



David Rockefeller Center
for Latin American Studies



INTERNATIONAL
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International Seminar
“Equity and Social Mobility: Theory and Methodology
with applications to Bolivia, Brazil, Cuba, and South Africa”

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Ensuring more equitable development outcomes continues to be a central concern for developing countries in all regions - and certainly in Latin America and the Caribbean. This need has become even more pressing as evidence emerges suggesting that neither developmental approaches adopted in the 1960s and 1970s, nor the “structural adjustment” reforms of subsequent decades, have been effective strategies for increasing well-being evenly across society and reducing extreme disadvantages for the poorest and most vulnerable groups. Many developing countries, particularly in Latin America, continue to face high inequality. Consequently, there is growing consensus on the need to balance economic growth with equity and social justice concerns. Policies to address the development challenges countries are facing can be informed by the analysis of the different social and economic dimensions of the development process of countries as well as by the insights that can be provided by discussions of country cases as part of a comparison exercise.

Within the Latin American and Caribbean context, Cuba represents an important reference point for its achievements in human development and its distinct development trajectory. Equally relevant are the experiences of Bolivia and Brazil, which provide valuable reference points for a discussion on social mobility, equity and economic performance. Outside the Latin American context, South Africa stands out as a case that combines a strong growth record, but one that is thwarted by sharp and multidimensional inequalities. Although important contributions to the understanding of the dynamics of social and economic performance have been recently produced, there remains much to be known and understood, particularly from a comparative perspective, in order to inform better social and economic policies.

Over several decades, Cuba has continued to implement innovative social policies and achieve important outcomes in its health, education and other social indicators. In the early 1990s, the island nation suffered a severe economic crisis and households experienced drastic reductions in material consumption following the collapse of trade with the Soviet Union. Despite significant reforms and recovery, new challenges to the nation’s equitable development model have emerged due to the limits of fiscal resources and the segmentation of the economy with tourism standing out as an important means

for achieving higher earnings. An increasing number of people and groups are in disadvantageous situations and new patterns of social mobility have emerged that leave some households in vulnerable situations. Some of these patterns have been documented by research. However, in light of the vast economic and social changes that have taken place in Cuba over the last decade, and the current renovation of social policy, further research and discussion on equity, social mobility and public policies are needed.

After a period of hyperinflation in the 1980s, Bolivia undertook a structural adjustment policy and reform agenda that allowed for a relatively high growth rate, in the Latin American context, of above four percent. It achieved this while maintaining inflation under control at just over 10 per cent per year for most of the 1990s. Since 1998, however, growth has slowed. The social impact of adjustment combined with reduced growth as well as institutional long standing deficiencies in the country have translated into a poor human development performance. Bolivia ranks 113th (2003) in the Human Development Index and with a GDP per capita of about US\$ 1,000 dollars, it registers high incidences of poverty, 62 percent, and inequality, a Gini of 0.45. More worrisome is that poverty and inequality have remained high, if not increased, over the last 5 to 10 years. As is frequently the case, the incidence of poverty is significantly higher in the rural areas as well as among non-favoured ethnic groups. While unemployment is moderate, around 5 percent, the informal sector is large and the distribution of education is highly skewed, with the end result being very little social mobility. While Bolivia has been implementing policies to achieve the Millennium Development Goals (MDGs) and has developed emergency programmes linked to employment, there is a clear need to improve poverty reduction and human development policies.

Economic performance in Brazil offers mixed results. Although the country has achieved price stability since the mid 1990s, economic growth has proved to be more difficult to attain averaging 2.3% over the last ten years. Nevertheless, price stability and a host of social policies have allowed Brazil to take advantage of modest growth to score substantial reductions in poverty and inequality at the start of the twenty-first century. Social and minimum wage policies have been adjusted, and inequality and poverty have decreased more rapidly than in the past. Policies include a wide range of transfers, some aimed at rural areas, and measures directly or indirectly supporting living standards of the low-income population by means of increases in minimum wages, notably through the impact on non-contributory pensions linked to minimum wages. Brazilian non-whites have been over-represented among the poor but, fortunately, recent positive outcomes in inequality and poverty have particularly benefited disadvantaged racial groups. More needs to be done in Brazil, nevertheless, to overcome long-lasting deprivations and inequalities, many of which bear an ethnic dimension.

The South African economy faces the challenge of transforming a relatively high growth rate into significant social benefits for the entire population. Since 1994, the democratic majority government has been struggling to integrate the black population into a new economy that offers social and economic opportunities. Poverty, which affects a large proportion of the population, has proved to be difficult to bring to a dimension

more in line with the resources and wealth the economy can offer. A range of ambitious cash-transfer policies have provided some relief to the poor, but basic access to economic opportunities has been lacking as the unemployment rate stubbornly remains above 25 percent. It is difficult to overstate the need to understand how to integrate economic and social policies, as well as the need to understand the dynamics of poverty.

Discussion and Output

Discussion at the workshop will be based on papers addressing central development issues being faced by Bolivia, Brazil, Cuba, and South Africa, which will focus on the emerging patterns in gainful income and consumption decisions, rural development, ethnic segmentation and the impact of social policies on social mobility trends. Papers will be discussed thoroughly by participants with the aim of drawing lessons and comparative insights that can inform policy decision makers for poverty reduction, equity enhancement and the promotion of social mobility. Research for the case of Cuba is currently underway by an in-country team and five papers will be presented at the workshop each covering one of the topics of the workshop. Papers have been commissioned by UNDP International Poverty Centre (IPC) to deal with the experiences of Bolivia, Brazil, and South Africa summarising and critically assessing relevant research already undertaken in the areas of inequality and social mobility. Additionally, the IPC and the David Rockefeller Center for Latin American Studies at Harvard University (DRCLAS) will contribute with three discussants per paper preparing written comments on papers.

After revision, papers presented at the workshop and edited comments will be published in a volume co-edited between IPC and DRCLAS, with an additional chapter drawing from discussions and comparing, to the extent possible, the country cases, identifying lessons and challenges for policy making, as well as future areas of research.

Format: Papers will be presented, critically, by three discussants with written comments, each speaking for 15 minutes. Then the author will be given 15 minutes to clarify points and respond to comments. After that, the floor will be open to all participants.

Discussion will be in Spanish and English, with simultaneous translation.