

■ EL SALVADOR

Political will needed



Almost half the population of El Salvador lives in poverty but the new government programme to tackle this problem is underfunded, the economy is stagnant, the deficit is high and the country is heavily in debt. It will not be possible to meet the Millennium Development Goals unless measures are taken to create jobs, progressively reform the tax system, combat corruption, and increase investment in health, education and women's policies.

Social Watch El Salvador

Jeannette Alvarado / Claudia Hernández / Rudy Romero
Ángel Ibarra / Mario Paniagua¹

The current situation in El Salvador is discouraging. Over half of the six million people in the country are poor, and at least two million have emigrated to escape a future of poverty.

The year 2004 will be remembered for sensational corruption scandals² and an increase in violent crime, with 10 homicides each day. According to the United Nations Development Programme (UNDP), in 2003 the financial cost of violence was USD 1.7 billion - an amount equivalent to 11.5% of gross domestic product (GDP) and amounting to much more than was spent on health and education.

Poverty: facts and promises

Between 1990 and 2001, the GDP grew at a rate of 4.4% and the level of poverty fell from 60% to 43%. However closer analysis shows that while the economy performed well during the first half of the decade and growth was above 6% per year,³ in the second half GDP growth slowed down to only 1.7% in 2001 and 2.1% in 2002.

According to the UNDP, 43% of the population are poor and 19% live in absolute poverty. The situation is worse in rural areas, where these proportions rise to 56% and 29%, respectively.⁴

This precarious quality of life is directly connected to the unequal distribution of wealth, which is perpetuated by the Government's economic measures.

In 2002, the richest 20% of households received 58.3% of total income while the poorest 20% only received 2.4%.⁵

According to the Economic Commission for Latin America and the Caribbean (ECLAC) and the UNDP, remittances from abroad alleviate the impact of poverty by between 7% and 8%. In 2004 remittances amounted to USD 2.5 billion, USD 442.3 million more than in 2003.

At the United Nations Summit Against Hunger (2004), President Antonio Saca (who took office that same year) promised to reactivate the economy and reduce extreme poverty by 7%. The Government has spent heavily on publicity to promote its measures to combat poverty, but they have been inadequate and insufficient.

In 2004, government interventions to reduce poverty were geared to stimulating economic growth and attracting more foreign investment. The idea was that this would create jobs and improve social welfare. This turned out to be false: foreign investment was limited and of poor quality, and economic growth slowed even more.

In 2004 El Salvador's GDP grew by only 1.5%.⁶ This is the smallest increase in the last five years and is below both the Latin American and Central American averages. According to the International Development Bank, in order for countries like El Salvador to attain an acceptable level of development their GDP should increase by at least 5% per year.

At the start of 2005 the Government launched a programme called "Opportunities" at a cost of USD 440 million. It includes a health fund, the so-called 2021 plan for education, the "Get Connected" programme to provide 90,000 computers to educational centres, a small credit programme, and the Solidarity Network. This last programme includes a USD 15 monthly subsidy for families living in absolute poverty on condition that they send their children to school and take them for medical check-ups. The plan will be implemented in the 33 poorest rural areas.

These initiatives are testimony to the inability of previous governments to make a positive impact on poverty alleviation. However they are still open to criticism, since in a family of five a benefit pay-

ment of USD 15 per month works out to only USD 0.1 per person per day, which is well below the indicator for relative poverty (USD 2 per day), not to mention the absolute poverty level (USD 1 per day).

According to the Ministry of Housing the Government's plan is backed by an initial sum of USD 1 million. This figure is very low especially when we consider that the fiscal deficit of USD 700 million will not be offset by revenues from the Presidency's tax reform since this will yield only USD 137 million. The situation looks even gloomier when we take into account that the country's foreign and domestic debts amount to 20% of the national budget. This exposes the Government's social plan as nothing but propaganda.

Education: no funds and no state policy

The 2004 budget for education was 3% of GDP,⁷ but this figure is insufficient.

The Presidential Commission for the Development of the Knowledge Society, which is under the Ministry of Education, has recommended that over the next ten years 6% of GDP should be allocated to education, assuming that the economy grows at an annual rate of 2.5%. This proposal coincides with the position of civil society organizations and primary teachers' unions. In order to pay for this increase sustained economic growth and a policy of progressive taxation will be needed. More importantly this increase requires the political will to make education a State priority, and not merely a government priority as proposed in the 2021 National Education Plan. The Plan involves honouring the commitments made in Dakar at the 2000 World Education Forum for an average of eleven years of schooling per person by 2021 and attaining the Millennium Development Goals (MDGs) for education. The Plan's weak point is clearly its financing.

The national average of years of schooling in El Salvador is five, but people in rural areas spend only three years at school on average. In 2004 the illiteracy rate was 26.8% in the countryside and 10% in urban areas. There are 836,695 people over ten years of age who cannot read or write. Women are worse off, since 18.3% of them are illiterate compared to 14.1% of

1 Members of various organizations linked to Social Watch El Salvador. We are grateful for support from César Villalona, Pedro Juan Hernández, Dina Sales, among others.

2 The biggest corruption case involved managers and directors from the National Administration of Potable Water and Sewers. Those who were charged include Mario Orellana, the ex-managing director, and Carlos Augusto Perla Parada, ex-president of the institution, who escaped to France. Both are accused of conspiracy in illegal business, and fraud involving public goods to the tune of USD 3 million.

3 Central Reserve Bank.

4 United Nations Development Programme (UNDP). *Informe sobre Desarrollo Humano El Salvador 2003. Desafíos y opciones en tiempos de globalización*. San Salvador, 2003.

5 *Ibid.*

6 Central Reserve Bank. www.bcr.gob.sv/publicaciones/main_comunicado72005.html

7 Inter-sectoral Association for Economic Development and Social Progress (CIDEP). "Columna Presupuesto Educativo 2004", 8 July 2005. www.cidep.org.sv/columna%20presupuesto.htm

men. The situation is even more serious in rural areas, where the illiteracy rate for women is 29%.⁸

Comparatively, in 2001 the literacy rate for those aged 15 years and above was 81.1%, which is slightly higher than the 78.1% average of countries with medium human development but 10% less than the average rate for Latin America and the Caribbean (89.2%).

Health: more setbacks than progress

Progress in the health sphere has been marked by conflict and social mobilization opposing the privatization of the system. The Government has presented a "Proposal for Overall Health Reform" but the country is still waiting for a human rights-based health system that will benefit the whole population and allow the MDGs to be met.

The Government has not shown any willingness to invest in health. In 2004, investment in health was 3% of GDP, down from 3.6% in 2002.

In order to meet the under-5 child mortality rate goal of 15 per 1,000 live births by 2015, the current rate of 32 deaths per 1000 live births⁹ needs to be reduced by more than half. The proportion of children under one year of age who were vaccinated against measles, mumps and rubella fell from 93% in 2002 to 84% in 2004,¹⁰ putting children at greater risk of illness.

The overall malnutrition rate among children under 5 decreased from 11.2% in 1993 to 10.3% in 2002, but when it comes to infant malnutrition the ECLAC maintains that El Salvador will not reach its target.¹¹

The rate of maternal mortality increased from 120 deaths per 100,000 live births in 1992 to 173 in 2003.¹² The State has still not announced what measures it intends to take to bring this rate down in order to achieve MDG 5.

The Government has pointed out that more births are taking place in hospitals, with an increase from 51% in 1993 to 69% in 2002.¹³ It has not taken into account that the very poor receive less attention, and that there is a gap between urban areas, where 87.3% of births are in hospitals, and rural areas, where the figure is only 54%.

Women are still dying from complications arising during pregnancy, birth and postpartum, mainly because they live in remote areas that lack suitable transport services, where health workers are not available at night.

There is also the commitment to combat HIV/AIDS, but official figures show that the infection rate is on the rise. In 2000 the number of new cases

reported was 1,375 but in 2002 this figure rose to 1,597, and halfway through 2004 the total was already 1,027.¹⁴ In 2002, HIV/AIDS was the tenth most common cause of hospital deaths.

Another health problem is the chronic shortage of medicine in the public health network. In the hospitals where the demand is greatest there is a shortage of up to 40% in basic medicines.¹⁵ According to the media, the problem affects all public hospitals and health centres in the country, but only the National Children's Hospital has reported it.¹⁶

The Government is tackling health problems in a simplistic way, blaming them on a poor administration in order to justify privatization measures or the outsourcing of public services to private enterprises.

Beijing: a pending task

The Government's report on the MDGs claims that progress has been made and that the indicators for education and literacy show that the targets have been reached. The report, however, does not inform that although more young girls enter the educational system they do not remain in it.

In the metropolitan area 35.4% of women complete more than thirteen years of study in contrast to 64.6% of the men.

The biggest challenge for gender equity is related to the participation of women in politics. In autonomous public bodies only 9.1% of managerial positions are held by women, in Parliament only 10.7% of representatives are women, and on municipal councils women only hold 6.5% of posts.¹⁷ There is evidently a lack of political will to allow women to participate more in positions of power.

The Instituto Salvadoreño para el Desarrollo de la Mujer (Salvadorian Institute for Women's Development), the lead organization for gender policy, is allocated only 0.04% of the national budget, and women's organizations make up only 16.3% of its management board.¹⁸

All indicators show that gender inequalities persist and are serious. There are legislative instruments to tackle inequality, but they are not applied. All in all, commitment to the Beijing resolutions is still pending.

Worsening environmental crisis

In 2004 priceless acquifers near the city of San Salvador were destroyed to make way for unnecessary infrastructure like shopping centres and urban developments. Projects for dams on the Torola and Lempa rivers have been given the green light at the expense of local village communities and the fact that these projects will restrict water access for large parts of the population.

The National Administration of Potable Water and Sewers has promoted a project called "Hidro 2009", but it is not a water management plan so much as a scheme to decentralize and privatize the service as part of a deal involving a loan from the Inter-American Development Bank.¹⁹

Problems such as managing water resources, organizing environmental protection, safeguarding biodiversity, providing food security and managing solid waste go unaddressed. Approval of the Civil Protection and Disaster Prevention and Mitigation bill and its funding is urgent. However the principal efforts must be concentrated on the eradication of poverty, a key factor in the country's vulnerability.

Final evaluation

The Government's report on MDG progress²⁰ was not widely discussed, and there was little participation of civil society in its preparation. However the plan did include provisions for the follow-up mechanism proposed by civil society.

If the MDGs are to be attained, it is vitally important for the Government to implement measures to create sustainable and well paid jobs that are in line with international agreements. Also, there will have to be progressive fiscal reform, a campaign to eliminate corruption and tax evasion, and increased investment in health, education, and policies to support women. The distribution of wealth will have to become more balanced and national programmes must be created to monitor MDG progress.

With all this in mind, the Social Watch Network in El Salvador proposes the following measures:

- Publicize the MDGs widely to make people aware of their existence in order to mobilize citizens.
- Create a national pact which involves all sectors of society in the achievement of the MDGs.
- Design MDG follow-up mechanisms so as to facilitate planning, strategies, participation and consensus.
- Allocate the necessary financial resources from the national budget and from international assistance.
- Coordinate a social movement to mobilize thousands of people in the fight against poverty. ■

8 CIDEP. "El Balance Educativo 2003-2004", www.cidep.org.sv/balance_educativo.pdf

9 UNICEF. *Estado Mundial de la Infancia*, 2005.

10 Ministry of Health and Social Assistance (MSPAS). The data for 2004 corresponds to the coverage for 2003. www.mspas.gob.sv

11 Economic Commission for Latin America and the Caribbean, Social Programme for Latin America 2002-2003, www.eclac.cl

12 Salvadorian Demographic Association. *Encuesta Nacional de Salud Familiar (FESAL 2002 - 2003)*.

13 *Ibid.*

14 MSPAS. "Situación de VIH/SIDA en El Salvador". www.mspas.gob.sv

15 *El Diario de Hoy* newspaper, 4 May 2005.

16 *El Diario de Hoy*, 23 March 2005; 3 May 2005.

17 UNDP. *Human Development Report 2004*.

18 Legislative Assembly of the Republic of El Salvador. "Decree No. 644 - Law of the Salvadorian Institute for Women's Development", 1 March 1996, www.asamblea.gob.sv/eyes/19960644.htm

19 Project for "Reform of the Water Resources Sector and the Potable Water and Sewage Sub-sector" financed by the Inter-American Development Bank (IDB), known as IDB 1102, of May 1998.

20 UNDP and others. "EL Salvador. Primer informe de país. Avance de los Objetivos de Desarrollo del Milenio 2004", May 2004, www.pnud.org.sv/documentos/milenio_parte_1.pdf