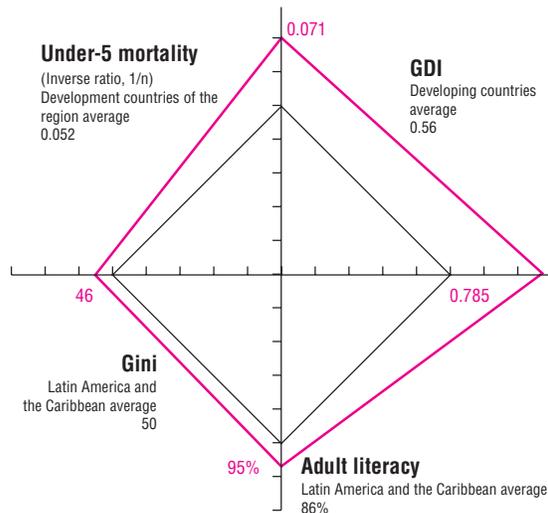


•CAROLINA CARAZO

THE TASKS PENDING



The Equity Diamond: National values in terracotta compared to regional ones in blue.

The transition towards an open economy could change the downward trend shown by the level of poverty in the country.

The Multiple Purpose Survey of Households showed that from 1987 to 1992, the proportion of poor homes remained relatively stable at around 29%. It then dropped to 23.2% in 1993 and to 21.6% by 1996.

In the eight years during which the United Nations Development Programme (UNDP) has calculated its Human Development Index (HDI), Costa Rica has been classified as a country with a high level of development. In its latest human development report, the UNDP included a Human Poverty Index (HPI), according to which Costa Rica ranked 5th among the 78 developing nations studied and 4th in Latin America.

«Costa Rica's poverty level is the lowest in Latin America, a situation that has not been affected by the recent years of structural adjustments», said Paulo Sauma, an adviser to the Planning Minister. Miguel Gutiérrez, the coordinator of the State of the Nation project which measures human development on an annual basis, said that while the government's anti-poverty efforts had not flagged, the economy's poor performance and the problems affecting the labour market had pulled the living standards of the poor down even further.

The latest figures show that the economic growth rate has dropped, while the labour market has worsened due to a rise in unemployment, a decline in the quality of jobs and falling incomes. In 1996, the loss of 23,000 jobs pushed up under-employment and full unemployment, while the rate of under-utilisation of the workforce amounted to 14%. **For the second year running, open unemployment stood at 6.2% in 1996, the highest level seen in the present decade, equivalent to nearly 76,000 unemployed.**

According to Gutiérrez, such statistics show that the transition towards a more open economy has tended to exclude large sectors of the population, especially in rural areas and among women, while broadening the social gaps, which he said were structural in character. The surveys show that those with a lower level of education are hit harder by unemployment, with 57% of unemployed having no schooling or only partial or complete primary education. «A mere 9.7% of the unemployed have had vocational or university education. The labour market demands more of people for a higher remuneration» stated Gutiérrez.

Significant imbalances remain between Costa Rica's urban and rural population and between the central region and the rest of the country. The worst living conditions are found in coastal and border regions and areas that depend on agricultural production for the domestic market, especially basic products like corn and beans.

Olga Goldenberg, a former director of the ombudsman office's Department of Defence of Human Development, maintained that the opening of the economy and process of globalisation has had a negative impact on almost everyone. «Very few have benefited. There is a growing gap between the few who have a lot and the many who have a little, while disintegration and inequity have increased.»

In spite of community-based government programmes and public programmes focusing on civil society designed to boost

women's participation in development, several indicators highlight contrasts and the persistence of social and gender inequalities. The latest statistics show that the most outstanding disparities can be found in the labour market: women earn lower wages, and under- and unemployment rates are higher among women than men. While 3.7% of men were unemployed in the 1990–95 period, 8.6% of women were without jobs – a situation that affects living conditions given the fact that one out of every four poor homes is female-headed.

One positive element seen in the fight against poverty since the Action Plan was signed at the 1995 Social Summit is the new methodology used in calculating poverty. Planning ministry adviser Sauma pointed out that the basic consumption basket calculated to meet the minimum nutritional needs of an individual was updated. The new basket of necessities is more costly, contains more articles and has a higher caloric content. The percentage of non-food expenses taken into account was also doubled – from 57% to 100%.

In terms of social equality and integration, 1996 showed a positive trend in the sphere of public policies, said the experts. However, this was offset they said by the economy's inability to offer new opportunities and by the deterioration of the labour market.

Social spending –in both absolute numbers and per capita– continued to grow in 1996, while social programmes in education, health, housing and social security were strengthened. The indicators had not been favourable in 1995. While per capita social investment rose 2.6% annually throughout the 1990–95 period, it climbed 4.2% in 1996. Public investment through social programmes is a re-distributional mechanism which gives people access to public services while at the same time serving as an instrument of integration by boosting *«social ascent through the provision of quality services,»* said Gutiérrez.

However, in Goldenberg's view, the country is not making real social investment focused on sustainable development: *«We are resolving immediate problems without thinking about the future.»* Sauma stressed that while the assistance provided by means of bonuses and food stamps was necessary, government anti-poverty programmes combined such aid with initiatives focusing on sustainable social development. *«For example, female heads of households not only receive a check, but training as well»*, he pointed out.

The main results of such social investment have continued to be seen in the two sectors which have traditionally enjoyed the best performance: education and health.

The experts consulted by IPS agreed that education continued to serve as an important mechanism for social ascent. Per capita spending on education rose an average of 3.3% a year in the 1990–95 period, and 6.1% in 1996. Educational coverage has improved at all levels, with efforts concentrating on rural and marginalised urban areas. Other positive developments cited were a school-based informatics programme and the teaching of a second language. But there are problems of quality, especially in public education, and the school drop-out rate is increasing, above all in the rural sector, Sauma added.

On the health front, meanwhile, Costa Rica's indicators are comparable to those of developed countries and public health sector reforms are designed to increase efficiency. The entire population receives health care coverage, with everyone enjoying the same type and quality of services. Per capita spending on health rose 2% yearly from 1990 to 1995, and 1.4% in 1996.

The chief indicators illustrating the population's state of health show that things have remained the same or gradually improved. Life expectancy has remained steady at 76.3 years since 1990, while the infant mortality rate has stood at around 13 per 1,000 live births over the past five years.

Gutiérrez said the government's social housing policies had begun to flag, and they are becoming less well adapted to the real needs of the population. *«Today it is very difficult for young families to acquire housing and, for those who have a home, to make repairs or expand».*

Meanwhile, citizen participation in programmes designed to ease poverty and eradicate the sources of inequality is one of the areas where the experts say there is still much to be done. Gutiérrez said few sectors wielded influence when it came to drawing up public policies, citing the business chambers representing the construction industry as an exception.

«The mechanisms for participation are not materializing successfully enough for the demands of the different sectors» he said. Sauma agreed that although there have been some successful projects aimed at boosting participation, they were very few. **Goldenberg was more emphatic, describing what she saw as a serious crisis of citizenship in Costa Rica, with state paternalism denying citizens the right to make decisions.** *«We are looking at a kind of citizenship subsidised with hand-outs,»*, she maintained.

- IPS Special report for Social Watch