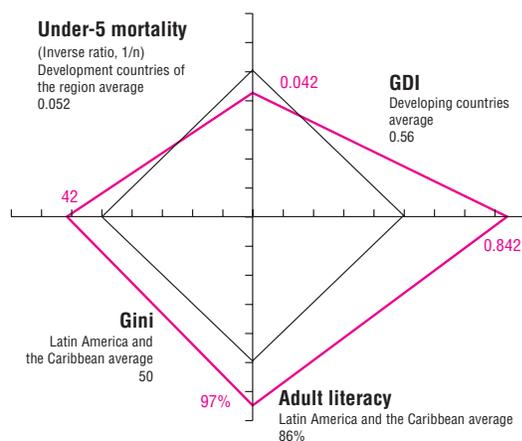


•ALEJANDRO GÓMEZ

## MENOS POBRES, MÁS MARGINADOS

### POVERTY AND EQUITY



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

*The social situation of Uruguay is paradoxical. There are several indicators showing a clear improvement over the past few years. Poverty tends to diminish and, according to the Economic Commission for Latin America and the Caribbean (ECLAC), in the region Uruguay is the country with the largest percentage of its budget devoted to social expenditure: 23.6%. However, the population does not perceive this improvement. Regarding civil society, its organizations state that the authorities do not consult them when designing or implementing public policies. But alongside this fact, its strong organization – seen through a vast union movement, a wide network of cooperatives of various types and a mutual benefit health system covering wide sectors of the population – have contributed considerably towards these good results.*

Uruguay showed annual rates of growth of over five percent between 1990 and 1994. At the same time, it also presented significant improvements in the distribution of income. In this respect «it continues to be a remarkable exception in the region, both due to its low level of disparity and to the persistent trend towards de-concentration of income, which started during the middle of the last decade», states ECLAC's «Panorama Social de América Latina»(1996). «In fact, the degree of disparity in the distribution of urban income, already very low in the mid-eighties, continued to fall in the first years of the '90s. In the period 1984–1994, the participation of the four poorest tithes increased by almost five percent (from 17 to 21.6%), while the richest tithes fell by over six points (from 32.4 to 25.4%). **Therefore, Uruguay is the only country in the region that achieved a considerable reduction of poverty in the nineties, through a combination of the positive effect of growth and a progressive distribution of income, translated into a faster improvement of households in the lowest strata vis-à-vis the highest strata.**»

Maximo Halty, general coordinator of the government Program on Strengthening of the Social Area (FAS), considers that «the first fact to be stressed in regard to evolution of poverty in Uruguay is that there is a strong trend towards its reduction, measured by the poverty line –a measurement of income– and by unsatisfied basic needs (UBN), that considers access by households to basic services».

«Summing up, there has been economic growth with a reduction of poverty and improvement of equity and it should be underscored that in 1984 distribution of income was already the best in the continent.» According to the latest UBN assessment made by the National Institute of Statistics corresponding to 1995, the percentage of poor households dropped from 10.3% in the previous year to 7.6%. A similar trend may be observed in the number of persons under the poverty line, which dropped by 50% between 1984 and 1994. According to Dr. Halty this figure was 5.9% during the last year.

Fernando Willat, from the **Peace and Justice Service (SER-PAJ)** agrees that, measured according to the poverty line, a strong reduction of same took place until 1994, but underscores that an

increase took place in 1995. He states that *«2% of the urban population are indigent, that is to say their income is insufficient to cover the basic food basket. This means approximately 60.000 people, without counting those who do not have a home, a particularly invisible sector regarding to statistics.»*

Furthermore, Mr. Willat considers that the study of the evolution of the geographical location of social disparity is a complementary approach towards surveying poverty situations. He believes that **«in this respect, the concern of various recent social policy studies and projects has been geared towards the evolution of precarious settlements. If one observes the evolution of the number of dwellings in irregular settlements, one may see that they have grown at an annual rate of 10%.»** At the end of 1995, official data from the Ministry of Housing located 111 settlements in Montevideo, with 9,928 dwellings, occupied by 10,531 families and some 53,800 people.

Lilian Celiberti, the coordinator for the National Women's Commission to Follow-up on the Beijing Commitments, considers that the poverty trend in Uruguay has undergone qualitative changes. *«The new poverty involves increasing levels of marginality, setting new social problems linked both to an increase in the levels of violence in inter-personal relationships and to the permanence and deepening of the structural effects of marginality.»*

## DISPARITY AND HUMAN RIGHTS

According to Ms. Celiberti currently one of the main sources of disparity in Uruguay is related to access to employment, but she considers that **«this is no more than the result of a more global problem related with the increase of marginality, which is not only economic but also cultural and educational.»**

Mr. Willat pointed out that, in addition to unemployment that began to increase from 1994 onwards, attaining over 12% in 1996 and showing no substantial improvements in 1997, another aspect of the problems concerning the Right to Decent Employment on which there is statistical data is that of limitations in the quality of employment. He underscored the fact that a considerable number of employed persons are in precarious jobs or are under-employed. This means that what is set out in the Universal Declaration of Human Rights and in the Pact on Economic, Social and Cultural Rights is not being fully realised. Mr. Willat states that *«if one looks at the evolution of unemployment and employment with limitations, a very considerable increase is to be observed between 1993 and 1996. If we consider the number of unemployed in addition to those having an employment with some type of limitation, including employees in enterprises with less than five workers, over the past three years, 111,900 people have suffered some kind of detriment to their conditions of work.»*

Regarding the least favoured, Ms. Celiberti mentioned youth in working class sectors, who *«only have the prospect of obtaining poorly paid jobs with scant future possibilities,»* and that of women who, globally still have income levels lower than that of men. **«If we consider disparity in a wide sense, it may be said that in Uruguay access to decision-making is still unequal be-**

**tween men and women and that women do not find it easy to have access to posts of responsibility»**, considers the coordinator for the National Women's Commission for Follow-up of the Beijing Commitments.

The Uruguayan government is concerned by the fact that although the number of poor households has fallen, there is still an important percentage of children under 12 years of age. Ms. Celiberti believes that *«some of the government's key policies in the social area are precisely directed towards this over-representation of children in these homes.»* She mentioned in particular the central theme of the educational reform: an expansion of pre-school classrooms, aimed at reaching universal coverage of four- and five-year-olds.

## THE IMPACT OF THE STRUCTURAL ADJUSTMENT

Halty considers that the adjustment programs in operation since 1984 have had a very positive effect on disparity and poverty, becoming the *«best anti-poverty policy that Uruguay has had over the past decades,»* as there is a direct relationship between the economic policy being followed and betterment of income. **«In the first place, it would have been difficult to set ourselves the objective of reducing levels of poverty to under half in ten years without economic growth. Secondly, this economic growth has not taken place by widening the gap between the rich and the poor, but by lessening it»**, he stated.

On the contrary, Mr. Willat believes that the government's economic policies are especially responsible for the impoverishment and deterioration of living conditions of an important part of the middle sectors of society, who are bearing the cost of the change. Ms. Celiberti considers that these policies have contributed to **«social polarization, increasing levels of marginality, even though the number of poor people remains low as a percentage. This aspect gives rise to a deepening of social problems and to citizen insecurity.»**

Willat believes that the policies having a direct repercussion have been those concerning the opening up to international markets. To this should be added de-regulation of labor contracts and substitution of collective bargaining of work agreements by enterprise bargaining. **«The need for enterprise competitiveness on the international market has turned into blackmailing of the workers who, in the context of high unemployment levels, waive their vested rights in exchange for keeping their jobs. This situation particularly affects the less skilled workers, generating a dispersion in the quality of work, according to the type of employment»**, stated the SERPAJ representative. *«While this dispersion takes place from the time of job insertion, there is a regression in the quality of the social services provided by the State in various areas that have been transferred to coverage by market service offers. The combined effect of these two policies is a segmentation of society in sectors that have access at different levels of job, health services and education quality or of the quality of protection by social insurance or in facing the risk of being a victim of violence.»*

Housing policy is worth a special mention. As it has been «*absolutely insufficient to respond to shortcomings in this aspect in the lower income sectors, it has also given rise to a market logic that has led to a shift of population in urban dynamics, generating a trend towards spatial localization of social disparity*», states Mr. Willat. «*The result is a process of social disintegration. The most extreme manifestation of this phenomenon is the establishment of ghettos, that is to say, quarters where, in addition to the lack of all types of services, very high levels of insecurity exist. A specific cultural logic is developed in these ghettos, in relation to which the rest of society cuts off any existing links, builds up a stigma and develops repressive mechanisms*».

## COMPENSATORY MECHANISMS

At the Social Development Summit, held in Copenhagen in 1995, the Uruguayan government engaged itself to look out for possible repercussions of adjustment policies and to adopt measures to attenuate their possible negative effects. However, Mr. Halty has commented that the government did not have to take this type of measure, as the policies have not had negative effects, but rather positive ones. Furthermore, **Uruguay has fulfilled its commitment to devote 20% of the budget to social expenditure**. This same year it went from the previous figure of 18.9% set out in the previous budget, to 23.6%, remaining at the top of the list in Latin America with respect to this subject, according to ECLAC data.

However, Mr. Willat maintains to the contrary, that the government is not giving adequate response to counteract the effects of social disintegration and the increase in disparity generated by adjustment policies, except perhaps for extension of public education cover, that aims at reaching the entire four and five year old population by the year 2000, increasing primary school hours to cover the whole day and supporting lunch and snacks in those schools located in quarters with a low socio-economic level.

## CIVIL SOCIETY

The government and NGOs express contrary opinions as to the participation of civil society in the design and implementation of official policies seeking to attenuate or eradicate poverty and sources of disparity.

According to Mr. Halty, «*the participation of civil society in some key social policies in Uruguay is relatively high*», although

he recognizes that this participation is very uneven according to different areas. «*The most striking example and that with the most longstanding tradition has to do with social health services, which are mainly provided in Uruguay under the form of mutual benefit societies – these finally being NGOs which work in coordination with the State. They fulfill a key public service, complementing the free public service*».

Contrasting with the official opinion, Ms. Celiberti states that this central point goes to show the backwardness of the governing culture and of the Uruguayan political system in the development of modern democracy. She considers that «*Civil society is regarded with mistrust by the political system and its autonomy is neither guaranteed nor respected. Citizen participation in subjects of their interest is occasional and is hindered from government spheres*». She believes that this fact is even reflected in the structure of Mercosur, where the consultative Forum, comprising enterprise managers and workers has not been consulted on any subject by the governments. She says that «*examples of participation in public management are very few and far between and although there may be some more or less successful lobbying going on, this is not part of the political culture of the country*».

In agreement with this, Mr. Willat pointed out that what is really important is the participation of civil society in public debate to define which problems society must deal with and what kind of answers should be given. He states that «*whatever may exist in this respect is absolutely insufficient. To achieve this, an open attitude towards the widest involvement of citizens in this debate is required. This implies transferring knowledge and tools, public access to relevant information and a democratization of access to mass media*».

However, setting aside the participation allowed by the authorities to NGOs in decision-making, **it is undeniable that the strong organization of Uruguayan civil society has contributed in a decisive way to the good behavior from the social standpoint recognized in Uruguay by international organizations such as ECLAC or the United Nations Development Programme (UNDP)**. In this respect, the influential union movement and the wide network of consumption, production and housing cooperatives should be added to the mutual benefit services caring for health, mentioned by Mr. Halty.

- Produced by IteM. The members of the Social Watch co-ordinating group are: CARITAS, CIEDUR, COTIDIANO Mujer, GRECMU, ICD, IPRU, SERPAJ.