debt, Colombia's foreign debt reached USD 35,723 million,[2] double the 1991 figure, which was USD 17,335 million.

In 2002 the Colombian State will have to assign 37% of the national budget to paying interest on the public debt, as shown in Table 1. If payments on local government debt is included, more than half of spending goes to paying financial revenue, indicating that this, and not growth in public sector social spending, is the cause of the public financial deficit. Nonetheless, the adjustment programme focuses on increasing taxes and reducing social spending.

Social security transfers

Social security transfers in Colombia represented further income for the financial sector, since the reforms introduced by the 1993 Law No. 100 made financial intermediaries the receivers of state payments and of workers' and employers' contributions through the pension fund system and private health service providers.[3] According to a report submitted by the *Contraloría General de la República* (General Comptroller of the Republic) to the Health Ministry, these institutions appropriated 40% of the resources assigned by the government to the Subsidised Social Security System.[4] In addition, despite an increase in spending, the government has recognised that 43% of the population does not have any social security coverage.[5]

Public spending: banks first

The national government's spending plan[6] totals USD 28 billion, representing 29.2% of GDP. Its distribution, which is shown in Table 2, reflects the speculative nature of the economy, a public spending policy that prioritises income for national and foreign banks and a patriarchal conception in the management of the state. These tendencies in part explain the increase in poverty and social exclusion, the existence of huge social inequalities and the fact that Colombia has dropped several places further down on the United Nations Development Programme's human development scale. In addition, part of the spending assigned to social development goes towards paying the high salaries of the administrative technocracy, and a significant proportion is wasted through corruption. It is calculated that the losses generated by corruption are seventy-one times greater than the losses generated by the damage caused by Colombia's civil war.[7]

TABLE 1

National Government Expenditure 1991-2000: Share of Spending (%)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Debt service	19.5	18.7	19.8	25.8	18.1	23.2	27.0	30.7	33.4	33.6
Spending on National Security	15.7	14.3	22.9	17.8	21.0	18.9	19.0	17.9	17.5	18.7
Transfers to Social Security	4.4	4.0	6.0	5.9	7.5	4.3	11.7	13.0	11.7	11.2
Transfers to local governments	15.2	12.8	19.5	18.4	19.8	20.6	19.5	18.9	18.0	17.2
Other (investment and other spending)	45.2	50.2	31.7	32.1	33.6	33.0	22.8	19.5	19.4	19.3
TOTAL	100	100	100	100	100	100	100	100	100	100

Source: General Comptroller of the Republic, Budget Performance.

1 The author is member of the Coordinating Team of the Colombian Platform for Human Rights, Democracy and Development. In the analysis of the Agreement with the IMF, the author thanks the economists César Giraldo and Libardo Sarmiento for their analyses regarding the budget.

2 DNP-U. *Macro Indicadores de Coyuntura Económica*. October 2001.

3 The transfers paid by the country rose from 4% of spending at the beginning of the 1990s to more than 11% in 2001.

4 Report of the General Comptroller of the Republic to the Health Ministry.

5 Fourth Periodic Report of the Colombian State to the United Nations ESCR Committee.

TABLE 2

Distribution of the National Expenditure Budget 2002	TOTAL MILLIONS IN COP	PROPORTION (%) BUDGET	GDP
National debt service	22,585,485	37.0	10.5
Regulation, control, national security and war costs	13,293,827	21.2	6.2
Capital Gearing	6,245,027	10.0	2.9
Social Development	20,388,871	31.5	9.5
Environment	170,340	0.3	0.1
TOTAL BUDGET EXPENDITURE 2002	62,683,550	100.0	29.2
GDP (million of COP) 2002	214,439,200		
GDP per capita 2002 (in COP)	4,873,618		
GDP per capita 2002 (in USD)	2,031		

Source: Calculations based on the General Budget Law, 2002

An agreement that protects creditors

The evidence that the fiscal deficit is caused by the financial burden imposed on the national budget by debt was not taken into account in the Adjustment Programme signed with the IMF. Instead of trying to check this tendency by imposing controls on financial speculation and dismantling the dynamics of indebtedness as a strategy for development, the Agreement promotes a deepening of financial deregulation, the elimination of controls on foreign investment and on capital flows, and the obligation to maintain open capital accounts. In this way, adjustment policies become a permanent dynamic in the face of the instability caused to the economy by the loss of control over the swings in capital flows and the shocks caused by speculative capital.

The USD 2,700 million worth of credit from the IMF is not for the country's development, nor is it intended to overcome any current or imminent exchange rate crisis. Rather it is a preventive loan, in the form of an overdraft facility, which assures creditors and investors that the country will have the capacity to pay back their loans in the event of an exchange rate crisis. It provides the financial sector with the additional guarantee that it can count on a cushion of funds loaned by the IMF if a future exchange rate crisis were to use up the country's foreign reserves. The IMF can withdraw its support at any time if the country does not comply with the conditions attached to the adjustment programme — which compliance is being monitored every three months — and moreover, will suspend the loan if the country "is in arrears with its foreign public sector payments" and if "it imposes or intensifies restrictions on payments and transfers of international current account transactions".[8] In other words, if the government takes any measure that threatens prompt payment of the debt service or imposes controls or even minimal restrictions on the free movement of international capital entering or leaving the country, the IMF can suspend the loan.

The Argentinian crisis of December 2001 clearly demonstrates the failure of these preventive formulas, which are being imposed on Latin America supposedly to avoid the region's being affected by financial crises like that which began in 1997 in South East Asia and which subsequently spread to Russia and Brazil.

Redistribution in favour of the financial sector

The Agreement establishes that to achieve fiscal cuts, "the National Government will exercise strict control over all spending other than interest payments". The government must reduce all expenditure other than interest payments or debt service, in order not to affect the profit margins of national and international financial capital. Basically this Agreement represents the formalisation of an agreement made between the Colombian government and the national and international banks to place the nation's resources at their service, with the IMF providing both mediation and pressure, and guaranteeing the interests of international capital.

For this very reason the Agreement with the IMF requires the privatisation of the nation's financial sector, a process which will be closely monitored, since it was expressly agreed that "progress in the implementation of the strategy to restructure the finance sector and privatise the national banks will be monitored in the weekly reviews of the programme".[9]

The misappropriation of social welfare resources

The backing of the IMF requires that the government substantially reduce all spending commitments that do not comprise revenue destined for the financial sector, which makes up more than 50% of the national budget. The Agreement has designed an adjustment programme that is severely contractionist and tax-centred, the primary aim of which is to decrease domestic demand. This programme was strictly applied in 2000 and 2001. Tax Law No. 633, passed in 2000, placed the burden of taxation on consumption, increased the number of persons who are liable for taxes and reduced taxes on capital income. Law No. 549 (on territorial pension funds) and Law No. 617 (on reduction of local and regional administrations' spending) have left tens of thousands of public employees out of work as a result of the restructuring that has taken place at all levels in public administration.

Several measures are awaiting passage in 2002: the reform of the pension system, which increases contributions and retirement age and reduces pension payments, the reorganisation of local taxes to increase local administrators' income, and the finalisation of the process of privatising state banks.

TABLE 3

Indicators of poverty and inequality (1995-2000)	1995	2000
Population below the poverty line (%)	55.0	59.8
GINI wealth concentration coefficient	0.556	0.591
Unemployment rate (%)	8.7	20.8
Human Development coefficient	0.836	0.764
Ranking on the Human Development index	57	68

Sources: Gini and poverty - National Planning Department and *Misión Social*, unemployment – National Department of Statistics; human development - UNDP 1995 and 2000 Reports on Human Development.

However, the adjustment measures have been most drastic with respect to the reduction in resources for health and education needs. To achieve this, the signatories of the Agreement proposed a constitutional reform, which stipulated that the resources allocated to health and education will not increase at the same rate as the nation's current revenues. This reform was passed and entails an annual cutback of COP 1.23 trillion to the year 2008. This means that 2.2 million poor Colombians – equivalent to 23% of current coverage – will be excluded from the Subsidised Health System. Expansion of places for children in public schools will be cut back by COP 1.25 million, with the result that the expected rate of coverage for the year 2010 will drop from 90% to 80%.[10] The IMF and the Colombian government are thus ensuring that two of the most important goals contained in the Declaration from the Millennium Summit, which they agreed to respect, will not be achieved in Colombia.

In the light of these circumstances, the Colombian government's continued claims in international arenas that drug trafficking is the principal cause of social conflicts in Colombia is clearly a crude strategy to postpone the social and economic reforms that the Colombian people have been seeking for several decades. The minority who control the country's political power and wealth are trying to block these reforms by appealing for foreign military intervention, as in the case of the Colombia Plan, or by resorting to an alliance with the international financial community mediated by the IMF. ■

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6 Calculations based on the General National Budget Law, 2002.

7 José Manuel Cepeda. "Nadie nos salvará", in *El Espectador*, 12 August 2000.

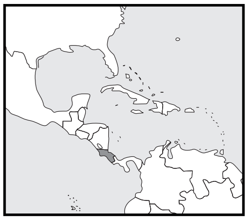
8 "Extended Facilities Agreement" signed by Colombia with the IMF.

9 *Ibid.*

10 Iván Jaramillo Pérez. "Recortando el Estado Social", in *Caja de Herramientas*, No. 78, June 2001.

The challenge of "starting two motors"

ANA FELICIA TORRES MAURICIO CASTRO JUSTO AGUILAR
CARLOS PENTZKE JULIANA MARTÍNEZ ERLEND MUÑOZ



Follow-up on international commitments taken on by the Costa Rican government and the development of social auditing practices would promote government accountability and strengthen democracy and good governance in our country. Conversely, the lack of fulfilment of such commitments erodes citizen confidence in their leaders and in the legitimacy of their performance.[1]

At the United Nations Millennium Summit, Costa Rican leaders ratified many of the commitments taken on in the nineties, which are presently included in the Millennium Declaration. They reaffirmed the right of all people to a decent and good quality life and committed themselves to creating an enabling economic environment for social development and in particular, to overcoming poverty. The relevance of fulfilling this commitment is underscored by the trend towards national inequality and poverty. In fact, the social gap has increased: the richest 20% of the population presently concentrate 13.5 times more income than the poorest 20%.[2] Furthermore, since 1994, poverty has remained constant at 20%, while the absolute number of poor people has increased.[3]

The limitations of social policies

It is evident that the eradication of poverty and promotion of social equity requires economic resources. No social policy, however successful, can solve the problems of poverty and social inequality on its own. It has to be skilfully linked to productive models and economic policies that make possible the redistribution of opportunities and generation of corresponding resources. The eradication of poverty and rehabilitation and consolidation of social development indicators achieved in past decades necessarily require an examination of the economic model, in terms of generation of quality employment and promotion of production for the internal market.

In comparative terms, Costa Rica does not have pressing problems of funding and resources that prevent it from giving content to social policies. However, the lack of political will to assign the necessary resources to such programmes constantly threatens their effectiveness.

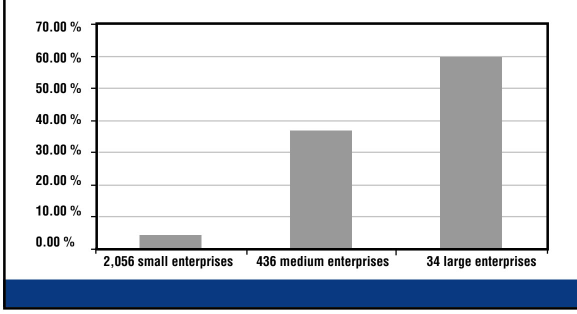
A country should not depend on foreign co-operation to eliminate poverty, but should choose a productive model that promotes equity and is socially and environmentally sustainable. From a citizen standpoint based on this conviction, Costa Rica lacks co-ordination between social policies and economic policies. The productive model has major problems that must be resolved so that more resources can be mobilised for development with better results.

Equity in the distribution of wealth and opportunities and a decrease in poverty require, in addition to social policies, economic and productive policies that complement them. The achievement of social welfare is not the exclusive responsibility of social policies. Alleviating poverty also requires the design and implementation of an alternative development system that includes a better distribution of income, quality employment, and a tax regime that promotes solidarity, is equitable and is adapted to the needs of the country. In such a system, social policy measures would be more effective insofar as they would be conceived as integral with economic and political measures and respond to a coherent orientation of solutions to the country's problems.

The present economic and productive model, linked exclusively to exports and benefiting a very small group of export companies, does not correspond to the national productive structure and excludes most of the country's productive units.[4] Meanwhile, most of the country's productive capacity is concentrated in medium, small and micro enterprises that produce for the internal market (see graph below).[5]

CHART 1

Percentage of exports by size of companies



In fact, only 5% of the county's companies are directly devoted to production for export. Most of the productive units (approximately 90%, mainly micro-enterprises)[6] produce for the internal market. Since this is not a priority in the present productive model, these companies do not benefit from government support, as the export sector does.

1 A major part of the statistical information used in the preparation of this report was provided by the Observatorio del Desarrollo, of the University of Costa Rica.

2 Estado de la Nación y Encuesta de Hogares. *La Nación*, 15 November 2001.

3 Informe del Estado de la Nación, 2001. Proyecto Estado de la Nación, Séptimo Informe. San José, Costa Rica.

4 Unless stated otherwise, data was provided by the Costa Rican Chamber of Exporters.

5 The data regarding the number of enterprises by size are based on Castillo Artavia, Geovanny and Luis Fernando Chávez Cómez. 2001. *Pymes: una oportunidad de desarrollo para Costa Rica.* FUNDES. San José, Costa Rica.

TABLE 1

Exporting companies		
COMPANIES	**NUMBER**	**EXPORTERS**
Large	1,346	34
Medium and small	14,891	2,492
Micro-enterprises	58,594	0

Because they are not a priority in the economic model, these companieshave limited access to loans, borrow at very high interest rates and have serious marketing problems. They lack training and, in general, there is no public mechanism that responds to their needs.

Consistent with the emphasis on the export model, internal consumption of goods and services is not a priority. A sustained decrease in consumption by the Costa Rican population since 1985 reflects this. Thus, while private consumption represented 46.7% of the global demand in 1985, in 1999 it was only 33.2%. This, added to the reduction in tariffs and consequent increase in imports, has had a negative effect on those 90% of companies producing to satisfy consumer needs on the internal market.

The export model, opening of markets and reduction of tariffs have created a situation in which fewer than 5% of national companies produce directly for export. To this should be added that 63% of the exports are generated by companies within the Duty Free Zone (DFZ) system, which enables them to enjoy a series of tax exemptions. Thus the sector that produces most of the wealth contributes least to a redistribution of wealth and opportunities. These companies employ only 2.5% of the economically active population, while the micro and small enterprises, basically producing for the internal market, in 1998 generated 42% of national employment.[7]

Summing up, the export promotion model and the drop in internal consumption do not correspond to the most important characteristics and possibilities of the national productive structure. The most dynamic companies are geared towards export, but generate a scant percentage of employment and are mainly located in the DFZ, and therefore do not contribute to national tax revenues. Conversely, most companies – those that generate the most local employment– are outside the productive model. All these elements create insecurity of employment and growth of the informal sector, threaten equity, limit redistribution of income and opportunity and hinder the struggle against poverty.

Since the most dynamic sectors of the economy are exempt from taxes, the tax system cannot redistribute income and opportunity and these sectors do not contribute to national development. The national tax burden represents 12.5% of the GDP and is threatened by the sustained process of tariff reductions. This is a small burden compared with other countries, but it is insufficient to cover the current functions of the Costa Rican government. Furthermore, 75% of tax revenue comes from indirect taxes, which directly affect low-income families because they consume a greater proportion of their income.

Meanwhile, most of the companies that benefit from the export promotion model and that most export, are located in the DFZ (209 of the 470 companies generating 96% of the exports). DFZs contribute little to redistributed wealth since companies operating in them are not bound by taxes. Thus, for example, the 100% income tax exemption means that GDP growth generated in the DFZ is not transformed into an increase in available national savings and much less into the strengthening of public social and productive policies.

Within the framework of the present model of export promotion, social, labour and environmental investments constitute a cost, a dead weight, rather than adding value to production. However, it is precisely social investment that reflects the democratic will, not only the political will, but also the social and economic will. In this respect, the struggle against poverty requires a productive model in which social investment really adds value to production.

It should also be added that social policy, in particular anti-poverty policy, also faces a set of serious problems. These problems are not necessarily problems of funding, but of effective allocation. Resources allocated to the struggle against poverty should be assigned more effectively, with better design and monitoring of programmes and reduction in political cronyism.

"Starting two motors"

Progress towards equity and in the struggle against poverty in Costa Rica requires a comprehensive productive model. This poses a challenge for the whole of Costa Rican society and requires participation of the whole productive structure and not only a small part of it. Taxation of all economic agents, and the transformation of social, labour and environmental investment into added value for production, are also urgent tasks.

This implies linking medium, small and micro-enterprises to export production, but additionally and basically, promoting production for the domestic market. It involves support for idea that the production system will benefit from greater domestic consumption and a more equitable distribution of income. Only in this way will economic and social policy be compatible. We have called this challenge "starting two motors," the economic motors of export promotion and promotion of production for the domestic market.

Following this path would enable the country to mobilise a set of domestic resources for development. These would be "healthy" resources, since they would result from the development model and not from international co-operation or from social policies that are incompatible with economic policies. Parallel to these efforts, social policies need to be strengthened, both through additional financing and through improved design, monitoring and assessment of results.

In short, the question of mobilising domestic resources for development brings the country face to face with the enormous challenge of building alternatives to the productive model implemented for the past 20 years. ■

The generation of resources to fund social development and the creation of efficient mechanisms for their distribution are commitments made at the Copenhagen Summit:

> *"We commit ourselves to creating an economic, political, social, cultural and legal environment that will enable people to achieve social development."*
>
> *"We will create an enabling economic environment aimed at promoting more equitable access for all to income, resources and social services."*

The second Copenhagen commitment, regarding the eradication of poverty, has not been achieved in the last five years.

> *"We commit ourselves to the goal of eradicating poverty in the world, through decisive national actions and international co-operation as an ethical, political and economic imperative of mankind."*

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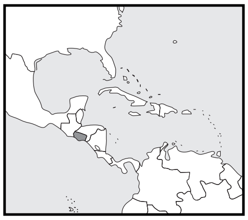
6 Micro-enterprises make up 78.3% of total enterprises in the country.

7 National Programme for support to micro and small enterprises. ILO Interdisciplinary Technical Group, 2000. "The informal sector of the economy: characteristics of micro and small enterprises in Costa Rica." San José, Costa Rica.

Thanks to family remittances

Rosarlin Hernández · Jeannette Alvarado
Rosa María Menjivar · Mario Antonio Paniagua



The national scene in El Salvador has been marked by low international coffee prices, dollarisation, drought, high electric energy and oil prices, the dismissal of thousands of government employees, corruption, impunity, increased poverty, two earthquakes, and deceleration of world economy. To a great extent, the population of El Salvador survived thanks to family remittances from abroad.

A hard year

The year 2001 has been a hard year. Poverty increased from 45.1% in 1999 to 51.2%,[1] as a result of economic policies and social and environmental deterioration caused by the two earthquakes that hit the country at the beginning of the year.

Exports fell by 2.2% mainly because of low international coffee prices,[2] while imports grew by 4.3%. The result was an increase of 14.5% in the foreign trade deficit (USD 1,818.3 million), far above projections at the beginning of the year, when an increase of 5% in exports was foreseen.

The industrial sector grew by only 3.5%, the lowest rate in the recent years, and growth took place in sectors linked to construction, plastics, drugs and other products that were in demand following the earthquakes. The "*maquiladoras*" grew 3.6%, far below the 12%-13% that had been projected. The agricultural and livestock sector faced losses in 2001 amounting to USD 508.32 million. Micro and small enterprise associations showed drops in sales of 20% to 50% for the majority of their members.

The Ministry of Finance reported tax revenues of USD 1,501.3 million in 2001. This is USD 77.9 million more than in 2000, representing an increase of 5.5%, but it is USD 61 million less than the goal set in the 2001 budget. Value Added Tax (VAT) continues to be the greatest source of income. VAT increased by 8.7% over 2000 and amounted to USD 848.8 million. For 2002, plans have been announced to fight income tax evasion, since only USD 452.8 million was collected in 2001, representing an increase of barely 1.1%.

At the end of 2001, the total domestic and foreign government debt was USD 4,588 million, representing 32.6% of GDP. The tax deficit was 3.7% of GDP and is expected to be reduced to 3.5% in 2002. According to the Salvadorian Foundation for Economic and Social Development (FUSADES), percentages considered to be sustainable were 1.8% for 2001 and 2.4% for 2002.

The Ministry of Finance reported an unemployment rate of 7% in 1999. In 2001, it confirmed an increase of 0.5%, resulting from the earthquakes, which caused the loss of 50,000 jobs, and the crisis in coffee plantations, which led to the loss of 10,000 jobs. The government hopes that the Free Trade Agreements (FTA) and the Caribbean Basin Initiative (CBI) will improve the economy in 2002 and generate 400,000 new jobs over the next three years. This expectation is unlikely to materialise, however. Uncertainty in the world market has affected demand for *maquila* products and given rise to massive dismissals at the beginning of 2002. The female work force will be affected as it represents 90% of the work force in this sector.

The Central Reserve Bank (BCR) and other official sources have stated that the economy will achieve a growth of barely 2% in 2002 (the same as in 2000), and that the goal set for 2003 is 3%. The government qualifies this result as satisfactory, considering the two earthquakes and deceleration of the world economy. This modest growth will be sustained by increased public investment for reconstruction, lower interest rates resulting from the Monetary Integration Law, and an increase in family remittances.

Independent economic analysts consider that recovery in 2002 is uncertain and that FTA will not bring economic revitalisation because of competition with more developed countries. They agree that the best measure would be public investment and believe that its success will depend on the efficiency and effectiveness of resource use.

The meagre economic growth of the last few years has not improved the welfare of most Salvadorians, because of continued concentration of wealth.

Exporting human resources and importing remittances

El Salvador exports human resources and imports family remittances. These continue to grow. The BCR foresees an income of USD 1,900 million in 2002 (representing an increase of 8.5% over 2001). Remittances cover 86% of the trade gap and are equivalent to 64% of exports and 37% of the country's total imports. It is expected that they will total 13.4% of GDP. Studies by the Inter-American Development Bank (IDB) state that remittances amount to nine times foreign aid and seven times foreign direct investment. There is no doubt that these remittances help to alleviate poverty and promote the economy, but it is not advisable for a country to depend on this type of resource. The challenge is to promote use of these remittances for medium- and long-term investments, and not only for consumption, but this idea has failed over the last ten years.[3]

USD 272 million is already circulating in the economy, equivalent to 51% of currency outside banks (USD 532 million). The government is pleased with the evolution of dollarisation, but the population believes the measure to be the government's greatest error.[4] The Supreme Court of Justice has rejected various initiatives to declare the law permitting dollarisation unconstitutional, but many people still consider it to be unconstitutional, because they reject the firm trend towards eliminating the *colon* as national currency.

1 United Nations Development Programme (UNDP). *Human Development Report 2001.* El Salvador, 2001.

2 Income from sales dropped to 60% of total income in 2000, when it was USD 300 million.

3 La Prensa Gráfica, 18 December 2001. p. 4b.

4 La Prensa Gráfica. *Revista Enfoques*. "Results of an Opinion Survey." 30 December 2001.

Corruption among millionaire civil servants and lack of transparency in some legal decisions continues.

Health and education

Although diseases such as poliomyelitis and measles have been eradicated, 12% of infants are malnourished and 80% of children suffer cruelty.[5] The threat of epidemics such as cholera and conjunctivitis, the lack of drugs, scant mental health and post-traumatic care still persist. Health care for women at the age of reproduction is deficient. Maternal mortality is relatively high (120 deaths per 100,000 live births). Although health sector officials deny it emphatically, there is concern that privatisation of services is at least partially responsible for these deficiencies.

Illiteracy dropped to 15% nationally (over 100,000 became literate per year), but 30% of the women in rural areas are still illiterate, confirming conditions of social and gender inequality. Pre-school coverage for four to six year-olds rose from 34% in 2000 to 42% in 2001, with equal percentages of boys and girls covered. Important government projects are being implemented with the participation of civil society organisations. The challenge is to recover the facilities damaged by the earthquakes and re-establish school enrolment, which dropped by 60,000 students in 2001 (4%), and to improve the quality of education.

Priority for reconstruction

In its third term, the administration of President Francisco Flores will focus on public investment for social services, poverty reduction and reconstruction. The National General Budget for 2002, called "Comprehensive Human Development", proposes as priorities for investment and public indebtedness education, health, drinking water and basic sewage, recovery of the highway infrastructure, support to agricultural and livestock production, rural development and increase in export capability. Other priorities are the struggle against delinquency and improved taxation.

The 2002 budget, approved on 19 December 2001, amounts to USD 2,504.1 million, 13% more than the 2001 budget of USD 2,216.2 million. The budget includes a 17% reduction in operating expenses. Sources of funding are taxes, credit, current savings and re-allocation of investment.

The budget has been criticised for increasing the level of indebtedness and using treasury bills (LETES) issued by the government to finance the deficit. The national economy has apparently lost its capacity to invest its own funds, since as of last year it no longer has any current savings. For this reason, the government has turned to foreign funding for social development initiatives, thus increasing the fiscal deficit.

Given its present structure and the limited resources at the disposal of the government, the budget is not an effective tool for poverty reduction, economic revitalisation or reconstruction of the country. The distribution of the USD 741 million allocated to public investment in 2002 gives priority to those departments most affected by the earthquakes, but not to those that have traditionally been poor.

The budget can be credited for increasing expenditures for health and education. Investments in health will represent 14.8% and in education 29.8% of the total budget. Moreover, these two ministries, plus the public security ministry, were the only ones exempted from the goal of reducing operating costs by 15%. According to the government, this strategy responds to the commitment to fight poverty and create opportunities for development.

According to the analysts, there is an imbalance between what is allocated to reconstruction and what is invested in the social area. Although the health budget was increased by 14.8% with regards to the previous year, this increase is for facilities and not for health care. Furthermore, 68.8% of the total health budget is for remuneration. Expenditure for basic health care is not reflected, and it is not clear how demands of a growing population will be satisfied, with an equal number of health technicians and a similar amount for drugs.

In the case of education, resources allocated to provide quality education are also limited. Attention is centred on achieving the level of coverage that prevailed before the earthquakes.

Following adoption of the 2002 National General Budget, floating debt re-conversion and loan package, the Ministry of Finance must place USD 1,520.4 million in bonds on international markets. USD 740.9 million of this will be used to finance the budget and USD 779.5 million for debt re-conversion. The government is optimistic, since the experience of issuing bonds in the two previous years has shown that the country is creditworthy.

In the context of global economic crisis, trade unions have expressed satisfaction with the budget, as it guarantees bids for state investment as from January, which will generate growth. Transferring the debt from short-term to long-term is a valid financing scheme, which will help distribute the tax burden and place less pressure on the government's cash flow. It should be noted that in 2002, the level of public investment will be higher than at any time in the history of the country, with significant allocations to human development, infrastructure, education and health.

Unjustified optimism on the part of the government

All the end of year government reports refer to the 2% economic growth, increase in remittances and dollarisation as successes. They are visibly optimistic about the coming year, when a growth rate of 3% is expected, along with generation of thousands of jobs through the FTA and CBI. But the majority of economic analysts does not share this optimism. Nor does the population who see risk in the trend towards indebtedness, corruption, the loss of international reserves, global economic recession, lack of competitiveness of national companies, and increased unemployment and poverty. The government cannot hide reality. It is necessary and urgent for it to listen to calls asking it to assess the economic situation more objectively. A more feasible alternative would be a policy mandating development of an economic and social path in which economic growth benefits the whole population and not just a few people. This policy would establish a process through which the different sectors give their opinions and propose progressive measures for national revitalisation. ■

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5 United Nations Children's Fund (UNICEF). *Estado Mundial de la Infancia 2002*. El Salvador. 2001.

GERMANY

Antipoverty rhetoric: more *Programme* than *Action*

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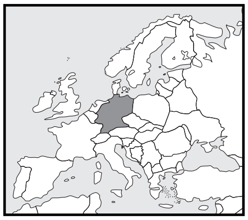

Germany has taken some steps, mostly rhetorical, towards fulfilling its Social Summit commitments. Income disparity has widened slightly and access to social services remains uneven. Quality of life –although deficient for some groups–is still satisfactory compared with many other countries. The basic social infrastructure is accessible to most people. The German government has taken a first step towards the UN goal of halving worldwide poverty with the "Programme of Action 2015: Poverty Reduction – Global Responsibility". This programme has not yet had a direct impact on the government's policies.

Inequality and poverty: many promises, little real progress

In 2001, the German government presented several initiatives for reducing poverty and social exclusion in Germany and abroad: the *Report on Poverty and Wealth*, the *National Action Plan to Combat Poverty and Social Exclusion* and the *Action Plan 2015*. While the German people appreciate the government's commitment to this issue, real progress in achieving a more inclusive society is not yet measurable.

The first official *Report on Poverty and Wealth* highlights the situation of the poor. The cooperation between politicians, bureaucrats, scientists and private citizens in producing this report has advanced the cause of poverty alleviation, and the Parliament (Bundestag) plans to publish a second report at the end of 2003. The main findings of the first report are:

- Income disparity has grown slightly in the last few years despite government initiatives to counteract this trend. The 90/10 ratio (the income of the richest 10% divided by the income of the poorest 10%) has worsened from 3.04 in 1988 to 3.26 in 1998 (new OECD scale). The gap between the rich and poor continuesto widen.
- The widening income gap has resulted in an increase in relative poverty. According to the usual definition of relative income poverty (50% of net average income, adjusted to equivalence scale) 11% of German households were relatively poor in 1998 (new OECD scale). In Western Germany, relative income poverty has been steadily increasing. In Eastern Germany, which started from a more equal income distribution in 1990, relative poverty ratios are lower if calculated using income data for Eastern Germany alone, but they are 14.7% higher than in Western Germany if calculated using income data for the whole of Germany. The poor households primarily consist of families with children, including many single parent households.
- More than a million children now receive public benefits; they represent one-third of all recipients of social assistance, and this proportion has tripled between 1982 and 1998 in Western Germany. Hidden poverty is also a problem. Some estimate that the number of poor who do not claim their benefits equals the number to whom benefits are paid (3.7% in the west and 2.7% in the east).
- The number of unemployed people remains at about four million. Most of the jobless lack skills; inadequate education is one of the major risks of poverty, especially for young people. About 1.5 million of the unemployed are "hard core"; many suffer from personal difficulties such as drug addiction, debt or family conflicts that require intervention. In addition, the *Report on Poverty and Wealth* reveals the existence of a low-income sector made up of the working poor.
- High unemployment tends to hit women rather than men, especially since the income tax system favours a one-earner model (*"Ehegattensplitting*"). There are discussions to reduce this effect, but no concrete plans.

These findings have not yet resulted in comprehensive government action. There has been discussion about extending financial support for children ("*Kindergrundsicherung*"). Forty-two per cent of one-parent families with two or more children live below the relative poverty line (1998, arithmetic mean, old OECD-scale, whole of Germany). A higher net income for all families was achieved by augmenting family benefits and tax reform based on fiscal recognition of a higher subsistence minimum.

Instead of planning for a stronger support of low-income households, public debate concentrates on the effects of a "poverty trap" and on people who receive social assistance but do not want to work. Furthermore, governmental and ministerial activities tend to contradict the promises to reduce poverty and social exclusion. For example, recent draft legislation would prolong the reduced level of social assistance spending ("*Deckelung*"). A major reform of social assistance is planned after the elections in the third quarter of 2002.

A considerable part of public expenditure is spent on social affairs. The draft national domestic budget for 2002 allocates EUR 92.2 billion (USD 80 billion) for labour and social affairs; this amount represents 37.2% of the national budget. The common currency treaty of the European Union forces member states to control expenses by limiting new indebtedness and overall national debts. This disciplinary measure touches all policy sectors, but the social sector is less affected because it is largely financed by worker and employer contributions specifically for this purpose. The social sector is under pressure, however, from the perception of a stronger economic competition among member states. The consequence is a general trend from direct to indirect taxes, which are paid to a disproportionately high degree by the low- and middle-

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income households. Furthermore, policy decisions have reduced the responsibilities of employers to finance social systems through pensions.

Parliament has added a means-tested old age benefit to the existing public pension insurance. Some measures have been taken to increase women's pensions (*eg*, claims resulting from part-time work while bringing up children are augmented), but the overall effect is reduced because of an advancement of private pensions, which are less used by females, at the expense of public pensions.

In the health sector, basic and supplementary services are satisfactory, but restrictions have led to rationing in some areas. Lower income groups suffer more than others because they cannot easily replace lost services with private spending. Insurance costs are rising mainly because of increasing spending on pharmaceutical products by the compulsory health insurance agencies. The public health insurance system is under financial pressure; reform options are being discussed but no decisions have yet been made. Higher income earners are allowed to opt out and join private insurance programmes.

A shortage of teachers is causing teachers to move from the public to the (better paid) private sector though most pupils are still educated in the public schools. A second factor that promotes inequality is the distribution of hours allocated to various subjects. The more advanced and specialised a class is, the more hours of instruction it gets. Fewer hours in schools are allocated to lower grades and to pupils with learning difficulties.

Programme of Action to halve worldwide poverty: more programme than action

In April 2001 the German government adopted the *Programme of Action 2015: Poverty Reduction – Global Responsibility.* German NGOs were invited to contribute their experiences and proposals to the *Programme.* In the document the government singles out the contributions of the Working Group on Poverty Reduction, consisting of representatives from non-governmental and governmental relief agencies, and the German NGO Forum World Social Summit.

The *Programme of Action* recognises worldwide poverty reduction as an "overarching task", but fails to offer concrete strategies for reducing poverty. NGOs in Germany want a plan that defines the responsibilities of groups such as the ministries of finance, economy, agriculture or the foreign office. The areas listed for action are so general (and so clearly a description of the present work of the Ministry for Economic Cooperation and Development) that the *Programme of Action* itself had to announce an implementation plan, which German NGOs are eagerly awaiting.

The same is true for the proposed "*Dialogue Forum 2015*", which is to include members from all sectors of society. Nearly one year after the publication of the *Programme of Action,* the *Dialogue Forum* has not yet been established. German NGOs are seeking ways to help prepare the agenda of the *Forum* and define Germany's priorities in the struggle to alleviate worldwide poverty. It is hoped that the *Programme of Action 2015* will examine all new German laws in terms of their impact on development policy, including their relevance for poverty reduction. The implementation of such a mechanism could lay the basis for a more coherent policy.

German NGOs were pleased by the establishment of a new office for the implementation of the *Programme of Action* and improvement of communication among different ministries. On the other hand, the *Programme* was launched in such a restricted way that only a few development activists took notice. The Chancellor has had little to say about the plan, even though there was an intense public discussion in Germany about possible links between poverty and fundamentalism after the terror attacks on the World Trade Center and the Pentagon.

Official Development Assistance: a deepening gap between claims and reality

The gap between government claims and reality is obvious. Since 1990, when 0.42% of the GNP was allocated to Official Development Assistance (ODA), there has been a constant decline to between 0.26% and 0.27%. The share of the Ministry for Economic Cooperation and Development (BMZ) within the national budget is constantly being marginalised: from 2.1% in 1990 to 1.7% in 1998 and 1.5% in 2000. Only the harsh reaction of Minister Heidemarie Wieczorek-Zeul in the second quarter of 2001 and the engagement of Germany in the Afghanistan war have led to an increase towards 1.6%. The Ministry for Finance foresees the further dismantling of the development budget to a meagre 1.41% in 2005.

The quality of assistance can also be questioned. Basic social services (basic education, basic health services, reproductive health and water programmes for the poor) have been recognised since the Copenhagen Summit, now even by the World Bank, as the core of poverty alleviation. Germany officially pursues the 20/20 Initiative.[2] Yet spending for basic services continues to decline as a percentage of the total budget: 18.9% (1998), 17.3% (1999), 16.5% (2000) and 13.5% (2001). Whereas the official policy of the ministry proclaims that AIDS-prevention and access to water for all are central tasks for international cooperation, programmes do not reflect the public discourse. Support for basic health has fallen from 5.9% of the BMZ budget in 1998 (about USD 80 million) to a shameful 2.1% (USD 24 million) in the year 2001. Support for other social programmes, such as clean water and sanitation, has likewise declined. ■

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2 The 20/20 Initiative is an agreement between developing and industrialised countries that calls for the allocation of, on average, 20% of the budget in developing countries and 20% of Official Development Assistance (ODA) to basic social services.

Structural obstacles at a time of crisis

LUISA EUGENIA MORALES

The failure of political institutions to deal effectively with powerful economic groups, the lack of citizen control over public administration, the increasing diversity of socio-cultural identities, the lack of integration and communication among social movements, social exclusion and impoverishment of major sectors, concentration of financial capital, the crisis in the welfare state, and military participation in economic life, among other factors, are part of the structural obstacles to development at a time of crisis.

Since the World Summit for Social Development in 1995, the political and social situation in Guatemala has improved. The internal armed conflict that had racked the country for over four decades has ended. The Peace Agreements signed between the conflicting parties in 1996 bequeathed a social agenda to be implemented by society as a whole. This agenda for the construction and consolidation of peace reflects the need to enable all Guatemalans – men, women, indigenous peoples, half-castes, youth, children, senior citizens and other social sectors – to achieve equity, justice and democracy.

The elimination of poverty and the search for gender equity require effective interaction among the various sectors involved. These goals need to be set out in development proposals and public policies, the implementation of which must eliminate the gap between mere political will and concrete action.

According to the Human Development Report (HDR) for the year 2000, poverty and conditions of social exclusion place Guatemala in 120th position among a total of 174 countries. Over 57% of the Guatemalan population is poor and over one-quarter (27%) is extremely poor. Two-thirds of the work force is either unemployed, working in insecure conditions, or in subsistence employment. Women, indigenous peoples and rural workers are most at risk. Three-quarters of the rural population are poor.

The government's inability to address basic needs and its organisational limitations make subsistence living difficult for many sectors of the population. Contraband, prostitution, corruption and juvenile gangs appear as social escape mechanisms in the absence of the government's guiding role in the search for collective welfare.

In a recent study entitled "Structural problems in the economic development of Guatemala,"[1] the Guatemalan economist Lionel Figueredo Ara states: *"Guatemala is at a time of crisis. Problems such as the failure of political institutions to deal effectively with powerful economic groups, the lack of citizen control over public administration, the increasing diversity of socio-cultural identities, the lack of integration and communication among social movements, social exclusion and impoverishment of major sectors, concentration of financial capital, the crisis in the welfare state, and military participation in economic life, among other factors, are structural obstacles that individually constitute fundamental pieces at this time of crisis."*

The study points out that, during the administration of President Alfonso Portillo, economic deterioration has deepened, the tax situation has worsened and there are no encouraging prospects. Part of the banking system is in decay. National institutions are at risk. The Peace Agreements committed the country to professionalising its national civil police force, but this process has also been shown to be vulnerable.

Acts of corruption in various executive offices are a disappointment to the population, making increased tax collection unjustifiable. Political and social polarisation and confrontation are hindering any real dialogue to solve national problems.

The Peace Agreements establish that cultural development in Guatemala is inconceivable unless the culture of the indigenous peoples, its original mainstay, is recognised and promoted. Although Guatemala is recognised as a multi-ethnic, multi-cultural and multilingual country, in practice there is increasing fragmentation of socio-cultural identities in the absence of defined government policies to address and meet the needs of ethnic groups.

Poverty Reduction Strategy

As a nation, Guatemala is facing three major and interrelated challenges: the construction of peace and national reconciliation; a substantial improvement in the quality of life of its population, particularly of those living in poverty and extreme poverty; and economic growth with human development.[2]

The Poverty Reduction Strategy, proposed in September 2001 by the government, is based on three vital axes around which government action should revolve to construct the foundations for sustainable short- and medium-term improvements in the level of welfare and quality of life of the Guatemalan people, particularly the poorest and most excluded, and to fulfil the Peace Agreements.

First, economic growth with equity is essential to increase income and reduce the poverty of the Guatemalan people. The second essential axis is the growth of public investment in the human capital of the poor, enabling them to increase their productivity and thus their income and welfare. This strategy proposes that investment in human capital should concentrate on education, mainly pre-primary and primary schooling, and on health, with emphasis on preventive health care at the primary health care level.

1 Consultancy paper prepared for the Friedrich F. Ebert Foundation-Guatemala. Guatemala, July 2001, unpublished.

2 Coordinadora ¡Sí! Vamos por la Paz. "Plan de Desarrollo Económico y Social: propuesta 2001." Guatemala, 2000, p. 6.

The third axis is investment in physical infrastructure in the poorest and most remote parts of the country, in particular drinking water, basic sanitation, energy and access routes for the rural poor. This declaration of intent should result in practices leading to concrete action that will make it possible to reduce poverty and achieve social welfare.

For their part, Guatemalan social organisations agree that if the state wants to reach its fundamental goal of achieving human welfare, it must ensure economic growth and social development. The population should be the centre of an economic policy that will enable all people to live a long healthy lives, acquire necessary knowledge, have access to resources and technology and enjoy decent lives. All people should be sustained by an equitable distribution of income, economic, social and political development, and respect for and observance of human rights, including rights of indigenous peoples and gender equity.

Attracting economic investment is of vital importance to give stability and sustainability to public finance. The economic policy should have long-term economic and social development as its goal, and should be coordinated with other public policy areas. Sustained economic growth in the medium- and long-term should be able to generate productive employment, making it possible for the people to meet their basic needs. Taking up this challenge requires the adoption of a development strategy geared to promote the building of national unity, citizen participation, the broadening of opportunities without discrimination, respect for cultural diversity, and fostering social equity.

Strengthening democracy is closely linked to the reduction of poverty, improvement of the quality of life, social integration and the sustainability of the peace process. It also requires that citizens should have confidence in the government's political and administrative management, participate in national decision-making processes and demand as rights of citizenship efficiency, transparency and integrity in public management. They should trust that the government will invest public resources on the basis of social needs and spend public moneys efficiently.

Declaration of intent and public expenditure

Investment in education is one of the most important components set out in the Poverty Reduction Strategy contemplated by the government, which tacitly recognises that education has a direct and positive impact on peoples' productivity and therefore, on employment, income and reduction of poverty. In this strategy, three goals have been adopted regarding education: an increase in the net rate of schooling to 40% at pre-primary level, to 88% at primary level, and a reduction in the illiteracy rate to a level of 20%. The incremental cost of achieving these goals is estimated at approximately USD 460.3 million over the 2002-2005 period.

The former president of the World Bank, Barber Conable, said in 1990 with regard to education: *"Poor people cannot become incorporated in the struggle against poverty if they are not equipped to identify opportunities and to take advantage of them. Therefore, education is an essential segment of the bridge over which a poor person is able to cross the gulf of misery to hope."*

With regard to progress in the situation and condition of women, the efforts made by over 35 organisations committed to democracy, organised in a co-ordinating body, "*¡Sí! Vamos por la Paz*" (*Yes, let's go for Peace!*), should be explained. This co-ordinating body is a forum for sectoral interests, with the objective of making viable the hopes for change expressed in the agendas of women, children and youth, indigenous peoples, trade unions and peasants.

These agendas include strategic and thematic central points for the social, economic, political and cultural development of Guatemalan society. In the case of women, four points have been established: Social Development and Inter-Culturality, Economic Development, Democratisation and Socio-Political Development.

The process of social auditing carried out by the mentioned co-ordinating body has made it possible to consult and analyse documentation in order to assess the progress of the present government in implementing strategies to improve women's access to property, funding, loans for production, technical advice, training and the elimination of regulations and practices that limit women's access to resources and services.

This monitoring has revealed the gap between what is enacted, issued or planned to improve the condition of women and what becomes reality. The conclusion of this assessment is that the situation of women in Guatemala has not varied significantly in 2001, although it should be recognised that some possibilities have been opened up with the National Gender Equity policy. This policy may be considered as a useful tool for progress but requires the necessary resources to be efficiently implemented.

Regarding economic issues, progress aimed at improving the situation and condition of women is very limited. The lack of promotion of resources for production that can be accessed by women is a serious limitation to their individual and collective development and an obstacle in the search for a better quality of life for the Guatemalan population as a whole. ■

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New government, old problems

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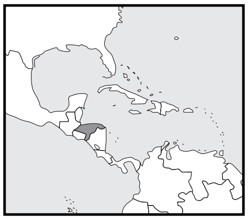

Since 1980, amidst relative institutional calm and questionable forms of peoples' participation, a series of structural adjustments were implemented. Among these were privatisation of some basic goods and services and the reduction of subsidies for the most vulnerable groups. Successive governments have claimed that these adjustments achieved acceptable macro-economic results, but the quality of life of the Honduran people has deteriorated considerably.

The country has experienced an accelerated process of impoverishment. The World Bank stated: "in spite of the fact that the economy has improved, the level of poverty continues to be high. Depending on the source of reference and on definitions, between 50% and 60% of Honduran families are poor".[1] According to the Human Development Report (HDR), poverty in Honduras fell from 67.4% in 1991 to 62.1% in 1999. In urban areas, the decrease was from 62.5% in 1991 to 49.1% in 1999. This drop does not mean greater equity, however. In rural areas, poverty rose from 70.6% in 1991 to 72.6% in 1999. The weighted percentage of poor women and poor men was similar in 1991; in 1999, 14 departments had a higher percentage of poor women than poor men.

The government had forecast a five per cent growth in GDP, but this reached only 3.5%. In 1999, the *per capita* GDP was USD 62.77.[2] Inflation was around 10% and the percentage of the current account deficit relative to GDP was 5.6%.[3]

In 1999, 48% of Honduran homes had unsatisfied basic needs, *ie*, they lacked access to drinking water, sanitation and lived in deplorable housing conditions with over three people per room.[4] This average was 58% in rural areas and 37% in urban areas.

The situation of women

There has been an increase in cases of AIDS among the female population, particularly affecting women aged 20 to 39. The maternal mortality rate remains high (155 per 100,000). Women-headed households represent one-third of total households and 50% of urban households. Women make up 39.1% of the employed population. The female employed active population (EAP) is increasing but in jobs requiring low qualifications, and this is promoting the feminisation of poverty.

The "maquilas"

The *maquila* sector (the bonded assembly industry) employs most of the female workforce. According to Honduran Association of Maquiladores data, 80% of the work in the sector is carried out by women, mostly single mothers who have not completed primary or secondary education. These women receive salaries of USD 62 to USD 182 per month. Many women also work in the agro-export sector. Approximately 60% of the workforce is female and mainly carries out tasks of transplanting, fertilisation and harvesting.

Women are excluded from decision-making processes

Honduras has a Law for Equal Opportunities for Women establishing that a minimum of 30% of elected posts be held by women. Nevertheless, following elections on 25 November 2001, the number of women deputies in the National Congress dropped from 9% to 5%. Women's representation in municipal corporations remained at 9%. The percentage of women mayors dropped two percent, from 30 to 27 women mayors. Female representation in the Executive remained at 20%. The percentage of women in alternate and non-relevant posts increased.

For the first time in history, and with the efforts of civil society, an opportunity has arisen for women: The National Congress issued a decree establishing an Appointments Board for the election of men and women magistrates to the Supreme Court of Justice, with the aim of making the judiciary more democratic. Parliamentarians from the traditional parties tried to invalidate this selection process. As a result, of the 45 magistrates submitted by the Appointments Board, 15 were elected of which nine are women. For the first time in history, the President of the Supreme Court of Justice is a woman: the lawyer, Vilma Cecilia Morales Montalbán.

During the electoral process, women's organisations organised municipal fora for candidates for mayor and the municipal corporations. They endeavoured to have their demands and proposals incorporated into municipal agendas. Women also sought to institutionalise the Women's Office with a budget and political power, so that this institution would have a true interlocutory function and make women's networks visible to municipal corporations.

At national level, actions were taken by women to influence the government to incorporate the commitments made at international summits and conferences into national laws, such as the Law Against Domestic Violence and the Law for Equal Opportunities for Women.

Another major achievement of the women's movement in the last four years, with the support of international co-operation, is the implementation of various public policy proposals for gender equity. This constitutes a major step forward in guaranteeing the implementation of policies, programmes and actions to correct social gender unbalances. Women's Public Prosecution Offices were established in the country's 18 departments.

1 World Bank. Country Assistance Strategy (CAS) for Honduras, Report # 20072, 27 January 2000, p. 3.

2 Progress Report for the Follow-up Meeting submitted by the Government of Honduras, March 2001 Annex A3.

3 "Hablemos Claro Financiera", Honduras, January 2002, p. 72.

4 Strategy for Poverty Reduction by the Government of Honduras, August 2001 p. 10.

Despite establishment of these institutions and fora to denounce the violation of women's rights, and despite the efforts of many independent and organised women, discrimination against women persists. As mentioned above, despite the Law for Equal Opportunities for Women, women's share of important elected posts is actually falling.

The "zero tolerance" campaign

Civil society has advocated for de-militarisation of security bodies. Nevertheless, the Executive recently appointed a man with a military history, Juan Angel Arias, as Minister of Security. There has also been disregard for the law in the appointment of police directors without consideration of lists submitted by the National Security Council (CONASIN), a council for the control of military abuse that involves civil society and government.

Civil society institutions, in particular the women's movement, are concerned about the present President of the Republic's "zero tolerance" campaign. This repressive campaign against delinquency, which centres on youth and poor people, is based on the government's limited vision of social issues. A more comprehensive vision of citizen security is required, as nothing is solved by sending military forces into the streets if they cannot be prevented from abusing power against the civilian population, particularly against young people. Citizen security seen in a wider context is related to food security, health, education and particularly to security for women in the streets and at home. The present government has taken no steps to reduce the number of women who die as a result of domestic violence.

Foreign debt and the HIPC Initiative

In December 1998 the debt was USD 3,823.6 million and by December 2000 it had reached USD 5,558.4 million. In the framework of the Enhanced Initiative for the Heavily-Indebted Poor Countries (HIPC2), debt relief of USD 960 million is expected over the next seven years,[5] an amount that is considered to be far below what is needed to develop the country.

In the framework of HIPC2, the government is implementing a Poverty Reduction Strategy (PRS) and an anti-corruption strategy. It is expected that a new agreement will be reached with the IMF in February 2002. Implementation of HIPC2 is scheduled to start in October 2002, and at that time, the government will have to submit a report showing achievement of conditions to start receiving the benefits of debt relief.

The various civil society organisations have stated their concern over the feasibility and operationality of the PRS, because it lacks congruence with the macro-economic adjustments demanded by the International Monetary Fund (IMF). The debts are related to the fact that the PRS implies privatising the scant state companies (telecommunications and electricity) and some basic services.

The achievements of social and women's movements

The people's movement of Honduras has achieved some victories: separate ballots for election of president, deputies and mayors; elimination of obligatory military service; separation of the police force from the military force; the approval of reforms that dignify the judiciary; the existence of a Commission for Human Rights; the Law Against Domestic Violence; the Law for Equal Opportunities for Women; the creation of the Special Women's Public Prosecutor's Office, the National Women's Institution; Family Councils, *etc*.

In the last four years, the women's movement has placed women's rights on the public agenda, particularly sexual and reproductive rights and violence against women as a human rights issue. It has also increased experience in the construction of public policies for gender equity, among which the National Women's Policy, the Policy for Gender Equity in Honduran Agriculture, the Policy for Gender Equity in Natural Resources and the Environment and the Policy for Gender Equity in the Ministry of Finance.

Similarly, important steps have been taken to achieve gender equity through participation in the PRS. Another challenge has been the construction of an alternative and cultural audience to re-value the social image of women in the patriarchal and exclusionary society.

Some challenges for women's movements

- To establish a relationship of co-ordination, orchestration and lobbying with women who are in positions of power, to make allies of them for the advocacy of women's agendas in decision-making fora.
- To create a clear strategy for the fulfilment, monitoring and follow-up of commitments made to the women's movement by elected candidates.
- To create a forum respectful of movement diversity to enable the setting of priorities in negotiations with the elected government.
- To make the Electoral Law more democratic by promoting independent candidates.
- To reform the Law for Equal Opportunities for Women, to include a clearer mechanism for enabling women's access to elected posts such as the "braid" (alternating the names of women and men on the ballot) and for monitoring achievement of the 30% target.
- To continue progress in constructing an inclusive social and political culture and to advance suitable leadership. ■

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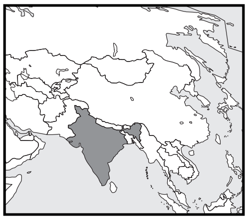
5 "Hablemos Claro Financiera", Honduras, January 2002, p. 71.

Growth without development: rhetoric and deprivation

JOHN SAMUEL[1]



The performance of the economy, the increasing gap between the goal of macroeconomic development and social development and the complete lack of political will and economic agenda for long-term social development show how the rhetoric belies reality. Growth without development will deepen inequality and have dangerous socio-political consequences that could undermine the very essence of freedom and democracy.

The Indian economy has grown at an average rate of 6.4% a year since 1992. The average rate of economic growth in the 1990s is indeed impressive, compared with the 5.8% recorded in the 1980s. Policy makers never fail to link economic growth with the apparent drop in poverty from 36.19% in 1993-94 to 26.10% in 1999-2000.[2] Such rhetoric belies reality. The total number of poor has increased substantially and so has inter-regional disparity. The fact is that 44.2% of India's population lives with an income of less than USD 1/day.[3] The Human Development Report 2001 ranks India 115, with a Human Development Index (HDI) value of 0.571.

The three main reasons for deprivation and increased inequality are the inequitable distribution of land and natural resources, the lack of adequate financing for social development; and the adverse impact on the poor of liberalisation, structural adjustment and the trade regime led by the World Trade Organisation (WTO).

Inequitable distribution of land

About 70% of India's people depend on land and agriculture for survival. Approx. 53.7% of Indians is landless or semi-landless. Tribals, accounting for 8.3% of the population, are trapped in a vicious circle of displacement, poverty and disease. In the last 50 years, an estimated 30 million people were displaced as a result of various infrastructure development projects. Of these, 40% were tribals and 25% *Dalits*.[4] A majority of landless labourers is from the historically marginalised *Dalits* and tribal communities. A reported 915,444.57 acres of land has been alienated from tribals.[5] Small and marginal farmers with 78% of the land cultivate only 32.2% of the cropped area, whereas medium and large farmers with 8.8% of the land holdings cultivate 47% of the cropped area. In India, 91% of employment is in the informal sector, and most labourers are landless.

TABLE 1

Main macroeconomic indicators

	ANNUAL GROWTH RATES (%)				% OF GDP				PER CAPITA			
	GDP	IIP	AGRICULTURE	FOOD GRAINS	WPI	EMPLOYMENT	SAVINGS	INVESTMENT	FISCAL DEFICIT	TRADE DEFICIT	CAPITAL FLOW	FOOD AVAILABILITY
1990-91	5.6	8.2	3.8	3.1	12.1	1.44	23.1	26.3	6.6	-3.0	2.7	510.1
1999-00						0.04	22.3	23.3		-3.8	2.3	466.0
2000-01	6.0	5.7	-3.5	-4.7	6.6				5.9			

Source: Economic Survey 2000-2001, pp 4, 192 and S-24. IIP = Index of Industrial Production. WPI = Wholesale Price Index. Employment refers to the formal sector, which receives the bulk of investment. Food Per Capita Availability in the last column is in grams per day. Fiscal Deficit for 2000-01 is projected on the basis of the latest data available.

Insufficient budget, inefficient management

Policy makers have made numerous lofty claims about economic growth, but public expenditure for social development has decreased consistently in the last decade. Public health investment is among the lowest in the world. As a percentage of GDP, it declined from 1.3% in 1990 to 0.9% in 1999. In the states, which have the major responsibility for public health, health expenditures declined from 7% to 5.5%. The current annual *per capita* public health expenditure is INR 160, less then USD 4. The draft of the proposed National Health Policy, 2001 of the Government of India admits, "economic liberalisation has resulted in the declining *per cent* of state resources allocated to the health sector".

The infant mortality rates of Scheduled Tribes and Scheduled Castes[6] are 84.2 and 83 per 1,000 respectively, much higher than the national average of 70 per 1,000. Among the Scheduled Tribes and Scheduled Castes, the percentage of underweight children is 55.9 and 53.5 respectively.[7] Outbreaks of contagious diseases such as tuberculosis, malaria and HIV/AIDS are very high among the poor. The withdrawal of government from the health sector

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2 Economic Survey 2000-2001, Government of India.

3 Draft National Health Policy, 2001, Ministry of Health and Family Welfare, Govt. of India.

4 *Dalits* are the lower strata of the caste system. They are considered untouchable.

5 Land for Life 2001, National Centre for Advanced Studies, Pune.

6 Scheduled Tribes are Tribals or *Adivasis* (indigenous people) and Scheduled Castes are *Dalits* (see footnote 4).

7 Draft National Health Policy 2001. Ministry of Health and Family Welfare, New Delhi.

TABLE 2

Expenditure of central and state governments on health

YEARS	PERCENTAGE TO GDP AT CURRENT MARKET PRICES
1993-94	1.25
1994-95	1.22
1995-96	1.02
1996-97	0.95
1997-98	1.00
1998-99	1.11
1999-2000	0.90

Sources: Centre for Monitoring of Indian Economy (CMIE), Public Finance.

affects the primary health of the poor, particularly the reproductive health of women. The proposed user fees for primary health care will in effect push the poor out of the public health care system and further strengthen unregulated private health care.

With state governments reducing budgetary allocations for elementary education, 63 million children age 6 to 14 are out of school. The Kothari Commission Report (1964-66) prescribed 6% of GDP for education, but public expenditure on education has been around 3%. Latest estimates show that INR 470 billion (USD 10 billion) would be required to provide universal elementary education by the year 2015.[8] The World Bank-funded District Primary Education Programme (DPEP), extended to 240 districts in 16 states, has failed to make the desired impact. In the 1980s, national level enrolment grew by 2.5% per annum. This growth declined to about 0.41% between 1995 and 1998.[9] The 93rd amendment to the Indian Constitution ensures the fundamental right to education. However, lack of required budgetary allocations and ongoing attempts to privatise education are denying this right to the poor.

A study of the Central Budget in the last three years shows that the government not only failed to allocate adequate funds for social development, but also failed to spend a large chunk of the allocation. For instance, the Human Resource Development Ministry surrendered INR 15,980 million (USD 340 million) because it failed to spend the money. The Rural Development Ministry surrendered INR 13,800 million (USD 293.5 million) of the INR 319,950 million (USD 6,807 million) sanctioned. The Health and Family Welfare department surrendered INR 11,070 million (USD 235.5 million). According to the latest Economic Survey (2001), 91% of the rural India does not have sanitation facilities. Out of the INR 3,360 million (71.5 million) allocated for rural sanitation for three years, the government failed to spent INR 510 million (USD 10.8 million).[10] This lack of budgetary commitment and failure to implement social development programmes expose as rhetoric the policy of “growth with development”.

Economic recession

In 2000-2001, there have been substantial declines in the growth of industrial production, infrastructure development, India’s share in world trade, savings and investment rates, and in Foreign Direct Investment (FDI) flows. The index of industrial production growth rate declined from 6.45% to 5.7%. FDI inflows to India have declined since 1997. In 1998, FDI inflows declined from USD 3,577 million to USD 2,168 million. In the same period, India’s share in world trade declined from 0.765% to 0.38% and 0.259%.[11] An anticipated rise in FDI and resultant increase in the employment proved to be wishful thinking and false hope.

The decline in FDI has been accompanied by a decline in domestic savings and investment rates. The savings rate (gross domestic savings as a percentage of GDP) declined from 25% in 1995-96 to 19% in 2000-01. During the year, there were severe droughts and other large-scale natural calamities such as the earthquake in Gujarat and flood in Orissa. These made agricultural activities difficult, particularly for small-scale farmers and resulted in a crisis in the agricultural sector. Consequently, the growth rate projected by the Economic Survey for the financial year 2001-02 is only 4.8%, indicating an acute recession in the economy.

A significant goal of the Central Budget for the year 2001-02, a fiscal deficit of 5.1%, has been achieved. However, the combined fiscal deficit of the states and the central government is about 10% of GDP. Foreign exchange reserves increased from USD 5.8 billion in 1990-91 to USD 41 billion in 2001-02. But the country’s debt is higher by USD 15 billion and inflow of foreign capital (which is a country’s liability) is USD 40 billion. The public debt is USD 100 billion and a significant part of the budget goes for debt servicing. The Central Budget of 2000-01 was heralded as the “second generation reforms” to accelerate the process of liberalisation and economic growth. However, the performance of the economy and the complete lack of political will and economic agenda for long-term social development show how the rhetoric belies reality.

Despite the promises, employment generation in the formal sector, which received large investments in the last decade, is completely stagnant. Since quantitative restrictions were lifted on 1 April 2001, the market has been flooded with cheap Chinese goods, which may affect the small-scale sector adversely. This provision of the WTO-led policy regime places the livelihoods of hundreds of millions of people in the agricultural and small-scale sectors under unprecedented threat.

There has been a feminisation of poverty. About 85.4% of women workers are in the agricultural sector. The crisis in the agricultural sector adversely affects the livelihoods and food security of the rural poor, particularly women. The total unemployment rate increased between 1993-94 and 1999-00. There has been a sharp increase in the number of deaths from poverty and malnutrition.

The GDP growth rate gives a false sense of growth and development. The GDP for 2000-01 is estimated to be INR 19.727 trillion (USD 419.6 billion). The total expenditure of the central government for the year 2000-01 is estimated to be INR 3,752.23 billion (USD 79.8 billion). Despite such huge expenditure, the real amount spent on social development is insignificant when compared with defence spending and spending to run the government machinery. There has been a decrease in budget allocations in some key areas of social development. In 2001, there was a short fall of INR 6 billion (USD 127.6 million) for social services, INR 10 billion (USD 212.7 million) for rural development and INR 6.8 billion (USD 144.6 million) for agriculture.

After ten years of liberalisation, we need to raise critical questions about the increasing gap between the goal of macroeconomic development and social development. Why is the “fastest growing” economy so slow in reaching out to impoverished millions in remote villages and congested urban slums? If economic growth is achieved without social development at the grassroots level, it will not only widen inequality but also give rise to socio-economic paranoia, socio-political unrest and instability. Growth without development will have dangerous socio-political consequences that could undermine the very essence of freedom and democracy. ■

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8 Documents of the National Alliance for Fundamental Right to Education, 2001.

9 Aggarwal, Yash (2000) “Monitoring and Evaluation under DPEP”, NIEPA: New Delhi.

10 “Budget of Poverty and Poverty of Budget”. *The Hindu,* 23 March 2001.

11 World Investment Report 2000.

Searching for the new Indonesia

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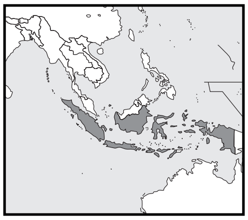

The Wachid's government failed to keep its promise of economic recovery. There was no improvement in living standard of approximately 40% of the population who were living below the poverty line. Many serious social problems remain unsolved, including political instability, unrest and armed conflict, human rights violations, corruption, nepotism, collusion, scandal, and poverty. Critical awareness of people and the availability of space for people to express their ideas are promising for the new Indonesia.

Data on 2001 is lacking, but data used to write last year's *Social Watch* report is still valid because there have been no significant and dramatic changes in social conditions in Indonesia. This report focuses on the burning issues of refuges and violence against women, as well as decentralisation policy and women in decision-making. Information used to prepare this report was gathered from different sources, including the daily newspapers, NGOs, and the author's first-hand experience working at the grassroots level throughout the country.

Economic problems and a presidential impeachment

The year 2001 was a critical time for Indonesia. It was a time when people lost patience with living in poverty. The government under Wachid's leadership failed to keep its promise of economic recovery. Inflation reached 12.55%, much higher than the previous year when it was 9.35%. Income from the export of goods and from tourism declined.[2] Consequently, there was no improvement in living standard of the approximately 40% of the population who were living below the poverty line.

The political system has remained unstable. Politicians have shown their political immaturity by quarreling among themselves. As the result, they paid more attention to political interests than to socio-economic recovery. Many serious social problems remain unsolved, including unrest and conflict in some areas of Indonesia, human rights violations, corruption, nepotism, collusion, scandal, and poverty. This situation has brought sadness and frustration to the people of Indonesia.

The peak of confusion came when parliament impeached the president in July 2001 and replaced him with Megawati as the fifth Indonesian president. Since she is the first woman president of Indonesia, people have high expectations, especially with regard to economic recovery and conflict resolution. It will not be easy for the new president, however, since she faces a complicated situation and many problems. She has now been president for one-half year, and there is no significant improvement in socio-economic and political conditions.

Still struggling for basic needs[3]

The population has reached 195.1 million (excluding two provinces—Aceh and Maluku), with 57.69% living in rural areas. More than half are women. Statistics show that over 65% of the population is in the productively active age category of 15-64 years. More than 49% of the population spends on average less than IDR 200,000 or approx. USD 20 per month on basic necessities, indicating that the number of people living below the poverty line is still high.

Education remains a serious problem: 10.25% of the population is illiterate and only about 1.29% attends university. In general, the number of women who are illiterate with only a low level of education is twice that of men. Many children drop out of school at a very early age both in rural and urban areas. Some become street children and perform child labour for family survival. Although there is no official data released regarding street children and child labour, NGO activists working on child issues say there are currently more street children and more child labourers.

Unresolved conflicts and refugee problems

A major concern in Indonesia is unresolved conflict and its impacts, in particular the increasing number of people living in refugee camps. Conflicts occurring in several regions have complex causes, including history, wrong development policy, oppressive previous governmental systems, and access to natural resources. Unfair distribution of wealth by the centralised government in the New Order era created huge gaps among regions in terms of welfare, development and accessibility.

During 2001, about 1.3 million people—over half of them women and children—lived in inadequate refugee camps spread across 19 provinces in Indonesia.[4] They are victims of several conflict areas including West and Central Kalimantan, Central Sulawesi, Aceh, Maluku and others. At this time, there appears no way to solve the refugee problem. The government has allocated special funds for refugees and tries to re-locate them, but problems are too complex. Many refugees have been living in camps for over two years—*eg*, in West Kalimantan—without certainty.

1 Chairperson of The Center for Women's Resources Development (PPSW).

2 *Kompas* Daily Newspaper, January 2002.

3 Data from Welfare Statistics 2000 by the National Social Economic Survey of BPS.

4 *Kompas* Daily Newspaper, December 2001.

The number of refugees may increase, not only because of the endless conflict, but also because of natural disasters such as floods and typhoons. This will increase the government's homework and its burden.

Violence against women

As a domino effect of social economic problems, violence against women increased dramatically in 2001. The National Commission for Women recorded at least 3,169 cases handled in 14 areas of Indonesia. The commission believes the actual number may be ten times higher since people tend to cover up domestic violence. Approximately 40% of women experiences violence perpetrated by a close relative such as a husband or by a neighbour, and 32% gets raped in their own neighbourhood. The violence happens in conflict areas, in big cities, and in poor areas where many people live below the poverty line. Women, especially those who are migrant workers, also experience violence in their work places (17%).

Trafficking in women, especially girl children, is increasing. Poverty leads people to sell their girl children to sex and entertainment industries in Indonesia but also abroad. The National Commission for Women has not been able to put an official number on this clandestine trade, but many cases were recorded by NGOs in their working areas.

Decentralisation and the struggle for women's rights

To solve some of the problems related to conflict and poverty, the government has begun a process of decentralisation. This process is supposed to give each region greater power and autonomy to manage and control their own area and resources. It is also meant to give people more power to control their own government. The road is still long, however, since not every region is ready for self-government. In addition, decentralisation is interpreted and translated differently from one region to another.

The decentralisation law suggests that each region explore its own traditional and customary laws and use them as the basis for local regulation and law. In some cases, the implementation of customary law may benefit people, but, in many cases, it will put women at a disadvantage, since most customary law is rooted in strong patriarchal values. Women will be marginalised and excluded from decision-making processes in many areas.

Women will be pushed backwards when their position and status is determined by obviously discriminatory systems. One example is in West Sumatra, where a customary law has been adopted determining that village decision-makers will consist of three parties—religious leaders, intellectuals and government officials, all of whom are understood to be men.

A woman president and women decision-makers

Although Indonesia now has a woman president, there are no strong women politicians to support the women's movement at national and regional levels. There are few women in decision-making positions compared with men. For example, women make up only 8.9% of parliament, there is no single woman among 32 heads of province, only five women among 266 district heads, and women hold less than 10% of high-level positions in the government structure.

This shortage of women decision-makers is responsible for gender-blind policy and development concepts and strategies. Political education for women is done only by a few NGOs. Indonesia will soon be conducting an election. An effective strategy for political education and leadership training for women will be critical in preparation for that moment.

Conclusion

Although Indonesia has a long way to go on its road to renewal, there is hope to keep Indonesia moving. Critical awareness of people and the availability of space for people to express their ideas are promising for the new Indonesia. The next election will be very important and challenging for Indonesia. Effective economic strategy is required to cure Indonesia and prevent its fall into bankruptcy. This will require collaboration of all parties including civil society, government and private sector. The people of Indonesia have high expectations that their politicians will have the political will to put public concerns above their own private interests. ■

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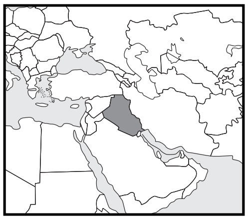
Few hopes

LABID ABBAWI[1]



Iraq is regressing in all areas of human and social development. The unjust international sanctions imposed on Iraq since 1991 and the irresponsible, inhumane and undemocratic policies of a corrupt regime are the causes of this grim situation.

The current impasse in human development threatens the future of the country and the prosperity of its people. It is futile to talk about progress and development in today's Iraq without first unshackling the individual citizen from fear, deprivation and humiliation. A meaningful policy of human and social development requires adopting a strategy of combating and eradicating poverty, introducing democratic principles of freedom and human rights, and cooperating with the independent institutions of civil societies in the planning and the implementation process. Real equality for women in society and political life is also imperative for genuine development.

It is widely accepted that decent living conditions, enough food, clean water, proper medical care, primary education and affordable housing are vital elements in measuring social development of any country.

Iraq is regressing in all these areas, and no positive trends towards meaningful policies of human and social development can be seen. The unjust international sanctions imposed on Iraq since 1991 and the irresponsible, inhumane and undemocratic policies of a corrupt regime are the causes of this grim situation.

Iraq's economy depends largely on the export of oil. The international sanctions limits its freedom of trade; exports and imports are monitored by the UN Sanctions Committee and oil revenues are supervised by a UN-sponsored French bank. The fluctuation of oil prices, the delays in releasing trade contracts by the Sanctions Committee, and the apparent reluctance of the government to contract essential supplies have all been detrimental to the economic and social state of the country and have hurt the government's ability to embark on paths of social development.

The government's unwillingness to improve the living conditions of the people has a political purpose: by maintaining a low standard of living and continuously imposing stringent economic and financial measures on the people, the government puts the entire blame for the country's woes on the economic sanctions and frees itself from any responsibility.

According to a statement by the Minister of External Trade to an Iraqi magazine on 5 December 2001, Iraq's revenue since the end of 1996 from the Security Council Resolution 986 (better known as the "Food for Oil Resolution") was about USD 48.5 billion. Only USD 15 billion of that was spent on food, medicine and other commodities. The UN extracted USD 18.5 billion to pay for their staff in Iraq and for compensations to others. Contracts worth USD 6 billion were suspended. The remaining USD 9 billion, which the trade minister did not mention, and which the government could have used for humanitarian commodities and badly needed social services, was frozen in the bank.

According to various sources, Iraq's revenue from oil smuggled to neighbouring countries in 2001 amounted to about USD 2 billion. This money was not invested in development, but rather allocated to the special security forces and the Republican Army (the elite force of the regime) and distributed to the families of the rulers and their aides.

Unemployment, inequality and poverty

Official reports at the end of 2000 estimated that 80% of the private sector factories are closed for lack of money and raw materials. No improvement of this situation was reported throughout 2001.

According to a UNDP report, about 50% of the labour force is unemployed. Tens of thousands of workers are forced to look for jobs in the non-manufacturing sectors of the economy. The public sector fares no better; many trained and skilled workers are forced out of work, and the majority of them remains unemployed without immediate prospects. The government has no plans to retrain them or absorb them into other sectors.

The cost of many consumer commodities and necessary social services rose in 2001 while the rate of exchange of the local currency dropped by about 1.5% compared with the beginning of 2000. These factors and the continued high rate of inflation have contributed to the further deterioration of the living standard of the majority of Iraqi people.

The Iraqi government's statistics revealed that the average person's income per year reached a peak of USD 4,083 in 1980, fell to USD 3,508 in 1990, and rapidly deteriorated to USD 761 in 1993 and USD 715 in 2000.

Today about 80% of the population are living below the poverty line (less than USD 2 per day earnings) according to an official statement published in the Iraqi newspapers in 2001. This has grown from 45% in 1990-1991.

With the continued lapse into impoverishment last year and the lack of a poverty reduction strategy, economic growth is unlikely to happen in the near future unless sanctions are lifted immediately and the government takes drastic measures.

1 For the last decade, the Iraqi government has declined to issue official statistics about social and human development indicators. This makes our work very difficult, especially with reference to social development commitments.

Unequal distribution of income, social inequality and favouritism are common characteristics of the present Iraqi society. The middle class is dwindling as poverty increases. Less than 5% of the population is protected by the regime and therefore enjoys such privileges as imported consumer products and luxury goods.

There is also a disparity in the level of people's income between the North (Iraqi Kurdistan, which was liberated and outside the control of the central rule) and the southern counties, which are badly discriminated against for political and sectarian reasons. Only the capital and one county in the midland (the birth place of the president and home of the majority of the elite and rich) get special government attention, especially with respect to utility services (electricity, clean water, transportation and the like.)

In Iraqi Kurdistan, with 3.5 million inhabitants, people enjoy the benefit of the money allocated to the region (13% of the oil revenue appropriated through Security Council Resolution 986) and a reasonably just distribution of food and medicine under the supervision of UN personnel, in contrast to corrupt government officials in the rest of the country. Hence the level of social services, medical care and education is better, and so are the standard of living and the purchasing power of the population. The rate of exchange of the Iraqi Dinar (IQD) is IQD 18 to the dollar in Kurdistan and IQD 2,050-2,080 to the dollar in the rest of the country.

No improvements in the women's situation

The situation of women did not improve in 2000/2001. There are no serious efforts to reverse the trends in inequality in earnings compared with men holding identical employment, social deprivation and discrimination in social and political life. Because of higher unemployment in manufacturing, more women in the sectors of education, health, and municipal and local administration are forced out of jobs to give way to displaced male workers.

Social disintegration, youth dilemma

A main challenge facing Iraqi society is the worsening conditions among children and young people. There is a high level of mortality of infants and children under five, currently 108 deaths for every 1,000 births in the middle and southern regions and 95 per 1,000 in the rest of the country. According to Ministry of Health reports on 15 December 2001, in the three months from September to November 2001 there were 31,000 deaths; among them were 21,000 children below five years of age. The spread of chronic diseases is on the rise. There are more child labourers and more children living and begging in the streets. This raises the level of corruption, crimes and moral degradation.

The young population suffers from high unemployment and lack of realistic opportunities, which cause thousands to emigrate abroad. The UN estimates that there are 4.5 million Iraqis living outside Iraq, a fourfold increase over the last decade.

Young people are refraining from marriage, the divorce rate is increasing, and crime and juvenile delinquency are common. These and the daily fear from repression and intimidation by security forces have led to a disintegration of the fabric of the society, especially among the young, hindering human development and constituting a dark prospect for the future of the country for decades to come.

Health and education, major obstacles

The state of health and education in the country has stabilised in recent years with the help of a huge sum of money allocated to both sectors through the UN (Resolution 986). But citizens, especially the poor, have limited access to these services, especially since the abolition of free education and health care three years ago.

Students have to pay for enrolment, textbooks and instruction. In addition, new measures were introduced last year that put further burdens on students. They have to pay a USD 2.5 transfer fee to change schools, and a USD 12.5 registration fee for every year of study. Thousands of students are forced to leave schools and colleges for economic reasons, overburdening the already saturated job market. In 2001, 67,000 teachers left their jobs because of economic pressure, according to the report of the Ministry of Higher Education.

The health care situation is also suffering, especially because of the privatisation of medical centres and the shortage of medical supplies in hospitals and clinics. Much of the medicine supplied by the UN does not find its way to hospitals but is sold in the black market or exported to neighbouring countries.

The World Health Organisation (WHO) reported on 26 July 2001 that 80,000 children under five years of age suffered from chronic malnutrition, and the cases of anaemia, rickets and pneumonia have increased by 10%. The Ministry of Health's reports in 2001 indicated that cases related to various cancers had increased in the last ten years by four times. One-third of children infected by cancer died, while birth deformations caused by cancer increased from 1.08% to 3.8% of newborns.

According to the UNDP's Human Development Report published in 2001, life expectancy in Iraq was 60.5 years in 1999, compared with 66 years in the rest of the Arab world. This is eight years below what had been predicted in 1985. WHO attributes this decrease in life expectancy to the degradation of the infrastructure in health services and the low rate of spending on health needs, which is estimated at about USD 110 a year *per capita*. UNICEF expects a further decrease in life expectancy and a continued increase in birth mortality unless drastic actions are taken to improve the health situation.

This bleak situation of human suffering will continue if the current policies of the Iraqi regime prevail. Maintaining a strong grip on power through repressive means has been the government's priority. Authorities have denied the urgency of social development and largely ignored the problems of poverty, unemployment and social disintegration. The economic policies and measures that are implemented are strongly controlled and directed by the central bodies to serve the interests of the ruling class and are incompatible with the concept of human needs and sustained social development. ■

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New welfare, new gaps

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With a view to increasing economic and organisational efficiency most of the agencies providing public goods and services have been privatised. Given that no clear guidelines were set for establishing criteria for, and restrictions on, the discretionary power of the local governments, this reform will reduce unity and coherence of political choices across the regions. It will potentially increase disparities among regions in a country where regional economic and social imbalances are already huge.

A dangerous retreat

One effect of globalisation is the weakening role of the State as guarantor of universal rights and redistributor of wealth. In Italy, as in other countries, most of the agencies providing public goods and services have been privatised, with a view to increasing economic and organisational efficiency. (Anyone who has read Dilbert knows, however, that companies large enough to manage public services are at least as slow and cumbersome as public bureaucracy, if not more so).

Furthermore, Italy, which is near the bottom of the scale in Europe in public spending for education, the environment and unemployment, is undergoing a reduction in tax revenue. This process, which favours mainly the upper classes[1], was initiated by the centre-leftwing government through a change in the tax rates on personal income. It is increasing social and economic polarisation in a country where, according to the Banca d'Italia (the Italian Central Bank), 10% of the population held 46% of wealth in 1998.

The policies sustained during the first months of the new centre-right government appear to be exacerbating this trend. Since the third-quarter of 2001, Italy has become the only OECD country without inheritance tax and tax on charitable donations. It has announced that it will be the first to abolish the principle of progressive taxation, with a view to setting only two, very similar, tax rates.

Federalism and subsidiarity are the leading principles in the recently accelerated process of transferring power from the central to the local level. We are dealing with an ideological and extreme interpretation of these principles. Public power is receding and society and the market are to organise themselves. Only where a real necessity is identified (but who is to decide?) does the State intervene. In the last year in Italy, political decisions were taken based on the principle of subsidiarity to reform the Constitution to grant more power to the regions. No clear guidelines were set, however, for establishing criteria for, and restrictions on, the discretionary power of the local governments. Hence territorial homogeneity of services, performance and rights is not guaranteed. This reform will reduce unity and coherence of political choices across the regions. It will potentially increase, rather than reduce, disparities among regions in a country where regional economic and social imbalances are already huge.

It seems that equality – be it territorial, generational or any other – is not among the pillars that sustain Italian government policy. On the contrary, the government has taken advantage of the media chaos that followed the events of 11 September and the ensuing focus on eradicating terrorism, to pursue one specific path – enhancing privileges of the few, infringing on rights consolidated in the last century (labour, housing, social security), and reducing public services. The government has undertaken a serious, if clumsy, attempt to dismantle those institutions that most safeguard citizens, such as the legal system and Italy's participation in the European Union. At the same time, the severe conflict of interest between the role of the current Prime Minister, and his immense wealth and properties in the communication, cultural, financial and industrial sectors, has yet to be resolved.

The return of charity

Italy needs numerous interventions in its welfare system. The proof lies in the data on poverty (a word that sadly has become fashionable again in the last ten years): 11.9% of families (13% of the population), comprising approximately eight million people, live below the relative poverty line, and 950,000 families live in absolute poverty. One-third of poor families are working poor, and 70% of the poor remain so after two years. Nevertheless, Italy is the only European country that does not guarantee a minimum income. A proposal to implement a *Minimum Entry Income* was discussed and considered effective by competent ministers, but appears not to have a future because of "lack of funds".

Italy's rate of female unemployment is 50% higher than the European average. Italy is in 14th place with regard to women with a university degree, and, apart from Spain and the Czech Republic, its female citizens earn the lowest salary in Europe, on average one-third of what men earn. Italian youth are the last to leave home, the last to enter the labour market, and have the fewest degrees.

In sum, welfare measures that safeguard citizens (ie, social security, health care and education) and vulnerable groups (ie, refugees, prostitutes, homeless, AIDS victims and drug addicts) are undergoing severe cuts, and the State is retreating from its initial role as guarantor of rights.

This process is being implemented by increasing funding to the private sector to provide social services. In other words, instead of directly providing social services, the government is encouraging families to purchase services in the private sector by issuing tax exemptions. The result is that only richer families (that have spending power) have access to the welfare mechanism. Poorer families are increasingly excluded from receiving welfare, except what is offered as various forms of charity.

1 ISTAT, Annual Report "The situation of the country in the year 2000".

With this welfare reform process, Italy forgoes the building of a social state capable of guaranteeing opportunities to its citizens. Instead, it chooses a welfare model similar to that of the early twentieth century, based on the charity of rich citizens who are protected by the state.

To conclude this brief overview, we note the fundamental role played by the third sector in management and provision of welfare services. In recent years, NGOs have become the main providers of social services to the public administration. Because of their motivation, local knowledge, and experience with vulnerable groups, there have been positive results. This system has, however, led to contradictions. In these "welfare markets", there is a serious risk of exploitation of third sector organisations (be they profit or non-profit) for the purpose of decreasing costs. This situation is not conducive to the implementation of universal fundamental rights, which should be the priority of social policy.

The environment: the last priority

An assessment of Italian environmental policies for 2002 leaves no doubt that the cons far outweigh the pros. Spending on the environment in Italy is among the lowest in Europe and is the lowest in the European Union (EU). In 2000, 0.2% of GDP was spent on the environment (equal to EUR 49 *per capita*), compared with an EU average of 0.6%, with peaks of 1.5%. Poland, which is outside the EU, allocated 0.9%.

A look at the Italian model of transporting people and goods does not improve this picture. Italy holds the European record for most cars in circulation *per capita* (0.54 in Italy, compared with 0.45 in the EU and 0.34 in Denmark). Sixty per cent of goods and 80% of people travel by road; train passengers and railway coverage are decreasing, while the number of roads is increasing. This is an extension of a model of consumption that is wrong, backward and dangerous for the environment. It should come as no surprise that in Italian cities, only 0.15 metres per person is reserved for pedestrians.

It is difficult to be optimistic about the future: the current government has approved a ten year plan to invest EUR 50 billion on major infrastructures for motorways, whereas the only investment plans for the railways focus on high-speed trains on routes that are already well served. High-tech trains will serve rich areas while some important regions and cities remain difficult to access.

Policy affecting the environment does not end here. Many restrictions on building permits have been removed, in a country where respect for building code has never been enforced (15% of buildings constructed in 1999 were illegal).

A further example of the State's retreat from the public sector (and what is more public than the environment?) is in the area of waste management: an area that organised crime has pinpointed as one of particular interest. (Earnings are thought to reach EUR 3 billion a year, thanks to toxic waste and illegal dump-sites). Despite the disappearance of some 12 to 30 million tonnes of waste every year, the government has suppressed inspections on its production. This makes it harder to prosecute environmental crimes (approximately 30,000 a year) and to implement effective waste disposal policies.

International policies: from hypocrisy to incoherence

Italy is not a generous country. It does not have a highly developed cooperation policy. Italy has not met its commitments – taken at the UN in 1969 – to allocate 0.7% of GNP to development cooperation. Instead, it allocates 0.13%, the lowest of any EU country.

Italy is very generous, however, when it comes to funding companies that invest abroad and compete in international markets. Italy's so-called non-interventionist government forked out EUR 5 billion in the last year in export credits. Total capital investment abroad was EUR 30 billion with the rest coming from Italian industry. No restrictions are imposed on Italian companies in exchange, and companies choose to invest in dams, gas pipes, and other projects whose environmental and social impact is never measured. Priority is placed on exporting Italian goods and labour, and no importance is given to the creation of a sustainable development framework.

Italian foreign policy also has other components: war and humanitarian aid. Military expense has been increasing since 1999 and additional funds not allocated for defence are used for military operations and humanitarian military intervention. The Balkans is an obvious example. In a region so close to Italy, where strategic interests should outweigh a sense of solidarity, funds spent in two months of military intervention in 1999 were threefold what has been spent on aid from 1999 to the present day.

Thanks in good part to the mobilisation of civil society, Italy distinguished itself in its commitment to the cancellation of foreign debt to the poorer countries in 1999. But two years on, nothing has been done about it. To the contrary, the new government has slowed negotiations with debtor countries, has excluded medium income countries (such as Argentina, currently experiencing a huge crisis) from the beneficiary states, and has limited the effective application of the law in various ways. ■

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Everyday life is another question

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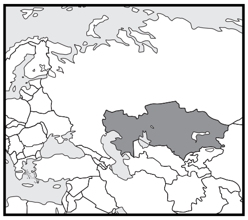

Despite the budget surplus, the government has not responded to proposals by ministries and independent bodies to increase targeted aid to the poor, lower the pension age, and compensate the nuclear victims of Semipalatinsk. Huge oil profits do not mean huge benefits to the whole nation, but rather the opposite – accelerated stratification and impoverishment of society.

Oil and budget surplus

Kazakhstan owns more than half the discovered and about 80% of projected oil resources in the Caspian Sea. However, developing Kazakhstan's oil is more important for political and socio-economic development of the country than it is for the world hydrocarbon market. On the global scale, Kazakhstan's oil is not very significant. It is estimated that by 2010, oil production in this region will constitute only 3-4% of the world's oil market, while Middle East oil will prevail as usual, with 25-35% depending on the market conditions.[1]

It is taken for granted that oil revenues will promote political stability and national unity, reduce ethnic tensions, increase living standards for all population groups, and strengthen the authority and political position of the ruling circles.

Foreign companies produce more than 80% of Kazakhstan's oil. The oil and gas sector is the principal taxpayer, contributing to budget saturation. *"In the first half of 2001, oil companies paid 79% of the total tax and fiscal payments from mineral resource companies in the country; USD 19.2 million was spent by oil companies directly in the social sphere and on local infrastructure; taxes worth USD 25.9 million went to social programmes."*[2] Oil revenues are paid to the National Oil Fund and comprise USD 1.1 billion. A special development bank was established to manage the funds.

The year 2001 (excluding the last two months) was auspicious. Because of oil trading, the country has an 11.7% budget surplus, ie, a KZT 51.5 billion (USD 350 million) surplus in a budget of KZT 489 billion (USD 3.3 billion). This surplus goes to the Development Bank and is allocated to defence (considering the military situation in Central Asia), law enforcement and investment projects.

Despite the budget surplus, the government has not responded to proposals by ministries and independent bodies to increase targeted aid to the poor, lower the pension age, and compensate the nuclear victims of Semipalatinsk. As has been the experience in Venezuela, Nigeria, Iraq and Iran, huge oil profits do not mean huge benefits to the whole nation, but rather the opposite - accelerated stratification and impoverishment of society. As a result of corruption and the growing disparity between poor and rich, oil and gas revenues are not being used to maintain social stability.

Gender policy: everyday life is another question

A progressive gender policy is being implemented. A national policy to improve women's status has been developed (1999). Its main priorities are involvement of women in public life, equal rights in the labour market, health, and combating violence in family life. A National Action Plan has been developed to improve the position of women. The draft law "Regarding Equal Rights and Opportunities" is under consideration in Parliament. Women constitute 54% of employees in government policy-making agencies. There are 150 registered women's NGOs in the country, and there is even a women's party – the Democratic Party of Kazakhstani Women. In 2002, a credit line worth USD 1 million is earmarked for women's businesses.

For the first time, gender aspects have been integrated into *economic* planning. The national poverty and unemployment reduction programme for 2003-2007 takes into account gender poverty aspects. There is other evidence that gender policy is quickly being mainstreamed. Gender education is being institutionalised in schools and universities, and gender education of civil servants is becoming a reality.

How these policies affect the everyday life of ordinary women and men is another question. The answer paints a gloomy picture.

Diminishing access and control of resources

Women's access and control of economic resources is minimal. Trade liberalisation directly affects the labour market, causing deepening horizontal and vertical occupational segregation.

In Kazakhstan, women are concentrated in such sectors as health care and social services (83%), education (77%), hotels and restaurants (75%), and finance (66%). Males predominate in construction (81%), agriculture, hunting and forestry (77%), fishing and fish farming (74%), mining (75%), energy (72%), transport and communications (67%), processing (64%), and public administration (60%).

Seventy-six per cent of senior officials and their deputies in local governments are men. Women hold 54% of the jobs in central and local governments, but constitute only 9% and 11% of political officials in local and central governments respectively. The most visible male predominance is in the Ministry of Foreign Affairs (84%), Agency for Investments (65%), and Ministry of Natural Resources and Environmental Protection (62%). Regionally, southern provinces maintain a stronger traditional gender culture and political officials are predominately male: Southern Kazakhstan (70%), Zhambyl (60%) and Kyzylorda (58%).

1 Jaffe Emi. "To unveil the treasure: Power sources and future of Central Asia and Kazakhstan". *Central Asia: Human Development Prospects, 2010*. UNDP Regional Bureau for Europe and CIS, 1999, p. 30.

2 "Oil sector as the key for economic stability." Interview with B. Elemanov, Kazakhstan's First Vice-Minister for power, energy and mineral resources. *Continent*, No. 18 (56), 2001, p. 18.

The jobless rate among women 60%, and female unemployment is persistent. Women constitute 60% of registered unemployed.

Is women's week nine days long?

According to estimates of Kazakhstani statisticians[3], women do three times the housework of men, and the time women and men spend bringing up children is nearly equal. If we sum up the total hours women spend on housework, we find that women put in two days more per week than men. Thus, women have less time for resting, eating and sleeping, not to mention personal development and professional advancement. In 2000, the gap in male-female leisure time averaged about 15 hours per week in urban areas, while in rural areas it was about 22 hours.[4]

60.4% of male salaries

In 2000, average monthly female salaries and wages were 60.4% of corresponding male salaries and wages in all spheres of the economy. This is explained by the fact that women are concentrated in the low-wage sectors of the economy, with men holding the higher-paid positions within those sectors. Women are either not admitted to the high-wage sectors and high-paid positions ("glass ceiling" phenomenon), or they are forced out of them.

In other words, growth and stabilisation of the economy and financial market has been more positive for male incomes. According to some estimates, approximately 44.9% of women and 33.2% of men have incomes below the living wage.

The Poverty Reduction Programme targets increased jobs in the production sector, although women are historically engaged in processing activities. Women are retrained in the framework of traditional employment, and women do not switch to men's jobs. Women's business sectors (food processing, dairy, garment-making) are not a high priority and are under-funded by the government.

Specific gender differences are barely considered in social security programmes. Women with low incomes are entitled to maternity and child benefits. No other payments depend on the gender of a beneficiary.

"Female" micro-credit

According to data provided by the Ministry of Labour and Social Protection, 1.8 million people received targeted social assistance from local budgets in 2000. The average monthly benefit was KZT 3,391 (less than USD 24). Approximately 63% of benefit receivers are women. In 2001, KZT 8,813 million (about USD 60 million) in local budgets was allocated to targeted social assistance.

The NGO "Microcredit" was established to implement the government's micro-credit programme. It provides credit up to an amount of USD 400 at an annual rate of 5% for up to 18 months. According to data presented by the National Commission for Family and Women's Affairs under the auspices of the President of the Republic of Kazakhstan, more than 20,000 micro loans totalling KZT 630 million (approx. USD 4.5 million) were awarded in the last two and a half years. Two-thirds of these were granted to rural female entrepreneurs.

Micro-credit programmes are widespread among NGOs. Many large organisations specialise in micro-credit. The Kazakhstani Community Credit Fund, with offices in Taldykorgan and Shymkent, awarded 20,000 loans totalling USD 4.7 million since late 1997 to support small entrepreneurs. Eighty-six per cent of their clientele are women. Loans are awarded on the basis of a group guarantee with no collateral. Group members confirm applications for credit, admit new members and settle disputes among their members. Disbursement of the first credit line takes 10-15 days, and further credits are awarded as soon as previous loans are paid off. As a result of the Fund, about 500 enterprises were established and 900 jobs created in Taldykorgan and Shymkent. Most of these enterprises were set up by women with two and more dependents.

Micro-credit programmes for women constitute a common strategy to deal with female poverty. Unfortunately, these programmes foster employment based on roles traditionally considered as "feminine" and their inclusion in "non-traditional areas". Women sew garments, quilts, bedspreads, raise poultry, open small shops, develop Kazakh handicrafts, etc.

Foreign direct investment (FDI) poses another problem for the quality and stability of jobs created under the micro-credit programmes, in terms of its impact on training, income, social security, and working conditions. FDI favours the male dominated oil and gas industry, while reconstruction of sewing, food and other women's enterprises is going slowly.

Kazakhstan has an external debt of USD 2.9 billion[5] plus USD 684.4 million in government-guaranteed loans (April 2000), with annual repayments of over USD 126 million. The debt has a high social cost, particularly a hidden cost on women. As a result of the hardships they suffer, many married couples and single women delay indefinitely the birth of a second or even a first child. ■

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3 M. Amirkhanova. "Modern status of gender statistics in Kazakhstan." Kazakh Statistical Agency, 1999.

4 "Males and females of Kazakhstan." Kazakh Statistical Agency. Almaty, 2001.

5 According to the Human Development Report 2000, UNDP, total external debt of Kazakhstan amounted to USD 5.714 million in 1998.

Land poverty

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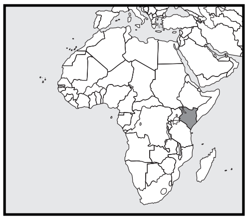
Andiwo Obondoh, Opiyo Makoude, Eve Odette, Edward Oyugi, Alloys Opiyo



There is a very close relationship between ownership and control of land resources – still the most important productive asset – and poverty. The implementation of Structural Adjustment Programmes has had a major impact on health care, food security and education, consequently leading to a decline in human development and an increase in poverty.

Poverty profile

The Human Poverty Index (HPI) rose to 31.8% in 2001 from a value of 26.1% in 1997.[1] In Kenya, human development has declined steadily since the mid 1980s. The decline was more dramatic after 1990, with the country falling from rank 93 to 123 from 1990 to 1999 in the Human Development Index (HDI), with values 0.531 to 0.514, respectively.[2]

In regard to gender-poverty relations official surveys and independent studies have revealed that women experience higher incidences of poverty than men in both rural and urban settings and that the intensity of poverty is higher among women than among men, even in seemingly similar social circumstances.[3]

Pervasive legal and cultural discrimination, which impede women's access to property ownership and control (especially land), employment and credit, have hugely contributed to women's low status and concomitant disenfranchisement.

The findings of the Participatory Poverty Assessment Study (1994) indicate 21% of male-headed households.[4] Table 1 shows computed gender-related development index (GDI) values for Kenya and the regions.[5]

TABLE 1

Gender Development Index for Kenya and its provinces

PROVINCE	Life expectancy (1999) Years		Adult literacy (1999) %		Real GDP per capita (2000) PPPKSh		GDI value %
	Masc.	Fem.	Masc.	Fem.	Masc.	Fem.	
Nairobi	60.9	62.3	83.6	81.2	4,095	2,781	0.65 (1)
Central	63.0	64.4	86.5	81.8	1,030	845	0.59 (2)
Coast	61.8	62.8	68.8	64.7	710	544	0.53 (3)
Eastern	57.5	59.5	76.6	69.1	727	532	0.52 (4)
Rift Valley	51.3	53.5	80.2	69.7	502	425	0.48 (5)
Nyanza	43.7	47.7	76.2	66.5	634	539	0.45 (6)
Western	50.8	52.2	71.8	55.4	904	649	0.43 (7)
North Eastern	53.0	51.8	77.2	51.0	917	479	0.41 (8)
KENYA	54.1	55.3	77.6	70.2	1,157	889	0.52

Source: UNDP 2001a. *Kenya Human Development Report (First Draft) 2001.* Nairobi (unpublished).

In Kenya, land is still the most important productive asset. There is a very close relationship between ownership and control of land resources and incidences of poverty. After the Fourth World Conference on Women in Beijing, the government of Kenya was expected to make good its commitment to eliminate gender discrimination in matters relating to the qualification and capacity of women to hold land, to undertake transactions in land including the right to inherit and bequeath land, and to pursue judicial remedies in the courts in land-related disputes. This commitment remains a dead letter.

Of the 587,900 square kilometres that comprise Kenya's landmass, only 17.2% is arable and is home to more than 80% of the population. With the exception of Nyanza and Eastern Provinces, the rich own or control more land than the poor – with the poor owning or operating 43% of the land compared with 57% by the rich. It follows that land reform strategy to redress poverty should be region-specific. Although land redistribution might be the preferred option in Central, Rift Valley and Western, this strategy might not achieve much in Nyanza and Eastern Provinces. Instead, a strategy aimed at improving services including extension services, infrastructure and access to agricultural inputs by the poor may have a more positive impact in reducing poverty.

Landlessness among the poor remains one of the most pressing challenges in Kenya. Besides the policy considerations already alluded to, the HIV/AIDS pandemic poses a serious challenge to land ownership and control by the poor. The consequences of the scourge include sale of land to finance medical care, illegal land alienation popularly referred to as 'land grabbing', the collapse of social order, and massive exodus of orphans to urban centres.

SAPs and debt: social consequences

The implementation of Structural Adjustment Programmes (SAPs) has had a major impact on health care, food security and education.

Health care

About 70% of current budget resources for health care go to curative services with only 18% going to wellness services and preventive health care, including rural health centres. The introduction of user fees in medical care has meant that many people die of diseases that are preventable and/or treatable.

Government spending for health care dropped significantly after the introduction of SAPs in 1986-87, from 7.6% of total government expenditures in 1980 to 6.5% in 1986 and 5.4% in 1992, with health care currently averaging only 2% of the total government expenditures. Budgetary resources that ought to go to children's health are diverted to servicing the debt. In the 1990s, the

1 UNDP 2001. *Human Development Report 2001.* Oxford University Press, New York.

2 *Ibid.*

3 Results of Welfare Monitoring Survey III indicate that although female-headed households constituted only 25% of rural households, the intensity of poverty was higher than those headed by men.

4 UNDP 1999. *Kenya Human Development Report 1999.* UNON, Nairobi.

5 The GDI is a measure of human development adjusted for gender inequality.

government spent more repaying debt that it spent on health, education, and infrastructure combined. Debt repayment and servicing rose drastically, from 35% in 1988-89 to an average of 75% in the 1990s. This has translated into a deep drop in life expectancy – attributed partly to the prevalence of HIV/AIDS related mortality and morbidity

Food production and security

In 1984-88, before adjustment was introduced in the agricultural sector, the average annual growth in food production was 7.7%. After receipt of a sector adjustment loan for agriculture, it dropped to -0.1% in 1988-92. *Per capita* food production fell from 4.0% in the 1984-88 period to -4.3% in 1988-92.

Annual food consumption grew at a marginal 0.7% in 1988-92 compared with an average growth of 6.2% in the preceding five-year period. In *per capita* terms, food consumption grew at an annual rate of 6.2% in 1984-88 and fell dramatically to -2.6% in 1988-92. In 1984-88, the annual growth rate in food self-sufficiency ratio was 1.4%. In 1988-92 it was -1.7%.[6]

Per capita daily calorie consumption was 2241 in 1980, but plummeted to 2010 in 1987-89. By 1991-94, it had dropped to 1916. Available calories *per capita* from vegetables (cereals and pulses) declined from 1810 to 1672 in the same period.[7]

The drop in food consumption is explained by the shift to production for export, which is the linchpin of agricultural adjustment policy. It is also explained by the diminished purchasing power of most Kenyans and the removal of subsidies on agricultural inputs.

Education

In the adjustment period, the rate of enrolment in both primary and secondary schools dropped significantly. Primary school enrolment grew at a rate of 8.2% annually in the pre-adjustment decade (1972-82), but slowed to only 2.7% in the adjustment period (1982-92). Secondary school enrolment witnessed a similar trend with enrolment growing at the rate of 9.1% in the decade 1972-82 only to drop to 3.2% in 1982-92. Enrolment in teacher training colleges also declined in the adjustment period, a trend that the government attributes to SAPs.[8]

There has been a marked decrease in government spending in education, from 22.6% of the government's annual budget in 1986 to 18.7% in 1995.[9] Since 1996, this has largely remained constant. As a percentage of total government expenditure, allocations to education dropped from 18% in 1988-89 to 6.9% in 1991-92 (a 62% reduction) and 7.3% in 1996-97.

Given the predominant cultural and other biases, girls' education is often sacrificed in favour of boys'. Gender parity in enrolment has almost been realised at the primary school level, but the gap widens as one moves up the ladder. At secondary school level, gender disparity has been consistent over the years, averaging 24.3% and 28.9% of total eligible population enrolled for girls and boys respectively in 1995.[10]

Wide gender disparities exist at the tertiary level. Women comprise less than 30% of the total enrolment, and tend to be concentrated in arts-oriented courses that hinder their admission to more lucrative careers in the job market.[11] Female students drop out of the schooling process, especially after secondary school, for several reasons including parents who are unable to pay the exorbitant fees, early or forced marriages, child labour and teenage pregnancies.

Education, health and poverty form a vicious circle in Kenya. People who cannot afford education and health care are more likely to suffer ignorance and ill health, hence less able to take part in production and hence pushed into greater poverty.

Poverty eradication: the PRSP

Since 1995, the government has put in place several initiatives to address poverty. These include the stillborn Social Dimensions of Development (SDD) initiative and the National Poverty Eradication Plan (NPEP), which outlined the scope of poverty and set targets for its reduction. The recently completed Poverty Reduction Strategy Paper (PRSP) incorporated the adoption of the Medium Term Expenditure Framework (MTEF) as the organising budgetary framework for prudent use of national resources in the fight against poverty.

The preparation of the PRSP involved wide-ranging consultations at national and district levels. There is a growing suspicion, however, that the policy space allocated for PRSP belongs mainly to invited forums created from above by powerful institutions and actors, as opposed to the more autonomous spaces and sites created from below through more independent forms of social action on poverty related issues. This notwithstanding, the feedback from the popular sections of the Kenyan society has been loud and eloquent. It suggests that in order to tackle poverty and improve well-being and living standards, the following is needed:

- Reckless liberalisation of the economy, already wreaking havoc on the lives of the majority of Kenyans, needs reining in.
- The number of people living in poverty has to be reduced.
- Guaranteed access to food, clean water and sanitation, clothing, shelter, health care, education and security is a prerequisite.
- Kenyans of all walks of life have a primary responsibility to identify and articulate their priorities and participate in the conceptualisation, design, implementation and monitoring the necessary policies, strategies and programmes for fighting poverty.

The PRSP is a short-term strategy, in theory meant to implement the NPEP, which proposes a 15-year time horizon to fight poverty, in a series of three-year rolling plans. It is to be linked to the NPEP through National Development Plans, which stipulate broader policies to be implemented in five-year periods. There is, hence, a disconnect between NPEP and PRSP and one may, in fact, need a magnifying glass to see the linkage. In terms of content, the PRSP reinforces orthodox SAP packages and despite the rhetoric of being home-grown, is essentially based on the "one-size-fits-all" World Bank/IMF approach. All the observations and recommendations from the poor were largely ignored in the drafting of the final PRSP document. Balancing the PRSP's twin objectives of economic growth and poverty reduction will be an important challenge for the Kenyan government. ■

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Elimu Yetu Campaign - Action Aid
EcoNews Africa
Kenya Debt Relief Network (KENDREN)
Action Aid Kenya
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6 ADB (African Development Bank) 1994. *Selected Statistics on Regional Member Countries.* Abidjan.

7 UNDP 1999, *op. cit.*, p. 54.

8 Government of Kenya 1993. *Development Plan 1994 –1996*. Government Printer, Nairobi, pp. 30-31.

9 World Bank 1995. *Technological Capabilities and Learning in African Enterprises*. The World Bank, Washington, DC; and Government of Kenya 1996. *Economic survey*. Government Printer, Nairobi.

10 Abagi, O. 1997. *Status Of Education In Kenya: Indicators for Planning and Policy Formulation.* IPAR Special report, Nairobi.

11 Abagi, O. and J. Olweya 1999. *Educational Reform in Kenya for the Next Decade: Implementing Policies for Adjustment and Revitalisation*. IPAR, Nairobi.

Vigilant civil society

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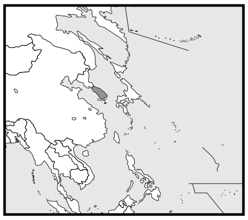

Since the economic crisis, the government has been striving to reform Korea's high cost, inefficient economy. There have been attempts to promote a functioning market policy to make the economy more democratic. However, debate and criticism regarding the government's role and use of national funds have increased. Issues have also been raised about the efficiency of government involvement in the national sectors of society and economy and about the transparency of its management.

Civil society organisations have taken an active oversight role in monitoring and assessing the activities of government and companies. These organisations continue their ceaseless efforts for the introduction of necessary laws and systems, including those for the protection and expansion of the rights of women; for economically and socially marginalised people; for equality between men and women; and for the establishment of a national human rights commission for the realisation of democracy and human rights. They are seeking enactment of an anti-corruption law for a just society and introduction of class-action lawsuits to support the small shareholders movement. The government and National Assembly have made some progress, but it is far from satisfactory. Policies to eliminate the digital divide and the disparity between the rich and the poor, which has deepened with economic recovery, are demanded.

The widening income differential and anti-poverty measures

Income disparity is greater now than before the economic crisis. The Gini Index, which is used as an index of the income differential, was 0.26 before the economic crisis. It increased to 0.32 in l999 and was 0.317 in 2000. Since it excludes independent businessmen, single-person households, agriculture and fishery households, and jobless households, such Gini Index numbers are questionable. The income ratio of the highest 20% to the lowest 20% improved from 5.85 in the first quarter of 1999 to 5.32 in the first quarter of 2000, but dropped to 5.76 in the first quarter of 2001. The growth in income differential was caused by high interest rates adopted during the 1997 economic crisis; massive business bankruptcies caused by a serious depression; and increased unemployment caused by financial reform mandated under the IMF restructuring programme. This latter programme resulted in significant income losses, not only for low-income families, but also for the middle class. Meanwhile, people with high incomes and property earned large sums of income as a result of high interest rates and the increase after 1998 of asset margin profits in relation to stocks.

The digital divide also plays a role in the widening of income differentials. The government has made policies and enforced a job-training programme in information technology for people seeking such jobs and also for the jobless. The goals are to reduce income differentials caused by the digital divide and to create new jobs.

1 The author is grateful to Professors Kwon Young Joon, Kim Jin Soo and An Chong Bum for their advice in the elaboration of this report.

Tax reform to reduce disparity

The following tax reforms are necessary to reduce income and wealth disparities:

- Normalisation of the business income tax to resolve tax inequities between labour income and business income;
- Strengthening the financial income composite taxation system;
- Taxation of marginal profits from stock transfers;
- Improvement of value added tax;
- Emphasis on inheritance taxes and charitable contributions;
- Realisation of a tax table of composite land tax and property tax.

The share of total taxes collected through indirect taxes is 50.2%. The share collected through direct taxes should be raised. Taxation is an important tool of distributive policy, and decisions regarding taxation should be based on medium or long-term policy. In the short term, many specialists claim that indirect taxes should be decreased and direct tax rates should be increased.

Not ready for a system of income investigation

For general workers, it is not easy to obtain information about income supplemental to their regular wages. It is also difficult to ascertain the correct income for independent workers, farmers and fisher people. So there is an equity problem relative to paid workers whose income is clearly known. Urgent solution of this problem is needed for sound management of social insurance and official assistance systems.

Increasing numbers of temporary workers

According to National Statistical Office information analysed by the Korea Labour and Society Research Institute, the total number of temporary workers, which greatly increased after the IMF economic crisis, is 7,580,000. Temporary workers comprise 58.4% of the total paid workers. The average salary of a temporary worker is only 53.7% of that of a regular worker. Their working hours (47.5 hours/week) are slightly longer than for regular workers (47.1 hours/week). With regard to social insurance, temporary workers are much worse off than regular workers. For the National Pension, which is the typical social insurance plan, the temporary workers' buying rate is 22.1% compared with the regular workers' rate of 88%. For health insurance, the temporary workers' rate is 24.6% compared with the regular workers' rate of 90.7%.

Temporary workers suffer low wages and employment instability, and most are not covered by the four types of insurances, *ie*, medical insurance, unemployment insurance, workers compensation, and the national pension plan. So they are caught in the double hardship of pain and insecurity. Civil society organisations insist that long-time temporary workers be upgraded to regular workers and that social insurance coverage for temporary workers be strengthened.

Financial expansion and the limits of social welfare

Protection for disabled, the elderly, women and children and support for the livelihood of poor households has increased over past levels. However, this increase in the social insurance budget was a temporary measure designed to cope with the economic crisis and does not constitute a long-term budgetary increase for the structural improvement of social insurance. Social welfare does not cover the entire population, and the budget is small according by absolute standards. Some say that standards are inferior, maintenance and management fees are not covered by government, and national subsidies to retirement and medical insurances need to be increased. Others claim that present welfare expenses are not low if one takes into account the variables that cause the expenses and that Korean responsibility for financing welfare goes beyond what is reasonable. Accordingly, the contradictory claims and assessments of reasonability of the social welfare budget should be harmonised by long-term social agreements and coordination.

Eradicating poverty through "productive welfare"

The government reform of the social insurance system, which goes by the name of "productive welfare", was introduced in October 2000. The core of the productive welfare policy is expansion of employment opportunities and the mobility of income activity by individuals becoming self-supporting. The reform greatly improved the livelihood protection system and a new national basic livelihood protection system was implemented. In the past, the livelihood protection system was designed exclusively for the poor, whereas the reformed system covers all households with incomes below subsistence levels that need supplementary help to maintain the lowest livelihood standard. Although the official poverty is 9%, however, only 3.2% (less than half of poor people) benefits from the national basic livelihood protection system. It is difficult to register for benefits and the numbers of the beneficiaries is decreasing because of the collective payment system. The system was not sufficiently prepared, as it lacks mechanisms for investigating and acknowledging incomes.

Expansion of women's rights and maternity protection

The Ministry of Gender Equality was established in January 2001, and a women's policy was prepared. This policy seeks to develop the human resources of women, prevent domestic and sexual violence, protect the victim, forbid discrimination based on sex and resolve these problems. The Ministry works for the improvement of women's rights and the realisation of equity between men and women. In November 2001, laws were enacted that strengthen the maternity rights of workingwomen and establish employment equity between the sexes. But as maternity protection is also regulated under employment insurance, it benefits only those who have regular work. It excludes the marginalised class who definitely need the protection.

Systematic efforts for the protection of human rights

On 26 November 2001, the National Human Rights Commission was established for the purposes of protecting the inviolable basic human rights of every human being, realising human dignity and value by achieving higher living standards and bringing about a democratic order. The National Human Rights Commission has received many petitions—evidence of the big expectations for the role and activity of the Commission. According to an official report from the Commission, petitions from socially marginalised people such as the disabled are most numerous.

Clean government and anti-corruption efforts by civil society organisations

The government enacted and implemented "freedom-of-information" laws in I997, which indicated a process for obtaining the release of official government documents. The government has recently tried to minimise the scope of this information release. Civil society organisations have criticised this and asked for expansion of information to be made available to the public. They have also established a "budget watch" that monitors budgetary waste and the activities of government and other public organisations.

As a result of the civil anti-corruption movement, which began in I996, an anti-corruption law was enacted in June 2001. It was expected that this law would prevent corruption and effectively regulate corrupt activities, thereby making for a clean government and society. The civil society organisations that asked for the law now see that it is insufficient because there are no rules regarding ethics of government officials, no special prosecutor system and no protection provision for in-house informers. It therefore needs successive revisions.

Reform of the international trade and capital structure

Generally speaking, as the volume of trade increases, the total scale of GDP and the national wealth expands and directly or indirectly affects the creation of financial assistance for development. Trade liberalisation is logically ideal. While there is still a differential for competitiveness (*eg*, the South-North problem), there needs to be a temporary means of protection until the developing countries reach a certain level of competitiveness. Even the United States is criticised for protecting her industries while making strong claims for free trade and requesting developing countries to open their markets. Korean civil society organisations agree with international civil society organisations that the developed countries should treat developing countries as special. Resources for development should be created and the debts of the least developed countries should be eradicated or minimised.

Currently, the Bretton Woods institutions are governed by the developed countries, which support the globalisation of commodity and financial markets but oppose the internationalisation of labour by opening the labour market. Reform and actual democratisation of the international capital structure is required. ■

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The disappointing "growth" decade

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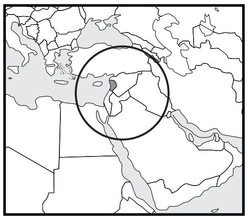

This report looks at Lebanon's economic and development performance in the last decade in order to assess the effectiveness of economic growth that closely accompanies the neo-liberal globalisation process. Despite its particularities, the Lebanese experience is a practical case study, because it embodies the general characteristics of this type of international policy.

The Lebanese civil war ended in 1990. After a short transition period, basic macroeconomic policies stabilised with successive governments assuming the same fundamental principles. With the exception of one two-year period, Mr. Rafic Hariri, appointed to head the cabinet in 1992, has held this position throughout. For the first time, Lebanon has had stable and systematic government economic policies for almost a decade. This allows methodological examination of this decade as an integrated unit and evaluation of the results of policies adopted throughout the period.

An overview of policy detail is beyond the scope of this report. In essence, policies are embedded in the globalisation process and fall within a general neo-liberal framework, adhering to particular economic prescriptions, namely, monetary stabilisation and structural adjustment programmes. Lebanon did not adopt a well-defined programme for structural adjustment, however, because the Lebanese economy is already highly liberalised. The private sector plays the primary role, the market is practically unregulated, and there is almost no supervision of different economic sectors. Economic concepts and policies follow the prevailing line of economic globalisation, blindly fostering the notion of economic growth with respect to problems, objectives and solutions.

In this context, Lebanon adopted a currency stabilisation strategy in the early 1990s to resolve large fiscal and monetary imbalances and to resolve the increasing budget deficit. The result was high inflation and collapse of the local currency.

Disappointing results

The first cabinet that took office in Lebanon's development decade prepared a ten-year construction and development plan (1993-2002). The government projected a 9% economic growth rate, a shift from a fiscal budget deficit to a surplus by the year 2000, and a 100% improvement in the standard of living. Now that decade is over, an objective comparison between the actual and the targeted results can be provided. It suffices to examine the most important indicators in accordance with the plan itself (GDP, public debt and budget deficit) to show that the results are disappointing.

In terms of domestic production, economic growth registered 7% and 8% respectively in 1993 and 1994, a normal growth level in a post-war economy when military activity ceases and reconstruction starts. After 1994, the growth rate started a downward slope and reached 0% in 2000.

The budget deficit was supposed to be erased and turn into a surplus in 2000. It reached 48.7% in 1992, then 38.5% in 1994. In 1995 it surged to 57% and stayed at that level throughout the decade to attain 47.6% in 2001.

Finally, the decade started with a total gross public debt level of USD 3,005 million (1992) accounting for 54.2% of GDP and ended with a USD 25 billion gross public debt in 2000 accounting for 176.1% GDP. Servicing this debt, at present, amounts to USD 2,785 million, which is around 92.2% of treasury and budget revenues.

Financing growth

The Lebanese economy seems like a "hollow container". The government thinks that economic problems result from insufficient financial resources. Thus, government policies gave priority to finding internal and external financial resources and creating new mechanisms for collection, in order to limit chronic budget deficits and contain spiralling indebtedness.

In fact, Lebanon cannot rely on domestic production and manufacturing to secure important foreign reserves. Lebanon suffers from a persistent trade deficit that has increased as time passed. Export to import ratios dropped from 30% in the mid 1970s to between 10% and 12% in the 1990s. The trade deficit reached USD 5,514 million in 2000 (USD 6,228 million of imports and USD 714 million of exports), which is around 33% of GDP. There is little sign of national policies aimed at building the productive base in the country and increasing exports, which would be needed to reduce the trade deficit.

Ministerial statements, budget proposals, ambitious projects, and monetary and fiscal policies have all fostered increased external borrowing and rising foreign investments in Lebanon, which are considered to be the driving force of the domestic economy. However, capital inflows have been invested mostly in real estate or in the financial and banking sector, namely in Treasury bills that provide high yields and safe returns. Continuous tax incentives and the other measures to encourage investment in the productive sector remain insufficient. More than marginal measures are required to attract foreign direct investment (FDI) that entails setting up local branches, employment creation and upgrading the manufacturing base. FDI is encouraged primarily by stability, medium and long-term incentives, and other measures related to political and legislative bodies and labour force characteristics.

1 The author is grateful to the assistance of Ms. Zeina Abla.

TABLE 1

Selected key indicators 1992 - 2001

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001*
GDP (USD million)	5,545	7,537	9,110	11,122	12,996	14,957	16,167	16,400	16,641	16,709
Growth rate (%)	4.5	7.0	8.0	6.5	4.0	4.0	3.0	1.0	0.0	1.3
Budget deficit (%)	48.7	38.5	56.9	48.2	51.1	59.0	43.7	42.4	56.3	47.6
Deficit GDP (%)	11.4	8.9	19.4	15.7	18.8	23.5	14.1	14.5	23.4	16.5
Balance of paymentS (USD million)	54	1,169	1,131	256	786	420	-487	266	-289	-1,205
Inflation rate (%)	120.0	29.1	8.0	10.6	8.9	7.8	4.0	0.3	1.3	0.0
End of period exchange rate	1,838.0	1,711.0	1,647.0	1,596.0	1,552.0	1,527.0	1,507.5	1,507.5	1,507.5	1,507.5
Net public debt (USD million)	2,385	3,003	4,934	7,142	10,481	14,411	17,125	19,814	23,240	29,408
External debt (USD million)	247	327.5	771.8	1,304	1,856	2,375	4,165	5,512	6,968	N/A
Debt service/total expenditure	23.3	26.0	28.6	32.0	36.7	36.9	42.4	42.9	40.3	48.7
Gross Public debt var. (1993=100)	77.3	100.0	159.3	227.7	325.2	440.6	644.7	762.1	840.4	979.1

Source: 1998 budget proposal, Banque Audi Research Department. * 2001 are projections by the IMF Staff Appraisal report

TABLE 2

Imports and exports 1992-2001 (in USD millions)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001*
Imports	3,688	4,940	5,990	7,303	7,559	7,456	7,060	6,206	6,228	6,542
Exports	803	458	572	824	1018	642	661	677	714	798
Exports / imports (%)	13.7	9.27	9.55	11.28	13.47	8.61	9.36	10.91	11.46	12.19

Source: 1998 budget proposal, *Banque Audi* Research Department. * 2001 are projections by the IMF Staff Appraisal report.

These factors remain weak in Lebanon and other Arab countries, which consequently received only a minimal share of FDI. As a result, the country had to resort to the traditional means of financing, *ie,* external borrowing and predominantly commercial bank lending at increasing interest rates, risking successive downgradings by international rating agencies. For these reasons, the financial means that Lebanon selected (external and internal borrowing) have depleted rather than boosted its financial resources.

The government's response to the crisis

The government does not deny the existence of an economic crisis but provides a strange response to the difficulties. The Lebanese government, like other developing country governments, attempts to keep in line with the prevailing international trend of economic globalisation, with its accompanying economic directives and pre-arranged remedies. Some developing countries have state-led economies, others have quasi-interventionist policies and another group mixes liberal policies with basic interventionist policies, particularly in foreign trade, currency stabilisation and social services provisioning. Since interventionist policies and measures hamper the movement of capital and goods, the "remedies" emphasise the need to replace them with the liberal alternatives of openness, trade liberalisation and privatisation. These "remedies" are meant to cure an "affliction", which is characterised by trade restrictions and controls on private sector activities.

The case of Lebanon is quite different, however. The economy has been characterised by extreme openness with no restrictions on capital movement and a banking secrecy law as the cornerstone of the banking system. Lebanon considers itself a pioneer in trade activity and imports around 90% of its domestic consumption. The private sector leads the economy, including the basic social service sectors, education and health. Over two-thirds of services and social institutions are provided by the private sector.

Lebanon is suffering, not from interventionist policies, but from problems resulting from an open economic system, the dominance of the private sector and free market relations. Still, it is applying remedies that were elaborated for interventionist economies. After a lost decade, basic government jargon revolves around a few common "clichés":

- Privatisation to finance the budget deficit and reduce the public debt: the electricity company (*Electricité Du Liban*) is a primary privatisation candidate. The government spent around USD 2 billion in the last 10 years for the company's rehabilitation and reconstruction, yet the company remains in difficulty and is nominated for privatisation at a value of no more than USD 800 million.
- The restructuring of the public debt by shifting from high cost local currency borrowing to external borrowing in order to benefit from interest spreads.
- The signing of the Euro-Med partnership (initiated in January 2002 and expected to be finalised in April 2002), though most government officials had not looked at the agreement's content, nor had any economic or public entities.
- The speeding of the procedure to join the WTO (Lebanon is currently an observing member).
- The restructuring of the public sector with a plan focused on cutting jobs and laying off surplus labour, which will raise unemployment and increase social problems.
- The adoption of a value added tax starting in February 2002 at a single 10% rate. The VAT faces general opposition for various reasons from limited income to weak preparation for the implementation of such a step. The government's fiscal objective for the VAT is to increase resource mobilisation, although tax cuts prevailed in previous years to encourage investment and reduce evasion. Taxation for income and wealth redistribution is not now, and has never been, part of the government's objectives.

Lebanon has embraced current policies to meet globalisation prerequisites and to integrate with global markets. Lebanon's policies are not based on any needs assessment or priorities identification that suit its economic features, difficulties and crisis. Thus, its difficulties are being treated with the same prescription that caused its woes in the first place. The policies that the government is using today to resolve the crisis are the same ones that caused it.

As if time were standing still. ■

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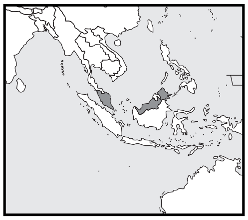
The lack of vision of the National Vision Policy



The National Vision Policy 2020 is based on the Western capitalist development model and ignores the accumulated culture and values or the needs of the Malaysian people. Furthermore, the economy is made vulnerable by unwise allocation of resources and excessive dependence on foreign trade and investment, while the government masks poverty with unreal statistics.

The Third Outline Perspective Plan (OPP3) 2001-2010 constitutes the second decade of development under Malaysia's Vision 2020. The National Vision Policy (NVP) 2020, with national unity as its overriding objective, is aimed at establishing a progressive and prosperous *Bangsa Malaysia* (Malaysian population) which lives in harmony and engages in full and fair partnership.

But the national vision set forth in the NVP is not based on the accumulated national wisdom, culture and values or on the needs of the people; rather, it is rooted in the tunnel vision of Western capitalist development ideology, which regards human beings as essentially economic creatures. While paying lip service to pursuing environmentally sustainable development and cultivating a tolerant and more caring society, the NVP's main goals are industrialisation, economic growth, increased productivity and production of wealth.

The OPP3 document concludes that, "The principal thrusts for the OPP3 period will be the creation of wealth and promotion of new sources of growth in the manufacturing, services and agriculture sectors". The emphasis is on wealth creation and growth, not human development and stewardship of the environment. In keeping with the current trend in the business world, the NVP advocates developing Malaysia into a knowledge-based society as if all previous societies were not based on knowledge. What is the aim of this k-society? It is not to develop the material, moral, cultural and spiritual dimensions of the human being, but in the words of the NVP, "to raise economic productivity in all economic sectors and to optimise the brain power of the nation".

The western capitalist development model has produced disastrous consequences for humanity and the environment – global poverty, irreversible environmental destruction, poisoning the air we breathe, the water we drink and the food we eat, profaning everything that is sacred, and fracturing family and social relations. What is urgently needed is the decolonisation of the minds of our educated elite so that they can produce a development model that is suited to the material and spiritual needs of our people and protective of our environment.

Unwise investment, dependence and vulnerability

During OPP3 (2001-2010), the economy was expected to grow at the rate of 7.5% compared with 7% growth during the OPP2 (1991-2000). The planners have ignored the fact that the high growth prior to 1997 contributed to bringing our economy to the brink of collapse. Investments went into unproductive areas and mega projects, leading to a negative balance in our current budget. The adverse effects of the misallocation of resources during the OPP2 period are still present. There are unsold properties valued at MYR 28.4 billion (USD 7.4 billion). Almost 2.5 million square metres of office space remain vacant, yet another 1.5 million square metres are in the pipeline.

In view of the current US downturn, the Central Bank of Malaysia revised the growth figure to between 5% and 6% in March 2001. After the 11 September incident in the US, GDP growth forecast was further revised to 1-2%.

Growth during OPP3 is supposed to be driven by strengthening domestic investment and developing indigenous capability. Growth in the OPP2 period is largely attributable to exports, particularly electronics and electrical goods to the US, Japan and the European Union.

Malaysian exports are narrowly based on a few types of products. By 2010, it is projected that 90.7% of merchandise trade would come from manufactured goods. The major contributor would be the electronics and electrical sub-sector, which is expected to account for 75.6%.

In response to the liberalisation policies demanded by developed countries, the OPP3 provides for an increased role for foreign direct investment (FDI) in our economy. It aims "to attract FDI, not only in the manufacturing and related sectors, but also in strategic sectors such as Information and Communications Technology (ICT), energy, port management and the financial sector".

Thus, OPP3 continues Malaysia's previous policy of relying on FDI to develop its economy. Economic development planning is based on uncertain factors that are outside Malaysian control. In recent months, there are signs that Malaysia may have difficulty attracting FDI. According to an article in *The Edge* (March 26, 2001): "… foreign investor interest seems to have waned. Manufacturing FDI, which totalled MYR 491.1 million (USD 129.2 million), was down 37.4% from a year ago, and made up only 50.1% of applications received in January [2001], 34% less than in the same month last year [January 2000]".

Malaysia's excessive dependence on foreign trade and investment limits the autonomy and freedom to direct, control and manage the development of the economy. Such dependence makes the economy vulnerable to the vagaries of the markets of the developed nations. For example, a prolonged recession in the US, as predicted by some economists, would have a disastrous effect on economic production, jobs and incomes of the people. When America catches a cold, developing countries like Malaysia contract pneumonia. Instead of devising policies to reduce this dependence on the West, Malaysian policy planners are entrenching and deepening it through plans like the OPP3.

As stated in the OPP3 document, Malaysia's performance will be influenced by developments in the external environment as it is highly integrated with the global economy. It will be exposed to the risks of economic and financial shocks, which transcend national borders and regions and are difficult to predict. The OPP3 further states that the achievement of the growth and structural transformation targets will hinge on Malaysia's ability to strengthen its resilience and competitiveness.

Strengthening resilience means being more self-reliant and less dependent on foreigners. Greater resilience can be achieved when wasteful consumption, unproductive investments and corrupt practices are eliminated. It can also be accomplished when companies and government departments practice good governance through greater transparency and accountability.

Promoting growth would also mean being less dependence on foreign imports, and one way we can save on foreign exchange is to reduce the massive food import bill. In 2000, Malaysia's food import bill was MYR 12,964.8 million (USD 3,411.8 million) compared with MYR 7,784.3 million (USD 2,048.5 million) in 1995. Food imports are expected to increase to MYR 21,896.8 million (USD 5,762.3 million) in 2005.

The Eighth Malaysia Plan (2001-2005) expects food production to increase, leading to price stability. However, the increase in production ought to be for local consumption and not for export. The government should encourage food production by working out a better system that will benefit both producers and consumers.

Import liberalisation in agriculture under the World Trade Organisation (WTO) rules and other regional trading arrangements threatens the livelihood of small farmers whose products face competition from cheaper imported foods. The effects of globalisation are discussed in terms of the changes it will bring to the modern urban economy, while its impact on the rural economy, particularly the small-scale farmers, is often ignored.

In 2003, the Association of South East Asian Nations (ASEAN) Free Trade Agreement (AFTA), of which Malaysia is a member, will be implemented. Rice farmers are particularly at risk. Their produce will face stiff competition from foreign grains from other ASEAN countries whose production costs are much lower. According to the Malaysian government, the rice sector will be fully liberalised by the year 2010. The implications are serious for about 300,000 rice farmers who remain largely unaware of the impending crisis.

The government, although aware of the possible problems posed by AFTA, has announced that it is coming up with a strategic master plan to improve the quality of farming products, reduce costs and introduce new technologies. Among suggestions for staying competitive in a free marketplace is cutting production costs, and this entails the development of large or integrated paddy fields run by a few highly skilled farmers.

Despite any master plan, the future of the farmers will be threatened by trade liberalisation. Integrated and large farms would benefit only a select few. Asking small farmers to lose their land so that those select few could take over is spelling disaster for the farming communities. Much social distress and community upheaval is certain.

If rice farmers lose their livelihood, the country would also be undermining its own food security. The staple food sector of any country must always be defended at any cost by the government.

Many developing countries are already facing problems from agricultural trade liberalisation and have tabled proposals to amend the WTO Agreement on Agriculture so that they can better protect their farmers and continue to provide subsidies. The Malaysian government has been urged to do the same.

An unrealistic poverty line

The OPP3 claims that the incidence of poverty among Malaysians was reduced from 16.5% in 1990 to 7.5% in 1999. The number of poor households is reported to have decreased by about 39% to 351,000 in 1999. The OPP3 aims to reduce the incidence of poverty to 0.5% by the end of 2005 and to raise the income share of the lowest 30% of households irrespective of race.

These figures do not reflect the reality of the poverty situation in the country. In the OPP3, the Poverty Line Income for 1999 is assumed to be MYR 510 (about USD 134) per month for a household of 4.6 members in Peninsular Malaysia. Imagine a family of four trying to survive on an income of MYR 510/ month in the capital city. To rent a room would cost MYR 200. What about expenses for food, transport, education and medical treatment? The assumed baseline for poverty is unrealistic and ridiculous.

Further, the economic plight of the 800,000 smallholders brought about by the steep drop in the prices of rubber and oil palm is eloquent testimony to the poverty afflicting a large section of our people. The government had to set up a Cabinet Committee on "Raising the Income of Rubber Smallholders" to address this problem. In March 2001, the government allocated MYR 500 million (USD 131.6 million) to assist the smallholders hit by the low prices for their commodities. Again in May 2001, the government announced setting up a MYR 1 billion (263 million) fund to assist smallholders to replant or venture into livestock rearing and other businesses, which would be used to give short-term loans ranging from MYR 50-250 (USD 13-65) per month to smallholders facing financial problems.

In the urban areas, with the onset of a global economic slowdown in the first seven months of 2001, many industries retrenched workers. The number of retrenched workers increased by 37% to 20,038. Of this number, 85.7% were Malaysians while the remaining were foreign workers. By sectors, retrenchments in the manufacturing sector, especially in the electronics and electrical factories were most significant, accounting for 69.4%. The majority of those retrenched have very little savings and have to depend on the small retrenchment benefits paid to them to sustain them while they look for alternative employment.

The government's aim to wipe out absolute poverty by 2005 is unrealistic given that there is no adequate control over our economy, which is highly dependent on the global environment. Moreover, there are no safety nets for those who are affected by adverse economic conditions.

Masking the poverty problem with statistics will not alleviate it. What is needed is a sound economic policy to reduce our dependence on foreign trade and investment, encourage sustainable agriculture and domestic industry and provide for a more equitable distribution of wealth. Above all, we need honest political leadership and public servants who are committed to public welfare. ■

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Priorities of the Vicente Fox government

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To generate more resources for social development, Mexican President Vincente Fox promoted a regressive tax reform during 2001. The real objective was to achieve, at any price, a lower level of public debt, as demanded by the international financing agencies. While social development is not a priority, payment and redemption of public debt are ensured.

President Fox's *Criteria*

In the *General Criteria for the 2002 Economic Policy*,[2] the federal government explains Mexico's present economic deceleration in terms of the close trade and financial ties with the United States and the increasing synchrony in the trends of both economies. The Mexican economic situation is determined to a great extent by the evolution of the world economic cycle, which in turn is mainly determined by the performance of the United States economy. Within this framework, the main points of the strategy proposed in the *General Criteria* are: tax discipline, responsible, transparent and efficient implementation of public expenditure and the promotion of the structural reforms necessary to strengthen the basis of the economy.

According to the *General Criteria*, the main challenge facing Mexican economic policy during 2002 will be to regain jobs lost in 2001 by restoring dynamism within an uncertain and unstable world economy. The macroeconomic goals of the Fox government for 2002 are, first of all, to step up the pace of economic activity, generating formal jobs and increasing the real income of families. In particular, it proposes reaching an effective rate of GDP growth amounting to 1.7% per year. The second goal is to reduce inflation. In close coordination with the Bank of Mexico, the tax policy will contribute to keeping annual price increases below 4.5% per year. Thirdly, the country's foreign account balance must be maintained at moderate and healthy levels. On the basis of forecasts on economic growth in Mexico and the United States and on international oil prices, it is estimated that the current balance of payment account will show a deficit equivalent to 3.5% of GDP in 2002.

Although the Fox government recognises that there are serious inequities existing between different ethnic groups, regions and generations in Mexico, it claims that it lacks the resources to promote and strengthen social programmes that address the country's most pressing needs, such as poverty abatement, food, education, housing, health, rural development, infrastructure and justice. To generate more resources for social development, Fox promoted a tax reform in 2001. The social costs of this reform are only partially recognised and include a ridiculously low compensation to the lowest income families.

Many sectors have questioned the executive's proposal. From the standpoint of the organisations promoting economic and social rights, the tax reform is regressive in terms of basic rights such as health, food, education, culture, enjoyment of scientific and technological progress and housing, as it places a 15% VAT (value added tax) on drugs, food, books, schooling, transport and income. If this reform is adopted, Mexico will be violating several articles of the International Covenant of Economic, Social and Cultural Rights to which it has been party since 1981 and which obliges it to progressively increase social spending, distribute wealth more fairly and struggle against the growing concentration of income in a few individuals. The social impact of this increase in VAT will be enormous, while the economic impact will be very small, as it will only generate additional resources equivalent to 1.7% of the GDP.

A better way to build up domestic resources for development would be to widen the base of contributors by taxing luxury goods and national and foreign speculative capital, which generate large private profits but no social benefits. The proposal for a tax on monetary transactions is, in fact, one of the ideas that will be discussed at the International Conference on Financing for Development.

The real objective of the tax reform promoted by the Fox government is to achieve, at any price, a lower level of public debt to meet the demands made by the International Financial Institutions (IFI's) for structural adjustments, which have been applied in Mexico for 20 years now and have worsened the living conditions of millions of Mexicans. According to Autonomous Metropolitan University (UAM) economists, the IFI's "have practically forecast the programme for Fox's six year term in office,"[3] by making the payment of foreign debt the priority of economic policy.

TABLE 1

Foreign and domestic debt indicators

AS A % OF THE GNP	2000	2001*	2002*
Total foreign debt	26.0	24.8	23.5
Public sector foreign debt	14.7	13.8	12.5
Private sector foreign debt	11.3	11.1	11.0
AS A % OF EXPORTS OF GOODS, SERVICES AND TRANSFERS			
Total foreign debt	119.0	123.7	118.3
Total foreign debt service	42.1	31.6	26.5
Public foreign debt service	26.0	16.1	12.1

*IMF forecast. **Source:** www.imf.org

1 Coordinator for Mexico Social Watch, DECA Citizen Diplomacy Programme, Team Pueblo, A.C., a member organisation of the Organizing Committee for the Global Forum: Financing for the Right to Sustainable and Equitable Development "for a just distribution of wealth," Mexico, 14 to 16 March 2002, prior to FfD.

2 *Criterios Generales de Política Económica Para 2002 (General Criteria for the 2002 Economic Policy) in*: www.shcp.gob.mx

3 Juan Moreno Pérez, Professor at the UAM, quoted by Agustín Vargas Jiménez in "El gobierno se doblega ante el FMI", Mexican weekly *Proceso*, No. 1305, 4 November 2001, p. 39.

IMF approval

In the IMF's latest report on Mexico (Article IV Consultation)[4], the Fund congratulated the Mexican Government on its cuts in public expenditure and on its commitment to making further cuts if necessary in order to reduce the deficit (Paragraph 49). The IMF also welcomed the proposal for tax reform (Paragraph 51) and indicated that without it, public debt would increase and the economy would be more vulnerable to external pressure and fluctuations in oil prices (Paragraph 52).

For its part, the World Bank in its Country Assistance Strategy (CAS) for 1999-2000 indicated the structural reforms that the Mexican government should promote in order to obtain support from the Bank: tax and financial reforms, reforms in the health sector of the Institute for Social Security and Services for State Workers, and labour reforms.[5] These reforms are funded through a portfolio containing 23 projects including such goals as direct reduction of poverty.

Regarding the country's situation in terms of availability, allocation and distribution of development resources, the 2002 Draft Expenditure Budget (DEB) submitted by the President of the Republic to the Chamber of Deputies in November 2001 for examination and adoption, foresees a total net expenditure of MXP 1,410,654.4 million (approx. USD 153 billion at an exchange rate of 9.2 pesos to the dollar), which represents a real growth of only 0.3% over the previous year and, as a proportion of the GDP, a four-tenths of a percentage point decrease.

Programmed expenditure (including social expenditure) will be MXP 980,095.7 million (approx. USD 106.5 billion) representing a real cutback of 1% with respect to the closure expected for the present year. As a proportion of the GDP, it will drop from 16.3% to 15.9%. Programmed Expenditure represents 69.47% of the Total Net Expenditure.

Less social expenditure

Expenditure on Social and Human Development is set at MXP 592,091.7 million (USD 64.3 billion), which will represent 60.4% of Programmed Expenditure and 41.97% of the Total Net Expenditure. However, the DEB 2002 cut back social expenditure with respect to the previous year "from 10.7% to 9.6% of the GDP, subject to a tax reform that, even if it were to be adopted as it stands, would have a meagre effect on returns if one considers that presently tax income represents 11% of the GDP and, at the most, this would increase to 13%."[6] The largest budget transfers are found in bank redemption (0.7% of the GDP in 2002 and a tenth of a percentage point per year from 2003 "a forecast validated by the IMF)."[7]

Conditions placed on health

Various programmes in the health sector depend on a USD 350 million loan over the next five years, to be granted by the World Bank under the condition that the above-mentioned tax reform be adopted. Thus, actions such as health and food for indigenous peoples, prevention of HIV/AIDS, the consolidation of wider coverage and the proposal to set up an insurance programme for the people would be seriously limited. Regions and municipalities where 13.6 million people live in extreme poverty would cease to receive benefits.[8]

Education: bank redemption comes first

Education is the centre of the human and social development policy of the Fox government according to the 2001-2006 National Development Plan. However, provisions are to spend MXP 50 billion on higher education over the six-year period, while MXP 70 billion will be spent on bank redemption in just two years.[9] The DEB 2002 proposal foresees a cutback of up to MXP 2.5 billion in higher education, a decrease of 3.3%. In Science and Technology, the cutback represents almost 18%.[10] For example the National Polytechnic Institute will see its budget cut by 7.49% with respect to 2001 and the Autonomous Metropolitan University by 8.26%. With these cutbacks, the goal of investing 8% of the GNP in education will not be reached. The cutbacks in higher education expenses will not only cause labour problems such as outbreaks of strikes in universities due to the 4.5% salary retention indicated by the Finance and Public Credit Secretariat, but also lower investments in scientific and technological research and development.[11]

Cutbacks in the budget affect the indigenous peoples

The National Institute for Indigenous Peoples (INI) will have a 6% cut in its 2002 budget, mainly affecting the area of the Justice Office, which had asked for a 200% increase. With this cut there will also be cuts in staff; the programme for helping to release indigenous people from prison in the various states will be limited, advice and legal defence in cases of abuse will be reduced and the agreements with 263 indigenous organisations, NGOs and academic groups in the country will be impacted.[12]

The Fox government must fulfil its obligations regarding social issues by assigning available resources to social policy as a priority. Social development cannot be contingent upon attaining domestic and foreign investment, however great the need, while, with the income generated by the Mexican people, we ensure bank redemption and punctual payment of the debt.

Finally, no scheme for financing development will be fully effective as long as globalisation, which is seriously eroding the economic, social and cultural rights of the Mexican and world population, remains the financial model. Because of their principles of equity and justice, human rights must be the foundation of economic policy. ■

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4 Country Report No. 01/190 Mexico: 2001 Article IV Consultation-Staff Report, Staff Statement, Public Information Notice on the Executive Board Discussion and Statement by the Executive Director for Mexico October 2001, at: www.imf.org

5 Country Report No. 01/190, *op. cit.* p. 46.

6 Armando Labra M. "Budget, terror; macabre talent". *La Jornada*, national daily, 26 November 2001, p. 35.

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The results of neo-liberal guidelines

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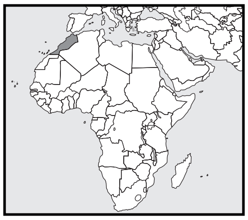

Two decades of applying the guidelines of the world financial institutions have resulted in persistent financial crisis, over-indebtedness, lack of commitment by the government to grass-roots social sectors, indefensible feminisation of poverty and daily violation of human rights.

Health: inequality behind official averages

Official indicators show an improvement in health care of the population. The increased number of centres providing basic health care reduced the number of people per centre from 13,208 in 1999 to 12,662 in 2000. During the same period the number of inhabitants per doctor dropped from 2,372 to 2,309.

But these statistics hide the terrible truth of disparities between zones and social sectors: in Casablanca, a residential quarter has one doctor for every 275 people and a working-class area has one doctor for each 16,660 people.[1] Over 44% of all doctors in Morocco are concentrated in only two cities, Rabat and Casablanca.

Nine out of ten Moroccans have no medical or social coverage. Infant mortality is over 22%, with a gross mortality rate of over 6.5%. The official figures register 230 cases of maternal mortality per 100,000 live births and one gynaecologist for every 15,000 women.

Morocco spends under MAD 600 (USD 51) per inhabitant per year on health care, representing about 4.5% of the GDP in 1997-98. Households directly cover 54%, the government funds 26% and health insurance pays only 16%. The public sector has 110 hospitals (25,000 beds) for 28 million inhabitants, with 46 doctors per 100,000 inhabitants and 2,000 health centres and outpatient services.

Nine out of ten rural women are illiterate

The official schooling index for children aged 6 to 11 reached 85% in 2000-2001, compared with 80% in 1999-2000. The improvement was especially important in the rural environment where the schooling rate rose from 69.4% to 76.7%.

The number of girls enrolled in primary education increased by 6.6% in 2000-2001 over the previous year. This increase mainly favoured the rural areas where the number of girls with schooling increased by 10.3%. It should be noted that associative resource centres received 34,550 children aged 8 to 16 in 2000, in the framework of informal education, with only 744 resource people.

According to a national report on the situation of children in Morocco (May 2000), 2.2 million children aged 8-16 are excluded from schooling, of whom 237,000 live in the streets and 550,693 are working in inhuman conditions. According to a recent survey by the Ministry of Planning, in Casablanca alone there are over 28,000 young women under 18 years of age who work.

1 Greater Casablanca Region, Office of Land Planning, Ministry of Land Planning, 1999.

Sixty-seven per cent of the female population is illiterate and 90% of this illiterate female population live in rural areas. At the beginning of this third millennium, nine of ten rural women do not know how to read or write.

Public expenditure

Planned expenditure in the general budget for 2002, totalling MAD 142,075 million (USD 12,242 million)[2] is distributed as follows: operational expenses, MAD 75,442 million (USD 6.5 billion); investment expenditure, MAD 19,925 million (USD 1.7 billion); redeemable debt and floating debt expenditure, MAD 46,708 million (USD 4,025 million).

Staff costs amount to MAD 51,163 million (USD 4.4 billion), or approximately 68% of the operational expenses. Among these many government employees, many high officials hold various positions at the same time and therefore collect multiple remunerations although this is against the law. There is an enormous gap between the salaries of low-level officials (below the minimum inter-professional salary for growth in France) and the exorbitant salaries collected by high government officials.

The amount of investment expenditure is insignificant and indicates a withdrawal by the government from its participation in economic development.[3] The Hassan II Fund for economic and social development, special treasury funds, local collectives and public enterprises and institutions help to mitigate this insufficiency of investment.

Expenditures for national education and higher education are relatively stagnant, although the needs in this area are increasing rapidly. More seriously, expenditures for health have decreased steadily and this is negatively affecting the health of Moroccan people.

Paradoxically, expenditure aimed at security, that is to say, allocated to the Ministry of the Interior, increased substantially: 8% of the national budget in 2002, compared with 7% in 2001. In 2002, the budget for this ministry was double the budget of the Ministry of Higher Education (4% of the national budget) and almost double that of the Ministry of Health (5% of the national budget).

2 All conversions are rounded at the rate of MAD 11.604 = USD 1 (31 December 2001).

3 Investment expenditure dropped from MAD 21,695.3 million to MAD 19,925 million, that is to say, a variation of -8.16%.

The following measures are suggested for restructuring government expenditures:

- reduce the gaps between high and low salaries;
- avoid or prohibit the holding of multiple positions;
- limit unproductive expenditure such as purchases of luxury vehicles and construction of huge public administration buildings;
- strengthen monitoring of public business;
- reduce expenditure on security and defence;
- reduce expenditure on celebrations and official receptions;
- direct public investment towards basic infrastructure (electricity, drinking water, education, health, housing and highways).

State revenue

Total revenue foreseen for 2002 is MAD 136 billion (USD 11.73 billion), 3.2% less than 2001. This decrease is due mainly to the decrease in income from privatisation, which comes primarily in the form of taxes and customs tariffs and amounts to MAD 79,734 million (USD 6,870 million), about 58% of the total revenue.

Income from customs is negatively affected because of customs reorganisation in line with the agreement for association with the European Union that came into force in March 2000, but also because of the government-tolerated contraband between Morocco and the Spanish-occupied strongholds. This contraband generates a capital loss of approximately MAD 7.5 billion per year, although it is hard to assess losses because of fraud and corruption.

Privatisation, which in many cases is a kind of “sale”, is carried out with short-term objectives and is essentially aimed at balancing government finances. At no time has an attempt been made to improve management of some economic sectors by making them comply with market rules, mechanisms and laws.

Capacity to mobilise savings

Presently, the economic weave of Morocco is mainly comprised of family enterprises that are not rationally managed and are not fertile ground for the development of savings. Opening up the economy exposes Moroccan companies—which are used to a system of protection and privileges, particularly in tax matters—to many real risks.

Savings are linked to the degree of confidence in government institutions. An enormous drain of capital towards foreign banks shows evident mistrust in the government, especially by high government officials. This lack of confidence, made worse by the corruption and bureaucratic formalities, also causes a drain of foreign capital.

Commercial deficit and public indebtedness

According to the Finance Law Project’s (PFL) economic and financial report, the year 2000 showed an increase of 35.2% in the commercial deficit over 1999. Income from exports covered 64.5% of expenditures for imports in 2000, down from 69.5% in 1999. Commercial transactions abroad recorded an increase of 11.8% in 2000 as compared with 7.3% in 1999. It should be noted, however, that purchasing power is generally very low, and this has a major impact on the market. The fact that there are regions that have no facilities (no highways, bridges or electricity) explains the limited penetration of commercial capital into many isolated areas.

Service of the public debt makes up over 32% of the general budget total. The Finance Law Project’s economic and social report indicates that the foreign debt was reduced by MAD 6.6 billion (USD 568.7 million) or 3.7% between 1999 and 2000. The ratio between the global foreign debt and the GDP improved slightly from 51.3% in 1999 to 48.2% in 2000.

The qualification of Moroccan indebtedness and its prospects, according to the financial assessment agency Standard and Poor’s, fell to “negative” from the “stable” rating of the previous assessment. The ratings on country debt, and principally the rating on debts in local currency (BBB/A-3[4]) and in foreign currency (BB/B), were maintained. This worsening prospect reflects the budgetary situation of the country and pressure on prices and on the stability of exchange rates. The budgetary deficit amounted to 9% of the GDP in 2001 and should drop to 6% in 2002, although according to Standard and Poor’s it may not reach this target if growth slows down.

According to the agency, the debt remained stable (78% of GDP in 2001) as the increase in deficit was compensated for by income from privatisation. The opportunities for privatisation will disappear, however, and budgetary adjustments will be difficult in the future.

According to the Standard and Poor’s report dated 2 November 2001, the government must reduce the budgetary deficit, continue with its reform programme and improve growth prospects to maintain its rating.

Measures for debt reduction and cancellation

The main positive measure adopted has been the conversion of the debt into investment.

The debt problem is closely related to the disorder and diversion of funds characterising the management of public or semi-public companies (such as CNSS, CNCA and CIH[5]). Instead of being invested in the economy, loans were diverted and became sources of wealth for a social class that has become parasitic, lacking any sense of business or innovation and interested only in consumption.

Private capital

Private investment in Morocco is characterised by a lack of confidence arising from socio-political and institutional instability, which largely explains the lack of foreign investment. To this should be added the complexity of administrative formalities, lack of transparency of administrative structures and other various obstacles, among which corruption plays a major role. Fraud and tax evasion are considerable.

Conclusion

The present situation, characterised by a lack of commitment on the part of the government, the application of neo-liberal policies, systematic corruption, denial of citizens’ rights to women, misappropriation of public funds, impunity in violation of human, political, economic and social rights, is the consequence of limited political decisions linked to maintenance of a macro-economic balance.

More than ever before, this situation is leading political, economic and social stakeholders to seek alternatives and to reconsider their development strategies in an attempt to promote equity and social justice. It is also imperative to have an in-depth understanding of the role played by Moroccan NGOs in democratic development at a time when the questionable and questioned globalisation is the main characteristic of society. ■

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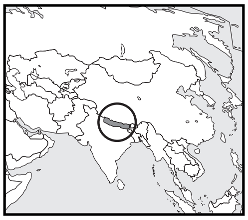
4 An insurer rated ‘BBB’ has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the insurer to meet its financial commitments. An insurer rated ‘BB’ is LESS VULNERABLE in the near term than other lower-rated insurers. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the insurer’s inadequate capacity to meet its financial commitments. Source: Standard and Poor’s Rating Definitions. *Cf.* www.standardandpoors.com

5 Obligatory social security system for the private sector; National Fund for Agricultural Credit; Real Estate and Hotel Credit.

Private capital not responsible for poverty

SARBA RAJ KHADKA



Nepal's overriding development challenge is widespread poverty. According to a recent government report, 38% of the country's 23 million people are below the absolute poverty line of USD 0.21 per day. Inequitable land distribution, dependency on external resources with conditionalities that often negatively influence the economy, external debt burden, unsatisfactory mobilisation of domestic resources, and a trade liberalisation model which does not benefit the poor, are all at the base of this dramatic situation.

Human rights amid social strife

In response to nearly six years of armed insurgency by the Nepal Communist (Maoist) Party, the government imposed a state of emergency on 26 November 2001. The insurgents were declared a terrorist group in an ordinance named *The Terrorism and Disruptive Activities Control and Punishment Ordinance* by His Majesty the King. Under the state of emergency, virtually all fundamental rights are suspended. Both sides in this conflict have violated human rights and nearly 2,600 people have been killed.[1]

All government security forces, including the military, have been mobilised to defeat the rebels. Due to the immense increase in the security expenditures, the government has decided to cut the development budget by 25%. Additionally, the government recently cut the Village Development Committee level grants by 50%.

Economic characteristics and poverty

Nepal is a land-locked, mountainous country with a *per capita* income of only USD 220.[2] About 90% of the population still lives in rural areas. Semi-feudal, subsistence agrarian systems, underemployment and low-productivity agriculture characterise the Nepali economic structure. Agriculture is the most important source of employment; 81% of the economically active population is employed in subsistence farming, which generates about 42 % of GDP.[3] The unemployment and underemployment rate in Nepal is around 52%.

The agriculture GDP grew annually by 2.3% during the last decade, but *per capita* agriculture GDP did not increase at all during the period. The service sector expenditure has grown considerably within the last decade. Nepal's overriding development challenge is widespread poverty. According to a recent government report, 38% of the country's 23 million people are below the absolute poverty line (USD 0.21 per day in Nepal). The government had committed to lowering this figure to 32% by the end of 2002, but this does not seem likely.

The main causes of poverty in Nepal are lack of access to assets such as land; inequity in education, and lack of social security; lack of government investment on development, poor productivity, widespread corruption and external debt burden. In addition, there are resource shortages within local governments, rising unemployment, unjust international trade relations, and lack of vibrant civil society movements, equal opportunity for all ethnic communities, and sensitivity to gender and child issues.

Inequality in land distribution

Since agriculture is the mainstay of the Nepalese economy, the majority of the people depend on land. Only 27% of the total land area is available for agricultural use.

Only 1.5% of families control 14% of total agricultural land; 70% of farm families hold 30.5% of farmland; 70% of households have less than one hectare and 33% have less than 0.5 ha; 15% households have no land. Consequently many people have limited access to productive land resources.

TABLE 1

Population below the poverty line

GEOGRAPHICAL REGIONS	POPULATION BELOW THE POVERTY LINE (%)		
	TOTAL	POOR	VERY POOR
Himal	56	23.3	26.7
Hill	41	21.3	19.7
Plain or Terai	42	28.7	13.3
URBAN AND RURAL AREA			
Urban	23	13.2	9.8
Rural	44	26.4	17.6
National average	**42**	**24.9**	**17.1**

Source: District Development Profile of Nepal, 2001. Informal Sector Research and Study Centre, Kathmandu, Nepal.

This inequitable land distribution and access to productive resources in the rural areas is a major cause of poverty, food insecurity and rural unemployment.

Women at the development crossroads

The Constitution promises equality for all, but there is still strong gender discrimination that isolates women from the mainstream of the development process. Discriminatory laws have denied women the right to proper reproductive health care and abortions. Approximately 200,000 women and girls are involved in prostitution. Illiteracy, poverty and conservative social practices have lead to a lack of entitlement to property and other resources and poor income and employment opportunities. Gender disparity in income

1 The government has killed 1,683 and the Maoists 910 according to the *Human Rights Yearbook*, Informal Sector Service Centre, 2002.

2 *Nepal Human Development Report-1998*, Nepal South Asia Centre, Kathmandu, Nepal, 1998.

3 *Economic Survey - Fiscal Year 2000/2001*, His Majesty's Government, Ministry of Finance, 2001.

TABLE 2

Land ownership in Nepal

SIZE OF LAND HOLDING (HECTARES)	HIMAL OR HIGH MOUNTAINS		HILLS		PLAINS OR TERAI		NATIONAL TOTAL	
	FARM FAMILY (%)	LAND OWNERSHIP (%)	FARM FAMILY (%)	LAND OWNERSHIP (%)	FARM FAMILY (%)	LAND OWNERSHIP (%)	FARM FAMILY (%)	LAND OWNERSHIP (%)
< 0.1	5.5	0.5	7.0	0.5	9.7	0.4	7.5	0.4
0.1 - 0.2	11.2	2.4	10.6	2.0	8.0	1.0	9.6	1.5
0.2 - 0.5	26.4	18.2	30.8	13.4	21.6	12.4	26.7	9.4
0.5 - 1.0	29.0	30.0	29.0	26.4	21.6	12.4	26.0	19.2
1.0 - 3.0	16.3	35.9	21.2	42.4	32.9	44.3	25.5	43.0
3.0 - 5.0	1.1	5.9	1.6	7.6	5.7	17.3	3.2	12.6
> 5.0	0.5	7.1	0.5	7.7	2.8	19.4	1.5	13.9

Source: His Majesty's Government of Nepal, High Level Commission on Land Reform, 2002.

distribution is acute due to male-dominated households. The absence of property rights for women and lack of pay for domestic work has also affected women adversely. A recent woman's property rights bill (2001) failed to grant equal property rights. The average global Gender-Related Development Index (GDI) is 2.3 times higher than Nepal's while the GDI for the developed countries is more than three times higher.

Eighty-eight percent of women in rural areas and 55% in urban areas are involved in agriculture. They still have a negligible presence in policy and bureaucratic arenas; representation in the House of Representatives (Lower House of Parliament) is 5.8% and in the National Assembly (Upper House of Parliament) is 13.3%. Though more than 40,000 women have entered local governments, thanks to a provision that guarantees them 20% of the seats, not a single female mayor or vice mayor has been elected. Few women head Village Development Committees (VDCs) and not a single woman has been elected to the post of District Development Committee Chairperson. The female literacy rate is 23%. About 60% of mothers suffer from anaemia. The maternal mortality rate is 875 per 100,000 live births, the highest in the world, and 90% of mothers do not get medical help during delivery. Few women are in the civil service system and only 9.1% of women are household heads.

One positive development is the organisation of women into community groups whose savings are pooled to maximise their buying power. Women are slowly beginning to make decisions in their communities.

Domestic resources and international domination

Nepal's growth averaged 3.9% per year from the 1970s but the high population growth rate of 2.27% means the economy grew only by 1.63 % *per capita* annually during the last 27 years. Gross domestic saving is very low, on average about 10% of the GDP during the last decade. The budgetary allocation for education increased from 9.5% in 1986 to 13.5% in 1997. For health, it went from 3% to 6%. Budgetary allocations for human priority sectors were approximately 3% of GNP.[4]

Although the budgetary allocation for the social sector has been increasing slowly every year, not all the expenditures have materialised. Several NGOs have injected financial resources into the social sector in such areas as rural infrastructure development, poverty alleviation, literacy and adult education, health education, health clinics, provision of family planning, maternity services, rehabilitation of sex-workers and street children, protection and promotion of human rights and the environment.

Since domestic resources are inadequate to meet the development challenges, the country has to depend largely on external resources. These external grants or loans inevitably come with conditions attached that often negatively influence the economic growth and well being of the majority of people in the country.

Trade is not a choice of the poor

New trade policies adopted in 1999-2000 favour export industries. Exports grew by 42.4% to USD 747.4 million in 1999-2000 compared with an 18.2% rise to USD 525 million in 1998-1999. Imports from India also rose by 27.4% in 1999-2000 over the previous year. The large-scale influx of products from neighbouring countries (mainly India) has captured all markets. The trade deficit in 1998-1999 decreased by 15.7% over the preceding year, but the deficit in 1999-2000 increased 6.7% as compared with 1998-1999.

Progress in trade liberalisation does not benefit the poor and marginalised communities, who continue to struggle to make a living. Moreover, the small and medium-sized producers are facing crises of confidence as the government fails to promote trade of their produce.

External debt: blessing or curse?

Nepal's total external debt burden for 2001-2002 is estimated at USD 2.76 billion, more than twice the annual budget of USD 1.33 billion. The *per capita* debt burden is USD 119.

Domestic resource mobilisation has not been satisfactory. The revenue as a percentage of GDP remained at 11.1% in 1998-1999. The flow of external loans began in the early sixties to finance the National Industrial Development Corporation. In 1970-1971, the share of external loans in total aid began to increase significantly, expanding about 71 times from 1975-1976 through 1996-1997. During 1997-1998 it reached 62.2% of total aid flow. Multilateral loans now constitute 88.1% of the loans received. This is likely to increase in the future because of the declining trend in bilateral aid commitment in recent years.

Private capital not responsible for social justice

Economic decentralisation, openness and market-oriented private sector development have been promoted since the late eighties. The Industrial Policy of 1992, the Eighth Plan (1992-1997), and the Privatisation Act of 1997 were introduced to foster private sector reform and restructuring in areas such as banking and finance, aviation, power, tourism, forestry, information technology, cooperatives, and civil society. The private sector has been recognised recently as the major actor in socio-economic development. The nation's development framework has been designed to involve greater participation by the private sector in nation building through the encouragement of a competitive system of resource utilisation and allocation. The share of the private sector in non-agricultural GDP rose 57.3% in 1990-1991 to 69.7% in 1998-1999 while the share of the government in non-agricultural GDP declined from 42.7% in 1990-1991 to 30.3% in 1998-1999.[5] These policies and programmes have failed to address the problems of the poor and marginalised, who are still excluded from the main development stream. ■

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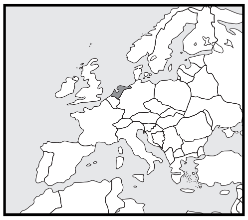
4 Ministry of Finance, 1997.

5 *Statistical Yearbook of Nepal 2001*, Central Bureau of Statistics, National Planning Commission, Kathmandu, Nepal, 2001.

NETHERLANDS

A rich society, a poor welfare state

Gerard Oude Engberink[1]



In response to the Copenhagen Summit in 1995, the Netherlands promised an intensified political effort to link social development and economic progress. Policies developed to satisfy this commitment have fallen short of their goal. Primarily to quell public discontent, the government has taken marginal steps towards mitigating the most obvious negative consequences of "restructuring" the economy and the collective sector, but these steps have been inadequate to meet social needs.

Since Copenhagen, political opportunities have been favourable and financial resources abundant. However, the economic and social gap between the prosperous part of society and a large number of "marginal households" does not tend to close, which is a matter of serious concern. Increasing economic activity in the last decade has reduced the number of poor households, but those who stayed poor are faced with bigger problems. Unemployment decreased to pre-recession levels, but those who remained unemployed saw their prospects of finding a decent job declining. While the wealth of the majority of households reached unexpected levels, public spending for welfare lagged behind national prosperity levels. Public assistance, health care, education, special housing arrangements for vulnerable groups and other public sector provisions fell to a questionable level of coverage and quality, even though spending in some areas may have risen in absolute terms. At public opinion level it is frequently stated that the Netherlands is "a rich society in a poor welfare state".

Many elderly people, single-parent households, ethnic minorities, and women and children are still at the bottom of the social ladder, and they are now joined by refugees, asylum-seekers, and undocumented people.

A vicious circle

Three trends in Dutch politics, each reinforcing the other, combine to prevent the promotion of social development.

In the first place, economic interests continue to take priority over social needs, as evidenced by the restructuring of state financial arrangements to increase investment in economic infrastructure, reduce state debts, and fuel investment and consumption through tax cuts – all measures designed to maintain a competitive position in the world market.

Secondly, to free funds for economic development, spending in the social sector has been cut by reorganising and shrinking the welfare system throughout the 1980s and 1990s. Efficiency measures and privatisation schemes were introduced, the latter to cut costs by bringing social programmes under the "discipline of the market". Many of these increased relative poverty and widened the gap between welfare recipients and the employed, dynamic part of society.

Thirdly, government policies to redress the unwanted consequences of reductions in welfare spending have been piecemeal, directed at specific hardships and specific target groups. Because policies have been marginal, never mainstreamed, they have not succeeded in linking social development to economic progress.

Guiding this incoherent social policy has been a shifting political ideology that increasingly and often unwittingly measures social values in economic terms: human beings are seen as economic assets.

Critical domestic policy sectors

The policy problem in the Netherlands can be summed up thus: while the national government cuts social spending, it tries to cushion the most painful and publicised negative effects of the cuts with limited, targeted measures that do not threaten the overall reduction plan.

Social assistance schemes are the most important instrument in the Netherlands for combating poverty. While benefits have been cut and the number of claimants reduced by raising entitlement thresholds, new anti-poverty policies have been introduced for particular groups such as the elderly and single-parent households. The main anti-poverty strategy continues to be to get unemployed and poor people into the regular labour market, where they find jobs at the lowest wage levels. In a remarkable number of cases the new employees' earned wages are actually lower than their former social benefits. This situation leads the government to focus almost exclusively on policies to repair this incongruity between the world of benefits and the world of wages by a complex set of tax measures. And for many people, working for a wage is not a solution: many elderly, disabled and others have little to offer in the labour market.

The statistical consequence of additional income policies for certain groups has been a decline in the number of low-income households, while the financial situation of those on or under the poverty line deteriorated because of higher prices. Moreover, wages of the employed rose faster than the price for consumer goods and services, while the purchasing power of benefits lagged far behind, thus widening the gap between the prosperous and the poor.

Recent research found that the number of children in poverty in the Netherlands has risen considerably.[2] Furthermore, poverty seems to affect primarily women –"the feminisation of poverty"– and increasingly, households

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2 E. Snel, T. van der Hoek and Tessa Tiziana. "Kinderen in Armoede. Opgroeien in de marge van Nederland" (Children in Poverty: Growing up in the margins of Holland). van Gorcum, Assen, 2001.

of ethnic minority origin. The most recent *Poverty Monitor* found 40% of all ethnic minority were low-income households, one in six of these chronically.[3]

The national government sought to curb rising health care costs by increasing people's contributions for certain medicines and treatments, "cleaning up" the package of provisions by which low-income households are collectively insured, and implementing efficiency measures and privatisation in hospitals and other care institutions. This resulted in an overall decline in the availability and quality of care in hospitals and homes for the elderly and the disabled. At the same time, because of the aging and the changing composition of the Dutch population the need for medical intervention rose rapidly. Especially vulnerable were psychiatric and disabled patients, who earlier lived in "protected housing" in between institutions and the "open society". They now have to find their own places in the housing market and often glide into homelessness. The quality of Dutch health care, once among the highest in the European Union, has fallen to the EU average.

While there is no real housing shortage in a quantitative sense, privatisation, liberalisation and the resulting rising rents keep quality housing beyond the reach of low-income households. This problem primarily affects the unemployed, ethnic minorities with large families, recent immigrants and "young starters on the housing market," who frequently find themselves in severe debt with the landlords and energy companies. Unsanitary private hostels house many of the poor, especially in the large cities.

A telling fact is the rise in the number of homeless and the changing composition of this group. In earlier days the homeless were primarily older males with social and addiction problems. Now women, children and whole families have to resort to the reception centres of the local authorities or non-governmental organisations. The national government plans additional funding to at least partially satisfy the increasing need for "bed and breakfast" for these groups, but the amount allocated is inadequate according to experts in the field.

The situation in the field of education has been succinctly described by a Dutch labour union in the following terms: "School buildings are getting dilapidated, staff salaries are lagging behind and the work pressure [because of a shortage of teachers and support personnel and a high rate of absenteeism due to illness] is intolerable."[4] The education system has been in reorganisation for almost 30 years, in an attempt to reduce costs and promote efficiency. Buildings are sub-standard; many teachers feel themselves underpaid and undervalued and leave for more profitable sectors; overall quality is declining. In the last two years the government made some additional funding available to satisfy teacher demands, but experts claim that huge investments are needed to halt the decline of Dutch schools.

Official Development Assistance: NLG 70 million less

The principle aim of Dutch development cooperation policy is sustainable poverty reduction. A sum of NLG 8.2 billion (USD 3.3 billion) was earmarked for this policy in 2001, NLG 600 million more than the year before, the total amount equalling 0.8% of GNP. Approximately a third (USD 1.09 billion) of the 2001 development budget was reserved for bilateral cooperation with 20 priority countries: Bangladesh, Bolivia, Burkina Faso, Egypt, Eritrea, Ethiopia, Ghana, India, Indonesia, Macedonia, Mali, Mozambique, Nicaragua, South Africa, Sri Lanka, Tanzania, Uganda, Vietnam, Yemen and Zambia.

In 17 of these 20 countries, aid is focused on social development, especially education and health. Although the financial aid to education has increased in the past years, the Netherlands Organisation for International Development advocates an increase in the contribution to basic education in order to reach the "Education for All"' target. In addition the Global Campaign for Education, a worldwide alliance of NGO's and educational unions, is working to develop a Global Initiative aimed at mobilising additional aid for education, guaranteeing the formulation of national education plans in cooperation with civil society, and monitoring the implementation of educational policies for all target groups. As a result of this campaign, the World Bank took the initiative of developing a multilateral fund for education.

In 2000, multilateral support (30% of the overall budget) was subject to review. The government wants to push the UN organisations and the International Financial Institutions to improve their mutual co-operation, to concentrate on key activities particularly in the poorest countries and to improve monitoring and evaluation systems.

To underline the importance of donor coordination, the Dutch Foreign Minister now takes part in the Utstein Group together with development ministers from Norway, Germany, and the United Kingdom. The group formulated an agenda to collaborate on several key development issues and made a joint visit to Tanzania, the World Bank and the IMF to put the promise of more donor coordination into practice.

At the last meeting of development ministers of the EU on 8 November 2001, all member states agreed to meet the target of 0.7% of GNP for ODA. Dutch NGO's have criticised this agreement because it allows countries to count tax refunds to individual charities as part of their national ODA contribution. For the Netherlands this will mean NLG 70 million less than the present level of ODA.

Conclusion

National policies to restructure and modernise the welfare system have not succeeded in closing the gap between the employed and the recipients of public benefits. The causes for this failure include the priority given to public investment in economic infrastructure and productivity, the government's commitment to the promotion of the international competitiveness of the Dutch economy, and the persistent belief that employment will eventually reduce poverty and promote sustainable development and social cohesion. Though the number of poor families decreased overall, the plight of those who cannot compete in the employment market remains grim. New and vulnerable groups, whose condition may be even worse than that of the "regular" welfare recipients, have joined the elderly, the disabled, and women and children at the bottom of the economic ladder. Dutch poverty is poverty amidst plenty. ■

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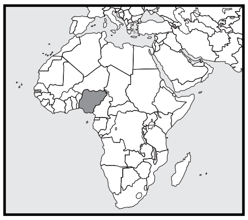
3 CBS/SCP. Poverty Monitor 2001. SDU, The Hague, 2001.

4 CNV (Christian National Labour Union) in a press release on 19 September 2001 in reaction to the presentation of the 2002 budget of the national government.

The economy in a coma

Ray Onyegu[1] Basil Ugochukwu
Shola Akinbode Josephine Chukwuma



In spite of the good intentions contained in goals and policies, the economy is in a critical situation, with a combination of different factors such as depreciation of the naira, huge budgetary cuts, debt burden, high unemployment, investment contraction, banks' speculation and lack of transparency.

Nigeria is the sixth largest oil producer in the world. The price of crude oil, the mainstay of the Nigerian economy, which accounts for more than 90% of its annual income, has crashed. The budget proposed for 2002 is 30% less than the 2001 budget. The external debt burden makes problems worse.

There is a dispute among officials in the Nigerian government and the major international financial institutions, including the International Monetary Fund (IMF), World Bank and Paris Club, about the actual size of the debt. President Olusegun Obasanjo maintains that Nigeria's external debt stands at USD 22 billion. According to the account books of his Vice President and Minister of Finance, however, Nigeria owes its foreign creditors USD 28 billion. The IMF, through its Director of African Affairs, G.E. Gondwe, insists that Nigeria owes USD 32 billion. Meanwhile, Nigeria has so far repaid USD 17 billion and spent USD 1.3 billion in 2001 in debt service alone.

One terrible feature of foreign debts is the interest and penalties attached to them. Penalties accrue if interest becomes due and is not paid. When this occurs, subsequent payments are used to service the penalty while interest remains untouched. This ensures that no Third World debtor country is ever able to pay all its debts. The national economy is affected by this state of affairs and the citizens remain victims to the machinations of the World Bank, the IMF and the Paris Club. Meanwhile, funds are unavailable for development in Nigeria.

Budgets: easier said than done

The national budgets of the last ten years have retained certain common goals and policies, namely:

- Alleviate poverty by fostering opportunities for job creation;
- Achieve high economic growth through better mobilisation and prudent use of economic resources;
- Build a strong economy by encouraging private sector participation;
- Ensure good governance by transforming development administration into a service and result-oriented system.

While the goals cannot be faulted, the means for their achievement, that is, the budgetary allocations, paint quite a different picture. Good intentions could not be matched with actions because the economy of Nigeria, during the period under reference, has remained comatose. The value of the national currency, the naira, has been declining. When the civilian administration of President Olusegun Obasanjo came to power in 1999, the exchange rate was NGN 85 to USD 1. Two years later in 2001, the naira had so depreciated that USD 1 could buy NGN 114.50 in the official markets and NGN 138 in the parallel market.[2]

Budgetary cuts and unproductive investment

The economy is currently characterised by a modest inflation rate, high interest rates (tight money), low capacity utilisation and embarrassingly high unemployment. The economy needs expansionary policies to stimulate economic growth and generate new jobs. But the 2002 budget proposes a whopping 38% cut in capital expenditures from the 2001 level. Add this to huge allocations of NGN 49.6 billion to a peace time army, NGN 28.4 billion to the presidency, and NGN 10 billion to the National Identity Card Project, all of which are unproductive sectors, and the following questions arise: how much real investment does Nigeria have, what will be the source of economic growth, and where will new jobs come from?

Let us look at it in another way. With capital expenditures in 2001 of NGN 414 billion, the economy came nowhere near the growth target of 5%. With a contraction of 38% in the 2002 budget, to expect that rate is wishful thinking, to say the least.

Be it noted that though NGN 414 billion was budgeted in 2001 for capital spending, only the first quarter allocation was actually disbursed; in the second quarter only 50% disbursement was recorded. In 2002, capital expenditures have been cut drastically. This suggests some fear that capital spending will cause inflation. The government has apparently chosen to sacrifice expansion of the economy and jobs in order to control inflation. This is shortsighted, because a lot of unproductive spending has been moved over to personnel, defence, the presidency and the National Identity Card Project. In other words the prospects for wanton inflation are now brighter.

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2 At the time of writing this report, the official exchange rate was USD 1=NGN 114.

Lack of transparency: opportunity for embezzlement of funds

The greatest problem facing the budgetary process in Nigeria is its management. Amazingly, the Minister of Finance told members of the National Assembly that he had disbursed 80% of allocated funds, and a few minutes later told National Assembly correspondents that he had disbursed only 58% of these funds. In the same vein, the figures he released as disbursements to the ministries differed substantially from what the ministries acknowledged having received. Also, the records of the National Assembly showed that allocations to the Ministry of Works and Housing stood at NGN 94 billion, while the minister's record spoke of NGN 74 billion. If ordinary budget allocation figures are in doubt, what about the revenues? Is it really possible in this climate of uncertainty to know exactly how much revenue the government collects? This is the crux of the problem: lack of transparency. The seeming confusion creates room for misapplication of funds; call it embezzlement if you will.

Why does the executive branch pay no attention to appropriation bills? After the National Assembly goes through all the motions of debating and passing bills, the executive branch dumps them and implements the budget as it pleases. For instance, instead of NGN 20.5 billion allocation for defence in the 2001 budget, the executive branch disbursed NGN 31.4 billion. In other cases, less than 50% of allocated funds were disbursed. It happened in 2000, it happened in 2001, and it will happen again in 2002. Why? If budgeted revenues are not realised, or if government is afraid that it might worsen the liquidity crisis, the National Assembly should be informed.

In the government's striving to build a strong economy, it seems strange that no attention is paid to the prevailing exchange rate regulations. The budget talks about stabilising the exchange rate; but of more relevance is standardisation of exchange rate rules. The existence of two widely divergent exchange rates has given rise to massive "round-tripping" by the nation's banks, a practice that has brought banks wealth without work!

What poverty are we alleviating?

It is idle talk to project increased capacity utilisation for our industries, creation of new jobs, encouragement for agriculture and small- and medium-scale enterprises without taking the required measures to control the wholesale dumping of foreign manufactured goods in our domestic market. These foreign-manufactured goods are heavily subsidised, and their producers are more efficient as a result of superior infrastructures and factory inputs. Our local producers, since they do not enjoy such facilities, are disadvantaged and cannot compete; they are easily crowded out by the cheap imports. To continue to keep our borders open to all manner of imports in deference to the World Trade Organisation (WTO) is to lay the Nigerian people open to economic exploitation.

The greatest betrayal of the Nigerian people in the proposed 2002 budget is in allocations to the agricultural sector. Though Nigerian agriculture has been neglected and is in dire straits, it still contributes the lion's share to employment and the GDP (33%). Since one of the cardinal objectives of the 2002 budget is the alleviation of poverty, one would have expected the allocation to agriculture to reflect this intention. Instead, we find the allocation to agriculture to be a paltry NGN 3.8 billion, about one-third of what is allocated to that white elephant – that endless watering hole – the National Identity Card Project, which is of no use to hungry Nigerians.

To further signal to poor Nigerians that they will have no respite come 2002, the government now intends to sell crude petroleum to NNPC.[3] at the international price of USD18 per barrel. That means that, come 2002, Nigerians should be ready to swallow a pump price of about NGN 40 per litre.

In the face of all this, what poverty are we alleviating?. The fear of capital spending shows an inclination towards a "monetarist" economic view. As human rights advocates, we really have no problem in choosing sides in the welfarist-monetarist divide. It is simply a matter of equity that people should have jobs; inflation can be contained. ■

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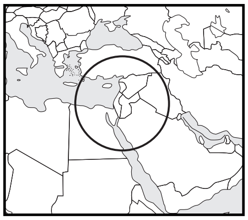
3 In 1971, Nigeria joined OPEC and in line with OPEC resolutions, the Nigerian National Oil Corporation (NNOC) was established, later becoming Nigerian National Petroleum Corporation (NNPC) in 1977. This giant parastatal, with all its subsidiary companies, controls and dominates all sectors of the oil industry, both upstream and downstream.

A humanitarian crisis

IZZAT ABDUL-HADI
THOMAS WHITE



Palestinian social development deteriorated significantly in 2001 into what is now a humanitarian crisis. Until measures are taken that impel Israel to desist in its military policies of siege, economic strangulation and assault against Palestinians in the Occupied Territories, the crisis will continue.

Israeli occupation forces and settlers have killed 934 Palestinians since September 2000 and 602 Palestinians in 2001. In the same period, Israeli forces injured fully one per cent of the entire Palestinian population in the West Bank and Gaza (WBG).[1] Throughout 2001, the Palestinian National Authority (PNA) and the Palestinian people struggled to maintain the level of social development in the Occupied Territories despite Israeli siege and assault. The PNA, working in conjunction with individual Palestinians, have slowed the inevitable slide into what is now a humanitarian crisis brought on by Israeli occupation forces. Palestinian social development deteriorated significantly in 2001. Until measures are taken that impel Israel to desist in its military policies of siege, economic strangulation and assault against Palestinians in the Occupied Territories, the decline in Palestinian social development will continue.

The impact of the siege on Palestinian social development

Shortly after the beginning of the Palestinian uprising against Israeli occupation, the Israeli army moved against the civilian population in the WBG. Israeli military forces upgraded their closure of Palestinian areas, imposed since 1996, to a self-described policy of "siege." The Israeli siege of WBG has continued unabated, splitting Palestinian territory into 130 isolated pockets of land and denying freedom of movement both inside and between the WBG, between the WBG and other countries, and between the West Bank and Jerusalem, the economic heart of Palestine.[2] In a recent report, the United Nations Special Coordinator's Office (UNSCO) argued that the siege is "a form of collective punishment for the Palestinian population [that] cannot be sustained because of security considerations."[3]

The Palestinian economy has suffered under the Israeli siege. The economic production came to a standstill in 2001 and, by the end of year, 50% of the Palestinian population was below the poverty line, an increase of nearly 100% since September 2000.[4] Palestinian real GDP declined by 12% in 2001 and 19% since September 2000. Gross National Income (GNI) losses as a result of Israeli closure reached USD 2.4 billion by the end of 2001.

Unemployment had risen to 28%,[5] although World Bank estimates place it at 33% in June 2001 with the addition of natural population growth.[6] A recent survey of household incomes by the Palestinian Central Bureau of Statistics in July and August 2001 indicated that 10.1% of West Bank households had lost all sources of income since September 2000 and 47.7% report a loss of over 50% of their usual income since the beginning of the uprising.[7]

Israeli closure has severely hampered access of Palestinians to health care. In Gaza, 62.5% of households report "they have faced problems [accessing] health resources due to Israeli closure."[8] Palestinian health conditions are exacerbated by the physical aggravation of patients in vehicles forced to take off-road transport to hospitals, increased costs of medical transport, increased time getting patients to treatment, and poor checkpoint management by the Israeli military.[9] By November 2001, the Palestine Red Crescent Society reported 274 instances in which their ambulances were denied access to Palestinian areas and 163 attacks against their fleet of 85 ambulances. Hospitals have come under Israeli gunfire, and movement restriction has caused deaths at checkpoints.[10] Medical goods are in short supply and access is often denied at Israeli checkpoints. Israeli closures have also significantly reduced Palestinian access to safe water resources.[11] In a February 2001 press release, the International Committee of the Red Cross (ICRC) stated, "There have…been incidents where vital medical assistance was denied, or delayed, thereby causing serious aggravations of individual medical conditions."[12]

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1 See http://www.palestinemonitor.org/factsheet/Palestinian_killed_fact_sheet.htm. Information made available from ongoing monitoring by the Health Development Information and Policy Institute (HDIP) is also available through http://www.hdip.org.

2 Freedom of movement here includes both personal movement and movement of goods.

3 Collective punishment is outlawed by the 4th Geneva Convention Article 33, which states, "Collective penalties and likewise all measures of intimidation or of terrorism are prohibited." Quote taken from UNSCO "UNSCO Closure Update Summary: Impact on the Palestinian Economy of Confrontation, Border Closures and Mobility Restrictions, 1 October to 30 June 2001," 2001, p. 2.

4 *Ibid.* p. 1. Figure is an UNSCO estimate from late in 2001.

5 Bocco, R., M. Brunner and J. Rabah, "International and Local Aid during the second Intifada," Graduate Institute of Development Studies: University of Geneva, report done in collaboration with the Jerusalem Media & Communication Centre (JMCC), July 2001.

6 Figures on GDP, GNI and unemployment are from World Bank Draft Report "One Year of Intifada - The Palestinian Economy in Crisis," World Bank, November 2001.

7 Palestinian Central Bureau of Statistics, "Impact of the Israeli Measures on the Economic Conditions of Palestinian Households (3rd Round: July-August, 2001)" PCBS, 2001, p. 5. Available at http://www.pcbs.org.

8 *Ibid.*

9 B'Tselem: the Israeli Information Center for Human Rights in the Occupied Territories, "No Way Out: Medical Implications of Israel's Siege Policy," B'Tselem: Jerusalem, June 2001.

10 Union of Palestinian Medical Relief Committees (UPMRC) "Healthcare Under Siege II: The Health Situation of Palestinians During the First four months of the Intifada (28 September 2000-28 January 2001)", p. 12. See www.upmrc.org.

11 B'Tselem, "Not Even a Drop: The Water Crisis in Palestinian Villages Without a Water Network," B'Tselem: Jerusalem, 2001, p. 6.

12 ICRC Press Release, 26 February 2001.

The Israeli siege severely hampers the access of Palestinian children and youth to education. By July 2001, the siege had "prevented 10% to 90% of teachers from reaching educational institutions."[13] Israeli shelling since September 2001 has damaged over 400 Palestinian schools, or over 22% of all primary and secondary schools in WBG.[14] Over 542,000 Palestinian students have been denied access to schooling in 2001.[15] By July 2001, 90 students had been killed, at least 2151 shot and injured, and 76 had been arrested indefinitely.[16] A November 2001 policy paper by the Bisan Center for Research and Development stated "All Palestinian youth are subject to the closures, which restrict the movement of teachers, students, and administrators, as well as the distribution of teaching and learning materials, regardless of their social position or physical location."[17]

The impacts of the Israeli siege are especially difficult for disenfranchised groups. Nearly a third of those killed by the Israeli army and settlers are under the age of 18.[18] According to the Gaza Community Mental Health Programme (GCMHP), many Palestinian children suffer from Post Traumatic Stress Disorder (PTSD) including symptoms like isolation, stomach pains, bedwetting, aggression, sleeping disorders, headaches and eating disorders.[19] As a result of increasing unemployment and lack of access of male workers to Israeli labour markets, the burden of economic production and support of the family has fallen on the shoulders of women. The combination of traditional patriarchal norms with the overall absence of Palestinian men–be it through work overseas, imprisonment or unemployment—leads Palestinian women to suffer the brunt of poverty and responsibility over the household.[20] Besides worrying over their children, women suffer increased domestic violence.[21]

The Palestinian response

Amid a chorus of Israeli complaints that the Palestinian National Authority is "not doing enough," Israel has done everything in its power to undermine the ability of the PNA to act. This has included hundreds of invasions into Palestinian controlled areas, the wholesale destruction of Palestinian infrastructure, and the re-occupation of many areas of the West Bank and Gaza Strip that were under PNA control as a result of agreements reached since the 1993 Oslo Accords.

Given the PNA crisis of income[22] due to frozen tax receipts and the destruction of PNA infrastructure[23] and ability to act, the responses of the PNA in 2001 to Israeli attacks on social development have been laudable. In November 2001, the World Bank stated, "Faced by unenviable alternatives, the PA's overall fiscal management response has been sound."

In the health sector, the Ministry of Health (MOH) has responded to financial difficulties on the part of patients by reducing or waiving fees. Because of lack of mobility, the MOH implemented a strategy of "decentralisation" whereby local health clinics were given additional authority. In addition, the MOH worked to increase medical funding through both PNA clinics and NGO clinics. Strategies employed by the MOH to confront the health crisis included the purchasing of drugs on credit from local suppliers, coordination of medical efforts with national and international NGOs, the promotion of home care, and the development of mobile health teams.

The Ministry of Education (MOE) has worked to prop up the ailing educational sector. At the beginning of 2001, the MOE developed a Committee for Emergencies along with an Emergency Plan to disburse USD 13 million to cover operating costs, rehabilitation of schools, counseling and remedial education, first aid and fire equipment for schools. In addition, the MOE worked in conjunction with municipalities and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to decentralise school authority and reorganise students and teachers across districts in response to the siege. In response to the inability of schools to cover costs, many teachers have worked through 2001 with reduced wages in order to keep schools open.

The response of everyday Palestinians to the crisis has also been significant. A Birzeit University study found that more than 80% of households used expenditure reduction as a means of coping with the economic crisis.[24] More than half the population delayed or refinanced payments of debts and liabilities.[25] Other household coping strategies included reducing consumption, intensification of household production, selling of assets, borrowing to pay for expenditures and refinancing of existing loans.[26] Other reactions to the crisis include a re-introduction of agricultural production to prop up food stores and the sending of relatives overseas to work for remittances.[27]

The international community must act

Social development is under attack in the Palestinian Territories. With the refocusing of world attention on terrorism following the September 11 attacks, the PNA has come under increasing global pressure to curb Palestinian militants. Yet in the face of this pressure, the PNA and the Palestinian people have suffered Israeli military and economic onslaught for 15 months. Promoting social development in Palestine requires action on the part of those who have the most significant impact on social development in Palestine. Israeli actions since the beginning of 2001 have clearly illustrated Israel's power to determine and destroy social development in Palestine. For the current crisis in Palestinian social development to subside, the international community must recognise Israeli state violence against Palestinian civilians. Intermediate measures should include the deployment of an international protection force for Palestinians in the Occupied Territories. A viable, prosperous and sovereign state in the Occupied Territories is necessary to improve social development in Palestine. ■

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13 Dima Al-Samman, head of the Media Department at the Ministry of Education as quoted in a Palestine Media Center Press Release, 16 July 2001.

14 World Bank Draft Report , *op.cit.* footnote 6, p. 48.

15 Palestinian Central Bureau of Statistics. See www.pcbs.org.

16 Palestinian Media Center Press Release, "The Impact of Israeli Aggression on Palestinian Education," 16 July 2001.

17 Bisan Center for Research and Development, "Draft Youth Issues Policy Paper: Ramallah-Al-Bireh District," submitted to TAMKEEN: Civil Society and Democracy Strengthening Project: Ramallah, November 2001.

18 See www.palestinemonitor.org/factsheet/Palestinian_killed_fact_sheet.htm.

19 Fecci, J., "The Al-Aqsa Intifada: The Unseen Consequences of Violence on Palestinian Women and Children," Washington Report on Middle East Affairs, February 2001. See www.washington-report.org/backissues/010201/ 0101009.html.

20 Giacaman *et al.* "For the Common Good?: Gender and Social Citizenship in Palestine in S. Joseph and S. Slyomovics" eds. *Women and Power in the Middle East*, University of Pennsylvania Press: Philadelphia, 2001, p. 129.

21 Fecci, J., *op. cit.*

22 Since December 2000, the Israeli government has frozen tax receipts to the PNA. As a result, the Palestinian Authority faced a 76% decline in revenues between the end of 2000 and the beginning of 2001. Word Bank Draft Report, *op. cit.* footnote 6, p. 25.

23 A remarkable example is the invasion and trashing of the Palestinian Central Bureau of Statistics by the Israeli Army on 5-6 December 2001. See www.pcbs.org.

24 Birzeit University, "Public Opinion Poll 3," February 2001.

25 Palestinian Central Bureau of Statistics (PCBS) Survey, July 2001. See www.pcbs.org.

26 UNSCO, "Report on the Palestinian Economy," Spring 2001, p. 29.

27 World Bank Draft Report, *op.cit.* footnote 6, p. 40.

Between stagnation and inequity

Susana Aldana
Luis Ortiz

Economic stagnation, tax deficit, scant public investment and inequitable and inefficient social expenditure are conjoined in a context of increasing poverty, unemployment and underemployment and persistent gender inequality.

A recesive scenario

For the third year running, Paraguay's economic growth will be approximately 0.5%, far below the population growth rate of (2.5-3%) and below the 2% growth rate projected at the beginning of 2001.

This lack of dynamism in the economy stems from a decline in importance of traditional crops and from a drastic reduction in triangulation trade. Only 2% of Paraguayan exports are rated as high or medium technology products. Fully 85% of exports come from the primary sector with little or no added value.

According to the Central Bank of Paraguay, the GDP in 2000 was PYG 26,920,974 million (current currency), equivalent to USD 7,727 million. The *per capita* GDP, which had decreased gradually since 1998, was USD 1,406, one of the lowest in the region.[1]

In 1999, Paraguay devoted 8.2% of GDP, or 28.9% of total public expenditure, to social services. The amount going to basic social services was only 2.4% of GDP. In the period 1995-98, GDP devoted to basic social services (education, health and sanitation) represented 2.12%. Of this total expenditure, 79.1% went to basic education (USD 33 *per capita)*, 18.8% to public health (USD 8 *per capita*) and the remaining 2.1% to drinking water and basic sanitation (USD 1 *per capita*).[2]

Employment and under-employment on the rise

In 2000, of an economically active population (EAP) of 2,560,608 people, 35.2% was employed in agriculture, animal husbandry, hunting and fishing.[3] This shows a relative importance of the work force in the primary sector.[4] Fifty-two per cent of the EAP works in the service sector, representing 52% of the GDP.

The Paraguayan economy depends largely on independent labour, in which self-employed workers predominate (36%), followed by non-remunerated family workers (15%) and employers or bosses (6%).[5]

The unemployment rate for the EAP was 7.3% in 2000. This was an increase from 1999, when it was 6.8%. Broken down by sex, the unemployment rate is 6.6% for men and 8.4% for women. The rate of participation in economic activity is significantly higher for men (79.1%) than for women (49.0%). This indicates gender inequity in the labour force: fewer women participating in economic activity and a greater proportion of unemployed women.

According to the DGEEC (General Statistics, Surveys and Census Office), underemployment grew from 17.6% in 1999 to 21.6% in 2000, reflecting the economic stagnation that has prevailed in the country since 1996. Underemployment in the urban area increased due to the increase in the unemployed by income and hours worked, and in the rural area due to an increase in the unemployed by income, as seen in Table 1.

TABLE 1

Underemployment rates in Paraguay

	1999		2000	
	URBAN	RURAL	URBAN	RURAL
Visible underemployment (%)	5.3	7.1	8.2	9.9
Invisible underemployment (%)	12.2	10.5	15.1	9.6
Total underemployment (%)	17.6	17.6	23.3	19.5

Source: General Statistics, Surveys and Census Office (DGEEC, 2001).

Women's participation in the labour market

The Integrated Household Survey for 1997-98 data show a greater participation of men in the labour market: 74.4% versus 41.4% for women. This trend is maintained in urban and rural areas: 73.5% versus 48.6% in urban areas and 75.6% versus 31.4% in rural areas.

In Paraguay, the rate of employment doubles among workers with a higher education relative to those who do not have education. This effect is greater for women as they pass from secondary to higher education: in urban areas, employment among educated women increases from 53.5% to 80.4% and in rural areas, it increases from 37.6% to 85.3%.

EAP classification by occupational groups shows the difference between men and women regarding behaviour of the labour market. In urban areas, women are concentrated in personal services (domestic help: gardeners, maids, cooks, nannies, etc.), trades, sales and similar occupations and men are distributed over a wider spectrum of labour options. This confirms that professional segregation exists in Paraguay.

1 Central Bank of Paraguay. *Boletín de Cuentas Nacionales*. Asuncion. 2001.

2 United Nations System. *Visión Conjunta de la Situación Paraguay 2001*. Asuncion, 2001. p. 19. USD equivalents are calculated in 1996 exchange rates.

3 General Statistics, Surveys and Census Office (DGEEC), *Encuesta Integrada de Hogares 2000/2001*, Fernando de la Mora, 2001.

4 *Ibid.*

5 Gladis, Benegas. "Derecho al empleo". In *Informe Derechos Humanos en Paraguay 2001.* Asuncion, CODEHUPY, 2001. p. 366.

Unequal income favouring men is shown more clearly in urban areas, where women earn on average 74% of what men earn. The income gap varies according to type of activity. In personal and communal services, where 43% of women workers are concentrated, women earn on average 61% of what men earn.

Gender inequality

Regarding access to power, there are serious conditions of discrimination. Women hold only 15.8% of government posts. Women hold only 8% of parliamentary seats, 12% of leadership posts in political parties and 9.7% in social organisations.

Progress has been made in the participation of women in school enrolment, but the illiteracy rate for people age 10 and above continues to be higher for women (10.7%) than for men (7%). The average number of years of study for people age 25 and over is almost equal at 6 and 6.5 years respectively.[6]

Public expenditure, social expenditure and tax deficit

Between January and November of 2001, the government collected taxes amounting to USD 554 million. Over the same period, it allocated a total of USD 655 million for payments to active and retired civil servants. Taxes covered 84% of these payments, with the remainder paid by funds from trade and royalties from the bi-national hydroelectric companies (Itaipú and Yacyreta).

Defence spending in 2001 was PYG 262,493 million (approx. USD 57 million) of which 83.1% was allocated to Personal Services (salaries, allowances, bonuses, etc.). The budget for the armed forces increased by over 400% between 1989 and 2001.[7]

The consolidated non-financial public sector had a 20% share of the *economic pie* in 1989. This share increased to approximately 30% in 1997, showing the accelerated growth of the public sector participation in the economy over the past decade.

In 1999, government operating costs including wages, salaries, compensations, and daily expense allowances grew in real terms by 15%, while the GDP grew by only 1%. The state pension system collapsed from lack of funding. In 1998, the deficit was approximately USD 100 million and in 1999, it was PYG 381 billion (USD 110 million).

Royalties from the Itaipu hydro-electric power project have had to be allocated to the government's fixed running costs (such as salaries and pensions), to the detriment of investment. Public investment always suffers when funds are in short supply. Sixty-three per cent of public investment is financed by foreign savings, 19% by company savings, 17% by government savings and 1% by family savings.

The capacity to generate domestic savings as a source of Gross Domestic Investment has deteriorated since 1989. Foreign savings in 1999 amounted to 16% of the GDP while domestic savings for the same year were –2% of the GDP. This implies that over that period, Paraguayan homes became indebted in order to consume. This is a serious matter and a major effort will have to be made to reverse the process.

In terms of income, a decreasing trend is observed. In 1998, the deficit was approximately PYG 500 billion (USD 178.6 million), which was covered by issuing treasury bonds and increasing domestic indebtedness. In 1999, the central government's deficit represented 3.5% of the GDP.

Current income is 14.8% of GDP and public debt is 2.1% of GDP. Current expenditure rose by 8% over the last three years in relation to the GDP and tax income fell by 6%.

In 2002, salary payments to civil servants and payments on foreign debt capital and service will amount to 95% of state income for that business year.

Foreign debt and public expenditure

Paraguay's foreign indebtedness is lower than in the rest of Latin American and lower than in other developing countries in general.

Foreign debt, amounting to 32% of the GDP in 1990, was reduced to 28% in 1999. In 2000, the public debt balance of USD 2,223 million increased by USD 52.9 million. Royalties from Itaipu and Yacyreta were used to pay 99% of the public debt service.[8]

Rural poverty and children's poverty

According to data from the Permanent Household Survey for 1999,[9] 33.7% of the population (1.9 million people) lives with an income under the poverty level. Of this number, 876,000 individuals (46%) live in extreme poverty, *ie*, their income is not sufficient to cover their basic food needs.

Poverty is distributed differentially among the urban and rural zones: six out of ten poor people live in rural areas. Poverty particularly affects children and adolescents: 937,000 boys and girls, 42% of the total population between the ages of 0 and 14, lives in poverty, that is to say a greater proportion than the total poor population of the country (33.7%). Furthermore, 63.2% of Paraguay's children between 0 and 6 years of age show at least one unsatisfied basic need.

Finally, regarding aspects of efficiency and equity in social expenditure, despite efforts to assign more resources, neither of these aspects has improved regarding basic social services. ■

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6 Technical Planning Secretariat, *Diagnóstico Sociodemográfico del Paraguay*, Asuncion, 2000.

7 Newspaper *ABC Color*, Asuncion. 30 May 2001, p. 14.

8 *Noticias El Diario*, Asuncion, 17 September 2001, p. 23.

9 DGEEC, *Encuesta Permanente de Hogares 1999*, Fernando de la Mora, 2000.

Change or poverty: that´s the question

HÉCTOR BÉJAR

The Fujimori period was characterised by an economy at the service of large foreign companies, proliferation and fragmentation of social programmes, political manipulation of funds intended to alleviate poverty, centralism, authoritarianism and the absence of participation by civil society in decision-making mechanisms. The new government is responsible for correcting these policies, but may not be able to if it continues to be fenced in by economically powerful people and International Monetary Fund pressure.

Following Alberto Fujimori's flight as a result of the struggle of Peruvian civil society, a transitional constitutional government took over and governed Peru from December 2000 to July 2001. In new general elections, Alejandro Toledo was elected as President of the Republic in a democratic process and took office in July 2001.

The Fujimori period was characterised by an economy at the service of large foreign companies, proliferation and fragmentation of social programmes, political manipulation of funds intended to alleviate poverty, centralism, authoritarianism and the absence of participation by civil society in decision-making mechanisms. The new government is responsible for correcting these policies, but may not be able to if it continues to be fenced in by economically powerful people and International Monetary Fund pressure.

Resources

Since structural adjustment in 1990, a quarter of social expenditures (half the amount allocated specifically to reducing poverty) has been financed by foreign debt. New debts continue to be added to old ones. Peru pays over USD 2 billion in foreign debt service annually – over 20% of its national budget and one-third of its exports. In exchange it receives loans amounting to USD 1 billion from the Inter-American Development Bank and the World Bank.

Social programmes organised by Fujimori under the auspices of multilateral organisations were devoted to economic infrastructure (highways and local roads), social infrastructure (schools, drinking water, latrines and medical facilities), food (distribution of food to poor families) and family planning.

In 1996, the regional office of the Latin American Committee for the Defence of Women's Rights (CLADEM) carried out two investigations that led to legal action being taken against the government. The first concluded with the report: *Silence and complicity: violence against women in public health care services in Peru,* which provided information on negligence and intentional abuse – including rape – in public health care institutions. The second report, *Nothing personal: a report on human rights in the application of surgical contraception in Peru, 1996-1998,* examined the documentation on policies and programmes leading to non-voluntary sterilisation of women.

Under Fujimori's regime, public canteens were used to disseminate propaganda for Fujimori's political alliance, *Perú 2000*. In its report on electoral monitoring, the Public Defence Office concluded that public canteens had become the "political houses for *Perú 2000*",[1] because they were used for the distribution of aprons, stoves, saucepans, T-shirts, caps and first-aid boxes that held no medicines but bore the official candidate's party colours.

Since the restoration of democracy, there has been an increase in the repudiation of corruption and in social demands. People want employment, the provinces want lines of communication and all are clamouring for sanctions against corrupt politicians, entrepreneurial circles and the mass media. There is also proof that the privatisation programme was riddled with corruption.

The structural adjustment programme was based on the supposition that foreign investment would activate the economy and generate growth and employment. But these expectations were frustrated. Consequently, in addition to the old programmes maintained by the new administration, the main social programmes promoted by the government are: *A trabajar (To work)*, focusing on urban and rural issues; *Mivivienda (My house)*, targeting housing loans; and *Mibanco (My bank)*, promoting small enterprises. All have the objective of creating employment.

The 2002 budget has not been totally financed, and additional financing is anticipated from privatisation and an increase in taxes. However, there is strong public opposition to privatisation because of past bad experience, and businesses are resisting proposed new taxes on diesel fuel, utilities and bank interest. Foreign companies enjoy tax stability contracts that, in practice, exempt them from paying taxes.

Military expenditure has been reduced because the armed forces have fallen into disrepute, but it is still considerable. In the 2000 budget, defence and interior expenditures were USD 1,727 million, or 17.35% of the budget.[2]

Repayment of the debt, military expenditures and the government's inability to tax the more profitable enterprises continue to be iron bands blocking the expansion of investment in social programmes. The only possibility of increasing social expenditures would be to make cuts in foreign debt payments, but these have already been consolidated in the Brady Plan, and the new debt, taken on with multilateral organisations, cannot be refinanced.

A study carried out in 1999[3] showed that between 1993 and 2000, USD 5.2 billion was spent on programmes for the alleviation of extreme poverty, yet it had only dropped four percentage points, to 14% of an estimated population of 26 million. Total poverty, including extreme poverty, is around 54%.

1 *Raciones en Comedores Populares se redujeron tras las elecciones*, Newspaper *El Comercio*, 29 September, 2000, p. A8.

2 Calculations made on the basis of figures submitted to Congress by the Vice-Minister of Finance, Alfredo Jailile in September 1999.

3 Jaime Saavedra and Eduardo Muruyama. *Evaluación de la situación de la pobreza en el Perú y de los programas y políticas de lucha contra la pobreza.* Report prepared for UNDP as a preparatory document for the *UNDP Poverty Report*. Document, 1999.

Responding to initiatives and pressure by civil society at the end of 2000, the transition government set up *Co-ordination Boards for the Struggle against Poverty,* convening all sectors of government, churches, grass-roots social organisations and non-governmental organisations. By the end of 2001, these Boards existed all over the country, totalling 680 at departmental, provincial and district levels.

The Boards have formulated priorities for each area. A second step will be to include these priorities in the 2003 National Budget that should be formulated and approved in 2002. This is an exercise in planning with the people's participation and is the first experience of its kind in the country. It is not exempt from difficulties as the technical capacities of the social organisations must be enhanced and the resistance of bureaucratic sectors must be overcome.

Women's rights

Peru continues to be without a policy framework on women's rights and has only passed some partial regulations, most of them fragmentary portions of civil society initiatives, presented as concessions or progress thanks to government initiatives. In February 2001 the Legislature ratified the *Optional Protocol for the Convention on the Elimination of all Forms of Discrimination against Women,* enabling any person or group of persons to lodge complaints regarding individual cases of discrimination.

The Quota Law 27387 (December 2000) increased the quota of women from 25% to 30% for the lists of candidates to Congress in each of the districts (politically Peru is divided into departments, provinces and districts). In the 2001 Congress, there were 22 congresswomen, a 19% improvement over the representation in 2000. Yet out of the total of 16 ministers, only one is a woman.

The *Emergency Women's Centres (CEM)* were established in March 1999, but they must still be extended on a national level. Commissions and women's programmes have been created in the municipalities to institutionalise actions anticipating the specific needs of women in the management of local development.

Social indicators

In general, progress has been made in the areas measured by the most important social indicators, but this progress has been insufficient, uneven and below Latin American averages.

The most notorious disparity is the difference between rural and urban areas. As a consequence of difficulties in access due to the cost of consultations and the distance between health care centres, the rural population continues to be subject to early mortality and to higher sickness rates and health risks of all kinds.

According to the *Demographic and Family Health Survey* in 2000 *(Encuesta Demografica y de Salud Familiar* or *ENDES 2000),* in the period 1992-2000, 185 maternal deaths occurred per 100,000 live births, down from 298 cases estimated in 1990 and 265 in 1996.

Sexual violence continues to be one of the greatest problems for women in Peru. According to ENDES 2000, 41% of women who at some time lived in union had been mistreated or physically battered by their husband or partner – most of them (83%) occasionally and 16% frequently.[4] ENDES also notes that over 40% of Peruvian children are physically battered by their parents, who consider corporal punishment a "natural method of discipline and education."

The 1993 Law against Family Violence establishes a national policy against domestic violence. However, police and magistrate training is lacking. The police do not investigate complaints and magistrates do not issue warnings or restraining orders in the vast majority of cases. Policies are lacking for prevention, rehabilitation and compensation for victims of this violence.

Infant mortality dropped on national average, but while in metropolitan Lima it dropped from 30 to 17 per 1,000 live births between 1992 and 2000, in the department of Huancavelica, located in the Andean region, it fell from 105 to 71 per 1,000 live births. In Lima the reduction was near to 43%, while in Huancavelica it was only 33%, reflecting a widening gap between urban and rural areas. In 1992, the infant mortality rates in the rural areas were approximately triple those of Lima, while in 2001 the rate is almost five times higher.

Chronic malnutrition of children under five years of age is 25.4% in the nation. Thirteen percent of children living in urban areas suffer from malnutrition, while in the rural areas this figure is over 40%.[5] Information on infantile malnutrition has not been broken down by sex, and therefore it is not possible to establish whether the government is taking appropriate measures to ensure that girls, like boys, have access to adequate food.

According to ENDES 2000, 72% of Peruvian homes receive their water supply from the public network. Only 46% of rural homes have access to this service while 88% of urban homes do. In the urban areas, 76% of the homes are connected to public sewer systems. In the rural areas, 52% of the homes do not have any type of service for sewage elimination. In the department of Huancavelica, 71% of the population do not have sanitation facilities.

ENDES 2000 calculated life expectancy at birth between 1995 and 2000 at 69.1 years, and it is hoped that by the 2020-2025 period this will have increased to 74.8. However, in many departments, such as Huncavelica, this number is lower, with life expectancy at birth being only 56.8 years, or Cusco, with 60.2. In some urban departments, life expectancy at birth is above the national average. For example, in Lima it is 76.8, in Tacna 72.8 and in Arequipa, 71.9.

In 1998 in Peru there were 4.2 million children enrolled in schools at the primary level. Of these, 60% came from the urban areas and the remaining 40% from the rural areas. The percentage of children who were above-age for their class level was 24.6%. In 1999, Peru had 1.9 million illiterate people, of whom 76% were women; 11.5% of the female population were illiterate.

Rural zones have 23,000 rural primary schools, of which 68% do not have running water, 95% do not have sewage and 90% do not have electricity. Only 3.2% have a library and fewer than 1% have a laboratory. In rural areas, 90% of primary education is provided in schools with a single teacher for various grades simultaneously or in multi-grade classrooms (various grades simultaneously in a single classroom)[6] .

In general, progress is being made, but it is slow and resources are insufficient. To reach the goals set by Copenhagen and Copenhagen+5, Peru would have to slow down its payments of foreign debt, promote tax reform starting with the wealthy (which in the case of Peru are trans-national companies), give social objectives to economic policy, co-ordinate social programmes to avoid wasting resources and organise a system for democratic participation in decisions and monitoring of the programmes to be implemented. These goals are on the present agenda. ■

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4 ENDES 2000, p. 210.

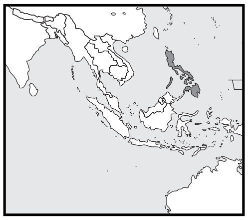
5 ENDES 2000.

6 INEI 1997.

PHILIPPINES

Can we pick up the pieces?

JESSICA REYES-CANTOS[1]



Despite realisation that the global economy was on a downturn even before the September 11 attack, the shortsighted economic strategy is still anchored on exports and direct foreign investments. These are still potential drivers of growth, but this potential is significantly weakened in the light of external and local conditions.

These are certainly uncertain times. Many predicted that the Philippine economy would take a downturn after the September 11 attack on the World Trade Center. The Arroyo administration declared in its year-end report, however, that the Philippines ably held the fort.

For an economy that registered double-digit unemployment rates in 2000 and the first half of 2001 for the first time since 1986, there is probably no way to go but up, or standing still.

If the Philippine people enjoyed equal access to entitlements, standing still would probably be better than recession. But in the Philippines, with its highly skewed income distribution and population growth rate of over 2%—one of the highest in Asia—the poor cannot be content with standing still as poverty has long been a festering problem.

Mediocre growth, but better than expected

Economic growth rates were mediocre even before the September 11 incident. But these growth rates were a pleasant surprise for economic planners who expected much worse given the rest of the world's largely dismal performance. Indeed, when compared with once high-performing economies such as Hong Kong, Taiwan and Singapore that suddenly experienced reversals, or with Japan, which has been in prolonged recession, a 4% growth rate, or thereabouts, may be considered a feather in one's cap.

The Philippine economy is relatively less affected by the global downturn since exports make up only about 40% of the economy's output, in contrast to Malaysia or Taiwan whose exports make up more than 80% of their economies' output.

Unemployment crisis, 40% living in poverty

The unemployment rate of 10.1% in October 2000 (the highest rate since 1986) was quickly paralleled by a rise in crime rate. Although official crime statistics report a 93% rate of resolution, what is worrisome is the nature of the crimes being reported. Where earlier kidnappings were confined to urban areas and among Chinese businessmen, crime is spreading to the provinces and ordinary folk are also becoming victims.

TABLE 1

Labour and employment - July 2000 to October 2001

LABOUR AND EMPLOYMENT	OCT. 2001	JUL. 2001	APR. 2001	JUL. 2000
Total labour force (million)	33.4	32.6	33.6	30.5
Labour force participation (%)	67.5	66.3	69.0	63.8
No. of unemployed (million)	3.3	3.1	4.5	3.4
Unemployment (%)	9.8	10.1	13.3	11.2
No. of underemployed (million)	5.0	5.5	5.1	5.7
Underemployment (%)	16.6	17.7	17.5	21.2

Although the unemployment rate dropped back to single digits by October 2001, there is a pervasive feeling that an unemployment crisis exists. Even with the lower rate, the absolute number of unemployed rose by 140,000 compared with the previous quarter (Table 1). Moreover, a college education used to almost guarantee employment. Of late, even graduates from the country's premier universities are reportedly having difficulty getting jobs.

The daily news reports of company closures and retrenchment do not help. In the first ten months of 2001, 56,531 workers were rendered jobless following mass layoffs and permanent shutdown of 2,294 commercial establishments. Additional 54,549 workers in 526 firms were temporarily laid off, placed on job rotation or had their working hours reduced during the same period. On average, 367 Filipinos became jobless or were temporarily laid-off everyday from January to October 2001. Nationwide, we are talking about 111,080 workers.[2]

Thanks to overseas jobs, unemployment has been somewhat eased. The number of overseas Filipino workers is officially estimated at 7.29 million. Average annual deployment increased sharply to the unprecedented level of 840,000 after the 1997 Asian Crisis. In 2000, overseas deployment constituted 3.03% of the country's domestic employment. For most of the 1990s, overseas deployments outstripped net jobs generated at home.

1 The author is a member of Action for Economic Reforms and co-convenor of Social Watch Philippines.

2 "Gloomy Christmas awaits workforce," *Philippine Star*, 5 December 2001.

TABLE 2

Poverty incidence 1961 to 2000					
YEAR	POVERTY INCIDENCE (% FAMILIES)			NO. BELOW POVERTY LINE	
				FAMILIES	POPULATION
	TOTAL	URBAN	RURAL	TOTAL MILLION	TOTAL MILLION
1961	59	51	64		
1965	52	43	55		
1971	52	41	57		
1985	44.2	33.6	50.7	4.355	26.231
1988	40.2	30.1	46.3	4.231	25.005
1991	39.9	31.1	48.6	4.781	28.120
1994	35.5	24.0	47.0	4.531	27.274
1997	31.8	17.9	44.4	4.511	26.768
2000	34.2	20.4	47.4	5.216	31.298
Average annual reduction from 1961 to 1997	**0.76**	**0.92**	**0.54**		
Average annual increase from 1997 to 2000	**0.80**	**0.83**	**1.00**		

The 2000 Family Income and Expenditures Survey (FIES), from which poverty estimates are generated, confirmed fears of increasing poverty after years of steady, albeit small, gains in poverty reduction. Poverty incidence rose from 31.8% of Filipino families in 1997 to 34.2% in 2000. This translates to an additional 705,000 families or, at six household members per family, 4.23 million additional poor Filipinos. Overall, roughly 31.3 million Filipinos, or 40% of a population of 75 million, are poor (Table 2).

There is one "bright" spot in the FIES Survey: income inequality declined slightly. In 1997, the Gini coefficient was 0.4872. The Gini coefficient of 0.4507 for 2000 reflects an improvement in income distribution. Yet, even the government is not proud of this "improvement". Economic planners admit that this decline in inequality indicates that the economic crisis simply eroded the incomes of households living above the poverty line. To put it bluntly, the crisis, which ordinarily hits the poor most, spared no one this time. Almost everyone is now worse off than before.

Financial deficit in basic social services

Adequate funding for basic social services will not be forthcoming soon. Dr. Rosario Manasan, an economist from the Philippine Institute of Development Studies (PIDS), estimated that for targeted recipients of basic education alone, PHP 115.3 billion (USD 2.3 billion) would be needed. The proposed 2002 budget for the Department of Education, Culture and Sports of PHP 102.9 billion (USD 2 billion) falls short by almost PHP 12 billion (USD 240 million).

For basic health care, Manasan's high-cost assumption is that PHP 10.5 billion (USD 210 million) is required for 2002. The national government has allocated PHP 14.5 billion (USD 290 million) for health spending, but most of that amount will go to curative rather than preventive health spending.

With the exception of debt service and defence, sectoral expenditures as percentage of GDP have declined since 1997. Similarly, spending for education and health, as percentage of the national budget, has declined.

The debt problem appears to have come full circle. After declining to less than 20% of the national budget in the mid to late 1990s, interest payments again breached that level in 2000. Public sector debt now stands at PHP 2.17 trillion (USD 43.4 billion), 47.5% of which is foreign. This renders government's fiscal programme highly vulnerable to exchange rates and foreign interest rates volatility.

Going beyond the short-term

In July 2001, about six months after the ouster of the Estrada presidency and the take-over of then Vice President Gloria Macapagal Arroyo as President of the Republic, Dr. Emmanuel de Dios of the University of the Philippines School of Economics observed that the new administration was preoccupied with short-term threats and exigencies such as the kidnappings in the South, threats to national security and natural calamities. He correctly warned of the loss of tempo and will for economic and political reform. Already then, the will to reform was being replaced by a creeping sense of inertia and growing cynicism.

Despite realisation that the global economy was on a downturn even before the September 11 attack, the shortsighted economic strategy is still anchored on exports and direct foreign investments. These are still potential drivers of growth, but this potential is significantly weakened in the light of external and local conditions.

In terms of financing, the November 2001 State visit of President Arroyo to the United States yielded a bag of goodies in terms of economic and military aid to the country. The US bag of goodies has provided some relief and has perhaps even postponed much-needed reforms, such as coming down hard on high-level violators of corruption laws and cracking the whip on under-performing revenue collection agencies.

The overriding concern of the government appears to be survival until the 2004 elections. For civil society, segments of which claim credit for the ouster of former President Joseph Estrada in what was known as People Power 2, there is only one big question: Can we now pick up the pieces? ■

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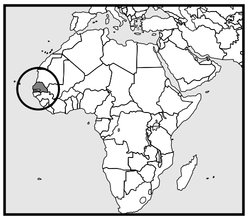
Difficulties to be overcome

ABDOUL SOULEYE SOW



The global goal of reducing poverty by half between now and 2015, requires overcoming both internal and external constraints to turning the budget into a privileged instrument of economic policy.

The Poverty Reduction Strategy Paper (PRSP) recently prepared by Senegal in the framework of the Initiative for Heavily-Indebted Poor Countries (HIPC), has the following main objectives:

- Double *per capita* income between now and 2015, through strong, balanced and better-distributed growth;
- Universalise access to essential social services and put in place basic infrastructures to strengthen human capital before 2010;
- Eradicate all forms of discrimination and establish gender equality in primary and secondary education between now and 2015.

In the short-term, this would require economic growth of 7% or 8%, with a view to reducing by at least 15% the percentage of poor people from 2003 to 2005. Achieving the global objective of reducing poverty by half between now and 2015 would require removing certain internal and external constraints to turning the budget into an instrument of economic policy.

Strong fiscal pressure

From 1992 to 2001, tax revenues collected by the government were less than one-fifth of GDP. This implies that a considerable percentage of wealth generated evades taxation. Tax collection concentrates on a limited number of operators, indicating the complexity of problems related to tax collection and the paradox of high tax rates. Various factors contribute to low tax collection: the huge size of the informal sector within the national economy; the uncontrolled discrimination against tax-payers having permanent and substantial incomes; the limited means at the disposal of the tax administration to carry out its task; and, above all, the lack of political will.

In the first place, the informal sector represents over 50% of GDP, while the contribution of this sector's agents to the tax effort is essentially limited to paying indirect taxes (in particular customs expenses). Despite the search for solutions in this respect, taxation of the informal sector remains low. The principle of equality of stakeholders *vis-à-vis* taxation should be applied and a tax rate established that is compatible with such activities. The delay in taking decisions in this respect is at the root of many activities becoming informal, although the contrary should be promoted.

The consequence is a narrow tax base, reduced to a small number of companies in the formal sector, public and private sector salaries and consumption. For example, individual income tax affects a small proportion of tax-payers, barely 2% of the total taxable population. Individual income tax provides less than 15% of government income, while indirect taxes provide over 75%. It is true that public officials prefer indirect taxes, which are easier to collect.

The structure of the tax base explains to a large extent the high rate of taxation, as only a few companies pay taxes. These taxes, according to Laffer's law (too much taxation kills the tax) favour tax evasion. The strong tax pressure is also explained by the generalisation and harmonisation of the value added tax (VAT) rates within the West African Economic and Monetary Union (UEMOA).[1]

Additionally, the tax administration does not dispose of adequate and functional human and material resources to implement its task of mobilising resources. These difficulties inherent to the tax system contribute considerably to reducing the revenue the government should be collecting to cover its expenditures.

The debt problem

Payments due under the 2002 Finance Law amount to USD 173.3 million, which is about 19% of receipts. These figures show that the debt constitutes a burden that seriously compromises development funding. All the debt reduction policies and successive re-scheduling have not yet achieved the expected benefits. The admission of Senegal in June 2000 to the HIPC Initiative should make a substantial amount of over USD 800 million available for the poverty reduction strategy.

TABLE 1

Senegal's debt (in millions of US dollars)

Multilateral loans	1,978
Bilateral loans	624.15
Other loans	77.6
Re-scheduled debts	491.3
Total debt	3,171.05

1 The West African Economic and Monetary Union (UEMOA) was created on 10 January 1994 in Dakar (Senegal) and comprises eight countries: Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Guinea-Bissau, having in common the use of the CFA franc. Its objectives are: to create a common market among members based on free circulation of persons, goods, services and capital, and the right of persons to establish themselves with a common foreign tariff and a common trade policy; and to guarantee the convergence of performance and macro-economic policies in the member states through the institution of a multilateral monitoring procedure.

Investment and reactivation of growth

The Three-Year Public Investment Programme (PTIP) for 2002-04 will make available USD 1,687.8 million, with a 3.7% progression.

The first priority for distribution of investment is the fourth sector covering the development of human resources, improvement of the quality of life, socio-economic support for vulnerable groups, *etc*, with 49% of investments going to this sector.

The first sector, including development of agricultural activities and improvement of living conditions in rural environments will receive 24% of investments. This is followed by the third sector, with 21% of investments, and far behind, in last place, comes the secondary sector receiving six per cent of investments.

What is the status of mobilisation of PTIP (2001-2003) resources? According to the Economic and Financial Co-operation Office, investment funding of USD 1,397.8 million has been confirmed, that is to say, 83% of the total programme. USD 166.7 million (10% of the programme) is under negotiation, while 7% of funds are still to be sought.

Seventy-one per cent of funding already granted and under negotiation comes from foreign sources and only 29% from domestic resources. Breakdown of foreign resources shows that 36% is made up of subventions and 64% of loans granted with conditions. Domestic resources come mainly come from the government (92%), and the remaining 8% come from beneficiaries and para-public establishments.

The most important observation is that agriculture is not considered as a motor for growth. If it were, it would have received a more substantial percentage of investment. Poverty reportedly affects 72% to 80% of the population in rural zones. This situation is aggravated by government neglect of the rural world.

Need for greater regional integration

Senegal is a member of CEDEAO (Economic Community of the West African States)[2] and of UEMOA, regional bodies that can make it possible to establish a vast market capable of attracting Foreign Direct Investment (FDI). This integration process inevitably requires the convergence of economic policies.

At CEDEAO level, however, three years from the date foreseen for a single currency, convergence criteria are still far from being respected by some countries. Only Benin was able to comply with the four criteria, which revolve around maintenance of monetary stability by the member states and reduction of inflation to one digit by 2000 and to 5% by 2003. CEDEAO countries must also maintain budgetary discipline, reducing budgetary deficits to 5% of the GDP by 2000 and to 4% in 2002. Finally, they must maintain a minimum in the government's net position of three months trade exchange in 2000 and six months in 2003. Nor have UEMOA member states complied with the Union's convergence criteria.

A trend towards degradation of the economic and financial situation of the Union is to be noted. *Per capita* GDP is falling because the GDP growth rate is lower than the demographic growth rate for a second consecutive year. The Union is also facing a convergence in the rates of inflation, affected by the poor results of agricultural campaigns in the different countries and by rising prices for oil by-products.

Finally, the lack of viability of public finance is evident, as characterised by the persistence of exceptional funding, in particular the accumulation of arrears in domestic and foreign payments and a strong contraction in investment expenditure funded by domestic sources. This lack of convergence suggests the risk that measures established, in particular regarding tax harmonisation, will not be strictly applied, with important consequences for the future of FDI. A lack of taxation or the absence of tax control over FDI in any member country would upset the rules of the co-operative game.

Despite this mediocre situation, new hopes have arisen with the establishment of the New African Collaboration for Development (NCAD)[3] , which offers prospects for an enormous investment market. ■

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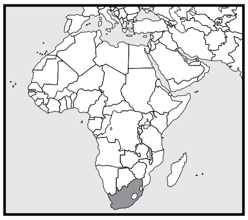
2 The Economic Community of the West African States (CEDEAO) groups fifteen countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Liberia, Mali, Niger, Nigeria, Senegal, Sierra-Leona, Togo, Guinea-Bissau, and Guinea. Established in 1975, its mission is to promote economic integration in all fields of economic activity.

3 The New African Collaboration for Development (NCAD) operates in the following areas: good economic governance and flow of capital; good governance; access to markets and diversification of products; facilities, environment, new information and communication technologies, energy; human development.

The end of apartheid was not the end of poverty

ANDILE MNGXITAMA



2001 was the year of the further consolidation of South Africa's neo-liberal transition. But 2001 also witnessed the beginning of a new era of social mobilisation against the effects of these neo-liberal policies, as landless people, poor communities, workers and activists took to the streets to oppose the basic tenets of the South African Structural Adjustment Programme.

Since its 1996 adoption, the Growth, Employment and Redistribution Strategy (GEAR) – the South African version of SAP – has succeeded in little more than dampening the hopes of the poor majority that liberation from Apartheid would also mean liberation from poverty.

But these hopes quickly faded as the new political elite eschewed the egalitarian ethos that had underpinned the anti-apartheid struggle in favour of neo-liberal solutions to the challenges facing the new nation. The past eight years have increasingly revealed the high costs of these policies for the poor majority. In 2001, the South African Human Rights Commission reported that more than 20 million of the country's 45-million population live below the ZAR 390 (USD 32.50: Jan 2002) monthly poverty line. Only three million of these are reached by relevant poverty relief measures.[1]

The failure of the neo-liberal macroeconomic strategy

In 1996, two years after the birth of democracy, the new political elite abandoned the progressive, yet market-oriented, Reconstruction and Development Programme in favour of the new conservative macroeconomic strategy GEAR. Premised on the neo-liberal assumptions and prescriptions of the Washington Consensus, including deregulation, export-orientation, privatisation, liberalisation, reliance on Direct Foreign Investment (DFI) and curbing budget deficits by cutting social expenditure,[2] GEAR has delivered neither growth, nor employment, nor redistribution.

GEAR's proponents argued that the strict belt-tightening measures impacting on the poor would be offset by the resulting high economic growth rates, averaging 4.2% annually from 1996 to 2000, for a total growth of 21.2% of the five-year period with annual growth reaching 6.1% in 2000.[3] Yet annual forecasts have repeatedly been revised downwards to around 3.5% growth targets, and even these have routinely been missed, with South Africa's economy expected to barely reach 2.2% growth when the final results for 2001 are in.[4]

1 South African Human Rights Commission. *Annual Economic and Social Rights Report*, November 2001.

2 Patrick Bond. "Elite Transition: From Apartheid to Neo-Liberalism in South Africa", Pluto/ University of Natal Press, 2000; Hein Marais. "The Political Economy of Transition", Zed/ UCT Press, 1998.

3 *Growth, Employment and Redistribution Strategy*, South African Government Policy Document, 1996.

4 Daniel Thöle. "SA Feels Weight of Global Slowdown". *Business Day*, 28 November 2001.

The 1.3-million new formal non-agricultural jobs GEAR promised to create between 1996 and 2001 also failed to materialise, with well over half a million jobs lost during the period instead.[5] According to Econometrix, "there has been a 10% decline in formal sector employment since 1995". The income gap between whites and others has narrowed, but within blacks the gap between high and low income households has widened. And GEAR's promise of "redistribution" has amounted to little more than the typical neo-colonial creation of a small indigenous elite. Econometrix adds that: "The gap between the educated and the poorly skilled has widened, so has the gap between urbanites and the rural poor. The threat of AIDS seems set to overwhelm achievements in other areas. The share of blacks in wealth has risen, but only a relatively small elite has benefited."[6]

Globalisation: slaves don't get paid

Despite the government's slavish adherence to GEAR's neo-liberal fundamentals in the face of the policy's ongoing failure, the long-awaited fruits of increased FDI have failed to materialise, with President Thabo Mbeki's economic advisor Wiseman Nkhulu forced in May 2001[7] to lament a matching lack of sufficient domestic investment (less than 17%, compared with the 20% needed to meet growth targets). This should hardly surprise South Africa-watchers, however, following the government's decision to allow several major multi-nationals, including Anglo-American and South African Breweries to delist from the Johannesburg Stock Exchange in order to list overseas. Having rolled out the red carpet for large-scale capital flight, the government then feigned surprise when the South African rand lost 40% of its value in 2001.[8]

The dominant explanation for the rand's demise points to "external factors" such as the December 2001 events in Argentina and the political crisis in Zimbabwe – in other words, the negative effects of globalisation caused by currency speculators. Mainstream economists nevertheless have urged the government to intensify its privatisation drive[9] instead of rethinking the country's enslavement to globalisation's drivers. The neo-liberal solutions proposed amount to more GEAR instead of less, putting the country on a slippery slope towards total chaos.

5 October Household Survey, 2000, Statistics South Africa.

6 Econometrix website: www.econometrix.co.za.

7 Jonathan Katzenellenbogen, "Faster Growth Tops State Agenda". *Business Day*, 25 May 2001.

8 Danie Joubert. "Reasons for Mysterious Slide in Rand". *Business Day*, 20 December 20 2001.

9 John Fraser. "Foundation Urges Economic Liberalism". *Business Day*, 31 December 2001.

The battle for water

Perhaps the most radicalising service issue in South Africa is the growing battle between poor communities and the World Bank-inspired water privatisation process underway across the country. The birth of "public-private" partnerships in the late 1990s saw most metropolitan councils effectively privatising their water supply responsibilities to foreign multinationals. According to the SAHRC, "a number of problems emerged with these partnerships, including higher user charges, poor technical design, poor community participation, administrative confusion, and lack of training and transfer prospects."

These public-private partnerships have resulted in some of the most inhumane administrative fiats of South Africa's neo-liberal era, leading amongst others to the KwaZulu-Natal cholera outbreak of 2000, which claimed nearly 200 lives. A government "lifeline" policy promising 6000 litres free water per household monthly, has been poorly and unevenly implemented in areas where water supplies exist, and not at all in many rural areas where the "cherry-picking" practices of water multinationals find water provision unprofitable.

Land Reform: the seeds of discontent

Land dispossession was the cornerstone of colonial and apartheid rule in South Africa, forming the basis for the extraction of both labour and resources for accumulation by the settler capitalists. The government committed itself to a market-based process to redress this legacy. Almost eight years later, less than 2% of land has changed hands from white to black, and with less than 1% of the budget dedicated to land reform, it is expected to take between 125 and 150 years to redistribute 30% of agricultural land and complete the land restitution project for the victims of forced removals.[10]

The most significant developments in 2001 occurred despite – or rather because of – government's inertia. The Bredell occupations[11] made clear that landlessness is both an urban and rural issue, and the continuing events in Zimbabwe have fuelled community drives to obtain land on their own accord, through occupations. While these are distinctly different to those in Zimbabwe, in that they are local actions opposed by the ruling party, the fact that desperately poor and land hungry people have increasingly occupied land throughout the country has forced the issue onto the national agenda. The government's response, in the form of swift and brutal forced removals and criminalisation of poor landless people has pleased the white farming community (AGRI-SA), which similarly continues to abuse and evict many of the country's 8-million farm dwellers illegally and arbitrarily.[12] But these actions, as well as the continuing racism of rural courts that continue to give landowners lenient sentences for serious crimes including murder,[13] have also fuelled a new militancy among the landless. A new Landless People's Movement (LPM) formed in July 2001 marched in protest against the government's land reform failures during the UN World Conference Against Racism, called on Zimbabwean President Robert Mugabe to visit them, and threatened to begin widespread land occupations if its demands were not met.

10 Edward Lahiff. *Land Reform in South Africa: is it meeting the challenge*? Policy Brief No 1, Programme for Land and Agrarian Studies, University of the Western Cape, September 2001.

11 In June 2001, over 10,000 homeless people occupied a piece of vacant peri-urban land in Bredell, Johannesburg. The government reacted with vociferous condemnation of the homeless people, arresting some and evicting the remainder with the help of a private security firm that has recently gained notoriety as the responsible for a growing wave of urban and peri-urban forced removals of large groups of people to make way for private capital projects, such as the park reputedly planned for the Bredell land.

12 Human Rights Watch. *Unequal Protection: The State Response to Violent Crime on South African Farms*, 2001.

13 African Eye News Service, 3 November 2001.

HIV/AIDS: TRIPS vs. health rights

In November 2001, the Treatment Action Campaign (TAC) won a major court battle to force the government to provide ante-retrovirals to all HIV-positive pregnant women. The government planned to appeal this ruling in the Constitutional Court on the grounds that the courts do not have the power to force the government to deliver on socio-economic rights. TAC won the case on the grounds of a previous ruling, known as the Grootboom decision – a housing rights decision which ruled that the government had an obligation to fulfil the socio-economic rights granted by the Constitution, and that the "reasonableness" test included the provision of emergency shelter for the vulnerable. The government now plans to challenge the very basis of Grootboom, endangering not only the Nevirapine ruling, but also potentially challenging the legal enforceability of all the socio-economic rights clauses which distinguish South Africa's Constitution from those of other countries.

The government's planned court appeal is ironic in the context of an important victory it won in May over the multinational pharmaceutical industry. The South African Pharmaceutical Manufacturers Association and 39 international drug companies took the government to court in April 2001 in an attempt to block the adoption of the Medicines and Related Substances Control Amendment Act, which the industry claimed would open the door to the infringement of patents and intellectual property rights, as defined by the TRIPS clause of the Uruguay round. Supported by TAC, as well as the country's leading labour federation, COSATU and a range of other stakeholders, the government claimed that the AIDS epidemic represented an emergency situation that required the government to open the door to the production of generics and/or the importation of cheaper drugs from third countries. The industry dropped the suit in May, following a compromise agreement from the government that it would consult on the law's implementation, and the following month multinational drug giant Glaxo handed over the rights to its AIDS drugs (AZT, 3TC and Combivir) to a local generic producer. Although this victory should have bolstered the government's ability to extend anti-retroviral treatment to vulnerable groups in the near-term, the government has shown less interest in translating the legal victory into a wider treatment campaign than in fighting for the right not to provide treatment.

Conclusion

Almost eight years have passed since the birth of democracy signalled the end of colonial and apartheid oppression and exploitation, but these have been replaced by a neo-liberal economic order that has done little to end the unequal economic relations of the past. Almost half the 45-million population earns less than USD 35/month. Yet the rules of the neo-liberal game dictate that severe poverty is no reason for free services, and the government has dutifully enforced these rules through forced removals, evictions and service disconnections to the desperately poor.

Desperation, however, forces people to respond to their conditions, and a new mood of resistance is growing in informal settlements, townships, factories and rural areas across the country where the poor are beginning to take action to prevent the further consolidation of neo-liberal economic policies that have brought them only suffering. ■

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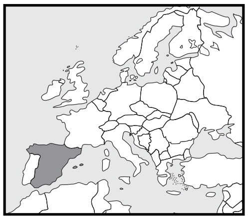
On stage without a script

Marta Arias



Spain has traditionally been absent from the important international debates on development. Lacking a national strategy, Spanish representatives take shelter under the assumptions of the dominant position (usually held by the European Union, the International Monetary Fund or the United States), and only rarely dare to go beyond their script. This same silence has accompanied the preparations for the International Financing for Development Conference, with the added difficulty that in this case Spain has been cast in a leading role.

In the last few years, the Spanish government has untiringly presented Spain (at least on a national level) as a major, though scantly acknowledged, global power, which ought to have more influence within the main decision-making bodies where it supposedly plays a “clearly active” role. Behind this façade, the reality is more modest. Spain has traditionally been absent from the important international debates on development. The self-styled activism of Spain is actually a circumspect performance, both regarding the destiny of human and financial resources and initiatives for political action. Lacking a national strategy, Spanish representatives take shelter under the assumptions of the dominant position (usually held by the European Union, the International Monetary Fund or the United States), and only rarely dare to go beyond their script. This same silence has accompanied the preparations for the International Financing for Development Conference, with the added difficulty that in this case, Spain is cast in a leading role, as it will be chairing the European Union in the first half of 2002. Will it be capable of putting on the show and contributing an original script of its own?

Official Development Assistance: regression on the way forwards

Official Development Assistance (ODA) is practically the only area in which Spain has a different vision from the rest of the international community. Unfortunately this position does not involve greater commitment to international development objectives and the struggle against poverty. Spanish policy strays further every day from the principles and recommendations of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). These principles include the right of association, appropriation of assistance funds by the receiver, integration of development instruments and coherence of policies. Spain has denounced the DAC as an ineffective instrument in the struggle against poverty and questioned the appropriateness of the 0.7% GNP development commitment. By refusing to endorse commitments by the Council of the European Union to reach the 0.7% GNP goal within the specific time frame, by giving priority to the donor country’s national interest over the needs of the receiver, and by continuing to be one of the countries within the DAC with the greatest volume of tied aid, Spain has betrayed the people they are claiming to help.

These circumstances have led over 200 development professionals and 100 assistance-related organisations to sign a declaration opposing regressive changes in the foreign aid system and favouring a policy that is effectively geared to alleviate poverty. The conflict between the government and these groups has worsened and there are serious indications that the critical stance of some development NGOs has influenced the process of assigning official resources for non-governmental cooperation. Tension and lack of confidence among the stakeholders involved in assistance have increased at one of the worst times in its history.

The incongruity of international trade

Regarding trade policy, Spain has been part of the majority consensus in the European Union that negotiates trade issues with one voice. At the ministerial meeting in Qatar in November 2001, this position centred on the defence of a broad agenda of negotiations, including an interim agenda for agriculture, services and industrial products together with other issues such as investments, competition, government procurement and the environment. The outcome of the meeting was a victory for the European Union, with some nuances.

For its part, the Spanish government maintains an ideological position that is almost fundamentalist in its support of free trade. It has defended this position untiringly in its bilateral relations with Latin American and the Maghreb countries, in contrast with its position of protectionism in areas that are sensitive to poor countries, such as agriculture or textile production. In this respect Spanish policy is no more inconsistent than that of other developed countries, such as the United States, Japan, Canada or the other members of the European Union.

Over the past few years, Spanish NGOs have demanded reform of the government’s trade policies with the countries of the South, promoting a liberalisation of the markets in sectors that are economically more sensitive for those countries and a more energetic defence of the position of poor countries in conflicts such as those regarding patents and access to essential drugs. They have also requested that Spain take advantage of its presidency of the EU to promote a more coherent and energetic performance by the whole of the EU.

Foreign debt: fulfilment of the minimum

Unfortunately, Spain made little progress in 2000 and 2001 in its goal to abolish external debt. Despite the endorsement given time and again by the Spanish people, initiatives that go beyond the strict observance of international agreements on the issue have not been promoted. This strict observance of the international timetable for external debt cancellation has, in practice, caused a decrease in the amounts effectively cancelled in the year 2000 (over 80% of cancellation computed as ODA between 1999 and 2000) since indebted countries are reaching the end of the HIPC Initiative. One positive note was the contribution by Spain to the initiative's trust fund, amounting to USD 70 million.

Debt conversion programmes that have been launched by the Spanish government are encountering various difficulties, such as in the case of Morocco, where a cooling off in the relationship between the two countries is paralysing an initially successful process. The major obstacles to decreasing external debt are severe financial conditions, giving priority to looking for trade benefits beyond promotion of local economic activities and failing to include civil society in decision-making and implementation of development programmes.

Furthermore, the Spanish government has not sought innovative solutions to the external debt crisis in countries such as Ecuador. This issue is very much in the news in view of the constant influx of Ecuadorian immigrants, yet the government has not even considered the proposal made by the *External debt, eternal debt?* campaign. Spain has not yet spoken out on various proposals such as one made by the IMF regarding the creation of a new insolvency and suspension of payment mechanisms that could be very useful to countries like Argentina, where Spain has considerable economic interests.

What causes even more concern is the attitude of the Spanish government in Parliament, where each and every one of numerous initiatives promoted by political groups and social organizations and movements advocating more discussion of the effects of foreign debt on the countries of the South and possibilities for its alternative management has been paralysed.

Private capital and development: a debate that never takes place

Over the past few years, Spain has consolidated its rank with respect to international capital flows, presently holding sixth place among the industrialised countries in Foreign Direct Investment (FDI) and eighth place in reception of investment. This presence is particularly significant in the case of Latin America, where Spanish companies occupy predominant positions in fields such as banking, telecommunications and energy.

Beyond campaigns against and specific complaints about the impact of some companies' behaviour (such as that of Repsol in Bolivia or Endesa in Chile), there has not been sufficient debate on the role of Spanish companies abroad from the standpoint of the economic and social development of the receiving countries. Some private initiatives do exist, geared towards generating new standards of ethical and social management of companies, but in general there is insufficient interest shown by the major companies involved and these processes are at a very early stage. It is hoped that the discussion on the European Union's Green Book on Corporate Social Responsibility[1] will contribute to raising the level of this debate and lead to more energetic support from the government for this issue.

International financial architecture

Historically, the government has expressed regret that Spanish representation in the governing bodies of the international financial system (such as the World Bank and the IMF) has not reflected Spain's importance in the world economy. On the basis of the economic interests of Spanish companies abroad, particularly in Latin America, Spain should play a larger part in the decision-making of these institutions. Thus far the timid Spanish role in the debate about international financial architecture has been the promotion of world financial stability, taking special interest in problems related to moral risk and the participation of the private sector in the prevention and solution of financial crises. The objective of poverty eradication usually appears on a secondary level. Issues such as increased participation by the countries of the South in global decision-making are not even mentioned among the areas of interest.

Spanish involvement in this international debate is still at a very early stage and is characterised by the defence of national economic interests. The executive branch has persistently refused to discuss with Parliament and civil society issues regarding Spanish participation in international financial institutions. This attitude has reached such an irrational level that an official reply to Congress stated that it was impossible to provide reports on the subject because "communications with the Spanish representatives... take place in a very agile and fluid manner, through various media, especially by telephone and by e-mail." Attitudes of this kind contradict the spirit of "participation and appropriation" that theoretically prevails in international discourse. This obscurantism and disregard for the representatives of the people's will is unfitting for a democratic state. ■

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1 "Green Books" are communications published by the European Commission on a given specific political area. The *Green Book on Corporate Social Responsibility*, published in July 2001, includes a specific appeal to all interested stakeholders to submit their opinions on this matter.

A hard time

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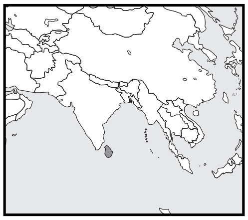
Jagath Siriwardena



Neo-liberal economic policies, the 18-year armed conflict between government forces and the LTTE movement, and mismanagement and corruption resulting from politicisation of government institutions can be identified as underlying causes of the slowdown and reversal of socio-economic development. Privatisation has not created an economic boom and has not expanded the job market, while the historic investment in human development is being reverted.

Pathetic economic growth and political instability

Sri Lanka did not make much progress in social development in 2001. Poor economic performance and an unstable political environment in 2001 contributed to the further deterioration of the economy and social development of Sri Lanka. Economic growth was pathetic, with a negative 0.6% growth rate for 2001. The GDP dropped by 3.7% in the last quarter of the year.

A power struggle between the ruling party and the opposition created an unstable political environment, which weakened economic development. The eighteen year long war in the north and east further disrupted economic development. The government allocates a significant portion of its funds to the war. The Liberation Tigers of Tamil Elam (LTTE) attack on the Sri Lankan Air Force Base and the Colombo International Airport caused severe damage and discouraged foreign investors. Regular power cuts created unfavourable conditions for industries and disrupted people's daily lives. Prices of essential commodities and services gradually increased throughout the year.

These factors contributed to the loss of the People's Alliance government in the general parliamentary elections held on 12 May 2001. The election campaign was very violent, with more than 2,200 violent incidents reported and 43 civilians assassinated during the pre- election campaign. The situation is still uncontrolled; the total number of assassinations (pre- and post-elections) reached 60 at the end of the year.

Deterioration of investment in human development

Sri Lanka achieved and maintains remarkable success in human development in the fifty years since independence. The level of social development, as measured by key indicators such as life expectancy and adult literacy rates, is still well ahead of the other countries at the same income levels, and stands out even when compared with middle-income countries.

Social development cannot be brought about suddenly, but is rather the outcome of long-term policies and programmes. While conditions for social development were initially favourable, Sri Lanka's success is mainly the consequence of continuous emphasis on human development. Universal welfare programmes such as free education, free health care and free rice rations introduced even before independence contributed significantly to human development.

In the late 1970s, these universal programmes were fully or partially replaced by target-oriented programmes and the introduction of neo-liberal economic policies. These policies have not had the expected trickle-down effect, and have negatively impacted economic and social development.

Neo-liberal economic policies, the 18-year armed conflict between government forces and the LTTE movement, and mismanagement and corruption resulting from politicisation of government institutions can be identified as underlying causes of the slowdown and reversal of socio-economic development.

The *Samurdhi* poverty alleviation programme

The National Poverty Alleviation Programme, *Samurdhi*, has been in operation since 1995 with a primary objective of alleviating poverty. It continued its activities in 2000, providing direct cash grants to more than two million low-income families, although this is only half the number of poor families in the country.

In addition to its income supplement programme, *Samurdhi* has organised other programmes aimed at improving the socio-economic conditions of low-income groups. These include: a community and infrastructure development project; savings programmes; social infrastructure programmes; training and entrepreneur development programmes; and self-employment schemes. The alleviation of poverty is a major challenge for the government. Serious efforts are needed to ensure sustainable livelihoods by generating employment and increasing farm incomes.

Questionable official definition of unemployment

According to the Central Bank, the unemployment rate has dropped gradually to 8.4%. However, some disagree with the Central Bank's definition of unemployment. Alternative sources say that unemployment in Sri Lanka has increased by about 50% compared with that of 1994.

Privatisation has not created an economic boom and has not expanded the job market because of poor planning and the negative external environment (war and power crisis). Furthermore, political appointments by the ruling People's Alliance have led to over-recruitment of staff in some government establishments, putting a heavy burden to those institutions. At the same time, privatisation of other government establishments resulted in a loss of jobs because of redundancy. Privatisation under the Structural Adjustment Programme, which led to shutdown of 745 small-scale industries in 2001 alone, has changed of the nature of jobs from permanent to more casual and contractual jobs, and threatened job security.

Market economic policies such as removing subsidies and barriers on food imports and minimising government intervention in the market are disadvantageous to small-scale farmers. This situation is expected to worsen if World Bank recommendations such the privatisation of irrigation and agricultural extension services are implemented.

Low allocation of funds impacts on health sector

The government of Sri Lanka has made significant contributions to the improvement of the health sector. The number of hospitals increased from 558 in 1999 to 578 at the end of 2000. The number of doctors increased from 55,436 to 58,310 from 1999 to 2000. The number of patients per doctor has decreased from 3,197 to 3,090.

However, there are still shortcomings in the health sector. The main reason for this is low allocation of government funds to the health sector. The share for the health sector in Sri Lanka is only 1.4% of GDP, compared with 3.0% and 6.9% GDP in middle and high-income countries respectively. The situation is exacerbated by a shortage of medicines, doctors, qualified nursing and technical staff in the hospitals, and the inability of poor people to get treatment at private hospitals.

Food insecurity and malnutrition

Malnutrition is a serious problem in Sri Lanka. Pregnant and nursing mothers and pre-school children are most vulnerable to protein-energy malnutrition, iron deficiency anaemia, vitamin A, iodine and other micro nutrient deficiencies. Food insecurity is one of major reasons for malnutrition. According to the Department of Census and Statistics, Sri Lanka achieved food security in terms of availability. But poor financial and physical access to food is responsible for food insecurity and malnutrition. A drastic price increase in essential food commodities and stagnation or deterioration of real wages and incomes of the people created poor financial access to food. Furthermore, unfavourable conditions created by the ethnic war with the LTTE threaten physical access by people in those areas to adequate and nutritious food.

Water and sanitation

The objective of the National Water Supply Policy of Sri Lanka is to provide safe drinking water to its population by 2010. The investment needed in the water sector to achieve these goals has been estimated at LKR 85 billion (USD 900 million). However, projected government investment in the water sector over the next ten years is an estimated LKR 45 billion (USD 480 million). At present, 67% of the population has access to safe drinking water.

The demand for piped water grows with population expansion, urbanisation and growth of industry and commercial activities. There still exists a large unmet demand in this respect, as piped water is presently available to only about one-third of households. The aim of the Third Water Supply and Sanitation Project is to improve the health and well being of one million people in rural Sri Lanka by improving water supply and sanitation facilities and providing education on hygiene.

Areas in the rural dry zone of Sri Lanka do not get adequate water for domestic consumption. A severe drought in August 2001 affected several agricultural areas in Sri Lanka, and as a result about 300,000 families have suffered immense hardship. According to the Department of Social Services, people in the south-eastern part of the country suffered greatly from the drought.

Women's contribution to economy

Sri Lanka can be proud of having produced the first female premier in the world in 1961. From 1994 to 2000, two women, a daughter and mother respectively, held the two top positions in the country – the presidency and premiership, and the present president of Sri Lanka is a woman. This does not mean, however, that women enjoy full rights. Women's participation in decision-making and governance is still not adequate. Women's educational attainments and labour force participation have improved significantly, but still there are differences with male participation.

Females make an important contribution to the national economy. Foreign employment, where two-thirds of the workers are female, makes the largest contribution to the national income. The majority of the people working abroad are employed as housemaids and unskilled labourers in the Middle East. Many live in harsh conditions and are often cheated, ill treated by unauthorised job agencies, and subjected to sexual harassment. The Sri Lankan government has not found a way to protect them.

Impact of war

The war has had a negative impact on the national economy and the livelihoods of innocent people. Heavy war expenditures are hard for a poor country to bear. People suffer from direct and indirect taxes imposed by the government to meet war expenditures. According to government sources, more than 60,000 people, both armed and civilian, have died in the war. Some sources report that innocent civilians are more vulnerable in the war, since three-fourths of war victims are civilians. Furthermore, many people have become disabled, lost their property, or lost their livelihoods. Recruitment of children as soldiers is a social problem created by the war. As a result of the war, many people have immigrated to other countries. Many people live in refugee camps under poor conditions. Unfortunately, neither the government nor the LTTE has paid adequate attention to finding a solution to the problem. ■

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Impacts of liberalisation

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Since its succession to power, the present government has adopted readjustment and liberalisation policies in an attempt to improve the deteriorating economy, but those policies have had negative impacts on the economy and the people. Social services were hardest hit by these liberalisation polices.

Impacts on education

The first Sudanese national comprehensive strategy stated the right to compulsory education by the year 2001. But many factors have intervened to delay its execution and the percentage of children enrolled in schools fell from 72% in 1990 to 52% in 1998.

The government was and still is unable to allocate enough funds for education. Expenditure on education is one of the lowest in Africa and the Arab world, only 1.2% of the GNP, 1.9% of the GDP, and 15% of the total budget.

In 1996, there was one school for every 512 children aged 6-13, but there are clear regional disparities. In the north, the average ratio is one school for every 431 children; in the south it is one for every 3,417 children. In some areas education is primarily provided by NGOs.

According to the UNDP/Ministry of Social Planning national human development report (1998), the school dropout rate is 24% and it is expected to be much higher in rural areas and among hard to reach children.

Education has become unaffordable to many families. School equipment and teaching aids are in acute shortage in primary schools and completely lacking in some rural schools. The school environment is often hazardous to child health and safety. Seating facilities are inadequate and contribute to poor health and vision problems. Children in schools drink from a common, usually uncovered, water pot (*zeer*) and use one cup, which frequently leads to outbreaks of infectious diseases like tonsillitis and mumps.

Sudan's laws also contribute to putting education beyond the reach of many families. The Sudan constitution does not state the right to free education. An act of the federal government in 1999 shifts the responsibility for many services to state governments, many of which are too poor to provide them. The Educational Act of 1991 asks families to contribute to fees, books and other school materials to make up for shortfalls.

Health impacts

Though the Sudan government has adopted the strategy of health for all by the year 2000, the statistics of the federal ministry of health and UNICEF show a different situation. Table 1 shows the decline in health facilities.

People are dying from manageable diseases, indicating a low standard of primary health care. It was estimated, for example, that 98% of children under five and 81% of mothers in North Darfur had anaemia (UNICEF 1999).

TABLE 1

Health facilities by region per 100,000 people

REGION	HOSPITAL		HEALTH CENTRES		DISPENSARIES		PHC UNIT	
	1993	2000	1993	2000	1993	2000	1993	2000
Eastern	0.7	1.4	1.4	2.3	5.3	4.7	13.7	13.2
Northern	2.4	3.3	9.4	7.6	16.3	10.4	11.8	6.2
Khartoum	1.1	0.6	2.1	2.2	4.1	2.1	1.7	1.5
Central	1.1	1.4	2.3	4.6	9.6	9.9	2.8	6.2
Kordofan	0.8	0.9	1.1	2.0	4.5	4.2	29.2	N/A
Darfur	0.3	0.3	0.5	1.3	2.6	2.2	13.8	11.9
Upper Nile	0.6	0.5	0.2	0.6	3.2	1.1	6.6	3.2
Bhar El Gazal	0.8	N/A	0.2	N/A	4.6	N/A	3.4	N/A
Equatorial	1.4	N/A	0.6	N/A	5.9	N/A	20.7	N/A
Sudan	0.9	0.8	1.9	2.4	5.3	4.3	11.9	6.0

Source: UNICEF State Encyclopaedia, 2000. PHC: Primary Health Care.

TABLE 2

Ten leading causes of death

DISEASES	NO. OF CASES		% OF TOTAL	RATE/100,000 POPULATION	
	1996	1998	1996	1996	1998
Malaria	4,595,092	4,126,502	15.4	169	139
Diarrhoea	4,082,941	3,244,483	14.0	14.6	10.9
Respiratory system diseases	3,462,046	N/A	12.0	123	N/A
Dysentery	2,792,018	1,828,708	9.0	100	61
Nutritional deficiency	2,277,150	1,474,765	70	81	49
Digestive system diseases	1,395,993	N/A	5.0	49	N/A
Injuries and wounds	1,384,532	N/A	4.7	49	N/A
Eye diseases	1,116,793	N/A	3.8	39	N/A
Pneumonia	1,004,870	N/A	3.5	35	N/A
Tonsillitis	896,131	N/A	3.1	32	N/A
TOTAL	23,007,566	N/A	80.0	82	N/A
Other diseases	5,939,106	N/A	20.0	21	N/A
GENERAL TOTAL	28,946,672	N/A	100.0	103	N/A

Source: Federal Ministry of Health, Annual Statistical Report, 1996; Comprehensive National Strategy report, 1998.

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Diagnosed AIDS cases rose from two in 1986 to 190 in 1989 to 1555 in 1996 and 2607 by June 1999. The actual number of cases is expected to be much higher than the reported number because of lack of sexual education and public awareness, the unwillingness of people to have voluntary tests and the influx of refugees from surrounding countries.

Impacts on drinking water

The government had set the goal of universal access to safe drinking water by 2000. The rural water sector has depended for a long time on foreign financing without community participation. In 1993 the total investment in drinking water supply was about USD 11.8 million of which 63% was external aid, 20% paid by foreign NGOs, 10% paid by users and 7% provided by the government. By 1996 rural water tariffs increased 773% as federal subsidies were cancelled. Shrinking public investment has adversely affected achievement of targets for rural water supply and sanitation programmes.

The last decade witnessed a great influx of rural people into the urban centres. Urban population increased from 6.8 million in 1993 to 10.3 million in 1999. This has increased pressure on already limited urban water supplies. The targeted urban water consumption is 90 litres/person/day. The overall fulfilment rate was 56.8%. Khartoum had the best rate with 81% and Bahr El Gazal the worst with 13.6%.

About 30% of the urban population in 1999 had running water. No state had over 40% of its urban population with running water, while South Kordofan had as low as 10%. Nearly 48% of the urban population still gets its water from standing posts whereas the targeted percentage is 15%.

The goals regarding availability of urban water, type of water supply and regional disparities, as set in the comprehensive national strategy, are not expected to be achieved. Achieving the goal of safe drinking water for all would require protection of water from pollution, increased community involvement and appropriate low-cost technologies.

Economic impacts

Privatisation and terms of international trade agreements have a negative impact on the national economy and the broad population base. National productive enterprises collapse because they cannot compete with imported substitutes. Economic growth is stunted and real *per capita* income declines. The trade gap grows because of the price differential between exported primary products and imported manufactured goods and services.

Galloping inflation was reduced to 10% in 1995 and dropped to 8.2% in 1999, stabilising the price of domestic products. Prices of imported products continued to rise, however, because of deterioration in the value of the national currency from SDD 1.4 per USD 1 in 1990 to SDD 80 in 1996 and to SDD 258 in 2001.

The government's foreign policy curbed the inflow of development aid, loans and investment. The need to settle its debts may obligate the country to expand exports at the expense of food production. Sudan's external debt had grown to about USD 19 billion in 1997.

The civil war has had a very high cost in terms of human capital, national resources, financial resources, infrastructure and socio-political instability. The politicisation of the military, security and civil services and the subsequent purge of qualified office-holders has opened the door to government supporters to occupy senior posts, however unqualified and inexperienced they may be.

Decentralisation proved to be expensive and undemocratic and led to decreased public support for development. Local governments with meagre resources and many services to render have been forced to levy unaffordable taxes and fees on their local communities.

Regional disparities have fuelled the massive rural-to-urban migration while social polarisation has dissolved the middle class, which usually shoulders the greater burden of development.

Oil produced and refined in Sudan has increased the country's foreign currency balance by reducing the need to import oil and through direct exports.

TABLE 3

Economic participation rate by sex in Northern Sudan, 1999

STATE	FEMALE (%)	BOTH SEXES (%)
Read Sea	9.7	34.9
Kassala	8.2	28.0
Gedaref	8.6	25.7
Northern	4.3	25.3
Nahr El Nile	5.1	25.4
Khartoum	9.3	30.2
Gezira	7.4	25.5
White Nile	8.6	26.4
Sinnar	5.2	26.4
Blue Nile	7.8	29.9
North Kordofan	31.0	28.2
South Kordofan	21.7	31.2
West Kordofan	36.1	41.4
North Darfur	39.5	40.2
South Darfur	35.4	40.9
West Darfur	38.5	42.3

Impacts on employment

According to the 1993 census, girls and women constituted 27.7% of the total labour force of 6.5 million persons aged 10 years and above in Northern Sudan. The total labour force grew by 40% from 1993 to 1999, male labour by 34% and female labour by 55.6%. Despite the increase in female labour, it still constituted only 30.8% of the labour force in 1999.

From 1990 to 1996, unemployment increased by 0.1% for the total labour force as well as for male labour. There was a massive migration of male labour to foreign countries.

Unemployment is highest among children and youth aged 10-24 years. It is more prevalent among men in rural areas, but the reverse is true in the urban centres, reflecting women's poor access to education and vocational training, which is provided mainly in gender-stereotyped occupations of education, nursing secretarial work, the arts and handicrafts (UNICEF 1996).

According to the 1993 census, about 1.43 million children and youth (26.96% of the economically active population) in northern Sudan worked. Twenty-five percent of children aged 10-14 and about 38% of those aged 15-18 years were employed. ■

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Vulnerable and volatile

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The decade 1990-2000 was marked by volatile socio-economic development. Suriname experienced severe exchange rate swings resulting from large budget deficits, wrongly applied financial techniques and stagnation in the overall productive capacities in both public and private sectors.

Suriname is largely dependent on her natural resources. The bulk of the Gross Domestic Product (GDP) is formed by bauxite (raw material for aluminium), followed by oil, gold and wood, and to a lesser extent agricultural products. The government's main sources of income are direct taxes such as income tax, indirect taxes such as customs duty and wood export tax, and non-tax revenues such as administrative fees and income from state-owned companies and public properties.

The decade 1990-2000 was marked by volatile socio-economic development. Suriname experienced severe exchange rate swings resulting from large budget deficits, wrongly applied financial techniques and stagnation in the overall productive capacities in both public and private sectors.

Expenditures on basic social services: far from 20/20

The harsh socio-economic situation had negative consequences for the social sectors. The recommended 20% of Total Government Expenditure (TGE) for social services was far from realised. Expenditures for basic social services (education and basic health) averaged only 7.5% of TGE over the period 1996-2000.[1] Health expenditures in particular were cut. In 1997 the share of TGE going to health care was seven per cent. In 1998, this share dropped to two per cent, and it stayed at three per cent in 1999 and 2000.[2]

Health care: a luxury good

Although efforts have been made to reorganise the health sector and expand the system of public health insurance, reality has moved the other way. Health institutions such as hospitals, rural health services and the State Health Insurance Fund faced government defaults time and again. Consequently, patients were often confronted with the "no pay, no cure" treatment. Those who could afford it made a shift to private health insurance, thereby eroding the basis for general health insurance and widening the gap between those who have access to quality health care and those who do not.[3]

Structural problems in education

The Ministry of Education (MOE) is the largest ministry within the government, both in terms of budget and number of employees. Allocations favour tertiary education. With a population of less than half a million people, Suriname maintains a university that offers social, technical and medical studies. The university places a heavy burden on the education budget. In 1996-2000, the annual average allocation per university student was SRG 929,445 (USD 422), while for pre-primary and primary pupils it was SRG 264,227 (USD 120).

The output of the education system at all levels is low, both quantitatively and qualitatively speaking. Each year, 23% of all pupils at all levels have to repeat a class, while 23% - 40% do not pass their exams. The percentage of dropouts is alarming, seven per cent in primary school and 25% in secondary school.[4]

Since education is considered a key element in sustainable development, the malfunctioning of the educational system is seen as a severe developmental problem by most sectors.[5] It is therefore positive that the MOE acknowledged structural problems and in August 2001, started preparations for a National Education Congress, which has to lead to a National Education Plan. With assistance from the United Nations Children's Fund (UNICEF), a consultant was hired to coordinate this process, which is meant to give direction in education for the next 15-20 years.[6]

The neglected potential of labour

The civil service, which employs more than one-third of the total labour force, is overloaded with employees, and the private sector is currently in no position to absorb surplus labour. Hence, stimulating entrepreneurship would be the most efficient way to combat poverty and boost sustainable development. However, the few institutions that were established to assist micro-entrepreneurs by the Ministry of Labour in the early 1990s receive only 0.1% of TGE. Although it is widely acknowledged that the civil service needs to be downsized, and that an economy based on raw materials cannot provide full employment, the political will to invest in micro-entrepreneurship is not there. Since political power is based mainly on patronage, no government up till now has felt it necessary to invest in making people independent and self-sufficient.

Tax system loosing its redistributive function

The tax system is progressive and should therefore reduce inequality. However, reductions in withholding and income taxes to compensate stabilising measures taken in the last quarter of 2000 benefited the highest income brackets and

1 General Bureau of Statistics, Treasury Inspectorate, IMF, Budget Office.

2 Ministry of Finance, Budget Office.

3 Seminars on Health Sector Reform, Ministry of Public Health/Paho.

4 Policy Document 2000-2005, Ministry of Education, Paramaribo April 2001.

5 Stichting Ultimate Purpose. "Report of Workshop on Copenhagen Commitments and Inequality", 2001.

6 *de Ware Tijd*, daily newspaper, 20 December 2001.

large enterprises most. Suriname does not have a tax on real estate. In a society were a happy minority builds palaces and malls, this contributes to the sense of injustice and ignores a considerable potential for state income.

Opening up to CARICOM

Suriname joined the Caribbean Community (CARICOM) in 1995, and has since been rudely confronted with the consequences of open competition without proper preparation. The market was bombarded with products from the Caribbean region that had better marketing, better quality and a better price than local products. The consequences were not all negative, however. Imports from the Caribbean competed with imports from Europe (especially Netherlands) and the USA. Local manufacturers, who had been in a monopolistic position before, suddenly had to compete. Those who were able to invest, bettered the quality and marketing of their product, and became competitive. Those who were not able to invest perished. It is not clear, however, whether this was a direct consequence of trade liberalisation or merely the final blow in an ongoing economic crisis.

Opening up to the CARICOM market at least created an acute awareness within the government and the private sector that there are threats and opportunities out there, and that work needs to be done to minimise the threats and maximise the opportunities. With assistance from the European Union, a Business Forum was created in which government and private sector worked together on a strategy to improve competitive potential. A Social Economic Commission was established in 2000 with representation from government, private sector and labour, and in 2001, an investment code was passed in Parliament. Although a lot of work is still needed, and involvement of NGOs and the wider society is still lacking, these can be considered positive steps in the right direction.

Individual firms and consultancies managed to profit from the opening up of the Caribbean market. The need for support of micro- and small enterprises in general, however, has become both more visible and more urgent.

To comply with rules and regulations of CARICOM, a reduction of import tax has been announced. To compensate for the loss of income, the percentages of Value Added Tax (VAT) will be raised to ten per cent on commodity goods and over 50% on luxury goods. The government has assured society that prices will not be affected, but there is no clarity yet on which goods and services will be designated "commodities" and which will be "luxuries". It is expected that, as when the VAT was first introduced three years ago, more providers of goods and services will go "underground", joining the informal sector.

Debt service: a new problem

Foreign debt rose from USD 174.3 million in 1996 to USD 295.6 million in 2000. The debt service rate climbed from 16.1% in 1996 to 27.1% in 2000. Because of serious inflation during this period, the debt-to-GDP ratio climbed from 26.3% in 1996 to 97% in 2000. Recently, a debt-restructuring scheme was implemented, whereby loans with unfavourable interest rates and pay back terms could be paid off with new loans on the international capital market at triple A conditions. The Dutch agency for development cooperation made this possible with its guarantee fund as collateral. As a result, Suriname currently has a B-credit rating.[7]

Net private capital flows boomed from USD -11.4 million in 1995 to USD 42.8 million in 1996. After 1996, they decreased again to USD 25.9 (1997), USD 6.9 (1998), USD -37.9 (1999) and USD -112.5 million (2000).[8] The boom in private capital flow may be closely related to the build-up in foreign debt over the same period.

7 Special Debt Commission, Ministry of Finance, International Monetary Fund (IMF) report.

8 Central Bank of Suriname.

Vulnerability to external influences and poor internal governance

The economy depends largely on raw materials and agricultural products, which leaves it highly vulnerable to external influences. In the last two decades, fluctuating prices on the world market for aluminium (bauxite), gold and oil have seriously affected the economy. New WTO regulations and conditions have hampered the export of shrimp and other agricultural products. The lost battle over preferential treatment for bananas from ACP countries[9] dealt a massive blow to the state-owned banana company.

It is generally felt that the government lacks capacity to deal effectively with these issues, and that representation on international decision-making fora is too little, too late.[10] As a relative newcomer to CARICOM, Suriname has not yet taken a clear position in the globalisation debate. The concept of active competitiveness, where the focus is placed on investing in human capital,[11] is gaining ground with civil society, but has as not yet been picked up by policy-makers.

Suriname also faces some serious internal obstacles, of which the lack of good governance is the most important. The prevalence of patron-client networks, a strongly centralised but ineffective civil service apparatus, and a weak legal and judicial system that lacks proper checks and balances, make sustainable development difficult. Ironically, in this context, Suriname's rich endowment of natural resources is seen as a cause of corruption.

On top of this, Suriname has become vulnerable to drug trafficking. Weak government organisations, poorly paid civil servants, and a lack of income opportunities in the legitimate economy combined with its location, make Suriname an ideal transit point for drugs.[12]

"Each man thinks his burden is the heaviest"[13]

With assistance from UNIFEM, a plan of action for mainstreaming gender has been prepared. In December 2001, the Ministry of Home Affairs presented a national gender plan for government, and in the same month, the Convention Belem do Para was passed in Parliament.[14]

The daily reality for most women in Suriname still looks bleak, however. With most of their labour unpaid, underestimated and undervalued, women suffer most from negative swings of the economy. In 1996 and 1997, the unemployment rate for women was twice that of men. Although there was a general increase of six per cent in employment from 1995 to 1997, job losses occurred in sectors that employ the most women. Women still work mainly in the traditional "caring" sectors, which pay the least. The government is the main employer of women, the majority in the lowest echelons (71% of low-level civil servants is female). With globalisation and the economic crisis, female entrepreneurs have disappeared from the formal sector.[15] In the private sector, the rights of women workers are not well regulated and credit is hardly accessible. For half of Suriname's population, the burden has become almost to heavy to bear. ■

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9 Countries of the European Union (EU) allowed preferential treatment for bananas from former colonies, African, Caribbean and Pacific (ACP) countries. This was considered a violation of WTO regulations for equal treatment, and in the end the EU complied with the WTO verdict.

10 Stichting Ultimate Purpose. *Op. cit.*

11 CARICOM. Working Paper for the Fourth Meeting of the Council for Human and Social Development, Georgetown, Guyana, 4-6 October 2000.

12 Inter-American Development Bank. Economic and Sector Study Series, *Governance in Suriname*, Washington, April 2001.

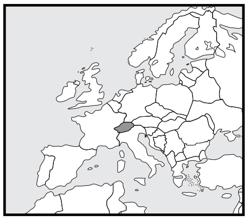
13 Lyrics by the late Bob Marley, Jamaica.

14 Belem do Para Convention is the Convention on Eradicating all Forms of Violence against Women.

15 UNIFEM. Fact sheet, *Situation Analysis of Women*, Paramaribo, 2000.

The need to control financial capital

BRUNO GURTNER[1]



The private sector must participate in preventing and resolving financial crises and must share its costs. New ways of restructuring international sovereign bonds must be realised. There is also a strong need for regulating debt standstill and for an orderly work out mechanism. Control of offshore financial centres should be extended to tax matters, and an international tax organisation should be established.

Domestic resources

Overall public expenditures rose strongly in the 1990s from 27% of Gross National Product in 1990 to nearly 32% at the end of the decade. The Confederation, the Cantons and the local communities ran up huge deficits during this decade. Public debt of the Confederation tripled between 1990 and 1999, reaching 25% of GNP (public debt at all three state levels was 50% of GNP at the end of 1999). There is strong political pressure to reduce these deficits, despite campaigns by right wing parties to reduce taxes. Social expenditures are at risk of being cut. With the decision of the Federal Council (central government) to pump nearly CHF 3 billion (USD 1.8 billion) into a new Swiss airline after the crash of Swissair, the Confederation will continue to run deficits. Due to these budgetary problems Switzerland did not raise Official Development Assistance to 0.4% of GNP by the end of the Millennium, as originally promised by the Swiss government (see section on ODA below).

The Organisation for Economic Cooperation and Development (OECD) criticised parts of the Swiss tax system, mainly the taxing of holding societies, as harmful practices. Switzerland is also under heavy pressure by the European Union, which will introduce a directive governing the taxation of savings income based on an automatic procedure of exchange of information between Member States. Important non-EU Member States are asked to introduce equivalent systems. The Swiss government and the Swiss banks reject such a proposal because it affects Swiss bank secrecy. Switzerland has offered only to extend its withholding tax on interest income and to share tax income with the EU. If Switzerland will introduce such an extended withholding tax in favour of the EU, this system should be extended to developing countries, lobbied the Swiss Coalition.

The fact is that the national laws offer many tax loopholes, and make a particular distinction between (illegal) tax fraud (*eg*, falsification of documents) and simple tax evasion. Although the latter is technically prosecuted, this is done only in the case of parties obligated to pay taxes in Switzerland. Experts criticise the fact that a big share of offshore moneys managed by the Swiss banks are not correctly taxed in their original countries. But Switzerland offers no legal assistance to other countries trying to prosecute tax evaders. This is not only a source of irritation to the EU but also a cause of huge losses in tax revenue to developing countries. Therefore the Swiss Coalition is fighting for a more coherent Swiss tax system and improved international juridical assistance in tax matters[2] .

Foreign trade

For the Swiss government, trade is the essential engine of economic growth, income generation and poverty reduction in developing countries. Switzerland consequently supports global trade liberalisation.

Switzerland also supports calls for better market access for developing countries' exports. The government offers to eliminate or reduce tariff peaks and tariff escalation for industrial products, a policy that is contested by some interest groups. As regards agricultural products, Switzerland offers to gradually open markets further while taking into account the non-commercial interests and multifunctionality linked to agricultural activities. Switzerland's General System of Preferences (GSP) gives duty-free access to all industrial goods and some agricultural products for Less Developed Countries. LDCs should be given step-by-step zero-tariffs and have no quotas on the remaining agricultural products.

Switzerland created the Swiss Import Promotion Programme in 1999 to assist developing countries in expanding their export capacities. The government also supports trade-related capacity-building programmes and teaches developing countries to participate more effectively in trade negotiations.

The Swiss Coalition is sceptical of the Swiss government's faith in trade liberalisation as the engine of economic growth. The Swiss Coalition lobbied very actively together with other organisations of civil society for a more coherent Swiss trade policy in the World Trade Organisation.[3]

External debt

In March 1991, Switzerland established, in response to political pressures by NGOs, its comprehensive debt-reduction programme. The Parliament approved an additional CHF 500 million (USD 300 million) for bilateral and multilateral measures. By that measure, Switzerland played a pioneering role at the international level. The Swiss Coalition managed the so-called "creative debt reduction programme" with counterpart funds that financed projects benefiting populations in indebted countries. These funds have been financed through Swiss debt cancellation while debtor governments paid a portion of the cancelled debt into these funds. Previously Swiss bilateral ODA was given in the form of grants. Switzerland contributed to multilateral debt reduction in several

1 Economist, Swiss Coalition of Development Organisations. Responsible for the programme on international financial institutions.

2 Swiss Coalition News, No. 27, June/July 2001, Berne. (www.swisscoalition.ch).

3 Swiss Coalition News, No. 28, October 2001, Berne (www.swisscoalition.ch).

developing countries before the Highly Indebted Poor Country (HIPC) Initiative was started. Switzerland also supported the HIPC Initiative from the very beginning. But today the government follows a very cautious line regarding the enhancement of the HIPC Initiative.

The Swiss debt reduction policy has been jointly evaluated by the government and the Swiss Coalition,[4] who believe that the HIPC Initiative does not offer a way out of the debt trap. Switzerland should therefore support the enhancement of the HIPC Initiative, contribute to formulating a follow-up initiative for ongoing, comprehensive debt relief and help develop a new policy among creditors to break the cycle of debt. Switzerland should also support the introduction of an international insolvency procedure for indebted countries, modelled on the American procedure of insolvency for governmental units that guarantees a local community the right to a minimum subsistence.

Private capital

More than 90% of Swiss Foreign Direct Investment (FDI) flows into other industrialised countries, but FDI in some large developing countries has risen steadily during the last decade. Swiss FDI in smaller countries is still minimal.

Figures of the Swiss National Bank (SNB, the Central Bank) remain unclear in several aspects.[5] While Swiss capital exports into newly industrialised countries (NIC's) of Asia and Latin America peaked in 1998 with CHF 6.9 billion (USD 4.2 billion), capital export flows into these countries have been reduced to CHF 1.5 billion (USD 900 million) in 2000.

With respect to other developing countries, the only relatively large investment flow is to big countries like China, India and Indonesia. Swiss FDI for all developing countries peaked in 1997 with CHF 1.8 billion (USD 1.1 billion). Since 1998 the statistics also include flows into Caribbean offshore financial centres; within the last three years they more than tripled from CHF 3.0 billion to CHF 9.3 billion.

SNB figures do not reveal what sectors within developing countries receive FDI. Generally the biggest Swiss investors are metals, machinery and chemicals among manufacturing industries, and finance and holding companies, banks, communication and insurance companies among services.

FDI's in Switzerland by developing countries are very small, only about CHF 1.1 billion or less than 3% of all FDI in Switzerland.

Statistics about portfolio investment are inadequate and do not show geographic differences. Poor statistics mask the importance of the financial sector in Switzerland.

The Swiss Coalition believes that private flows could and should make important contributions to international development financing. But the quality of financial flows is very important. Private flows should respect socially and environmentally responsible criteria. Harmful flows should be reduced and controlled, especially the highly volatile short-term and speculative capital flows. Crisis-prone international capital markets should be controlled and taxed.

International financial architecture

There were some improvements in international financial architecture, such as increased transparency, higher standards, better financial sector assessment and better surveillance of offshore financial centres.

But there are still no effective and binding rules for the involvement of the private financial sector in preventing and resolving financial crises. The private sector must share the costs of financial crises. New ways of restructuring international sovereign bonds must be realised. There is also a strong need for regulating debt standstill and for an orderly work out mechanism. Control of offshore financial centres should be extended to tax matters, and an international tax organisation should be established.

Official Development Assistance

The government never agreed to comply with the 0.7% goal, but it promised to reach 0.4% ODA by the end of the millennium. Economic weakness and severe budget restraints blocked further progress. After some years of significant rises in ODA, Switzerland contributed only 0.34% of its GNP in 2000. After strong lobbying from the Swiss Coalition, the Parliament now requires the Swiss government to raise ODA to 0.4% by 2010, but the budget for 2002 does not include any increase in ODA.

Efforts by the Swiss Coalition and other NGOs to raise the Swiss ODA could be furthered by international pressure such as a campaign to fulfil the Millennium Development Goals and increase ODA (the Brown Initiative).

The Swiss Coalition supports ideas for innovative sources of development financing such as the carbon tax, currency transaction taxes, and issuance of IMF Special Drawing Rights as well as measures to improve the quality of aid.

Gender dimensions

Swiss development policy decision makers, at least in project and programme work (both bilateral and multilateral), are generally aware of gender dimensions. More and more women have reached jobs with decision-making power. Private and official development assistance is generally assessed for gender impact. Private development organisations and the official Swiss Agency for Development and Cooperation have prepared principles of gender policy and are financing special programmes for women.

In areas such as trade and financial liberalisation, fiscal adjustment and privatisation, Switzerland generally is ready to design policies that minimise negative impacts on women, ethnic minorities or the environment. In light of this awareness, the pressing need now is for better impact assessment. ■

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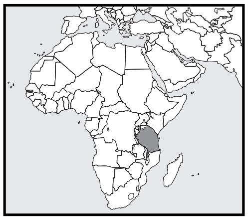
4 Swiss Coalition News, No. 26, March/April 2001, Berne (www.swisscoalition.ch). See also the website of the State Secretary of Foreign Economic Affaires, Seco: www.seco.admin.ch/seco/

5 Swiss National Bank, *Swiss Balance of Payments 2000*, Zurich 2001 (www.snb.ch).

The damage of liberalisation and the dead-end of debt



Liberalisation of trade, imports and investment, which began during the mid-1980s, affected agriculture and small-scale traders, undermined small businesses and cottage industries owned by women and damaged the national industry, while incentives offered to attract foreign direct investment have undermined the available tax base with few positive returns. On the other hand, the HIPC initiative does not provide a lasting exit from debt problems and has minimal impact in poverty reduction.

Domestic resources

Tanzania is one of the world's least developed countries with a Gross Domestic Product (GDP) of about USD 8.33 billion (2000 exchange).[1] The Tanzanian economy depends mainly on agriculture, which in 2000 accounted for 48.2% of the GDP. The trade, hotel and restaurant sectors constituted 15.6%; financial and business services 9.9%; manufacturing 7.9%; public administration and other services 7.3%, transport and communication 5.2%; construction 4.4%; mining and quarrying 2.2%; and electricity and water 1.6% (*Economic Survey,* 2000).

The main source of revenue for the government in 2000/2001 was the Value Added Tax (VAT). Its impact on women and the poor has not yet been fully assessed, but the issue will soon be examined by the Public Financial Management Program (PFMP) and Tanzania Social Watch. The 20% VAT targets consumers without differentiating between the wealthy and the disadvantaged. All residents of the country pay tax via VAT except for foreign investors, who often receive significant exemptions. The level of services provided by the government is poor, and inadequate education of taxpayers and tax collectors coupled with corruption and weak administrative control has resulted in a public weary of taxation. Citizens see no clear relationship between the taxes they pay and the amount and quality of public services they get in return.

Government deficit perpetuates poverty

Historically, government expenditure has been higher than revenue, creating gaps of millions of shillings. These deficits have led to a reduction in government spending, including that for social services, in an attempt to balance expenditures with revenue collected. The most vital sectors, such as education, health, water, roads and agriculture, are highly under-funded.

In 2000-2001, 27.2% of the total recurrent budget was set aside for servicing the public debt, but 47.5% was actually spent in the first half of the year for this purpose (*Economic Survey*, 2000).

Trade liberalisation: disproportionate negative effects on poor

Liberalisation of trade, imports and investment, which began during the mid-1980s, affected men and women differently and disproportionately impacted small-scale traders. An investment code that allows foreigners to engage in retail and small-scale activities has undermined small businesses and cottage industries owned by women. Incentives offered to attract foreign direct investment have undermined the available tax base with few positive returns. Most of the industries that benefited are large-scale, foreign-owned and operated, employing expatriate workers as senior managers and paying low wages, even to skilled Tanzanian workers. These industries are not subject to existing government regulations promoting gender equality and labour standards.

In addition, Tanzania's entry into free or preferential trade agreements has damaged local industries as well as small-scale production and petty trading in the informal sector where many women work. For example, large-scale, male-dominated fishing companies have replaced local, small-scale women who specialised in fish-processing and local trading. Large-scale business in second-hand clothes imported cheaply and often dumped from the West has affected both women, who traditionally produce tie-and-dye and batik fabrics, and other local industries employing many men and women.

Agriculture has also been impacted. In the last decade, the government removed price supports for small-scale growers. Private traders were allowed to purchase commodities directly from farmers, state-owned agricultural estates were privatised, food subsidies were withdrawn from consumers and producers were no longer supplied with farm inputs such as seed and fertilizer. These factors, plus the decrease in spending power as a result of inflation, have meant that despite an overall record of national growth in the country, the majority of Tanzanians have experienced rising prices for basic necessities. (Keller and Kitunga, 1999)

Impact of liberalisation policies on women

There is evidence that women more than men have been adversely affected by fiscal adjustment policies. Women at all levels are being marginalised more than ever before. Few of the high authorities who make major government decisions are women.

Women and children are the most frequent users of health facilities, so when a health care budget is cut by 50%, they bear the brunt. Poor women are given the false impression that health services will be free. But pregnant women going to government hospitals to deliver are asked to bring along a delivery kit. Most cannot afford this, so they deliver at home. Moreover, medicines and supplies are often not available at government hospitals, even if supposedly free, meaning that individuals have to buy from private dispensaries. In addition, because of user fees and withdrawal of government support, much of the burden for care of the sick and the elderly has fallen on families – in other words, on women. This has compounded the inequality of the length of the work day for women and men: it is estimated that women in rural areas work more than 14 hours a day compared with men's 10 hours.

1 Editor's note: The source of this data is *The Economic Survey 2000. World Development Indicators Database* of the World Bank gives USD 9.315 million as GDP for the same year.

In rural areas liberalisation demands increased exports and hence, increased crop yields. In the absence of improved farm technology, the farmers have no alternative but to expand the size of their fields, relying on the hand hoe and human labour. This means a greater workload falls on women who have to cultivate, weed and harvest extra acres. Rural women who must grow food for their families' survival are now pressured by government to produce a surplus of food and cash crops to satisfy the world market.

An increase in crop production should mean an increase in the political say of the women producers in how the government spends the monies gained. However this is not the case in Tanzania. Women are being asked to produce more and getting less in return.

The increase in the acreage of crops has also meant an increase in the depletion of forests because of the slash-and-burn system of agriculture practised in rural Tanzania. Great expanses of land lie bare and barren, so rural women must travel further in search of firewood. Without forest cover, water reserves dry up, increasing the walking distance for women fetching water.

Both urban and rural women need time and an enabling environment (including a sound economic base) if they are to work towards bringing about gender equality. Structural Adjustment Programmes (SAPs) have drained women's time and energy. Less free time for women means diminished capacity to organise and lobby for their empowerment in society.

Commitment to a gender-sensitive budget

Efforts have been made to make government expenditures more gender-equitable, but much work is still needed. As a result of lobbying by NGOs and willingness on the part of some key government actors, an initiative began in the Ministry of Finance in 2000 to increase sensitivity to gender issues in six pilot sectors within the government. This process is being funded by the Swedish International Development Agency (SIDA) with support of NGOs, particularly the Tanzania Gender Networking Program (TGNP), and international consultants. It is still beginning, so no major results have been documented in terms of shifts in resource allocation.

The process has been encouraging, however, as selected sectors have begun to include gender-sensitive objectives within their budgeting priorities. The process of gender mainstreaming is expected to expand to budgeting in the remaining sectors, at the local level (through the Local Government Reform Programme) and to macro-economic frameworks through the government's three-year PFMP. The latter programme contains some exciting possibilities, including estimating women's unpaid labour as one of the factors to include when calculating GDP.

New loans to pay old debts: the limitations of HIPC

The total external debt at the end of September 2001 was USD 7,501.9 million. Debt service payments to the IMF and World Bank are projected to decline to USD 35 million in 2002/03 from USD 61 million in fiscal year 2000/01. From 2003/04 onwards, however, debt service obligations are projected to exceed actual payments in 2000/01, even after full Highly-Indebted Poor Country (HIPC) programme relief. When domestic debt is added to external debt, the fiscal impact of debt (debt service to fiscal revenue ratio) remains high, above 20%.

One key reason why Tanzania's debt will not be reduced to the agreed level is because Tanzania continues to take out new loans and these new debts, which are not included in the HIPC, will start to come due. Tanzania is not unique in this respect. This system of granting new loans to maintain repayments on old debts, even if these are reduced under HIPC, keeps countries on the debt treadmill.

The HIPC initiative does not provide a lasting exit from debt problems unless countries achieve strong and shared economic growth associated with new private investment, open markets, and additional development assistance. These conditions do not exist in Tanzania. After full debt relief, debt service payments will rise again. The current Poverty Reduction Strategy Plan (PRSP) is not fully funded. This financing gap of about 30% undermines the fight against poverty.

Debt relief under HIPC has minimal impact in poverty reduction.

Recommendations

- The government should reduce expenditures to other sectors so as to increase the budget on public services.
- HIPC debt relief, however small, will have a significant impact if PRSP is fully funded. Therefore donors should increase their financial support for PRSP through grants. Debt should also be totally and unconditionally cancelled in order to exit from poverty.
- The ongoing process of structural adjustment, particularly privatisation, has to be looked at carefully and made more pro-poor. Privatisation should avoid adverse social impacts such as massive retrenchment and acceleration of poverty in general.
- Mechanisms should be adopted to ensure full participation in policy formulation, implementation and monitoring of the debt relief strategy, with special attention paid to economic and gender inequities. ■

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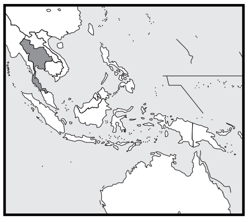
Coalition on Good Government (CGG)
Tanzania Women Lawyers Association (TAWLA)

On behalf of Southern African Human Rights Non-Governmental Organizations Network (SAHRINGON) Tanzania Chapter members.

In the hands of transnational capital and free trade

RANEE HASSARUNGSEE[1]



The lessons learned after the 1997 economic crash recommend that Thailand should protect itself from the hazards of capital flow and international currency fluctuation by imposing strict controls on short-term capital transactions and measures to minimise the unpredictability of international investment capital.

Aftermath of the 1997 economic and financial crisis

At present Thailand's public debt stands at THB 2.886 trillion (USD 64.9 billion) or 56% of the national GDP. It consists of THB 1.212 trillion (USD 27.3 billion) in government direct loans, THB 920 billion (USD 20.7 billion) in guaranteed and non-guaranteed loans for state enterprises and the THB 754 billion (USD 17 billion) debt incurred by the Financial Institutions Development Fund.[2] This does not include the government's economic stimulus activities or public relief programmes aimed at generating income and employment.

Unemployment is increasing. According to a survey by the national statistics office survey in February 2001, the labour force in the northeastern region—the country's poorest area—consisted of 10,645,761 people, and 917,317 of them—a high 8.6%—were unemployed, compared with only 7.2% in 2000. The national average was 4.8%.[3]

Owing to the economic crisis, the number of Thailand's poor has increased to 16% or 10 million people. (According to the World Bank's classification, a person in Thailand with a monthly salary of less than THB 886 (USD 20) or earning less than THB 33.50 (USD .75) a day is considered poor.) Many of the poor belong to small- or medium-sized farming families whose heads of household are poorly educated and landless. Sixty-six per cent of the poor live in the Northeast region.[4]

The national and global impacts of the 1997 economic crisis are complex; improving the economy will require action on many fronts. Leading economists have proposed changes to the country's macro-economic system.[5] Wiraphong Ramangkul, former deputy prime minister and finance minister, suggests that Thailand protect itself from the hazards of capital flow and international currency fluctuation, which was a major cause of the 1997 economic crash. Rangsan Thanaphornphan of Thammasat University's Faculty of Economics recommends a reversal of financial liberalisation, the imposition of strict controls on short-term capital transactions and measures to minimise the unpredictability of international investment capital.

Poor: with no resources, and no voice

Professor Nidhi Iawsriwong of the Midnight University (Popular Education Forum) analysed the phenomenon of growing poverty and concluded that its root cause is lack of access to resources needed for daily living. Two factors contribute to this deprivation:[6]

- The government manages the distribution of natural resources, and its main goal is profit, not improved standard of living. The government allows exploitation of natural resources by those who can make handsome profits. Amazingly, they prefer to let land remain idle for speculation rather than plant it with tapioca. From a marketing stance, THB 500 (USD 11.3) in profit from growing tapioca on one rai of land (6.25 rai = 1 hectare) is peanuts compared with the millions of baht to be gained from land speculation on the same piece.
- Deprived of their resources, the poor lose their bargaining power. Thailand's poor do not have adequate access to political decision-making through which to improve their lot. Modern resources such as the media are also comparatively out of their reach. To get the attention of the media, the poor have to be on the verge of violence or lawlessness. Their proposals are of less interest than their demonstrations or suicides.

Getting a public hearing is a political resource that is beyond the access of the poor. They cannot participate in political parties or political campaigns, which would give them some clout. Nevertheless, Nidhi is optimistic that the people's political organisations will fare better when the poor acquire more skills in applying their indigenous culture and relationships to modern political groupings.

1 This article is based on information and data provided by members of the Social Agenda Working Group, Thailand, and written by Ranee Hassarungsee of Focus on the Global South (Focus). It was translated by Suntaree Kiatiprajuk of the Thai Development Support Committee (TDSC).

2 Anuj Arbhabhirom, Thailand Trend Project, the 10th Report on "Communications: Attempted Search for Public Media (July-September)", the Thailand Research Fund, 2001.

3 Amara Pongsapich, *et al.*, "A New Paradigm on Social Development", delivered at an annual conference entitled *1997: Thailand's Turning Point*, Political Economy Center, November 2001.

4 The *Matichon Daily*, 20 November 2001.

5 Kasian Techaphira, in "An Economic Salvation Proposal: Readjustment and Review of Globalisation Hegemony", The *Matichon Daily*, 11 November 2000, p. 6.

6 Social Agenda Working Group, Thailand, Midnight University, Assembly of the Poor, and Komol Keemthong Foundation, information file of the first discussion forum on "Poverty Eradication: How to Correct the Structure", held on 27 April 2001 at Thammasat University, Bangkok.

Structural poverty

Modern day poverty is no longer the problem of individuals, but a disfigurement of the economic, political and social structures. The public is generally made to believe that the only solution to poverty is economic development and the "trickle down" economics—an outdated theory that has been reinforced through the schools, the media and political speeches. As Professor Saneh Chamarik, chairperson of the National Human Rights Commission, has suggested, Thais need to change their focus from dependence on outsiders and markets to the equitable distribution of resources among all sectors of society.

The people demand protection

Thais have increasingly cried out for protection from the negative effects of globalisation. On 9 November 2001, on the first day of WTO meetings in Qatar, the Alternative Agriculture Network and other groups including a network on AIDS, labour groups and the Northeastern Network of Local Wisdom for Self-Sufficiency organised protest rallies in front of the American embassy. Apparently the US exerted pressure on the WTO to agree to patenting of life forms and drugs. Such manoeuvres will increase the price of drugs because pharmaceutical companies will patent new and essential drugs such as anti-viral cocktails. The agreement would prevent Thailand's Pharmaceutical Manufacturing Organisation and private pharmaceutical companies from importing raw materials for the production of generic drugs.

Another concern is bio-piracy of the property rights to jasmine rice. The "Stepwise programme for improvement of jasmine rice for the United States", financially supported by the US Department of Agriculture, obtained the seeds of Khao Dok Mali 105 rice from the International Rice Research Institute (IRRI) and treated it with gamma rays to create a new variety with early maturation and shorter plants. This new rice strain will retain its original softness and fragrance and be able to grow under US climatic conditions. Although the success of the project has not been ascertained, there is concern that the new variety of jasmine rice could have a negative impact on Thailand. Of particular concern are the implications of patenting the new breed or registering it for property rights protection under the Plant Varieties Protection Act.

The Thai people have been forewarned of prospective threats by Professor Chamarik: "At the moment, Thailand as a resource base for Southeast Asia is in the middle of a massive threat that will adversely affect a large number of people. The liberalisation of finance and trade is nothing but the liberalisation of access to our biological diversity. In the economic arena in the next 10 years, electronic computers and automobiles will fade away. Food and medicine will step in as lead actors, not only because they could bring about a monopoly on profit-making, but also because they control the bodies and minds of the world's population."

The Northeastern Network of Local Wisdom for Self-Sufficiency stated that, after opening itself up to Western colonialist imperialism disguised as liberal capitalist trade and 40 years of being directed by "National Economic and Social Development Plans", Thailand is still under the complete control of "transnational capital and free trade". Chief advocates for such globalisation hegemony are supranational organisations such as the International Monetary Fund (IMF), the World Bank (WB), the World Trade Organisation (WTO) and the Asian Development Bank (ADB).

The G-8 industrialised countries guide these organisations, and their sole objective seems to be to turn all things in the world into commodities that can be freely traded. Achievement of this objective will inflict great damage on local communities:

- The agrarian way of life, culture and locally cherished traditions will be brought to an end.
- The degradation and depletion of natural resources in local communities will continue while conflicts between the government and the private sector on one side and local communities on the other will intensify.
- Direct participation by people in democratic politics will be discouraged.
- Macro- and micro-economic systems that are insensitive to local community practices will emerge.
- Local lifestyles and wisdom will be absorbed by a centralised education system that advocates capitalist goals.
- Westernised "treatment of diseases", which depends completely on foreign health systems and high technology, will ignore and ruin grassroots health systems and social wisdom.

Creating alternatives

If fighting to protect one's rights to self-sufficiency is one side of a coin, creating alternatives to globalisation is the other side. The Alternative Agriculture Network, based in the Northeast, Central, North and South regions has already been successful in acquiring and transferring sustainable farming skills to small-scale farmers. Their proposal for sustainable agriculture has been accepted among grassroots farmers. It was also incorporated into the Eighth National Economic and Social Development Plan (1997-2001) as a major guideline for restructuring agricultural production for small-scale farmers, communities and society. The plan further stipulates that 20% of total farmland, or about 25 million rai (4 million hectares), must be set aside for sustainable agriculture. In these areas, the public is entitled to participate in the development of agricultural systems, conservation and restoration of natural resources.

The Network continues to monitor the government and other agencies and advocates for sustainable agriculture operations. It found that many of the operations were too insubstantial to bring about real changes. Participating in the 99-day demonstration of the Assembly of the Poor from 25 January to 2 May 1997, the Network urged the Chavalit administration to review the activities of the ministry of agriculture and other concerned agencies. It also proposed to government a "Pilot Project for the Development of Small-Scale Farmers' Sustainable Agriculture", offering a variety of farming patterns that are suited to different ecological landscapes and communal cultures. The project also provided organisational charts and management by farmers and community organisations so that they could be models for nationwide development of sustainable agriculture.

The Assembly's demands and pressure resulted in cabinet approval of the Pilot Project on 18 March 1997, opening the door to implementation. The Network then made detailed operational and budget plans for consideration by the government and relevant agencies. But the economic crisis prompted resignation of the Chavalit government on 4 November 1997 and the Pilot Project was sent back to the ministry of agriculture. The new coalition government under Chuan Leekpai was urged time and again by the Network and the Assembly to reconsider the Pilot Project. The Chuan administration finally gave cabinet approval on 30 March 2000, agreeing in principle and approving implementation of the "2001-2003 Pilot Project for the Development of Small-scale Farmers' Sustainable Agriculture" with a THB 633 million (USD 14.3 million) budget.

The project targets 27,100 rai (4,336 hectares) of farmland and coastal areas along the 116.4-kilometre-long Pattani Bay. Overall, the target areas are situated in 19 ecological landscapes: nine in the Northeast, four each in the North and South, and two in the Central Region. The project's target groups include 3,670 families living on the plains, plateaus and mountains, and 3,535 fishing households.

The Pilot Project is a result of a long struggle by many organisations. The government should actively support and promote this kind of people's initiative on a long-term basis towards the goal of sustainable development. ■

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A fascinating example of successful liberalisation?

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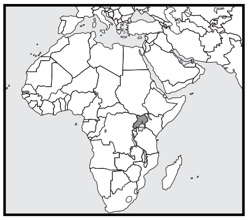

Although Uganda is presented as a fascinating example of a very poor country that has 'successfully' carried out a 'fundamental liberalisation' of the economy, the consequences of such rapid opening up to multilateral capital have often been adverse for indigenous firms and farms who benefit less from production subsidies and have limited help towards access to markets. Lacking antipoverty strategies and job creation policies, with widespread corruption and increasing inequalities the majority of the population remain in vulnerable circumstances.

Lacking antipoverty strategies

Uganda lacks some key policy strategies that would directly contribute to poverty reduction. There is still widespread corruption, and income inequalities have been increasing since 1997. Poverty in the rural areas stands at 39.7% as compared with 10.3% in urban areas. In the Northern region, 65.8% of the population lives in absolute poverty. Children (under 19 years) represent the largest group of poor at 62%.[1]

Employment sector: insignificant progress

Uganda's active labour force is estimated at ten million of which four million are unemployed or non-gainfully employed. With a labour force growth rate of 3%, the economy faces 340,000 new job seekers every year. Government jobs fell by 40% from 1992-2000 with few re-employment opportunities.

With regard to specific commitments, government achievements in the employment sector are insignificant. Employment policy and goals have not been harmonised into a single national strategy. As principal employer, the informal sector has been neglected at the policy level and employment creation has been relegated almost entirely to market forces. Credit programmes to support small enterprises are still ineffective because of corruption and resource diversion. Technical and vocational training is neglected. Affirmative action is starting to pay off for women in the formal sector, but apart from this, there is no effective national policy protecting disadvantaged groups in employment matters.

Impact of adjustment policies on income and its distribution

Adjustment processes supported by the International Monetary Fund (IMF) and World Bank, characterised mainly by a concentrated focus on management of government expenditures, retrenchment, trade liberalisation and privatisation, still form the "nervous system" of the "expanding" economy. Government and World Bank/IMF analysts argue that Uganda is a fascinating example of a very poor country that has 'successfully' carried out 'fundamental liberalisation' of the economy. However, the consequences of such rapid opening up to multilateral capital have often been adverse for indigenous firms and farms who benefit less from production subsidies and have limited help towards access to markets.

The Poverty Action Fund has enabled the government to allocate funds to key sectors that would otherwise suffer under structural adjustment. There is need for increased resource allocation, more equitable distribution and more effective utilisation of resources and monitoring in the areas of education, health, water and sanitation, agriculture and infrastructure at national and decentralised levels.

Insufficient affirmative action

Although affirmative action has bred some achievements in urban areas, the majority of women in rural areas still form the core of the most socially marginalised people in Uganda. There is emerging public frustration in Uganda regarding ineffective implementation of the Land Act, and in particular, there is reluctance to accept the co-ownership scheme. Delayed passage of the Domestic Relations Bill and delayed establishment of the Equal Opportunities Commission as stipulated in the 1995 Constitution are also sources of frustration. There is also increasing dissatisfaction with the way representation is working, especially because a few 'affirmative queens' are riding the affirmative ticket and blocking fresh entrants.

The combined efforts of the government and voluntary sector have narrowed the gender gap in primary education to 89% of girls and 91% of boys. The gap widens at higher education levels because girls have a higher dropout rate.

The government has yet to pass the much-debated Domestic Relations Bill and there is no appropriate law to protect family rights. Violence against women continues. Affirmative action to help women reconcile the simultaneous demands of home and work is totally absent. In rural areas, decades of affirmative action have made barely a dent in the entrenched values that regard women as the providers of household labour.

There is considerable achievement towards the goal of disaggregating data by sex, but additional resources are needed. Women still suffer disproportionately from illiteracy. Although they dominate Functional Adult Literacy (FAL) classes, the illiteracy level of women is still 57% compared with 27% for men. A comprehensive national plan for functional adult literacy is being developed in the ministry of gender and social development.

Progress on provision of basic education

Education has remained a key government priority and continues to receive priority in resource allocation. Today, 33% of total government discretionary recurrent spending is allocated to this sector. Of actual total expenditures, 68% goes to primary, 13% to secondary and the rest to tertiary education. The sector is being implemented under an elaborately developed Education Sector Investment Plan (ESIP) for 1998-2003. The plan's priorities are universal access to primary education, removal of gender, regional and social inequities, strengthening the role of central government and building the capacity of the districts.

1 Social Development Sector Strategic Plan 2002

At World Summit for Social Development (WSSD), provision of gender sensitive basic education and particularly achieving 50% improvement in adult literacy by 2015 were cited as prerequisites for social development. Since 1997, the implementation of Universal Primary Education (UPE) arguably has been a revolutionary achievement. By 1999, 85% of primary school-age children were at school. This surpassed the WSSD target of at least 80% by 2000. However, the rapidly declining quality of primary education under UPE is worrying parents, government policy-makers and civil society organisations.

The success in primary education has not been replicated in FAL education. The coverage of the FAL programmes is still very limited. Adult illiteracy levels fell by 3% from 1995 to 2000, from 65% to 62%. Up to 5.5 million Ugandans remain functionally illiterate and literacy rates are actually falling in the Northern region. The dismal performance in FAL is a result of inadequate resources to expand the outreach, train and recruit more community development assistants. At USD 13 per unit cost of participation, an evaluation of FAL programmes carried out by the World Bank and Ugandan government (1999) estimated that five million illiterate adults in Uganda could be made literate with USD 65 million.

Vicious circle of illness and poverty

Uganda has made progress since 1997 in major health care indicators, but is still below average for sub-Saharan Africa, which has the worst health indicators in the world. Research has shown that ill health is the leading cause and effect of poverty at household level in Uganda.[2] Government efforts in 2001 centred on programmes for malaria control, childhood immunisation and information, education and communication activities.

An elaborate Health Sector Strategic Plan was developed in 2000 as a framework for tackling challenges in the health sector. The major objective of the plan is to reduce mortality and morbidity and ensure equitable access to minimum health care for all. The WSSD targets are still far from being met partly because of the close association between health and poverty.

Fifty-six per cent of Ugandans in rural areas have no access to health services. This figure rises to 72% in the Northern region. Nationally, utilisation of health services by women and children is declining. Less than half of Ugandans live within five kilometres of a health facility. The government abolished cost sharing in public health centres, but unlike primary education, support for public health centres at community level has not intensified. Even without official user charges, transport and other charges, scarcity of qualified health personnel and illiteracy still keep low-income communities from accessing health care. Fifty-six per cent of Ugandans could not afford to attend a health centre the last time a family member was ill.[3]

Despite meeting the WSSD target for reducing HIV/AIDS infection rates, 10% of adults are infected. AIDS remains the leading cause of death in adults below age 49 with women 10% more prone to infection than men. Drugs for treating HIV/AIDS are still very expensive and unaffordable to the majority of Ugandans.

Non-governmental organisations provide 26% of total health services in Uganda and the government has made some budgetary allocations to NGO health services. There is, however, no formal national framework to co-ordinate government/NGO partnership in the health sector.

Since 1997, morbidity has been in sharp increase among all social economic groups. Maternal mortality, at 510/100,000, like many other health indicators, is very high. Budget allocations for health care were only 6.8% of total government expenditure in the 1999/2000 budget. The government has done well to focus on traditional birth attendants, but traditional birth attendants lack even the basic facilities to deal with complications.

2 Uganda Participatory Poverty Assessment Project, 2000.

3 *Ibid.*

Recommendations

Achieving WSSD targets will require the following:

- The escalating indirect cost sharing in UPE needs to be addressed. Government should continuously monitor the monetary and non-monetary costs associated with attendance of UPE classes.
- The informal sector should be prioritised and a sector strategic plan put in place. This plan should be instrumental in defining the levels and nature of support given to micro-enterprises within the national support framework for poverty eradication.
- The emphasis put on functional adult literacy at policy level should be translated into concrete action. Funding should be increased for FAL campaigns in rural areas.
- The government should establish a joint National Disabled/Orphans Council along the lines of the youth and women councils, to promote legislative action favouring orphans and persons with disabilities and strengthen the management and implementation of the current affirmative interventions for socially marginalised groups.
- The government should build on the strong foundation of gender empowerment to design more effective approaches. The Domestic Relations Bill should be passed, and an Equal Opportunities Commission (provided for in the constitution) should be created to redress other persisting gender imbalances and injustices.
- Lastly, the government should urgently mandate a focal ministry to deal with WSSD issues and develop a coherent approach to the Summit commitments. The currently fragmentation among several ministries is an obstacle to government monitoring of WSSD issues.

Conclusion

Some impressive gains have been made, but the overall challenge for the government and other development partners is to extend the reach of these gains.

The majority of Ugandans remain insecure and in vulnerable circumstances. Socially marginalised groups (the elderly, youth, children, orphans, poor women, people with disabilities and internally displaced persons) constitute by far the majority of the vulnerable population. Yet they still are as likely to live in situations defined as difficult. They are victims of a growing income gap amidst impressive national income figures. They are self-employed, domestic workers, and child labourers in an increasingly skills-dependant labour market. They bear the brunt of privatisation of social welfare and corruption and have not yet benefited much from affirmative action. They cannot afford the indirect costs associated with education and often die of preventable diseases because they cannot afford to visit health centres.

The role of the government in the development process needs to be revisited. Free markets imply not less government (Uganda's official position at the moment), but the need for more government with greater scope, along with pressure from a vibrant civil society. ■

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Appalling legacy of poverty and inequality

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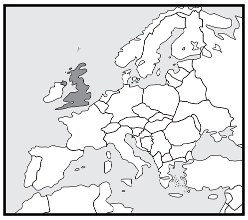

The global interdependence of financial markets, trade and international policies is increasing. But governments retain some choice in intervening to modify the effects of these developments. The UK government says its low corporate taxation and 'intelligent regulation' attract more overseas investment. However critics argue that inadequate employment and social protection rights also make it easier for companies to withdraw.

Poverty and inequality

Domestic policies, exacerbating market inequalities caused by international trends, led in the 1980s to a faster increase in income inequality in the UK than in all but one other industrialised country.[2] In the 1990s, inequality narrowed, but then began to widen again as real earnings rose but benefits failed to keep pace. In 1999-2000, over 23% of the population were living in poverty;[3] inequality had increased since 1998-99.[4]

This means many people do not fulfil the stereotype of the 'rich northern consumer'. Instead, they inhabit a parallel financial universe, often budgeting on a weekly cash basis, with no bank account, few local shops and constant juggling of bills and debts. Health inequalities also increased over two decades to the mid 1990s, and differences in life chances between areas were the widest ever recorded.[5] Recent international comparisons reveal wide disparities in educational performance among UK students.[6]

Recent UK government policies have begun to tackle both the symptoms and causes of poverty. These policies include benefit increases, 'welfare to work'[7] and 'making work pay'[8] measures, increasing staying-on rates in education, and combating childhood disadvantage – although sometimes the emphasis on 'what works', and on the problems faced by discrete groups, can divert attention from systematic structural inequalities and discrimination. The government has committed itself to tackling child and pensioner poverty in particular, and estimates that its policies since 1997 have resulted in over a million fewer children living in poverty than there would otherwise have been.[9] Independent analysis corroborates this.[10] But only 28 out of 50 key indicators showed an improvement over recent years (though none worsened).[11]

Public expenditure and taxation

The government maintained the previous administration's expenditure plans for two years after it came into office in 1997, but more recently started increasing public spending significantly, especially on health and education. However, Labour also committed itself to no increases in the basic/higher rate of income tax again before being re-elected in 2001. Critics say this has tied its hands – and perhaps unnecessarily, since the public is now more suspicious of increases in 'stealth taxes' (often via indirect tax) than in income tax.[12]

A second term has brought some challenges to the government's policy positions – especially its support for a 'mixed economy of welfare', resulting in more control by private service providers and more private funding for public services. In addition, commentators say the government should challenge more directly the combination of private affluence and deteriorating public infrastructure in the UK compared with the rest of the European Union (EU).[13]

Budgets since 1997 have helped the poorest groups most.[14] But a recent analysis concluded that taxes represented 37.1% of gross household income overall, but were 35.7% for the richest tenth and 47.7% for the poorest tenth.[15] A Commission argued for higher and more progressive taxation, to fund higher public spending, on citizenship grounds; but it also said taxpayers would need to be convinced the money was well used, and wanted more say in this.[16] A

1 For OxfamGB, on behalf of UK Coalition against Poverty. The UK Coalition against Poverty (UKCAP) is an alliance of organisations which believe that poverty must be eradicated and which work towards that end. Its key aims are to improve anti-poverty policies by linking policy makers with people who have direct experience of poverty, and to campaign for more systematic and holistic anti-poverty strategies and policies.

2 Peter Barclay (chair). *Inquiry into Income and Wealth, Vol. I.* York: Joseph Rowntree Foundation, 1995.

3 Department of Work and Pensions. *Households below Average Income 1994-95 to 1999-2000.* Corporate Document Services, 2001. ('Poverty' here is measured as the numbers of people living in households with under 60% of the median equivalised household disposable income.)

4 Measured by the Gini coefficient, which increased from 39 in 1998-99 to 40 in 1999-2000 (reported in *The Guardian*, 18 April 2001).

5 Mary Shaw *et al. Inequalities in Life and Death: What if Britain were more equal?.* Bristol: The Policy Press, 2000.

6 OECD. *Knowledge and Skills for Life – First results from PISA 2000,* Paris: OECD, 2001.

7 Social policy focused on providing employment to welfare recipients.

8 Employment-oriented social policy based on the reform of tax and benefits systems and the introduction of in-work benefits and earned income tax credits, aiming at discouraging incentives to remain unemployed. The argument to support such reforms is that badly-designed tax and benefit systems too often leave those working with little more than they would receive were they unemployed; and that if work does not pay, people will be reluctant to work.

9 Gordon Brown MP, Chancellor, in interview for *Today* programme, BBC Radio 4, 13 December 2001.

10 David Piachaud and Holly Sutherland. "Child poverty: aims, achievements and prospects for the future", *New Economy*, spring 2001.

11 Department of Work and Pensions. *Opportunity for All: Making Progress – 3rd Annual Report 2001*, Cm 5260. The Stationery Office, 2001.

12 Alan Hedges and Catherine Bromley. *Public Attitudes Towards Taxation: The report of research conducted for the Fabian Commission on Taxation and Citizenship.* London: Fabian Society, 2001.

13 Peter Robinson. *Time to Choose Justice.* London: Institute for Public Policy Research, 2001.

14 Institute for Fiscal Studies. *Election Briefing Notes 1-6.* London: IFS, 2001.

15 John Hills, *Taxation for the Enabling State.* CASE Paper 41, London: Centre For the Analysis of Social Exclusion, London School of Economics, 2000.

16 Commission on Taxation and Citizenship, *Paying for Progress: A new politics of tax for public spending.* London: Fabian Society, 2000.

17 S. Aldridge. *Social Mobility: A discussion paper.* Performance and Innovation Unit, Cabinet Office, 2001.

report by a government unit argued that increases in income and inheritance taxes would be needed even to create a genuine meritocracy.[17]

The Prime Minister has committed the government to increase health spending up to the EU average, and is not ruling out tax increases to achieve this. The government has for the first time set targets to reduce health inequalities, rightly recognising that the key to their reduction lies largely beyond the scope of the health services.[18] But some health specialists say current policies will widen such inequalities further.[19]

There was some improvement in educational standards in the past few years. But there is also concern about some current policies, including greater specialism/selection, and more business funding; the devolved administrations have not always followed the same policy directions. By international standards, there is high functional illiteracy amongst adults; the government has recently launched a strategy to tackle this, but had to close down one official scheme due to fraud by private education/training providers.

Governance and participation

Poverty is increasingly defined as powerlessness and denial of human rights.[20] But government analysis has tended to emphasise responsibilities instead. People living in poverty often feel their voice is not heard and their dignity not respected.[21] The low turnout in the 2001 general election was particularly marked in poorer areas. The government has produced general guidelines for official consultations. But there is no regular, structured input into policy-making by people in poverty and their organisations at UK level – though some progress has been made at local level, and by the devolved administrations, in particular in Scotland.[22] The Chancellor has urged civil society organisations to back the government's anti-poverty strategy.[23] But many anti-poverty organisations would argue that in exchange the government must go further in recognising the right of people in poverty and their organisations to hold the authorities to account and have a leading role in shaping the priorities of this strategy.

The National Action Plan for social inclusion[24] has been produced recently, as part of an EU initiative, and has set out the government's anti-poverty strategy. The EU required Member States to promote the participation of people in poverty and their organisations, mainstream an anti-poverty focus throughout their policies, and mobilise all relevant bodies; but the UK's plan was not strong in these areas.[25] The government is now discussing with anti-poverty organisations how to improve on its performance.

Gender

Men's gross weekly income is still more than twice that of women.[26] The shift to a service economy has increased part-time/casual jobs, many of which are taken by women, often in households that already have one earner. The government emphasises the division between 'dual earner' and 'no earner' households. But such jobs, whilst increasing women's employment, often do not give them economic independence; and men often spurn them, without a viable alternative. Both genders are struggling to come to terms with these developments, and with family change.

Over the last two decades, the percentage of families where only the man is in paid employment nearly halved.[27] Childcare places were created for over 625,000 children between 1997 and 2000;[28] but childcare services still require further development,[29] and unpaid childcare amounts to an estimated GBP 225 billion/year (approx. USD 325 billion).[30]

The Women's Unit has been renamed the Women and Equality Unit, and given some responsibility for crosscutting equality issues. But public authorities are still not under a statutory obligation to promote gender equity; too few government interventions are informed by systematic gender awareness; and gender mainstreaming has yet to be introduced beyond the pilot stage.

Race/ethnicity

Growing opportunities for international trade and capital investment are not matched by open borders for people. Public bodies (though not the immigration authorities) are now under a statutory duty to promote good race relations.[31] The procedures for dealing with asylum-seekers are to be changed, and migration rules reformed. But analysis of recent disturbances emphasised the segregated lives led by black and white groups, and the extent of social deprivation in many northern towns in England.[32] The government is examining ethnic minorities' labour market position and the policy implications.[33] Controversy erupted over how much immigrants should be expected to integrate into British society.[34] Increasing pressures from population movements in future will pose a sharp challenge to the application of inclusive policies.

Conclusion

The government has demonstrated a real commitment to combating poverty. However, it has not yet changed its rhetoric to reflect the ambition of some of its objectives;[35] and there is increasing recognition of the limited scope of some of its policies in tackling those forces making for growing divisions.[36] Recent moves to tackle the UK's appalling legacy of inequality and poverty are very welcome. But there is still a long way to go before significant progress can be recorded. ■

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18 The government is consulting on aims to reduce the social class gap in infant mortality, and the differences between areas with the lowest life expectancy and the national average, by at least 10% by 2010 in England (Department of Health press release, 28 February 2001); if accepted, similar targets will be pursued by the devolved administrations.

19 Letter to *The Independent* from Alyson Pollock and others, 29 May 2001.

20 See, for example, the European Anti-Poverty Network (www.eapn.org).

21 Commission on Poverty, Participation and Power. *Listen Hear! The right to be heard.* Bristol: The Policy Press/UK Coalition against Poverty, 2000.

22 See, for example, *Social Justice: A Scotland where everyone matters*, Scottish Executive, 2000.

23 HM Treasury press release, 13 December 2001; HM Treasury. *Tackling Child Poverty: Giving every child the best possible start in life*, 2001.

24 UK Government. *National Action Plan for Social Inclusion*, 2001.

25 European Commission. *Draft Joint Report on Social Inclusion (COM (2001), 565 final)*, 2001.

26 In 1999-2000 in Great Britain, men's median gross weekly income was over twice that of women (Women and Equality Unit. *Individual Income 1996-97 to 1999-2000,* Cabinet Office, 2001).

27 Office for National Statistics. *Social Focus on Men*, The Stationery Office, 2001.

28 Department for Education and Employment press release, 24 April 2001.

29 Peter Moss. *The UK at the Crossroads: Towards an early years European partnership.* London: Daycare Trust, 2001.

30 S. Holloway and S. Tamplin, "Valuing unpaid child care in the UK". *Economic Trends*, September 2001. Office for National Statistics/The Stationery Office.

31 The Race Relations (Amendment) Act 2000.

32 Report by Ted Cantle, chair of Community Cohesion Review Team, December 2001.

33 Performance and Innovation Unit. *Improving Labour Market Achievements for Ethnic Minorities in British Society*. Cabinet Office, 2001.

34 See, for example, *The Times*, 10 December 2001.

35 Peter Robinson. *Time to Choose Justice.* Institute for Public Policy Research, 2001.

36 See, for example, Polly Toynbee, *The Guardian*, 14 December 2001.

UNITED STATES

Welfare begins to end as recession grows

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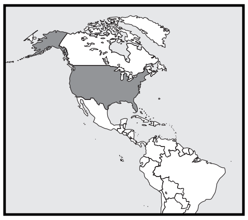

Now that economic recession in the United States has been officially recognised, there are few defenders of the optimistic state and federal government income projections that were used in 2000-2001 to justify tax cuts that largely benefit the wealthy. One analyst noted, "[t]he way for these selective tax cuts was cleared not just with forecasts that made no allowance for contingencies, but with creative accounting worthy of Enron."[1]

With the disappearance of projected budget surpluses have come calls for budget cutbacks that will disproportionately affect already under-funded social programmes. The national government can rely on deficit spending to fund its budget deficits, including a massive military build-up for the "war on terrorism." However, US state governments, which are the main providers of social welfare services, are prevented by their constitutions from borrowing to fund programmes. This prohibition against state borrowing means that social programme budgets will likely be cut. Once again, the US government has failed to give priority to fulfilling World Social Summit on Development (WSSD) commitments.

The poverty of official poverty data

Technical capacity for data collection and interpretation limits the ability of some governments to evaluate the effects of their policies. In the United States, however, technical capacity is less of a limitation than are outdated statistical definitions of poverty that impede analysis, and hence realistic policy formulation, to reduce poverty and related social problems.

In September 2001, the US Census Bureau announced that from a sample survey of 50,000 households, it had determined that the "poverty rate in 2000 had dropped to 11.3% [of the US population] ... not statistically different from the record low of 11.1% set in 1973."[2] The poverty threshold for a family of four was set a USD 17,603.[3] Supporters of 1996 US "welfare to work" legislation, which reduced the number of government food and cash assistance recipients, greeted the Census announcement as proof that "welfare to work" programmes reduced poverty. However, federal poverty thresholds are calculated according to a food budget-based formula that has not substantially changed since 1965.[4] As one critic of the US official definition of poverty noted, "[w]hile the price of food has actually gone down over the past fifty years, poor families now have to spend larger portions of their budget on housing and child care."[5]

The inadequacy of federal poverty thresholds to reflect the after tax income required to pay for basic needs can be measured by the disparity between government unemployment insurance payment levels and the income required to pay basic costs for food, housing, health care, child care, transportation, heat and other basic necessities. For example, one study determined that current federal unemployment insurance "replaced only 33% of an average worker's lost earning."[6] The same study calculated that the basic monthly budget for two parents with two children under the age of twelve in the town of St. Cloud, Minnesota in 2001 was USD 2,674. In annual terms that would be USD 32,088 after tax income,[7] about USD 14,485 above the federal poverty threshold for such a family. A May 2001 study by the Congressional Budget Office determined that the average annual after tax income for the bottom fifth of US households in 1997 was USD 10,800. For the middle fifth, it was USD 37,200, just USD 5,112 above what was calculated to meet basic needs in 2001.[8]

What to pay for – food, heat or health care insurance?

The five-year lifetime limit on cash assistance to poor families and individuals mandated in the 1996 legislation was approved in the midst of macroeconomic prosperity. Now, in the words of a *New York Times* headline, "As Welfare Comes to an End, So Do the Jobs." These were the jobs that were to have enabled poor people to depend no longer on government assistance.[9] The recession has been particularly harsh on women with children. From October 2001 to November 2001, the unemployment rate of female heads of households went from 6.9% to 8.3%, a 20% increase.[10] Children in these households form a large part of the 7% of US children that receive federal food and cash assistance. According to outdated federal poverty standards, about 16% of children are poor.[11]

1 Paul Krugman, "Our Wretched States," *The New York Times*, 11 January 2001. Enron, the most generous corporate campaign contributor to then Governor and now President George W. Bush, is the subject of a federal criminal inquiry for massive and possibly fraudulent accounting practices.

2 "Poverty: 2000 Highlights," US Census Bureau (20 September 2000) at http:www.census.gove/hhes/poverty/

3 "Poverty 2000," US Census Bureau, 20 September 2000, at http:www.census.gove/hhes/poverty/threshld/thresh00.html/

4 Gordon Fisher, "The Development and History of U.S. Poverty Thresholds – A Brief Overview," Winter 1997, at http://aspe.hhs.gov/poverty/papers/hptgssiv.htm/

5 Laura Maggi, "The Poor Count," *The American Prospect,* 14 February 2000, at http://www.prospect.org/print/V11/7/devil2.html/

6 Heather Boushey and Jeffrey Wenger, "Coming up short: Current unemployment benefits fail to meet basic family needs," Economic Policy Institute, Issue Brief #169, 31 October 2001, p. 1.

7 *Ibid*, p. 3.

8 Isaac Shapiro *et al.,* "Pathbreaking CBO Study Shows Dramatic Increases in Income Disparities in 1980s and 1990s: An Analysis of the CBO Data," Center On Budget And Policy Priorities, 31 May 2001, at http://www.cbpp.org/5-31-01tax.htm/, p. 3.

9 Nina Bernstein, "As Welfare Comes to an End, So Do the Jobs," *The New York Times*, 17 December 2001.

10 "The Economic Stimulus Package Must Include Unemployment Insurance for Low-Wage Working Women," National Women's Law Center (revised, December 2001) at http://www.nwlc.org/

11 Peter Edelman, "A Fairness Agenda for the Bush Era," *The Nation*, 23 April 2001.

According to a report by Second Harvest, the largest emergency food assistance network in the United States, 45% of the 23 million emergency food recipients it served last year "had to choose between buying food and paying for utilities or heat."[12] In addition to the aforementioned increase in use of non-governmental food assistance programmes, participation in the government's Food Stamp Programme (FSP) increased 8% from October 2000 to October 2001. Food stamps are government-funded vouchers to pay for basic foods. Tougher FSP eligibility requirements caused a drop of 40% or more in FSP participation in five US states since the 1996 welfare legislation.[13] Many former FSP participants now get mostly church-based food assistance.

Low household income was the chief reason that 39 million US residents could not pay for health care insurance in 2000, according to US Census Bureau data. In 1991, 14.1% of US citizens had no health care insurance at any point in the year. After nine years of unprecedented economic expansion in the United States, in 2000 14% lacked insurance.[14] Legislation to extend health care insurance to more US residents is deadlocked in Congressional budget debates.

Bush Administration fiscal policy and its social programme impacts

President George W. Bush's first budget address called for a USD 1.6 trillion tax cut that was greeted by loud applause.[15] Some of the applause came from those who sought tax cuts for their corporate clients. Critics, however, feared that the Bush tax cut would repeat the result of President Ronald Reagan's 1981 tax plan, making "it structurally impossible to find money for domestic social programmes," in the words of Reagan's budget director.[16] In June, Congress approved a USD 1.35 trillion tax cut over ten years, just four months before the government recognised that the United States had been in an economic recession since March 2001. There is now a national debate about the implementation of the tax cut. The results of this debate will affect the policies and budget for fulfilling WSSD commitments.[17]

Against the evidence of leading economic indicators that pointed to a deepening recession before September 11th, apologists for US economic policy, such as Federal Reserve Chairman Alan Greenspan and former Treasury Secretary Robert Rubin, argued that the economic consequences of the September 11 attacks interrupted a burgeoning recovery from the current recession.[18] Budget constraints, partly resulting from the economic impact of the September 11 attacks, are being used to justify a continuation or even cutting of already inadequate food and cash assistance programmes.[19] Yet some advocates of cutbacks in assistance to the poor, argue that a USD 202 billion programme of tax reductions and tax subsidies for upper income individuals and corporations will help the United States recover from the September 11 attacks.[20]

An economic stimulus bill approved by the House of Representatives will send 41% of the USD 202 billion to the top 1% of US income earners and 6% to the bottom 60%.[21] The bill includes a provision, sought by lobbyists for 15 years, to repeal the Alternative Minimum Tax (AMT) for corporations. According to an analysis by Public Citizen, if the bill is approved by the Senate and signed into law by President George Bush, sixteen companies will receive about USD 7.5 billion in tax rebates. From 1992 to 2002, those companies spent a mere USD 45.7 million to influence legislation.[22]

US foreign policy impacts on social welfare[23]

The pugnacious unilateralism on major foreign policy questions of the Bush Administration's first nine months in office, *eg*, on global warming, changed to a tactically necessary US multilateralism following the September 11 attacks. In recognition of the need for United Nations support for the "war on terrorism", the US Congress voted shortly after September 11 to pay "USD 582 million in back dues, long owed the UN."[24] Whether US "*a la carte* multilateralism," in the words of the State Department's Richard Haass,[25] will support UN programmes to meet WSSD commitments cannot be predicted with confidence.

Prior to September 11, shifts in public attitudes on foreign aid indicated a better political climate for increasing US foreign aid. Opinion polls in 2001 on US public attitudes on foreign aid show that "overwhelming majorities" support "efforts to alleviate hunger and poverty—much more so than for foreign aid overall."[26] In 1995, 64% of those polled favoured foreign aid cuts. But in 2001, only 40% supported such cuts (the margin of polling error was +/-3.5-4%).[27] In 2001, when pollsters asked respondents to estimate "how much of the federal budget was devoted to foreign aid, the median estimate was 20% of the budget—20 times the actual amount, which was just under 1%. Only 5% of respondents estimated an amount of 1% or less."[28] To date there has been no political leadership to turn this popular support for foreign aid into budget allocations.

The Global Development Alliance (GDA), the US Agency for International Development's (USAID) new "business model," is limited to coordinating, facilitating and networking with private sector and "third sector" (NGOs, unions, churches, *etc.*) to fulfil USAID's foreign assistance mandate. The GDA Secretariat was officially launched on 26 November 2001 as a "technical resource unit which catalyses and supports alliance creation and operation."[29] Sample alliances include The Global Alliance for Vaccines and Immunisation, Chocolate/Coffee Production and Distribution Alliances, U.S.-Asia Environmental Partnership, Public-Private Agricultural Research Programmes (*eg*, Monsanto Company and the Kenyan Agricultural Research Institute), and TechnoServe Alliances for Rural Economic Growth (*eg*, Cargill's assistance to "develop competitive oilseed businesses in southern Africa"). Because of the heterogeneity and private/public character of many GDA programmes, GDA results, like those of past USAID "partnership" programmes, will be difficult for *Social Watch* to verify and analyse in terms of meeting WSSD commitments. ■

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12 Douglas O'Brien and Halley Torres Aldeen, "Hunger in America 2001," Second Harvest.

13 "Food Stamp participation shoots up since last year," *Nutrition Week*, 7 January 2002.

14 "The 39 Million Who Mustn't Get Sick," The Wall Street Journal, 27 December 2001.

15 "Bush's Bogus Budget," *The Nation,* 19 March 2001, p. 3.

16 Edelman, *op.cit.* footnote 17.

17 "Coalition Joins Call For Delaying Additional Tax Cuts for the Wealthy to Meet Urgent National Priorities," National Women's Law Center, press release, 16 January 2002, at http://www.nwlc.org/

18 Christian E. Weller and Laura Singleton, "Prosperity wasn't just around the corner: Signs indicating weakening economic performance before September 11 attacks," Economic Policy Institute, Issue Brief #166, 4 October 2001) at http://www.epinet.org/Issuebriefs/ib166.html/

19 Marc Cohen, "City's Poor Don't Need More Belt-Tightening," Newsday, 12 October 2001.

20 "Latest GOP Corporate Tax-Giveaway 'Compromise' Looks Almost Identical to Original Bloated Plan," Citizens For Tax Justice, 16 December 2001, at http://www.ctj.org.

21 "The Wealth Concentration Act," Citizens for Tax Justice in *Multinational Monitor,* November 2001, p. 25.

22 Nancy Watzman, "The Corporate Tax Break Feeding Frenzy," *Multinational Monitor,* November 2001, pp. 24-26.

23 For information on the claims of US trade policy to foster social development, see documents at http://www.wtowatch.org/

24 John G. Ruggi, "The UN: Bush's Newest Ally?" 31 December 2001, p. 18.

25 *Ibid,* p. 20.

26 "Executive Summary: Americans on Foreign Aid and World Hunger: A Study of U.S. Public Attitudes," Programme on International Policy Attitudes, University of Maryland – College Park, 2 February 2001, p. 2.

27 "Findings: Americans on Foreign Aid and World Hunger: A Study of U.S. Public Attitudes," Programme on International Policy Attitudes (2001), p. 1.

28 "Introduction: Americans on Foreign Aid and World Hunger: A Study of U.S. Public Attitudes," Programme on International Policy Attitudes (2001), p. 1.

29 "USAID's Global Development Alliance," United States Agency for International Development at http://www.usaid.gov/gda/index.html/

The fantasy of "good housekeeping"

The model promoted by the government includes the conception of Uruguay as a "financial market". It strongly promotes the financial sector to the detriment of the production sector in particular, and of society as a whole. Excessive opening of markets, de-regulation, exclusive concern for fiscal balance, contention of public expenditure and preference for the financial system, together with an obstinate policy of arrears in the exchange rate resulted in the progressive destruction of the productive apparatus and loss of jobs.

The government is also essentially concerned with maintaining Uruguay's investment rating and, consequently, with faithfulness to the neo-liberal model insisted on by international financial bodies. Uruguay has no policy designed to encourage production.

As a result of these policies, Uruguayan goods have lost export markets and are at a disadvantage in the domestic market where they face competition from imported products—often subsidised in their countries of origin. The visible consequence is the progressive destruction of the productive apparatus and loss of jobs. The traditionally dominant economic sectors, in particular the agro-export and industrial sectors, have been progressively displaced over the last two decades. Their privileged position has been taken over by the financial sector, transnational companies and a small group of importers, direct beneficiaries of the economic policies that have been applied consistently since the military dictatorship.

According to the official version, all that is needed is "good housekeeping" and continued reduction of the size of the State, which is in the basis of inflationary tension through fiscal deficit, which in turn has made Uruguayan companies non-competitive.

Deterioration of historical social coverage

Total public expenditure in relation to GDP has been maintained at similar levels if we compare 1986 and 1999 expenditures. It underwent cutbacks in the first five years of the 1990s, however. Fifty-one percent of the national budget is allocated to social public expenditure. The structure of public expenditure has remained stable in its components. The allocation for education is low as a percentage of GDP, even in the regional context. Most notable for the decade is the expansion of social security expenditure, which is concentrated in the pensions programme. This programme derives from the will of the citizens as expressed in a public plebiscite.

Although Uruguay has historically enjoyed high levels of social coverage in the regional context and still has an advantage in this respect, these levels are dropping (see Table 1).

There are other important gaps in coverage: two hundred thousand children living in poverty do not receive Family Allowance benefits because of the characteristics of the programme, which is mainly geared to the formal work sector.[1] This situation is relevant in a country where 40% of those under age 18 live in households below the poverty line.

TABLE 1

Exclusion from Social Security

IN THOUSANDS OF PERSONS, FOR URBAN POPULATIONS IN LOCALITIES OVER 5,000 PEOPLE.

YEAR	1993	1994	1995	1996	1997	1998	1999
TYPE OF EMPLOYMENT PROBLEM							
Unemployed without insurance *	75.3	86.3	98.4	119.3	115.5	105.9	114.6
Private precarious salary earners**	136.4	140.1	144.5	143.2	150.8	157.1	151.3
Precarious domestic service **	56.2	57.0	57.7	57.4	58.9	64.9	61.5
Self employed without premises ***	55.8	55.8	58.5	56.6	59.1	65.4	68.3
Self employed with premises**	82.3	88.6	89.2	89.8	91.6	94.4	99.9
TOTAL	**406.1**	**427.7**	**448.3**	**466.3**	**475.9**	**487.6**	**495.6**
% of EAP	37.2	37.7	38.6	40.3	41.1	39.8	40.6

* Unemployed who do not benefit from BPS unemployment insurance;
** Precarioaus only because of non-coverage of social security;
*** Professionals and directors are excluded.

Source: "Informal Work and Social Security" by the Team Representing Workers at the Social Insurance Bank (BPS)

There are social needs presently not covered. Necessary complementary measures would include a re-orientation of expenditure, greater efficiency in management and economic support to poor sectors in the framework of a social, supportive and integrating process.

Generation of employment: a key issue

At present, the capacity to generate employment is a key issue in Uruguayan economy. A "hard core" of unemployed seems to have developed in the second half of the 1990s. This indicates that, even in times of economic growth, the increase in employment has not been able to recover the jobs lost during periods of decline. In 2000, the rate of unemployment averaged 13.6%. When under-employment, precarious and informal employment data are added to unemployment figures, we see that half the economically active population (EAP) experienced problems of labour insertion. In the second quarter of 2001, the rate of unemployment rose to 16%. Additionally, there is considerable concern among Uruguayans over the problem of emigration and this rate may possibly reach values on par with population growth.

The increase in unemployment and drop in remuneration indicate deterioration in the quality of life for many Uruguayans. The poverty index reached 25.2% for the whole country in 2000, 10% higher than in 1999. The prospect was for further increases in 2001 following a drop in mean income.

1 The family allowance benefit covers primary maternal and infant health care and monetary benefits equivalent to 8% of the national minimum wage, granted to families with low resources for each child or minor for whom they are responsible. Presently approximately 50,000 children are covered under this modality.

The 1990s appear to be the second lost decade in the struggle against poverty.

Despite this recent evolution, social coefficients reflect a fairly positive structural situation in terms of human development, particularly in comparison with most of the Latin American countries. Illiteracy is 2.5%, there is wide health coverage, 90% of the urban population has access to drinking water, and 90% of the country's road network is tarmac. It is increasingly clear, however, that society is suffering a process of segmentation and exclusion.

Domestic resources: a regressive structure of duties

The central weight of the tax burden falls through indirect taxes (VAT and IMESI[4]), which represented 78.5% of the total. The lack of income tax on physical persons stands out in the tax structure, as only company salaries and benefits, significantly smaller, are taxed.

The promotion of trade and financial liberalisation

International insertion is based on the export of agriculture and livestock and their manufactured products, amounting to 75% of total exports. In turn, imports of intermediary capital and goods amount to 69% of the total. Given the destination and origin of exports and imports respectively, the main trade area is the MERCOSUR (particularly Argentina and Brazil), followed by the European Union and the North America Free Trade Agreement (NAFTA) countries.

Historical structural and more recent factors affect Uruguay's insertion in international markets. Starting in 1972, a social and economic model was developed based on opening to external markets and internal liberalisation. Full financial liberalisation took place from the 1970s. In the area of foreign trade, the process was slow and gradual up to 1991, when an accelerated and unrestricted process of opening up was developed.

Despite an increase in export flows and in GDP, the opening of the economy had negative results:

- structural unemployment doubled from 75,000 to 150,000 between 1988 and 1998;
- salaries froze despite a strong increase in productivity undergone by the economy;
- the number of employed people with employment problems (informal or precarious jobs, *etc.*) increased to today's number of 600,000, that is to say, over 40% of the EAP.

Opening up to foreign trade in the 1990s—added to arrears in the exchange rates resulting from the stabilisation policy—clearly damaged the majority of Uruguayans, in particular the workers and small and medium-sized enterprises in urban and rural environments. At the same time, these policies tied Uruguay to the regional economy, which implied vulnerability. With the Brazilian devaluation and the Argentine crisis, the economy entered into a recession that fast turned into a crisis, seriously aggravating problems of employment, salary and job security.

The trade policies of the countries of the South should be redesigned on three conceptual bases:

- protectionist policies with higher tariff levels in relation to developed countries;
- policies for regional productive complementarity, which would strengthen the South's economic and social efficiency in their competition with developed countries;
- policies for South-South exchange, including countries such as China and India, to strengthen internal trade and reduce vulnerability to policies of developed countries and their international bodies.

The boom of Foreign Direct Investment (FDI)

Uruguay participated in the accelerated recovery of FDI flows, observed in the regional economy since the end of the 1980s, and which qualified as a "boom" in the 1990s, particularly between 1995 and 1999 (Chudnovsky *et al*, 2001).

The coefficient of FDI flow on the GDP for Uruguay over the period 1991-98, according to estimates by Bittencourt & Domingo (2001), was 1.4%, reaching 2% in the year 1998. According to Central Bank data, FDI corresponded to 1.4% of the GDP for the year 2000.

This "*boom*" in FDI implies a significant advance by transnational companies within the economic structure of the country. Transnationals controlled 38% of the sales of major Uruguayan companies (having increased their participation in nearly all sectors). They increased their presence in foreign trade from 26% to 30% of exports between 1992 and 1998.

The challenge of high and sustainable economic growth

How can international insertion be translated into a high and sustainable growth rate? The most important channel is to improve the competitiveness of productive structures. A part of this improvement is achieved by means of specialisation based on static or conventional comparative advantages, *ie*, the use of relatively abundant and therefore cheap factors, such as workforce and natural resources. This would seem to be a necessary advantage but it is not sufficient to achieve high and sustained growth. Such specialisation would be the result of a policy exclusively centred on opening up the economy.

An industrialisation process is needed that improves productive conditions by way of technological incorporation. In the case of small economies (SE), industrial structures cannot reach a degree of diversification comparable to that of large economies. The 'best' combination of available workforce and productive scale implies that (in an almost "natural" way) industry can only be efficient with a certain degree of specialisation. The main restriction for industrial development in SEs resides in the impossibility of carrying out scale economies in the domestic market. Hence integration and access to larger scale markets becomes a primary necessity in carrying out efficient production.

A main way of advancing economic development in SEs consists of export industrialisation. If there is interest in increasing the industrial content of exports, developing dynamic comparative advantages, improving differentiation and therefore prices, and making intra-industrial specialisation possible, the most appropriate place to achieve these objectives is in the regional market. The main reason is that achieving manufacturing advantages over developed countries requires a process of learning and industrial maturity, in which not much progress was made[6] in the 1990s. Here scale economies have an impact together with a minimum time threshold to stabilise export flows. These limitations would not be important in foreign sales directed towards neighbouring countries, since conditions for launching and developing export potential in small countries are easier to achieve.

In the framework of the design of an industrialisation strategy, the promotion of a change in the export orientation of sales by SEs acquires particular relevance. There may be fora to propose active industrial and trade policies in the context of negotiations between the government and SEs. These would include the possibility of changing the behaviour of branches, in particular those participating in trade exchanges between Uruguay and Argentina. ■

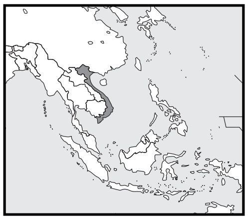
Plataforma Social Watch Uruguay [Uruguayan Social Watch Platform]

2 Tax on alcoholic beverages, tobacco, cosmetics, fuel and lubricants, non-alcoholic beverages, automobiles, potable alcohol, electric energy.

3 Until the early 1990s, a group of Uruguayan companies with national capital had made progress in learning export processes, learning to place their production in the region and later progressing to the markets of developed countries (Vaillant, 1990). Most of these processes came to an end after 1992, when the incubation of export companies became much more limited and the major traditional exports were consolidated, many of which reoriented their sales towards Brazil (Bittencourt & Vaillant, 2001).

Social development is a priority

TRAN THI QUE
TO XUAN PHUC[1]



In the last decade, Vietnam's investment in human and social development has considerably improved the lives of its people. There have been significant advancements in the reduction of poverty and the delivery of social services. Major disparities continue to exist between different regions, genders and ethnic groups, however. The challenge for the next decade will be to eliminate disparities and ensure equal access to quality social services.

The government of the Socialist Republic of Vietnam, with support from the international community, is preparing a strategy for sustainable development and prosperity focused on the needs of people that include 10 goals and 23 targets. Poverty alleviation, hunger reduction, and human capital development are key among the goals set for the first decade of the new millennium.

TABLE 1

Some key proposed development targets 2000 - 2010

Goal 1. **Eradicate poverty and hunger**
- From 2000 to 2010, reduce poverty levels by 2/5 as determined by International Standards and 3/4 as determined by National Standards.
- From 2000 to 2010, reduce food poverty by 3/4 as determined by the International Food Poverty Line.

Goal 2. **Achieve better education for people**
- Provide 100% enrolment in primary school (80% in junior secondary school) by 2005 and quality basic education for all by 2010, with an emphasis on full day primary education.
- Eliminate gender disparities in primary and secondary education by 2005, and ethnic disparities in primary and secondary education by 2010.

Goal 3. **Reach gender equality and empower women**
- Increase women's participation in political and business life by increasing the number of women in elected bodies and the government machinery at all levels (national, provincial, district and communes).
- Improve women's access to assets by ensuring their names (as well as those of their husbands') are on 100% of the land-titling books by 2005.
- Reduce the vulnerability of women to domestic violence.
- Target public investments into areas that reduce the burden on women's time (such as drinking water and fuel, etc.).

Goal 4. **Eradicate poverty and preserve the culture and diversify of ethnic minorities**

Goal 5. **Reduce child mortality and morbidity rates**
- Reduce the infant mortality rate to 30 per thousand by 2005 and 25 per thousand by 2010 and more rapidly in disadvantaged areas.
- Reduce under 5 mortality rate to 39 per thousand in 2005 and 32 per thousand in 2010.

Goal 6. **Improve maternal health**
- Reduce the national maternal mortality rate to 80/100,000 by 2005 and 70/100,000 by 2010 and set additional targets for disadvantaged areas.
- Provide universal access to safe and reliable reproductive health care services by 2010.

Goal 7. **Combat HIV/AIDS**

Goal 8. **Ensure environmental sustainability**

Goal 9. **Provide essential infrastructure services to the specially disadvantaged poor**

Goal 10. **Ensure good governance for poverty reduction**

Source: Vietnam Development Report, The World Bank in Vietnam, page iii-iv, 2002.

Political will to advance social development

During the last decade, Vietnam progressed from what was judged a poor, backward, food-deficient country to one that has made significant socio-economic achievements: *per capita* GDP in 1999 was USD 300 and the average GDP annual growth rate from 1995 to 1999 was 8%. Surveys in 1999 indicated that the adult literacy rate was 90.3%, much higher than many of the countries in the region. The surveys conducted in 1999 also indicated that compared with other countries with similar GDP, Vietnam has achieved much more in the area of social development. Life expectancy was 68.3 years and the net primary school enrolment rate was 94.8%. The mortality rate of children under five was 30 per thousand. The percentage of population with access to sanitation was 83.6% and to safe drinking water was 77.1%.[2] Poverty rates were reduced significantly from 58% of population in 1992-93 to 37% in 1998 as determined by international standards.[3]

The achievements were not only the result of more than a decade of institutional reform and economic growth, but also of the sincere efforts and priority setting for social development by the government. In addition, the government encouraged "savings" to invest in basic social services and the equalising of society and gender.

Unfortunately, these achievements are uncertain. The government has made efforts to reduce poverty, but poverty levels increase substantially after each natural calamity. In 1998 two-thirds of households were classified "very poor". The Vietnam Human Development Report points out that "poverty still remains the big challenge for development of the country in the next ten years".

This same report concludes, "The period of easy eradication of poverty is probably over. The challenge is to achieve the targets for poverty eradication in the next decade, even if economic growth (at least 7%) is at a relatively high rate".[4] This is particularly true for poor regions and rural areas where the actual economic growth rate is unlikely to achieve the minimum. These areas will not be able to meet basic food requirements.

1 The authors are grateful to Oxfam GB in Vietnam for its financial support.

2 *Vietnam Development Report 2002: Implementing Reforms for Faster Growth and Poverty Reduction.* The World Bank in Vietnam, 2001.

3 *Implementation Progress of International Development Targets/Millennium Development Goals: Vietnam.* UNDP in Vietnam. Hanoi, 2001.

4 *National Human Development Report 2001: Doi Moi and Human Development in Vietnam.* National Centre for Social Science and Humanities. The Political Publishing House. Hanoi, 2001, p. 7.

Furthermore, the gap between the rich and the poor is widening. The Gini Coefficient (which expresses perfect income equity as 1 and absolute inequity as 100) in 1995 and 1999 shows that the richer the region, the wider the gap over time. Table 2 shows the change in this coefficient over the five-year period. The Red River Delta and the Southeastern region are two of the richest regions.[5]

TABLE 2

Income Gini coefficient between regions in Vietnam

REGIONS	1995	1999
Red River Delta	33.0	41.3
Northeast	32.5	38.0
Northwest	36.1	39.4
North Central Coast	34.4	37.8
South Central Coast	34.5	38.5
Central Highlands	45.6	43.4
Southeast	36.9	44.6
Mekong River Delta	38.3	42.0

Regional gaps

According to Vietnamese statistical data, living conditions in different regions vary greatly. *Per capita* GDP in the richest region (Southeast) is 4.5 times higher than that of the poorest (Northwest), where minorities are concentrated. Table 3 shows the percentage of poor people in the various regions of the country.

TABLE 3

Poverty levels: geographical and economic characteristics

REGION	% TOTAL POPULATION	% TOTAL POPULATION UNDER POVERTY LEVEL	
		1998	2010
Northern mountainous[6]	17.1	28.1	34.4
Red River Delta	19.4	15.0	3.8
North Central Coast	13.1	17.8	13.0
South Central Coast	8.5	10.1	11.7
Central Highlands	4.0	5.1	7.0
Southeast	16.7	2.6	0.2
Mekong River Delta	21.1	21.2	30.2

Source: Estimated data of the Central Institute of Economics based on data collected from Vietnam Living Standard Survey 1998.

State budget allocation

The state budget allocation for health care is based on a national standard. Funds are allocated according to the standard and based on the number of hospital beds.

Owing to low population density, poor provinces and regions have fewer beds than other regions. Therefore, although the allocation per/bed should be higher for the poor regions, they actually get less money for health care from the central government than the wealthier regions.

Survey data collected in 2001 indicates that the poor tend to use health care services at the village level, while those with resources tend to use specialised hospital services. Therefore, the rich have better access to government subsidy in health care service.

The poor in poor regions: double poverty

The government is implementing a programme that provides free health care insurance to the poorest 30% in Vietnam. By 2000, three quarters of the provinces in Vietnam were expected to have implemented this programme. In the northern mountainous region, however, 40% of the provinces have not yet implemented the programme. In some of the poorest provinces in the region such as Ha Giang, only 2% of the poorest were provided with free insurance. In Lao Cai Province only 3% of the poorest have been able to obtain it. By region, 60% of provinces in the Mekong River Delta have not yet implemented the programme in contrast to 100% of provinces in rich regions (Red River Delta and the Southeast). The reason for the difference is that the budget for implementing the programme comes from the social security fund of the local administration. As might be expected, regions with a larger population of poor have fewer resources available for social security funds.

The gender gap continues despite improvements

Under continuous efforts made by both government and the people, the gender gap has gradually and positively been reduced. Women's income in 1993 was 71.2% that of men and by 1998 had risen to 82.6% of male income.[7] Few countries can show similar gains.

TABLE 4

Gender Gap

REGION	ENROLMENT RATE AT ALL EDUCATION LEVELS IN 1999 (%)		ADULT ILLITERACY RATE IN 1999 (%)		GDI
	MALE	FEMALE	MALE	FEMALE	
Red River Delta	85.1	91.6	2.1	8.6	0.726
Northeast	74.6	82.2	6.8	15.0	0.638
Northwest	60.4	72.6	18.5	36.6	0.559
North Central Coast	80.7	86.7	4.8	12.2	0.658
South Central Coast	78.0	83.7	5.1	13.4	0.669
Central Highlands	69.7	75.8	11.7	22.2	0.599
Southeast	77.7	78.4	5.5	10.5	0.752
Mekong River Delta	63.7	68.3	8.7	14.9	0.668

Source: Vietnam Human Development Report, 2001.
GDI: Gender-related Development Index (1.0=equality).

The gap between girls and boys enrolled at all levels of education is smaller in the richer regions. In all regions, the adult illiteracy rate of women is twice that of the men.

In Vietnam, the cost of girls pursuing an education above the primary level is very high. Exemption from tuitions fee is often not possible. Poor households tend to give priority to boys in terms of education. The dropout rate for girls is higher that that of boys. As many as 70% of school dropouts are girls because they are more often involved in the production activities of their families. ■

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5 *Ibid.* p. 59.

6 The northern mountainous area comprises the Northwest and Northeast regions.

7 Tran Thi Que *et al.* "Report on Women's Employment and Economic Status Research." National Committee for Advanced Women. Hanoi, 2000.

Grand poverty and corruption

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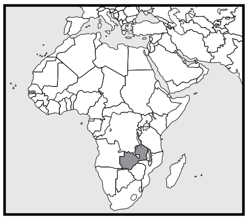

When former President Chiluba took power from President Kaunda in 1991, the poverty rate was 56%. When he left the government in the hands of his protégé after ten years in office amid threats and suspicion of fraud, poverty had risen to upwards of 80%. Large-scale corruption had diverted resources meant for the people of Zambia, while they watched in sorrow and desperation as their country headed towards becoming the poorest in the world.

Government breeds poverty

A characteristic feature of Zambian poverty is that it was bred by the government and by international institutions. Zambia's poverty did not just happen; it was caused. For example, the recent sharp price increases of maize-meal, the country's staple food, have left many families unable to afford a meal. The increases have been sanctioned under the government's liberalisation policy. As a result, scores of women, most of them with their babies strapped on their backs, are sleeping in corridors opposite C&S Wholesalers at Lusaka's Soweto Market waiting to buy a cheap bag of maize-meal. The owners of C&S procure cheap maize-meal from South Africa and sell it for ZMK 18,000 per bag (USD 4.70). In ordinary shops, the same bag goes at ZMK 40,000 (USD 10.50) or more.

Similarly, government has driven hundreds of thousands of retirees to destitution by not paying them their retrenchment dues. Recently, a prominent Lusaka lawyer defending some of the retirees publicly wrote former President Chiluba demanding that he intervene in the matter. Even after courts ruled in their favour and Parliament allocated money for the benefits, the government would not pay the retirees.

Agriculture, which is supposed to be the mainstay of the economy, died long ago. The prices of maize seed and fertilisers are far beyond the reach of small-scale farmers who constitute the bulk of the farming community. In the meantime, government is allocating tokens as resources for farming. In the 2000 budget, government allocated ZMK 32 billion (USD 8.4 million) towards agriculture compared with ZMK 418 billion (USD 1.1 billion) it spent paying Zambia Consolidated Copper Mines (ZCCM) creditors at a time the ZCCM is contributing nothing to the economy. Thirty-two billion kwacha is less than one commercial farmer spends on his farm in a year. These policies, coupled with corruption, have condemned millions of households to lives of misery.

International institutions also breed poverty

International institutions have also contributed to the acute levels of poverty in Zambian households. International Monetary Fund and World Bank policies in particular have escalated the problem. Their insistence that governments cut spending and introduce stringent fiscal and monetary policies precipitated runaway inflation in the 1970s and led to the catastrophic situation Zambia faces today. Although the World Bank has recently represented itself as a poverty reducer and alleviator, in Zambia it is actually one of the chief causes of poverty. The policies of international lending institutions, which emphasise profit rather than people, have destroyed the little that was left to protect human dignity in poor countries like Zambia. The more than USD 6 billion Zambia owes was contracted and grew under the direct supervision of the same financial institutions that are now claiming to be saviours.

Recently, Zambia was admitted to the Highly-Indebted Poor Country Initiative of the IMF/World Bank. Consequently, the country will be entitled to enjoy some measure of relief on its debt burden starting this year. Some of the resources that should have been paid to the international creditors may now be utilised by Zambia for poverty alleviation. Experience shows, however, that HIPC benefits the government, not the people. More specifically, it benefits politicians in the ruling party. For example, the HIPC resources Zambia has accessed have already been channelled to the Office of the President (security intelligence) for use for political purposes designed to enhance the political chances of Chiluba's political party, the Movement for Multiparty Democracy (MMD).

A key condition for the HIPC Initiative is that governments produce a "participatory" poverty reduction plan. But the plan being drawn up by the government and the World Bank can in no sense qualify as "participatory". There is not a single face from the poor on the team that is developing the plan. The government simply identified likeable NGOs and put them on the team to make it look like there was grass-roots participation. No one on the team has experienced the insecurity and desperation of being poor.

The most corrupt government in history

Former President Chiluba's government was the most corrupt in the history of the country. Resources that should have been used to improve the people's quality of life were appropriated in grand corruption episodes. His own ministers including the Vice President accused him of involvement in grand corruption through the expropriation of maize money and dubious transactions of copper and cobalt and brought an unprecedented indictment against him in Parliament.

To prevent action against him, the former president closed Parliament for nearly a year and in the meantime he joined the fray, accusing his accusers of the same crimes. Meanwhile, the president sat on institutions of justice such as the Anti-Corruption Commission, frustrating their efforts to do their job.

1 Michelo Hansungule is Professor of Law, Centre for Human Rights, Faculty of Law, University of Pretoria, South Africa.

With all the legitimate avenues to investigate corruption blocked, the only remaining option was to vote out the government in the elections that took place on 27 December 2001. Though Chiluba was not a candidate (having been disqualified by the constitution and people who rejected his attempts to change the rules to give himself a third term), he made it clear whom he supported. He threw his weight and the country's resources behind his heir apparent and protégé, Levy Mwanawasa, his first Vice President in 1991 who resigned from Chiluba alleging him to be corrupt.

The electorate in Africa has been known to vote unwisely and the Zambian election was no exception.

Elections: intimidation and fraud accusations

During a rally at Kitwe's Parklands at which Chiluba introduced Levy Mwanawasa as his handpicked successor, he said that the Movement for Multiparty Democracy (MMD) would win the elections "come what may". Mwanawasa told the audience: "I will have to go to State House even if it means stepping on the bodies of the opposition leaders". Predictably, Mwanawasa "won" the election and took over the presidency from Chiluba. His MMD failed to get a majority of the seats in the 150-member National Assembly.

Despite serious allegations of rigging and fraud, Chiluba quickly organised for Mwanawasa to be sworn in as the country's third republican president. In the process he intimidated judges who had wanted to entertain complaints from the opposition and an application to stay the announcement of the winner until after the results had been verified.

The new republican president lacks majority in parliament, having failed, even with rigging, to secure votes in many parts of Zambia. Consequently, he used his powers of nomination under Article 68 of the Constitution to nominate six members of parliament, whom he also appointed to head crucial ministries including finance and justice. Although voted in by the MMD, Mwanawasa has repeatedly stated that he represented "continuity with change", which he has called the "New Deal". Observers note, however, that the economic policy of the MMD was only recently redefined in the MMD Manifesto and that the "New Deal" is not part of this document.

In addition to his lack of a clear majority in parliament, Mwanawasa's other problem is that he does not have a strong grip on the MMD. Former President Chiluba is still at the helm of the party with the support of his henchmen, including some of the tainted officials who wield important positions in the party. The MMD's pressure on Mwanawasa is already noticeable from his recent cabinet appointments. Although he presents himself as an anti-corruption crusader, he was forced to include in his cabinet ministers who had previously been dismissed on suspicions of drug dealing.

The country is despondent following the December 27 elections, which many suspect were massively rigged, and the country's future now looks even bleaker.

Heading for poverty

The liberal economic policies that earned President Chiluba accolades in the international community when he first came into government have failed to translate into tangible benefits for the poor. Instead, after ten years, the policies have produced millions more poor people than at any time in Zambia's history.

In the meantime, because the economy has collapsed, manufacturers have been turned into traders of finished products from various parts of the world. Workers have been retrenched without any prospects for alternative employment and their retrenchment packages are not being paid. Meanwhile, hundreds of thousands of people are dying from opportunistic diseases as a result of HIV/AIDS.

Some years ago, the World Bank predicted that if the trends continued, Zambia was destined to be the poorest country in the world. This prediction is becoming real. Appearing near the bottom in an alphabetical list of the world's nations, it is fast taking the same position in development. ■

Women for Change
<wfc@zamnet.zm>

Sources and Resources

United Nations

The United Nations hosts a website which includes general information about the United Nations system, structure and mission. Access to databases, statistics, documents, news and press releases is also available at:

http://www.un.org/

Since 1990, The United Nations held a series of international conferences and summits. The World Summit for Social Development Declaration and the Programme of Action and the Beijing Declaration and Platform for Action are available on-line at:

http://www.socialwatch.org/

DAW
(UN Division for the Advancement of Women)

Grounded in the vision of equality of the United Nations Charter, the Division for the Advancement of Women (DAW), as part of the Department of Economic and Social Affairs (DESA) of the United Nations Secretariat, advocates the improvement of the status of the women of the world and the achievement of their equality with men. It aims to ensure the participation of women as equal partners with men in all aspects of human endeavor. It promotes women as equal participants and beneficiaries of sustainable development, peace and security, governance and human rights. It strives to stimulate the mainstreaming of a gender perspective both within and outside the United Nations system.

United Nations
Division for the Advancement of Women

E-mail: daw@un.org
http://www.un.org/womenwatch/daw

ECA
United Nations Economic Commission for Africa

For more information about ECA, contact:
Communication Team Economic Commission for Africa
E-mail: ecainfo@uneca.org
http://www.uneca.org/

ESCAP
United Nations Economic and Social Commission for Asia and the Pacific

For more information about ESCAP, contact:
E-mail: webmaster@unescap.org
http://www.unescap.org/

ECLAC
Economic Commission for Latin America and the Caribbean

Publications for sale may be obtained directly from:
Unidad de Distribución/ Distribution Unit
E-mail: publications@eclac.cl
http://www.eclac.org/

FAO

The Food and Agriculture Organization of the United Nations was founded in 1945 with a mandate to raise levels of nutrition and standards of living, to improve agricultural productivity, and to better the condition of rural populations. Today, FAO is one of the largest specialized agencies in the United Nations system and the lead agency for agriculture, forestry, fisheries and rural development.
For more information about FAO, contact:
E-mail: FAO-HQ@fao.org
http://www.fao.org/

FAOSTAT is an on-line and multilingual databases currently containing over 1 million time-series records covering international statistics in the following areas:
Production, Trade, Food Balance Sheets, Fertilizer and Pesticides, Land Use and Irrigation, Forest Products, Fishery Products, Population, Agricultural Machinery, Food Aid Shipments.
For more information about FAOSTAT, contact:
E-mail: faostat-inquiries@fao.org
http://apps.fao.org/

FINANCING FOR DEVELOPMENT

The International Conference on Financing for Development will be held from 18 to 22 March, 2002 in Monterrey – Mexico at the highest political level, including at the Summit level. The conference will consider national, international and systemic issues relating to financing for development in a holistic manner in the context of globalisation and interdependence. The conference will provide an historic opportunity to address development through the perspective of finance, as well as the mobilization of financial resources for the full implementation of the action plans agreed to at major United Nations conferences of the 1990s. It is an initiative promoted by the United Nations in collaboration with the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO), to find innovative ways to address the many issues affecting the financing of development.
Find more info at:
E-mail: ffd@un.org
http://www.un.org/esa/ffd/

ILO

Since its creation in 1919, the International Labour Organisation (ILO) has always attached particular importance to its standard-setting activities. Its 174 Conventions, and 181 Recommendations cover areas that include basic human rights, employment, social policy, labour relations, labour administration, working conditions and social protection.
For further information, please contact:
E-mail: ilo@ilo.org
http://www.ilo.org/

ILOLEX is a trilingual database containing ILO Conventions and Recommendations, ratification information, comments of the Committee of Experts and the Committee on Freedom of Association, representations, complaints, interpretations, General Surveys, and numerous related documents.
E-mail: polnorm@ilo.org
http://ilolex.ilo.ch:1567/english/index.htm

NGLS

The United Nations Non-Governmental Liaison Service (NGLS) is an unit that specialises in development education and information work on North-South development issues that facilitate dialogue and co-operation between development NGOs and the UN.

They publish newsletters and other documents that can be requested from their offices: UN-NGLS
E-mail: ngls@un.org , ngls@undp.org
http://www.unsystem.org/ngls/

OECD
(Organisation for Economic Cooperation and Development)

Since "there is a pressing need for an agreed system for tracking progress in achieving the basic development objectives, and also to avoid adding to reporting burdens on partner countries", a working set of core indicators was worked out by the DAC (Development Assistance Committee of the OECD). An initial collection of those indicators is now available and updated on the Internet at:
http://www.oecd.org/dac/indicators
A joint report signed by the heads of the OECD, the IMF, the World Bank and the United Nations titled A Better World for All report was launched in June 2000 in Geneva.
See the report on-line at:
http://www.paris21.org/betterworld
To order publications please visit:
http://www.sourceoecd.org/ or contact:
sales@oecd.org

POPIN

Population Division / Department of Economic and Social Affairs / United Nations
In January 2000, the United Nations Population Division and the Dep. of Economic and Social Affairs launched the publication Charting the Progress of Populations. The report provides information on 12 key socio-economic indicators related to the goals of the conferences.
For orders or request for more information on the report please contact:
E-mail: population@un.org
http://www.un.org/popin/

UNDP

Since 1990, the United Nations Development Programme (UNDP) has annually published a Human Development Report which contains the Human Development Index (HDI). The HDI attempts to measure the relative socio-economic progress of nations.

The Human Development Report 2001 offers a timely and provocative analysis of the potential of biotech and Information and Communications Technology (ICT) for developing countries. It argues that these new technologies can play a huge role in reducing world poverty, and refutes the view that technology is primarily a luxury for people in rich countries.
More information on the HDR at:
http://www.undp.org/hdr2001/

Distributions and Sales:
United Nations Publications
New York, New York 10017
USA

Much of the UNDP' s public information, as well as UN conference documents are available at:
http://www.undp.org/

UN Division for Social Policy and Development

The main objective of the Division for Social Policy and Development is to maximize the effectiveness of the United Nations in contributing to the creation of an international community that enables the building of secure, just, free and harmonious societies offering opportunities and higher standards of living for all. Key activities of the Division relate to the implementation of the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development.
For further information:
United Nations
Department of Economic and Social Affairs
Division for Social Policy and Development
E-mail: social@un.org
http://www.un.org./esa/socdev/dspd.htm

UNESCO

In 2001, UNESCO published Monitoring Report on Education for All, 2001.
This Monitoring Report was prepared with inputs from EFA partners, under the guidance of the Working Group on EFA. The purpose of the report is to provide an account of the progress that countries and support agencies have achieved towards the goal of EFA, as well as to highlight important trends and findings and to point to future actions.
For further information, please contact:
E-mail: efa@unesco.org
http://www.unesco.org/education/efa/ed_for_all/index.shtml

UNICEF

The Children' s Summit, held in New York in 1990, yielded an impressive action programme with very concrete objectives to improve the position of children in developing countries. UNICEF publishes annual reports on the progress made by each country in implementing the agreements.

The State of the World's Children 2002 is about the leadership that was needed to turn commitments made at the 1990 World Summit for Children into actions that improved the lives of children and families. It is also about the leadership that is necessary now and into the future in order to ensure the right of every child to live in peace, health and dignity. Presenting models of leadership from individuals and agencies, organizations and alliances, the report spotlights the 'Say Yes for Children' campaign.

UNICEF House
E-mail: netmaster@unicef.org
It also can be accessed on-line at:
http://www.unicef.org/sowc02/

UNICEF also publishes a yearly report named: The Progress of Nations, which ranks the nations of the world according to their performance in child health, nutrition, education, family planning, and progress for women.

UNIFEM

UNIFEM promotes women's empowerment and gender equality. It works to ensure the participation of women in all levels of development planning and practice, and acts as a catalyst within the UN system, supporting efforts that link the needs and concerns of women to all critical issues on the national, regional and global agendas.

United Nations Development Fund for Women
E-mail: unifem@undp.org
http://www.unifem.undp.org/

UNRISD

The United Nations Research Institute for Social Development (UNRISD) is an independent research agency subsidised by governments, development organisations and other organisations. The institute carries out research, publishes studies, and organises seminars on a broad range of social problems in developing countries, e.g. on: "how development policies and processes of economic, social and environmental change affect different social groups". (UNRISD: 30 years of research for Social Development, 1993)
UNRISD has set up an e-mail distribution list through which messages including information on what is new on the Web site as well as other news from the Institute are distributed.

For more information about UNRISD, contact:
E-mail: info@unrisd.org
http://www.unrisd.org/

WHO (World Health organisation)

WHO is the directing and coordinating authority on international health work, its aim "the attainment by all peoples of the highest possible level of health".
Since its creation in 1948, the World Health Organization has contributed to major accomplishments resulting in a healthier world

For more information about WHO, contact:
E-mail: info@who.int
http://www.who.int/

WOMEN WATCH

WomenWatch is a joint UN project to create a core Internet space on global women's issues. It was created to monitor the results of the Fourth World Conference on Women, held in Beijing in 1995.
It was founded in March 1997 by the Division for the Advancement of Women (DAW), the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women (INSTRAW).
E-mail: womenwatch@un.org
http://www.un.org/womenwatch

WORLD BANK

The World Bank publishes annually its World Development Report.
The World Development Report 2002: "Building Institutions for Markets," discusses how it is that only countries with efficient and inclusive markets have seen significant income growth and

poverty reduction. As in previous editions, the World Development Report 2002 includes Selected World Development Indicators, an essential reference on recent trends in development.

The report is available on-line at:
http://www.worldbank.org/wdr/2001/
To order the book contact:
world_dev_report@worldbank.org

The World Development Indicators (WDI) is the World Bank's premier annual compilation of data about development. WDI 2001 includes approx. 800 indicators in 87 tables, organized in six sections: World View, People, Environment, Economy, States and Markets, and Global Links. This WDI print edition offers the current overview of reliable data from the past few years. For time-series data from 1960 and onwards, please consult the WDI CD-ROM version.
The report is available on-line at:
http://www.worldbank.org/data/wdi2001/index.htm

Information about specific Bank projects or Bank policies can be requested from:
The World Bank
E-mail: pic1@worldbank.org
http://www.worldbank.org/

AMNESTY INTERNATIONAL is "a world-wide movement of people acting on the conviction that governments must not deny individuals their basic human rights". AI's yearly country by country report is available from:
Amnesty International Publications
E-mail: amnestyis@amnesty.org
web: http://www.amnesty.org/

ARAB NGO NETWORK FOR DEVELOPMENT
The Arab NGO Network for Development is integrated by 55 NGOs from 12 Arab countries and it emerged from the regional preparatory process for the World Summit for Social Development (1995) and continued its coordination and follow-up role in the WSSD context after its foundation.
E-mail: annd@cyberia.net.lb
http://www.worldforumbeirut2001.org/english/annde.htm

ATD Fourth World is an international non-governmental organisation dedicated to overcoming extreme poverty. Its goal is to explore all possibilities of partnership with families living in chronic poverty and to encourage more private citizens and public officials to join this effort.
E-mail : information@atd-fourthworld.org
http://www.atd-quartmonde.org/

CLADEM
(Comité de América Latina y el Caribe para la Defensa de los Derechos de la Mujer) is a feminist network of women's NGOs from Latin America and the Caribbean aiming at joining effort achieve an effective defence of women's rights in the region.
E-mail: coordi@cladem.org
http://www.cladem.org/

CIDSE is an alliance of 14 Catholic development organisations from Europe, North America. Since 1968, CIDSE member organisations share a common strategy on development projects and programmes, development education and advocacy.
Secretariat:
E-mail: postmaster@cidse.org
http://www.cidse.org/

DAWN
(Development Alternatives with Women for a New Era) is a network of women scholars and activists from the economic South who engage in feminist research and analysis of the global environment and are committed to working for economic justice, gender justice and democracy.
E-mail: admin@dawn.org.fj
http://www.dawn.org.fj/

ECUMENICAL (Coalition for Economic Justice and KAIROS) brings together a wide range of Canadian churches, church based agencies and religious organizations into a new ecumenical partnership dedicated to promoting human rights, justice and peace, viable human development and universal solidarity.
E-mail: ecej@accessv.com
http://www.ecej.org/

EURODAD
(European Network on Debt and Development) is a network of NGOs in 16 European countries. It aims to coordinate the activities of NGOs working on the issues of Third World debt, structural adjustment, and financial markets in order to ensure that their views be brought to bear on decision-makers in Europe, the Bretton Woods Institutions and other relevant players.
E-mail: eurodad@agoranet.be
http://www.eurodad.org/

EUROSTEP
(European Solidarity Towards Equal Participation of People) is a network of 21 major NGOs from 15 European countries and collectively work in around 100 countries. Eurostep was established in 1990 to co-ordinate activities of its members at the European level.
E-mail: admin@eurostep.org
http://www.eurostep.org/

The Human Rights in Developing Countries Yearbook, compiled by human rights institutes in Norway, Austria, the Netherlands, and Sweden, reports annually on the human rights (including social and economic rights) situation in a number of developing countries with which an aid relationship exists. The reports are developed by researchers who carry out their studies in the country in question. These reports provide valuable factual information about social economic development.
Edited by: Peter Baehr, Hilde Hey, Jacqueline Smith, Theresa Swinehart. Published by Kluwer Law International, The Hague/London/Boston.
Email: Sales@kli.wkap.nl
http://www.law.uu.nl/english/sim/yb/

The Human Rights Watch is an independent, nongovernmental organization, supported by contributions from private individuals and foundations worldwide.
To order Human Rights Watch's publications please contact:

genaos@hrw.org
E-mail: hrwdc@hrw.org
http://www.hrw.org/

ICFTU (International Confederation of Free Trade Unions) is a Confederation of national trade union centres, each of which links together the trade unions of that particular country. Membership is open to bone fide trade union organisations, that are independent of outside influence, and have a democratic structure

E-mail: internetpo@icftu.org
http://www.icftu.org/

The International Council for Social Welfare (ICSW) is an international non governmental organisation operating throughout the world for the cause of social welfare, social justice and social development. It publishes Social Development Review which focuses on the monitoring of governmental and non-governmental action referred to the World Summit on Social Development.
More information may be obtained from:
ICSW General Secretariat

E-mail: icsw@icsw.org
http://www.icsw.org/

The Institute for Development Studies (IDS) is an internationally renowned centre for research and teaching on development, established in 1966. IDS also hosts many innovative information and knowledge management services.

E-mail: ids@ids.ac.uk
http://www.ids.ac.uk/ids

Inter Press Service (IPS) is an international NGO which promotes a new global communication strategy by increasing two-way communication as the key to widening democratic participation in social action. IPS' independent global news wire carries news, features and special services on a variety of development issues.

E-mail: online@ips.org
http://www.ips.org/

JUBILEE + is a programme of the New Economics Foundation, London, building on the achievements of Jubilee 2000 UK, and providing support to economic justice campaigns worldwide.

E- mail: info.jubilee@neweconomics.org
http://www.jubileeplus.org/

Mani Tese is a non governmental development organization operating at national and international level to further justice, solidarity and respect among peoples.

E-mail: manitese@manitese.it
http://www.manitese.it/

NGO Global Forum on Financing for Development
The international NGO Global Forum Finance for the right to sustainable development with equity will be held in Monterrey, Mexico from 14 to 16 march 2002, previous to the International Conference on Financing for Development (from March 18 - 22, 2002)

E-mail: ffdforoglobal@terra.net.mx
http://www.ffdforoglobal.org/

NGONET is an information service for NGOs on global negotiation processes. It distributes document collections on the major recent UN conferences in diskettes and makes information available on-line through the APC networks and the Internet:

E-mail: ngonet@chasque.apc.org
http://www.chasque.apc.org/ngonet ;
www.choike.org

Overseas Development Institute (ODI) is Britain's leading independent think-tank on international development and humanitarian issues.

E-mail: odi@odi.org.uk
http://www.odi.org.uk/

Oxfam International founded in 1995, is an international group of 11 autonomous non-government organisations. Member organizations are of diverse cultures, history, and language, but share the commitment to working for an end to the waste and injustice of poverty - both in longer-term development work and in times of urgent humanitarian need.

Oxfam International Secretariat

E-mail: information@oxfaminternational.org
http://www.oxfaminternational.org/

Oxfam International Advocacy

E-mail: advocacy@oxfaminternational.org
http://www.oxfaminternational.org/

'The Reality of Aid' is an independent review of international aid. This report is published annually by ICVA, Eurostep and Action Aid. NGOs from 21 OECD countries work together to provide a detailed appraisal of current aid levels, recent changes in aid policies, and the prospects for the future. Country by country they look at the quality of aid.

The Reality Aid Report 2001 Failing to deliver on poverty and equity wants to do a modest reality check -to begin addressing some key questions in a way that will highlight the limitations on aid - whilst pointing to ways in which a reformed aid regime could become a catalyst for wider change.

E-mail: roa@devinit.org
http://www.realityofaid.org/

Published by Earthscan Publications Ltd, UK
For orders and requests contact:

E-mail: earthinfo@earthscan.co.uk
http://www.earthscan.co.uk/

REPEM (Women's Popular Education Network) is a Latinamerican and Caribbean regional network aiming at strengthening strategic links on gender, education and economy. Among its activities, the network monitors the Copenhagen Summit, Hamburg and Beijing Conferences.

E-mail: repem@repem.org.uy
http://www.repem.org.uy/

SAPRIN is a worldwide network of civil society organizations challenging the imposition of structural adjustment programs (SAPs). The Network is working with citizens' groups in 12-15 countries to organize public processes to determine the real impact of World Bank-and IMF-supported economic-reform programs and to chart a new course for the future. It is collaborating with the Bank and governments in 8-10 countries (SAPRI) and with parliamentarians and various institutions elsewhere. The Network contends that structural adjustment programs have had disastrous consequences for the large majority of citizens in the 80-plus countries in which they have been implemented.

E-mail: secretariat@saprin.org
http://www.saprin.org/

The SUNS, South-North Development Monitor is a daily feature service monitoring international negotiations from Geneva.

NGONET and the Third World Network released a CD-ROM containing all the documents published by South-North Development Monitor SUNS, from 1982 up to date with regard to all the GATT Uruguay Round and its follow-up, including the WTO and the MAI.
The design will allow the user a quick search by issues, by chronological order, as well as by keywords or phrases (up to 186 words). In a parallel process, an Internet site is being developed, which will make the cd-rom a daily updated newspaper.

Chief Editor and Geneva TWN representative:
Chakravarti Raghavan
E-mail: suns@igc.org
http://www.sunsonline.org/

For orders and requests please contact:
NGONET-ITEM
E-mail: ngonet@chasque.apc.org

Third World Network is an independent non-profit international network of organizations and individuals involved in issues relating to development, the Third World and North- South issues.
Its objectives are to conduct research on economic, social and environmental issues pertaining to the South; to publish books and magazines; to organize and participate in seminars; and to provide a platform representing broadly Southern interests and perspectives at international fora such as the UN conferences and processes.

Its recent and current activities include: the publication of the daily SUNS (South - North Develoment Monitor) bulletin from Geneva, Switzerland, the fortnightly Third World Economics and the monthly Third World Resurgence; the publication of Third World Network Features; the publication of books on environment and economic issues; the organizing of various seminars and workshops

They can be ordered from TWN' s secretariat:
E-mail: twnet@po.jaring.my
http://www.twnside.org.sg/

Third World Network-Latin America publishes the monthly magazine Revista del Sur and the fortnightly Tercer Mundo Económico:
Red del Tercer Mundo
E-mail: redtm@chasque.apc.org
http://www.revistadelsur.org.uy/

TWN features are available electronically through the APC networks in the conference <twn.features>, and in Spanish in the conference <redtm.analisis>. Through the Internet, they can be found at:
http://www.redtercermundo.org.uy/

TWN-Africa publishes African Agenda:
E-mail: twnafrica@ghana.com
http://twnafrica.org/

TOBIN TAX The Tobin Tax is a proposal to tax currency transactions on foreign exchange markets, through multilateral cooperation, and to utilize the revenue for basic environmental and human needs. Such a tax will tame currency market volatility and restore national economic sovereignty. (The name Tobin Tax derives from James Tobin, a Nobel-laureate economist at Yale University.)
Some relevant links:
Halifax Initiative
E- mail: info@halifaxinitiative.org
http://www.halifaxinitiative.org/

Tobin Tax Initiative
CEED/IIRP
E-mail: cecilr@humboldt1.com
http://www.ceedweb.org/iirp/

WEDO (The Women's Environment and Development Organisation) is a global organization actively working to increase women's visibility, roles and leadership in public policy-making through peace, gender, human rights, environmental and economic justice campaigns; through advocacy nationally, regionally, at the United Nations and in international financial institutions; and through local actions.
E-mail: wedo@wedo.org
http://www.wedo.org/

World Guide 2001-2002 is a reference book updated every two years including the history, maps and statistics from all the countries and regions of the world. The last edition contains an assessment of the 21st century with regard to the main global issues from the social development and environmental viewpoint.
The printed version is available in Spanish, English, Portuguese and Italian. The CD-ROM includes the Social Watch national reports as well as the Amnesty national reports, both in English and Spanish. The on-line publication available through its Website includes the book and a weekly update in Spanish.
CD-ROM and web edition is also available in Danish.
For further information please contact:
E-mail: guiatm@chasque.apc.org
http://www.guiadelmundo.org.uy/

World Council of Churches is a fellowship of churches, now 337 in more than 120 countries in all continents from virtually all Christian traditions
E-mail: info@wcc-coe.org
http://www.wcc-coe.org/

World Social Forum
Under the slogan "Another world is possible", the World Social Forum aims at becoming a new international arena for the consideration of alternatives to prioritise human development and the separation of the markets in each country and in the international relationships by all those who are opposed to the neoliberal policies.
The first Forum took place in January 2001, in Porto Alegre, Brazil and the World Social Forum Initiative aspires to take place every year during the same period as the World Economic Forum.
In January 2002 took place the 2nd World Social Forum.
See further information at:
http://www.portoalegre2002.org/ ; http://www.forumsocialmundial.org.br/
or contact
fsm2002@uol.com.br "
fsm2002@uol.com.br

WorldWatch Institute is a non-profit public policy research organization dedicated to informing policymakers and the general public about emerging global problems and trends, and the complex links between the world economy and its environmental support systems. It publishes The State of the World 2002.
The State of the World 2002 includes chapters on climate change, farming, toxic chemicals, sustainable tourism, population, resource conflicts and global governance, with a special focus on the United Nations World Summit on Sustainable Development, which will be held in Johannesburg, South Africa in August/September 2002.
E-mail: worldwatch@worldwatch.org
The State of the World 2002 Report is available on-line at:
http://www.worldwatch.org/

WTO Watch is a global information center on trade, the WTO, and sustainable development issues. It also provides multimedia resources.
See more info at:
http://www.wtowatch.org/

Help Social Watch identify more relevant resources!
Please write to:
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Fax: +598 2 411-9222
E-mail: socwatch@socialwatch.org, or
visit Social Watch home page in the Internet:
http://www.socialwatch.org/