

**Research on  
Social Policy:  
Proposals  
for a  
Future Agenda**

**Edited by:  
Mario Torres**

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INTERNATIONAL DEVELOPMENT RESEARCH CENTRE  
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# FOREWORD

Human development is both a critical means to sustainable development and its ultimate goal. However, in the 1980s, a widely spread economic crisis crippled the policies and programs designed to respond to the basic needs of the poor in most developing countries.

Today, there is growing recognition that the paralysis and the dismantling of social programs are a major obstacle to economic growth and sound environmental management. Recent research into a decade of experimentation is beginning to show that while stabilization programs may produce short-term economic equilibrium, the structural adjustment programs that accompany them do not necessarily produce growth. This evidence is leading national governments and international agencies to realize that stagnant social development hampers transformation and liberalization and can prevent the establishment of sustainable market economies. The central role of social policies is now being acknowledged. They are seen as an interrelated set of public actions whose purpose is to create the human foundation for sustainable development and equitable economic growth.

In 1990, the International Development Research Centre (IDRC) began an internal review of the contents of its research programs in the area of human development. Research in Latin America examining the impact of the crisis on different social sectors and designing a new social research agenda, more attuned to emerging policy priorities, was an important input into this review.

Extensive regional consultations revealed a need to re-examine the approaches previously used to address human development issues. A fresh and innovative understanding of the relationship between persistent poverty, economic marginalization and limited social and political participation began to emerge.

In 1991 and 1992, the Centre organized a series of meetings, consultancies and seminars bringing together policy-makers, researchers and practitioners from diverse social policy fields. More in-depth examinations were undertaken in Colombia, Chile and Peru. These became case studies of the social policy situation in countries at different stages of development and facing different institutional, economic and political challenges.

The results were rewarding. Suggestions were made to focus on innovative and integrated views about human development issues and policies. There was consensus on the need to organize a **Research Program on Social Policy** in the region to examine key human development problems and to identify strategic social interventions. Economic globalization and internal institutional reforms make this not only necessary but indispensable.

Governments and societies in the region are under mounting pressure to adjust rapidly to a new development context. Economic, social and political pressures on young democratic regimes in Latin America and elsewhere in the Third World limit their room to manoeuvre. Future development programs and initiatives will require more focussed, effective, efficient and, especially, more socially relevant policy interventions. Policy relevant research will be necessary if

strengthening local research capacities and empowering people are to become the critical pillars of sustainable development models.

With *Research on Social Policy: Proposals for a Future Agenda* the Centre contributes to the ongoing debate on social policy in Latin America and in other regions. The issues discussed in this collection of articles cut across a rich variety of problems and topics. Their authors share the belief that more inter-sectoral and multidisciplinary approaches are necessary to address the social challenges posed by the economic changes and the social and political reforms underway in most countries. The aim of this compendium is to show the need for more integrated efforts in social research, training and policy decision-making both to guide development and to attain its goals.

Ottawa, April 1993

Caroline Pestieau  
Director General  
Social Sciences Division

# ***INTRODUCTION***





# THE SOCIAL CHALLENGE IN DEVELOPMENT. FROM ECONOMIC TO SOCIAL POLICIES

***Daniel A. Morales-Gómez<sup>1</sup>***

## **INTRODUCTION**

The world is going through changes unimaginable only a few years back. Well established socio-political paradigms have crumbled, and accepted development models are in doubt. The concept of development itself must be revisited within the conflicting views of a "new world order" still not well understood. This environment of change presents tremendous challenges.

In the developing world, change places new demands on resources, human and financial, that are already stretched thin. However, this is neither exclusively an issue of availability of resources nor purely an economic phenomenon. Underdevelopment continues to be deeply rooted in poverty. Its impact on the capacity of individuals and societies to assume a leading role in their own change remains the main obstacle to achieving equitable and sustainable development.

The underlining human development issues of today are both, achieving an ethical distribution of the available wealth, and an equitable access to the benefits of growth. The generation of a new development ethos, as the foundation of a new polity, is the core social challenge developing countries face in the road towards the next century.

A refurbished discourse about development emphasizes the availability and better use of resources, both natural and economic, as keys to poverty eradication and alleviation efforts. To an extent, these concerns reflect the myriad of problems affecting countries in the South. However, it is the persistent accumulation of wealth among a few, nationally and internationally, and the unequal distribution of the benefits of growth, that continue making development unsustainable.

The paradox of the 1990s is that the current changes in the world economic order tend to reinforce rather than to make the disparities disappear. "Despite economic growth, most ... countries face severe social problems. ... In other words, recent progress has not generated more

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opportunities for the poor. Nor has it distributed benefits more efficiently" (Esquel, 1993: 2). If the policies and adjustments to combat poverty do not go beyond the predominant neo-classical economic interpretation of development, the solutions to be found are likely to have limited impact on the pervading inequities affecting the growing disadvantaged sectors of society.

This scenario raises some critical questions about what needs to be done to build a new basis for sustainable development in the twentieth first century. There is a need to better understand, (1) how, on what basis, and with what effects decisions about the re-distribution of social resources are made and implemented; (2) how to improve public policy-making in general and social policy-making in particular to achieve a greater impact on the well-being of individuals; and (3) what new forms of governance must be set in place to enhance social participation, consolidate democracy, and have a long lasting impact on eliminating poverty and facilitating human development.<sup>2</sup>

The purpose of this article is twofold. First, it discusses the need to revisit some of the assumptions of the predominant international discourse as a means to move towards a new ethical notion of development which can be socially sustainable. Second, it argues in favour of addressing social and human development concerns at the forefront of development economic policies and programs in the 1990s. The article also serves as an introduction to a collection of papers addressing the new social challenges faced by three countries of Latin America in particular and the region as a whole. These papers are the outcome of an extensive consultation to identify priorities that could guide social policy research for sustainable development in the region in the years to come. A common thread to these papers is their concern about strengthening developing countries' social policy-making and social program delivery capacities to reach the poor more effectively.

## **THE SHIFTING OF INTERNATIONAL AGENDAS**

### **New Trends and Questions**

New international economic alliances, socio-political conflicts, breakthroughs in information technology, and the application of scientific innovations in new fields of human activity are making geographical boundaries and even the concept of nation-state lose their traditional rigidity. Development fashions and slogans that have proven to be futile when it comes to bridging the gap between North and South, are being replaced by new ones of yet unknown meaning and implications.

Northern driven international agendas in environment, education for all, market liberalization, and transfer of technology represent only a fraction of the new precepts reaching the developing world as a result of the geopolitical interests of industrialized countries. In most cases, these new "action programs" come with price tags which are well beyond the resources available both in the North and the South. However, the complex net of international political pressures on which the

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<sup>2</sup>Human development "is a process of enlarging people's choices," of creating "a conducive environment for people, individually and collectively, to develop their full potential and to have a reasonable chance of leading productive and creative lives in accord with their needs and interests" (UNDP, 1990: 1).

interests they serve rest, not only re-directs the actions of international organizations, lending institutions and donor agencies prompt to jump into the latest politically correct wagon, but also risks creating new forms of development conditionality with dreadful social impact for the poor.

Nowhere is this becoming more evident than in the follow up attempts to the UNCED meeting in 1992. Lewis T. Preston, President of the World Bank has indicated that "because of its close linkage with poverty, we are also increasing our focus on environmental issues: establishing a system of assessment to address environmental aspects of Bank-supported operations; supporting free-standing environmental projects; ... and ... helping countries put in place national environmental action plans" (1993: 4). Attempts such as this are taking place while countries are still adapting to the conditions and effects of economic adjustment programs.

In the context of changing economic and geopolitical circumstances worldwide, there is a number of basic facts and questions that must be revisited: what is the new role of the State; are communities capable of playing long lasting roles in their own development; are existing basic social institutions and systems able to respond effectively to basic human development needs; in what areas of social activity can governments be most effective; what is the value of social innovations that work when they are replicated in diverse cultural settings; how feasible are holistic approaches to science and knowledge utilization; how can the effectiveness of development aid be improved; and what is the social the cost and impact of, for example, new environmental dogmas.

This complex array of development issues must be better understood if a balance in the relationships between economic growth, equity, and satisfaction of basic needs is to be achieved. The underlying issue, however, is one of basic ethical principles guiding the new interaction between governments and the civil society.

## **The Costs of Aid**

The last twenty years of development efforts have taught valuable lessons. One of them is that the large amount of resources invested through aid flowing to the South has not been without a cost to developing countries. In fact, development aid has been a profitable investment which has contributed as much to maintaining the standards of wealth of industrialized countries, as to eradicating poverty in the developing world.

Development in the 1980s was not led by a social notion of policy reform, but by a market driven economic ideology of growth. Adjustment programs, justified by placing economic management efficiency as the building block of development, reversed the traditional North-South development link making industrial countries net recipients of financial resources. "From the onset of the debt crisis in 1982 through 1990 ... each and every month, for 108 months, debtor countries of the South remitted to their creditors in the North an average six billion five hundred million dollars ... in interest payments alone. If payments of principal are included in the tally, then each of the 108 months ... witnessed payments from debtors to creditors averaging twelve billion four hundred and fifty million dollars ..." (George, 1992: xiv). In the process, Southern countries have no option but to deflect national resources away from key social sectors.

There is also growing evidence that the aid efforts of developed countries, donors and international organizations have not paid sufficient attention to the processes of social policy-making which constitute one of the pillars of economic development and growth strategies. Some concerns about the negative impact of economic adjustment programs, and the most recent focus on

sustainable development strategies which integrate environmental, social and economic policies have brought these issues once again to the forefront. Little is known, however, about the implications of these attempts to add yet another concern, the environment, into the balance between economic and social priorities.

## ***IN SEARCH OF A SOCIAL AGENDA IN DEVELOPMENT***

### **Who Sets What Policy Directions?**

Entangled in the fuzzy net of the international political agendas of the day, many aid agencies, international organizations, and governments continue to pay lip service to the dramatic social crisis eroding developing societies as a result of economic liberalization and conditions of unequal international competitiveness. In the meantime, a deteriorating "social side" of development resulting from the impact of market driven economic growth on the human well-being, remains not fully addressed by development actions. This failure to see beyond the relationship between economic policies and growth, perpetuates and may even deepen the gaps between those who have and those who do not. "Today, the increasing trends towards market-oriented economic and social policies again threaten to divide the struggle of the poor from those of working people" (CCCB, 1988: 318).

The 1980s marked an important shift in the perception of international development priorities worldwide. A neo-liberal approach to correct macroeconomic disequilibria, conditioned development in the South to adopt fiscal and financial policies, driven by a market-oriented ideology, which have had an immense social cost.<sup>3</sup>

In 1986, the Roundtable on Development: the Human Dimension, pointed out that "the economic and social costs of the adjustment process ... are under no circumstances justifiable or acceptable, even under the pretext of promoting growth" (UNDP, 1986: 5). This implies that "the human costs of the current processes are unacceptable from a humanitarian perspective. Nor can they be accepted from an economic perspective" (UNDP, 1986: 6).

There is little doubt now that the overall development impact of these measures will be felt well into the 1990s. However, a gap remains between the rhetorical recognitions of the dramatic impact of the pervading poverty in the South and the steps taken to addressing the problem. In the midst of a worldwide process of economic globalization, developing countries continue to struggle to strengthen a capital base for establishing competitive models of industrialization that could give them the room to enhance popular participation in decision-making and achieve greater social equity in a context of prudent environmental management (George, 1992: 171).

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<sup>3</sup>In the case of Latin America, the Inter-American Development Bank indicates that this approach focused primarily on "the adoption of monetary, financial and fiscal measures and the liberalization of the production apparatus, with a view to opening up the economies and allowing competitive and market forces to become the major mechanisms to ensure an improved allocation of resources" (IDB, 1993: i). However, the same organization recognizes that "in absolute numbers and as a percentage of the total population, ... there is today more poverty in the region than at the beginning of the 1980s" (IDB, 1993: 1). This perception is reinforced by the assessment of the UNDP which argues that income distribution in the region is worse than in the rest of the developing world (UNDP, 1990).

The combination of new development trends, increased globalization of the international economy which includes new trade liberalization models, and the formation of a strengthened coalition among industrialized countries to monitor a global political and economic scenario, have serious policy implications for most developing countries. "As we enter a world of open economies and globalized markets it is more important than ever that our countries define their own policies. Unless this is done, it is highly probable that increasingly, economic and political policies will be dictated from abroad. This trend affects some of the most crucial issues: the environment, the illicit traffic in drugs, disarmament, the peaceful resolution of conflicts, and poverty" (Zumbado, 1993: 6).

## Two Views of the Same Problem

The predominance of an economic rather than human development approach persists in conditioning developing countries to drastically restructure their economies as a means to establish appropriate incentives for economic growth. However, developing countries are often left with no options but to shift available resources away from social programs that are not perceived to have an immediate economic payoff.

"In a market-oriented society, human beings and social relations are largely defined in terms of the demand and supply forces of the marketplace. Economic and social policies are generally subjected to such market criteria as what is most "profitable", "productive", "competitive", and "efficient". Under these conditions, human labour, human needs, and services tend to be treated as commodities to be bought, sold, or exchanged in the marketplace" (CCCB, 1988: 318). In the attempts to explain the devastating micro impact of macro economic adjustment policies resulting from this approach, the argument continues to be made that despite the social costs, the overall result is still positive in the Pareto optimal sense that losers are compensated by the winners, still leaving a net gain.<sup>4</sup>

Missing is the understanding that without human development economic growth cannot begin, and even less be sustained. "Reductions in expenditures on the social sectors ... will have long-term negative and sometimes irreversible effects on the productive potential of those economies" (UNDP, 1986: 7). Depriving large sectors of the population of equitable opportunities to access education, acceptable standards of health and nutrition, and the conditions for personal development that can lead to productive employment is economically inefficient, and short sighted in the long-term. "There is a requisite minimum of social spending below which it is impossible to prevent socioeconomic deterioration and degradation" (IDB, 1993: 31).

Poverty in some countries is reaching new depths and the gaps between rich and poor are becoming wider. The absolute number of poor people in many developing countries has increased dramatically. In many others the traditional middle class is disappearing and the number of families under the poverty line has grown compared to fifteen years ago. In some regions, like Latin America, this has assumed dramatic proportions.

In practice, adjustment policies dealing primarily with economic variables have ended in no more than maintaining the financial solvency of governments at best, and reducing the power of key sectors of the population to afford the goods and services required for maintaining minimum levels

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<sup>4</sup>"Considerable uncertainty remains about the human impact of adjustment because of the analytical and methodological difficulties of measuring the effects of adjustment on the poor and on the social sectors" (Behrman and Deolalikar, 1991: 292). However, the reality of the negative effects on the poor is visible in most countries.

of well-being at worst. Central to this neo-liberal approach dealing with the development crisis has been the weak capacity of the State to govern and provide for the well-being of the population. Moving from State-centered policies towards market-oriented ones, creates a "perverse association (between the State and the economy) that privatises extraordinary profits and socializes all losses" (Portantiero, 1992:19). Under the prevailing trends of economic globalization promoted by industrialized countries, new forms of trade, economic protectionism, capital flows, and capital accumulation are set among the first public policy priorities. One of the immediate outcomes is the relegation of social policy concerns to a secondary place.

Opinions about how to deal with social reforms<sup>5</sup> to combat poverty and underdevelopment are reflected by two views. In one of them, a predominantly economic argument maintains that the poor in developing societies can only be helped if countries break the barriers impeding opening the path towards general economic expansion in an efficient way, following the steps of developed nations. This argument promotes a shift in the responsibilities of the State to provide for human development. Guided by a philosophy of free enterprise, it places the responsibility of development on the private sector and on the poor themselves, claiming that micro political and economic participation and self-help approaches can overcome inefficiencies in government and structural inequalities in society. It focuses on two ways of action: "first, the building momentum towards the private sector as a preferred provider of a range of services and opportunities; and second, the devolution of decision-making control and authority from the federal to the state and local governments" (Watkins and Watkins, 1987: 16). Implicit in this view is the notion that in societies that have achieved higher levels of economic development with the State disengaged from the social sphere, the poor automatically enjoy greater equity in the distribution of wealth and receive a greater share of the benefits of growth.

The other view argues that by recognizing that the lack of political participation is one of the main causes of inequality and poverty, corrective measures like democratization, re-distribution of political power at various levels, and direct community involvement will open the gate to the poor to access available wealth (Ascher, 1984). Little is known, however, about the social, cultural and organizational factors that may obstruct effective participation at the local and community levels, and about the structural difficulties that may exist among local government to manage social development programs.

These views risk, first, placing the achievement of short-term targets of economic growth as the primary goal of development, with the well-being of individuals and their capacities to carry out change being subsidiaries of economic and political decisions, and second, creating the illusion that an efficient State is the one that discharges all its responsibilities for correcting social inequalities to local levels of government.

## **The Changing Role of the State**

The challenge of development in the 1990s is to bring into the center of the scenario new ways to ensure human development over the long-term. This requires revisiting some of the basic assumptions about economic development and the governance of society. There is an urgent need to place at the center of current development concerns the capacity of national and local

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<sup>5</sup>"Social reform is defined as a process contributing to human development through the combination of policies and instruments aimed at efficiently involving all individuals in the growth process, in the context of a general improvement of their well being" (IDB, 1993: 1).

governments and communities to design policies and implement measures that position economic interests at the service of social priorities.

There is a growing realization that "public policy is not synonymous with government provision, since there is clearly a role for local authorities as well as community action to help target scarce resources" (Ahmad, 1991: 106). The belief that effective social reforms which may contribute to human development are an essential complement to economic reforms and the maintenance of democracy, requires focusing on the alternatives to reform and modernize the State.

A new social agenda in development requires a fundamental re-thinking of the existing forms of governance, and the identification of new roles of the State that can generate enhanced forms of popular participation and social consensus. "Crisis does not always mean catastrophe. It means that old ways of thinking and acting are breaking down. While today's crisis has both economic and political causes, at its root it has a crisis of values. It challenges us to invent a new political culture with new forms of collective actions, which in turn could lead us to new modes of understanding" (Portantiero, 1992: 17).

Reforming the State, however, cannot stop at facilitating new forms of social participation. There are areas of responsibility that a reformed State must retain within a framework of improved efficiency. These include the "solution of social issues, the general financing of the actions of economic agents and the preservation of the operations of markets in terms that will prevent the concentration of economic power and the exclusion of the participation of all economic agents" (Iglesias, 1992).

Equally important is the implementation of effective changes in government management at all levels, beginning with the central government itself: "while there cannot be an efficient State without good government, good government is impossible without an appropriately reformed State" (IDB: 1993: ii). This requires decentralization; restoring confidence in the capacity of the State to manage public finances and spending; establishing accountability mechanisms; and enhancing its capacity to integrate social and economic policies. The relationship between economic and social policies is not a sequential one. Developing societies cannot afford to address macroeconomic and economic growth issues first, in isolation, and only later to deal with social and human development issues.<sup>6</sup>

## **Towards an Integrated View of Development**

The lack of an integrated view of social and economic development makes development unsustainable over the long-term, by not placing the capacity of human beings at the center of social, scientific and economic change. The issue is not whether economic growth is a necessary component of development, but whom this economic growth is expected to serve. There is little doubt about the existence of a wide spread fiscal crisis. "What is open to question is the idea that

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<sup>6</sup>Although most international financial organizations, including the IMF and the World Bank, are beginning to recognize the centrality of the "social side" of development, they still pursue a sequential rather than integrated approach to economic and social policies. The Managing Director of the IMF indicated that "economic growth and the implementation of sound macroeconomic policies are necessary conditions for social progress, and above all, for the reduction of poverty" (Camdessus, 1993: 2). The President of the World Bank argued that "a two-track approach is required for effective poverty reduction. First, there must be a pattern of efficient, long-term growth in which the poor can participate through their labour. Second, there must be investment in health, education and other social services so that the poor can respond to the opportunities created by growth" (Preston, 1993: 2).



the crisis can be resolved by dismantling social welfare policies. ... The roots of the fiscal crisis are to be found not in excessive social policies, but in other subsidies traditionally offered by ... governments" (Portantiero, 1992: 18).

The call to give social policies an equal strategic dimension as macroeconomic policies, by no means implies that current development strategies ignore in their discourse the individual as an ultimate target of their strategies. On the contrary, almost without exception in the discourse of international development strategies as well as in the intentions of national development plans, the well-being of people is set as an ultimate goal. What is not always present, however, is the understanding of how such goal will be achieved in measurable terms. In practice, "priority in planning for development is still given to the economics rather than social matters of development projects" (Houghton, 1987: 14), making it practically impossible to identify the various degrees of impact of development plans on the poor.

Development strategies too often refer to the poor as an abstract homogenous notion which permits categorizing individuals as falling below a statistical line defined in economic terms. This view not only ignores the complexities and differences present in this sector of the society, but also places individuals at the recipient end of macroeconomic and political goals which may eventually translate into modernization, progress, scientific advancement or greater access to wealth. This approach has serious long-term implications for developing countries where the means and infrastructure to identify target groups, monitor the delivery of programs, and evaluate their impact are almost absent in the current State structure, and non-existent in the private sector or at the community level in a degree that could provide significant input to policy processes.

As industrialized countries move progressively towards a model of national development which implies dismantling the remaining aspects of a Welfare State, countries in the developing world are led to seek similar social development alternatives at a tremendously high social cost. Some of the results are the reduction of State social investments, the growing privatization of social services, and the setting of various models of user fees perceived by many as a feasible way to maintaining the provision of social benefits to the most needy. By taking steps such as these in the social arena, other liberalization measures are complemented, including "less-restrained free enterprise, thus reduced government intervention in the economic system, privatization of government-owned enterprises, encouragement of foreign investment through the maintenance of advantageous interest rates, and the reduction or elimination of trade barriers" (Irving and Rose, 1989: 142).

However, the aims of this framework are limited by short-term objectives and focused on the delivery side of a market driven social system not prepared to question the interfering role of existing patterns of capital accumulation on resource allocation. Social policies become thus only an additional component of a wider system of supply and demand regulated by the capacity of specific groups to deliver and acquire differential types of services, often localized and isolated by income boundaries. Primary health care, basic education, child care programs, the provision of shelter, and welfare options become in practice all de-universalized in their supply and competitive in their demand, or simply subsidiary to the most pressing political goals of the day. "The large differences that exist in social policy effort between industrial nations ... and Third World countries ..., covary with substantial differences in the level of benefits per capita or per recipient of social policy provisions, and with enormous differences in coverage ratios" (Schmidt, 1989: 642). The effects of current shifts in the provision of social benefits away from the State, will bring a progressive weakening of the already precarious social safety net upon which low-income sectors depend for their survival.

A new perception of development oriented towards reducing poverty by emphasizing the importance of social policy reforms needs to come to the realization that there is a fundamental difference between economic growth and human development. The latter is not a direct outcome of the former in societies where social inequality is deeply rooted in the ethos of the polity and on cultural, gender and ultimately class differences. Ignoring such differences may lead to continued focus on economic policies in the expectation that their effects will trickle down and result in better living conditions, which in turn may end in the development of human capacities to carry out or influence social change.

In most developing countries, the emphasis on new forms of capital management without a State capable of regulating and correcting social imbalances risks widening even further the gaps in terms of access, quality and content of social policies, making them more selective in the short-term and less effective over the long-term. Changes in the provision of social services in basic health care and education, housing, sanitation, and child care without the capacity to determine the scope of social policy strategies and their specific beneficiaries can reduce even further the groups that can benefit from, and place others outside, the coverage of key programs. Over time, this will leave a greater proportion of the poor unprotected and with fewer opportunities to influence decision-making processes.

If the poorer sectors do not have the participatory options to influence the public policy base of development strategies, key target groups, including women, children, indigenous people and the elderly will be left outside the actions and regulations to set and reach social goals, weakening even further the popular base of democracy, and the impact of strategies to address human development and redistributive actions. Thus, social policies, become vulnerable in their attempt to improve the development conditions of a society and prevent a wider social crisis (Silver, 1980: 17). By focusing on the capacity of societies to respond more fully to social demands, social policies and social policy-making are not reduced to residual effects of economic decision (Schmidt, 1989), and basic ethical principles of fairness in the allocation of social resources becomes part of the equitable development equation (Ismael, 1987).

There is little doubt that the changes needed in the perceptions of the "social side" of development and in the approaches of international organizations and governments to address social issues are not only real, but are here to stay. Still largely undefined, there seems to be consensus that they are an integral part of a complex emerging new world order, with fewer and fewer ideological boundaries and very permeable geographical and economic borders. If this is the case, there is then an urgent need to find new approaches to address and solve the pervading issues impeding human development and perpetuating poverty. A new social policy agenda for research and action must be found to make development sustainable.

## **CONCLUSION**

There is a growing feeling that social policies and programs formulated from a predominantly economic perspective and without due regard for human development have not succeeded in combating poverty. More often than not, policies to respond to crisis situations or to address the basic needs of key target population groups have provided sectoral constrained alternatives, irrelevant provision programs, and ultimately contributed to entrench patterns of powerlessness among key sectors of the population. In practice, from a policy stand point, meeting

the social side of development has led to the adoption of reactive rather than strategic decision-making processes. At the national level, they have often lacked a comprehensive and systemic approach to integrate the outcomes of the social, cultural, economic and political processes by which individuals and groups can advance in their growth. In human development terms, decision-making processes have not contributed to the enhancement of the capacity to identify, organize, acquire, generate, and use knowledge for development. Nor have they enhanced people's choices to improve individual and collective capabilities to achieve higher levels of well-being, and the improvement of conditions to participate in local and national settings.

Moving towards an integrated view of social policies implies addressing them in a non-sectoral way and as a multi-dimensional series of political processes and actions designed, planned and implemented by key social institutions and actors to respond to basic needs over the long-term. In such a context, the aim of social policies is comprehensive rather than exclusive. They are designed, formulated and implemented primarily to generate the human development conditions that will improve the standard of living of the population, redistribute wealth, and facilitate the attainment of personal development and economic well-being.<sup>7</sup> From a human development perspective, social policies thus approached involve the strategic interaction of national and local level decisions across sectors and systems, programs and innovations. Ultimately, their purpose is to establish the human foundations on the basis of which other development policies and actions can take place.

This implies moving from a remedial approach to one in which social policies become pre-requisites for other broader development actions. This, however, is easier to say than to achieve. To place social policies at the centre of the development agenda requires looking carefully at the social policy-making processes and the conditions required to make them more effective and efficient. Research that could lead to an understanding of **how, through what processes, by what means, and with what degree of success** social policy decisions are designed, applied, and evaluated becomes of great importance.

There is an urgent need to address issues dealing with the institutional capacity of societies to formulate and implement effective social policies. However, most developing countries lack the appropriate institutional social policy frameworks to design, apply, monitor and evaluate social policies and programs. They also lack the human, methodological and information resources to identify key target groups, assess priority needs, and measure efficiency in the delivery of programs. Strengthening policy-planning and management capacities at various government levels becomes a priority if decentralization in decision-making is to be successful. The design and evaluation of training programs and methods adapted to national and local conditions is a primary concern in this context.

Economic globalization is changing traditional ways of designing and implementing social policies. The new international economic environment places additional demands on governments already under domestic pressure for greater political participation and self-directed development strategies. This makes it even more difficult to formulate and implement locally-responsive, long-term social policies. There is a need to identify key research entry points. These may include the

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<sup>7</sup>In a policy framework, human development is a social process that manifests itself through the critical stages of an individual's life in the transition from birth to adulthood and the productive integration in society. It occurs in formal, nonformal and informal settings, cutting across topical problem-areas and issues. Socially, it is not the outcome of single sectoral actions or programs, but the result of integrated actions to satisfy basic needs.

social and cultural impact and the viability of macro adjustment policies, the social and political dimensions of integration strategies, and the changing role of governments in policy-making.

Democracy as the basis for social governance is central to equitable social policy-making. However, globalization is challenging the traditional relationships between the State as a political and welfare institution and the civil society. Autonomous civil institutions are irreversibly changing the political process in many countries with far-reaching impacts on democratization, development, human rights and policy-making. There is a need for research to identify the role of civil institutions in defining social policy agendas, influencing public policy-making and providing alternative models for the supply of social services. Research is also required to assist policy-makers and practitioners to identify successful innovations which enhance popular participation in policy-making, and to explore mechanisms for democratization and local participation.

Equally important are the planning means to operationalize equity. Issues of policy relevance and equity in access, use and outcome of services are fields in need of further exploration. This implies, in turn, setting national and local avenues for policy and program management; identifying mechanisms to increase popular participation in policy decision-making; exploring options for the financing of social programs and innovations; and developing indicators to assess degrees of impact and success. Applied multidisciplinary research on the contents, planning, management and outcomes of policies to meet basic needs, and fostering policy innovations to promote human development, and encourage grassroots solutions to poverty can play a critical role.

Enhancing participation in social policy decisions requires knowing more about the political viability of new policy initiatives and building on opportunities for developing social consensus not only at the national level but also at the level of local governments and communities. Understanding the interplay of cultural, economic, and institutional factors becomes crucial to setting viable social policy frameworks which are relevant to the needs of key target groups.

Developing countries urgently need to develop mechanisms to tap resources in cost-effective ways to maintain basic social services for the poor. This requires understanding existing social resource systems, their use, and the innovations that can be developed to complement them. It also requires paying greater attention to the relevance, quality and accessibility of services, particularly where rapid urbanization is taking place. Research should identify cost-effective and innovative financing to provide and deliver programs and services, explore the feasibility of partnerships among public, private, non-government and community sectors, assess equitable means of cost recovery that do not jeopardize access to services, and examine the impact of resource redistribution among groups at risk. Research should also enhance the understanding of the social, economic and spatial factors affecting social services, and it should assist governments to incorporate the criterion of quality into social programs and to develop appropriate policies. This will entail developing low-cost methods of identifying groups at risk and monitoring social programs.

In addition to strengthening the conditions for effective social policy planning at various government levels, which may imply the development and adaptation of instruments and planning tools and the development of the capacities to use them, means must be put in place for policy monitoring and evaluation. This implies bringing into the social policy processes modern technology for developing reliable baseline information; adapting and applying methodologies for policy analysis; and establishing systems for follow-up and control of programs' implementation.

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## ***FIRST PART: THE PROBLEM***





# SOCIAL POLICIES: RETHINKING ESSENTIAL DEVELOPMENT

**Mario Torres<sup>1</sup>**

The recent history of Third World development has been stimulating in some cases and has recompensed collective and individual efforts. Unfortunately, in many other cases it has been an experience in collective frustration. The case of Latin America is illustrative; it is said that the region's efforts during the decade of the 1980s were lost. The economic crisis, the impoverishment of the lower- and middle-classes, the dismantling of major social programs, environmental deterioration and violence have shadowed achievements in the democratization of political regimes and in relative social mobility and cultural integration (ECLAC, 1990a; World Bank, 1990). Worst of all, the path to recovering lost ground seems to have vanished.

Some proposals have begun to emerge, and many measures to be implemented. These include such programs and strategies as: "changing production patterns with social equity" (ECLAC, 1990b), "education for all" (WCEFA, 1990a), and "sustainable development" (ECLAC, 1991). While clarity exists with respect to the new economic models to be followed, proposals in the social arena have yet to be defined. This is not difficult to explain, for at base is the crux of historic change: human development. The response to the changes that Latin American societies require for advancement must not only be scientific and political, but also profoundly ethical.

The present document seeks to discuss some aspects of this complex topic, taking social policies as an entry point. After all, it is social policy that, through action or omission, will forge new generations, the only real resource that Latin America and the Third World have to achieve a better future. In this respect, we do not intend our discussion to focus on human development models or social policy content since, this being our first assumption, there is basic agreement about their final goals. Instead we are aiming at examining obstacles to the implementation and evaluation of new policies, since, this being our second assumption, the most critical issues concern the actual mechanisms for social interventions. This position does not deny the importance of conceptualizing human development. Rather it points to the fact that present circumstances demand such

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conceptualization to be developed along with practice. Thus, we will deliberately leave this issue pending, in the hope of stirring up reflections based on experience rather than on theory. Our discussion opens with an operational definition of what is to be understood by "social policies," and is followed by a theoretical proposal to be analyzed. We will conclude with the review of a set of problems related to these issues.

## **CONCEPT AND CONTEXT**

The conceptualization and practice of social policies cannot take place outside a wider reflection of the many aspects implied in Third World development, otherwise, the context for their design and evaluation would be lost. It is questionable, for example, to consider social policies from a strictly sectoral perspective, or as a complementary resource for other policies oriented towards economic adjustment or productive restructuring. More appropriately, they should be considered as a strategic part of a set of development policies. There are ethical reasons for this viewpoint, in addition to very pragmatic reasons: **only human development can guarantee in the long term that actions taken in the economic, technological and natural resource management spheres can reach their objectives.**

The conceptualization of social policies is in itself a difficult exercise, for not everyone understands them in the same way. In this document, social policies are understood as actions designed and implemented by the state, or with state support, to achieve personal human development. Typical social policies involve activities that seek to promote human survival, early child development, nutrition, integral education, learning capacities, family development, the prevention of health problems, social security and social participation (United Nations, 1989). These activities are not the equivalent to social services, which are the instruments of social policies. Nor do they refer to all social aspects of development. They do not, for example, include the management and reproduction of resources whose value is based on scarcity, nor the reproduction and conservation of environmental resources. Specifically, they relate to strategic actions at crucial moments and aspects in the life of a human being which may be attended to within a framework of activities carried out by social institutions.

There is no definition of human development which is universally accepted, but there does seem to be consensus that personal development cannot exist where there is poverty, unemployment and inequality (MacPherson, 1982; UNDP, 1990). The persistence of large sectors of the population who are unable to satisfy their basic needs in health, education, employment, housing or recreation, who suffer from a lack of material and economic opportunities for survival, and who do not enjoy the same living conditions and opportunities as other sectors, has made it evident that economic growth, wherever it has occurred in Latin America, has not been sufficient to bring about personal development. Human development, in all its essential aspects, is still a goal to be reached by large population groups in the region.

It is important that this concept of human development, understood here as "essential development", be considered again in Latin America. In the face of the failure of economic policy actions taken in the eighties, the need to reorient the development process towards productivity, international competition and the incorporation of modern technology has been proposed (ECLAC, 1990b). Although the search for a development model based on these principles may be correct, social policies must not be placed in a complementary or remedial role. If this were to occur, the

economic proposal would fail for -as the history of the post-war development in the Third World has shown- there is no economic development if there is no human and social development. The search for Latin America's new path must begin by centering discussions about development policies on the individual and collective aspects of human development. This, however, will not be an easy task in the 1990s.

The decade of the nineties was marked at birth by a deep crisis in the socialist utopia, which had apparently chosen a more humanist development model than that of Western capitalist societies. However, the crisis of socialism in Europe indicates that the policy instruments used did not lead to the levels of social and economic development necessary for success. The influence of this fact on the conceptualization and implementation of new social policies in Latin America promises to be remarkable. Although attempts may be made to limit discussions to technical issues, it will be impossible to avoid the ideological debate and the impact of political party repositioning in the wake of the decline of European socialism.

The new social policies will also have to consider the persistence of mechanisms of dependence and domination. The economic, industrial and technological development thus far attained in Latin America has not eliminated the conditions of dependence so widely discussed in the region during the fifties and sixties. The impact that dependency has had on the collapse of Latin America's social programs -as deterioration of commercial exchange terms and foreign debt payment made them even more unfeasible or precipitated their dismantling- cannot be denied. Discussions of this situation appear to have lost their timeliness and dependence has apparently disappeared beneath a cloak of greater economic integration and the emergence of sub-regional markets. Yet dependence has not disappeared. Moreover, dependence and domination will surely continue to affect the design and implementation of new social policies. The social implications of the search for pragmatic relations with the developed world will be important to follow. What will the social impact be of the proposed regional model for an open economy?

To all the above concerns must be added the fact that class structure, although somewhat transformed, continues to feed large social and regional inequalities. The domination of capital cities over interior regions has not disappeared. The concentration of wealth has not notably diminished, and in some cases has increased (ECLAC, 1990a). In addition, the state has not improved its efficiency or effectiveness. To the contrary, the state has become a heavy weight on societies who are already exhausted by populist, party-tied and even irresponsible management. Underdevelopment processes have not weakened. Although transformed, they continue to exist and have become stronger. Current and future social policies will undoubtedly be affected by all these circumstances.

There is hope that the new economic policies will create a more favourable institutional framework for redistributing the benefits of development. This hypothesis is not really new. Development planning which began after World War II was basically an exercise of economic planning in which social aspects were treated within a residual model. It was expected that the benefits of development would reach the entire population as a byproduct of industrialization, greater employment, urbanization and increased per capita income. With higher incomes, families would be able to meet and solve their basic needs. The state need only intervene when that was not possible, such as in the case of abandoned children, the elderly, or the socially marginalized. In the sixties, however, the social aspects of development began to receive growing consideration. Education, health, housing, family welfare and other issues were paid more and more attention because the residual effects of economic development were proving insufficient. They were also paid more attention because, for ideological and populist reasons, governments became involved in promoting rapid social modernization (Hardiman and Midgley, 1989). In many cases this position

led to the disorganized growth of social services, chronic fiscal deficits and a populism which, in the long run, also contributed to the social services crisis in the eighties. In addition, the implementation of social policies was so centralized that they were identified as programs of whatever government was in power, not as state policies, which rendered them even more vulnerable to change or dissolution.

It is now argued that the introduction of competition and privatization will allow new social policies to be more efficient and effective (Irrarázabal, 1990). However, this may not necessarily equate to human development. It will therefore be necessary to investigate how these principles can operate within the context described above in order to achieve essential development.

It is possible to distinguish several roles for social policies: remedial, preventive and developmental (MacPherson, 1982; Dubey, 1980). Emphasis placed on the need to minimize the negative social impacts of new economic policies may lead to a markedly remedial concept. It is necessary to insist on the fact that the new social policies cannot be reduced to assistance programs for abandoned children, the elderly, the marginalized population, or to emergency programs for the hungry and unemployed. Social policies have to go further: they should be instruments for the development of human beings, so that they may reap by themselves the benefits expected from the new economic model.

## **THE SYSTEMIC APPROACH**

An important feature of human development problems is that their solutions are not exclusively "social" (Boeninger, 1982). Technological, economic and environmental ingredients are all required. For example, early childhood stimulation requires the adequate training of mothers to handle mother-child interactions. It also requires a minimum of technology, income or employment conditions which allow mothers time to interact with their children, as well as favourable social and natural environments. Social treatments require psychological, social, technical, economic and environmental resources. As a result, solutions are difficult to design and implement. From a scientific perspective, it means that the treatment of human development problems is an extraordinary challenge that can only be confronted through an approach amenable to multidisciplinary, multidimensional and interinstitutional research and social intervention.

A systemic approach could be useful for this purpose. Already applied in several fields for the analysis of phenomena from different angles and perspectives, the systemic approach permits the capture of an array of inter-relations and interactions. In the field of social sciences, this theoretical proposal has been intrinsically linked to the thoughts of the structural-functionalists in the sixties and to the ideological and theoretical controversy the proposal generated. Nevertheless, it would be worthwhile to reexamine the systemic view as a tool for the implementation and evaluation of social policies. It may prove to be fruitful at a moment when the dominant paradigms of social sciences are in crisis and a large number of partial generalizations abound. To this end, the systemic approach could be provisionally understood as a theoretical modality that allows the conceptualization of a set of behaviours, values, technologies, and environmental resources that affect human development from different angles and at different moments.

The need for a systemic analysis framework has become evident with the multisectoral character of classic social problems. Education, health, social security, employment, recreation and

community development cannot continue to be sectorally treated. The most recently accepted positions in world forums and endorsed by governments, mention for example, that efforts to reach the goals of universal health and education should begin with actions by diverse social groups and by different sectors of the state (WCEFA, 1990a, 1990b, PROMEDLAC, 1991). The newest academic and research approaches follow the same lines. Theory, research and practice suggest the need for multidisciplinary, intersectoral and interinstitutional approaches. However, the social sciences do not seem sufficiently prepared to meet this challenge.

During the past decades, the region's predominant social science paradigms were not oriented towards social engineering, but towards the diagnosis and critique of current social structures and development models. However, recent historical circumstances are leading towards greater pragmatism. The differences between capitalist and socialist development models are no longer as clear as they once were. Discussions now tend more towards the "how" of doing things to reach greater efficiency and effectiveness. These new attitudes and requirements demand clear social intervention models. The problem is that these type of resources are not available. The proposal here is to complement the systemic approach with the social engineering concept, not with the idea of reducing social policies to technocratism but of presenting the need to tackle social problems both in their immediate and long-term implications. A case that illustrates this point is that of family planning. Here, not only do the daily emotional and sexual aspects of a couple have to be considered, but also the long-term impact of their decisions on family organization and upon the size and structure of the population. Although the proposal may generate some disagreement, there is nothing in principle opposing a reconceptualization of the idea of social engineering within the context of present needs and changes.

The task is methodologically complex because there is not always consensus on what human development needs are (Irrarázabal, 1989). Societies, particularly the underdeveloped ones, are characterized by the existence of heterogeneous interests. This is particularly so in Latin America, where inequality has increased. Research based on neo-positivist assumptions has thus far been unable to capture this diversity of interests. Neo-marxist orientations, on the other hand, are too general and have tended to oversimplify reality. Apparently, research on social policies will have to be epistemologically "conciliatory", if something like that is indeed possible.

Cook (1985) proposes that scientific research on this area be oriented towards "multiplism", taken to mean the execution of studies converging towards the same theoretical objective, despite each study's differing data sources. Multiplism can be considered as a call to research with different actors, diverse data analyses, competing interpretations, multiple definitions, varying methods, different research tasks, multiple causal models, competing hypotheses, and analysis of the generalization of results over diverse populations, time periods and contexts. It is obvious that one of the major problems of this proposal will be the integration of different valuative perspectives, hypotheses and results. Multiplism should not be seen as a panacea, but as a working perspective in tune with the systemic approach required in the development of new social policies.

Independently of whether the epistemological and methodological proposal of "multiplism" is accepted or not, it is clear that research on new social policies will have to innovate upon current valuative, conceptual, methodological and institutional frameworks. The remainder of this document discusses the diverse problems to be sorted out in the areas of data collection, the elaboration of diagnoses and evaluations, the implementation of interventions, and the human resource training required to face this formidable challenge.

## **DATA AND METHODS: A CHALLENGE TO CREATIVITY**

The implementation and evaluation of the new social policies will require information which responds to new multidisciplinary and intersectoral perspectives. Creativity will be necessary to assure that data collection and analysis is timely, reliable and useful. Although this may sound like a simple task, these requirements present a great challenge given the current situation of scarcity of all sorts of resources in the institutions concerned. It will be difficult to rely on traditional methods such as national censuses and surveys, and complex multivariate analysis. This is not only because they are insufficient, but also because they are costly and difficult to process. In most countries, administrative decentralization and regionalization will require instruments which can be managed by individuals working in interior regions. In addition, democratization processes have created an important opportunity for participation by local organizations and communities. Within this context, the centralization and authoritarian control of information will increasingly be less viable, despite the fact that for the time being, decentralization will not necessarily mean greater autonomy in decision-making. Although decentralization is being actively sought, as in Chile and Colombia, it is necessary to consider that central governments will still retain a great deal of control, and that the habits and inertia imposed by daily work routines will persist for some time.

The multisectoral execution of social policies should be more viable at the local level given the closeness of this level to beneficiaries. Information generation and exchange may possibly be facilitated by mutual support between local government officials, the private sector, and community leaders. Nonetheless, this road will have many obstacles.

Much of the information which is periodically collected in Latin America is lost because it is not readily accessible. In some cases it is not processed; in others, administrative obstacles makes it inaccessible. In several countries laws forbid access to primary sources of census data. Although this may seem surprising, there is not always a clear objective for gathering information. Much data continues to be collected because it is legally required, but once collected, it is simply piled up and stored away. One example of this concerns the case of data on migratory border movements. Resources to make use of what already exists are insufficient; what new resources appear are usually earmarked for items that cannot be extracted from the previously collected material. Another serious problem relates to governmental administrative periods, including those of ministers and directors, which affect data collection and processing. Depending on the length of the period, it is common to see programs paralyzed every four to five years. As the state's research capacity constantly decreases (and the same happens with action-oriented NGOs), evaluations cannot be performed. Furthermore, there are no channels to disseminate what work is being done. Even internally, within a single government agency, differing departments have no knowledge of each other's work. In planning agencies, all work is duplicated with every administration or director. And, in addition to this waste of resources, information does not reach users. Teachers, social workers, physicians, judges, attorneys, etc., continue to work blindly; the only concrete data they receive is related to new budget cuts.

The problems are not only legal, political or administrative; they are also technical. Information on small towns (populations under 100,000) is not collected during the periodic household surveys that are made in several countries because the sampling frameworks do not produce data which can be generalized at this level. This situation occurs not only in rural areas, but also in poor marginal areas of urban centers. One of the challenges will be to create data collection systems that will allow the strategic organizations in these areas -schools, health centers, municipal authorities, development corporations, professional organizations, etc.- to have a minimal

flow of information. The involvement of the private sector, especially of private enterprises and NGOs, in the task of supporting research and generating information needed for regional and local planning should also be considered, for they tend to be much closer to the problems than are central government agencies.

Whatever means are found to link the few or many existing human and institutional resources at the local level, it will also be crucial to have social indicators that monitor efficiency and effectiveness. A major difficulty is that currently available methodologies produce indicators which are too general and which are unable to identify the sources of problems relative to, for example, persistent school drop-out rates, adolescent pregnancies, child abandonment or unemployed youths. It will be necessary to examine how to identify target populations, how to obtain information in a rapid and valid way, and how to reach beneficiaries. For these purposes, it is not only necessary to conduct research from a substantive perspective, it is also necessary to carry out methodological research. Unfortunately, this type of research, closer to social engineering, is not yet popular.

Another great challenge will be to bring the benefits of the technological revolution in the field of informatics to local communities, organizations, and governments. Access to the most modern technology in this field is no longer an unreachable dream. Probably this is the moment to reexamine basic assumptions with respect to its use, and to recognize that the instruments needed to resolve problems must be placed in the hands of beneficiaries, since the state is increasingly unable to respond. Advanced scientific research must not only provide viable methods for collecting necessary data, but also user-friendly processing systems. Union leaders, youths, mayors, health workers, school teachers and others must be able to have at least a minimum level of understanding of the significance of such information for improving employment, health and/or educational quality in their communities.

In several countries, municipalities have been granted the right to make social policy. This makes it necessary to generate data and processing programs to support municipal activities. A serious difficulty at the local level arises from the fact that macro-level sectoral policy objectives differ. It is not uncommon to observe that high-risk populations are differently defined by the health, justice or educational sectors. In practical terms, this means that although the health promoter, teacher, judge and agricultural extension worker sit at the same table and although they understand their daily local problems, their capacity for action will be limited because they work within different administrative frameworks, with different policy definitions and with data bases that are not complementary nor cumulative. Under these circumstances, how can programs be monitored and evaluated? How can experiences be complemented?

Some of the ideas currently being explored include: municipal information systems that can integrate vital statistics, census information and continuous statistics; the elaboration of programs that will allow the disaggregation and manipulation of census data at the level of small geographic units (Conning, Silva and Finnegan, 1988); data banks on local and regional investment projects for the operation of development corporations; the installation of health alert systems based on methods that collect and process data on infant mortality in a rapid and reliable manner (Guzmán, 1988; Arretx, 1990); programs to produce national and sub-national population projections (ECLAC, 1988); and the development of indicators on educational quality and relevance. All these ideas are oriented less towards data collection than they are towards the development and implementation of information systems that will allow data to be collected and analyzed in a manageable and timely manner. The current circumstances require accessible, user-friendly and reliable procedures. Although it may seem surprising, this will be a very difficult test for the methodological imagination of social scientists.



## **DIAGNOSIS: IDENTIFYING THE BENEFICIARY**

The identification of beneficiaries is not a simple task because social policy objectives are usually formulated in a very general manner. Social crisis and acute social inequity in the region have led to the proposal of focusing social policy efforts on groups in extreme poverty and need. This has been the philosophy of the Chilean regime, and one which has pragmatically tended to become generalized throughout the region. It should be noted that the proposal of organizing social policies around intervention targets should be thoroughly discussed, since many social problems tend to have their roots, not only in individual characteristics or local circumstances but in the way in which the distribution of development benefits takes place. Some typical examples of the important structural determinants of poverty are income distribution, land-holding structures, and property systems of urban lands. Historically, experience has shown that policies which seek better income distribution tend to benefit society as a whole, and lead to development. One problem that Latin America has yet been unable to solve is extremely unequal income distribution. Discussion of the role of these factors in social development should not be set aside, but included in the desire for effective social engineering.

The multidimensional character of social policy impacts makes it difficult to identify all but the most direct and immediate of all possible beneficiaries, as well as any possible negative impact. This last aspect includes the identification of those who might be prejudiced, since social policies will no doubt affect the interests of some or many social groups. Social research based on a systemic approach would provide more possibilities to examine this diversity of positive, neutral and negative effects (Miller and Fredericks, 1987). Similarly, it is crucial to understand that the beneficiaries of some social policies may not be those of others, and that while the interests of a single individual may be well met by some actions, they may be badly affected by others.

With respect to the above, some interesting examples should be mentioned. Multiple school shifts, which favoured greater school attendance in Colombia and in other countries, also contributed to problems of vagrancy as students were left with a lack of activities during off-school hours. In the end this had a negative impact on community life. In several countries, pregnant adolescents are expelled from school (in order to keep the "bad example" from spreading). This has meant psychological and social ruin for the young mothers and the worst possible family environment for their newborn. Requirements that some educational costs be absorbed by families, in order to improve the quality of local education, will surely affect portions of the family budget intended for other things in the short-run. The policy of creating child welfare homes will benefit children in terms of opportunities for early interaction, but at the cost of crowding and poor learning practices. However, in the long run, these programs may be more beneficial than direct food subsidies if they allow mothers freedom to seek employment outside the home. The expansion of health and social security services may be beneficial for groups who have not had access to them, but will perhaps result in the deterioration of services offered to other beneficiaries.

These examples show that the concept of "beneficiary" is actually just another variable in the development of social policies. Focusing social policies is thus a questionable operating criterion, from both philosophical and social engineering perspectives. However, thus far it has been the only criterion proposed and implemented. The Chilean experience is interesting. In this case, the identification of beneficiaries was based on individual data, since the policy was to provide individual benefits. A preliminary evaluation of results has drawn important conclusions. The methodology does not allow families or other groups to which the individual in question belongs to be identified and worked with. Therefore, it is not possible to operate over the proximate

determinants of poverty, which in many situations condition poverty at the level of the individual (Vergara, 1990). This lack of attention to proximate determinants indicates the presence and influence of implicit values in social policies. While social research had already shown the importance of contextual factors, ideological orientations prevailed nonetheless.

Within this context, it is not only important to consider the characteristics of the immediate family nuclei and community, but also the quality of goods and services at the local level (Vergara, 1990). Social policies have centered on problems of coverage rather than quality, or on the fact that quality varies geographically. Services provided to a poor marginal zone differ in quality from those provided in an integrated urban zone. Thus, even when the right of access to a benefit is granted, social differentiation in supply can distort the effects sought. It is not unusual to find that most beneficiaries are in the least marginal areas, given their better position in the social structure and their better access to the sources of power. This situation clarifies the need for a social ecological approach towards social policy, in order to adequately identify beneficiaries and to analyze the benefits offered. Social policies have a geographical expression that must be considered.

Given the large volume of the poor population and the magnitude of their unsatisfied needs, it is illusory to think that poverty will be eradicated by the more precise focusing of available resources (Vergara, 1990). No doubt it is necessary but it is not sufficient. It is crucial to assign sufficient funds to achieve this objective and, furthermore, to follow a policy which includes the identification of individuals and their contexts in its methodology. A systemic approach is indispensable, not only to facilitate an effective individual impact, but also to act upon the proximate determinants of poverty. If this is not done, social policies can only follow an inefficient and remedial approach.

Some examples can illustrate the complexity of this type of problem. It is not enough to provide mothers with food supplements for their children, if the internal family rules of food distribution favouring men over women, and the head of the household above all, are not considered. It has been observed that the price differences between subsidized food and that sold at the market generally cause mothers to resell what they receive. It is not enough to reeducate mothers on better nutritional habits, if food conservation and cooking methods are not also considered. A family's size and structure, which might include non-nuclear members helping with food purchases and preparation, are factors which may weigh more in the choice of foodstuffs than all possible technical arguments about the better nutritional quality of certain types of food. It is not enough to design training courses for teachers to improve instructional quality without also considering school resources, local culture and the incentives used to motivate teachers to apply what they have learned. It is not enough to provide the right to attend a health centre if the appointment system is inadequate and there are long waiting periods. In the long run, only non-working mothers, with the fewest health problems and the best economic conditions, will be able to attend.

In all the above cases, it has been recognized that community participation is important in the process of qualifying demand and identifying action nuclei. This has been postulated many times, and perhaps with excessive enthusiasm, since it is a rather difficult task. On the one hand, a community tends to be made up of very heterogeneous, socially and economically stratified populations, where solidarity is more the wish of the researcher or social promoter than a reality. On the other hand, it is difficult to find a situation in which a community would reject an offer of services. Under these circumstances, the identification of intermediate agents is very important. In this respect NGOs can play a new role in adapting government activities to local needs, since under the new decentralization schemes they are being encouraged to provide their experience in

identifying local productive and social projects (Vergara, 1989). It must again be noted that only by using a systemic approach will it be possible to analyze and act within this great social complexity.

## ***IMPLEMENTATION: SOCIAL INTERVENTION RECONSIDERED***

The past implementation of social policies has left several lessons: currently existing alternatives dominate the type of program results; implementation is a process occurring in a series of stages that are not always successive and integrated; policies tend to pursue multiple objectives that tend in practice to compete among themselves; and decisions made at the level closest to implementation are those that tend to have greatest impact (MacLaughlin, 1985).

At the local level, the primary determinants of how and how well programs are run include factors such as: the background and training of personnel; the degree of commitment among managers; the local system of demands, which may be complementary to, in competition, or in conflict with the objectives sought; and support for local groups, including the potential beneficiaries (O'Toole, 1989). Because these factors vary from one place to another, the services provided will also vary. Simply having managers committed to a project, finding that the program objectives are not in conflict with political or economic interests, and that there is an interested community will lead to total success in one place, while in another, unmotivated managers, conflicts of interest with local "caciques" and an indifferent population will translate to complete failure.

In the long term, the manner in which a program is designed weighs less than the manner in which it is implemented. Procedure is most important for success. A change of school curriculum implemented by a school director through discussions with teachers may lead to very different results from those achieved by the posting of a simple administrative bulletin stating the new contents for the next term. The first case may result in the active and informed participation of teachers, the second may encounter passiveness, resistance, and even confusion. The procedures which are chosen will make the same program very different when applied in diverse locations.

The implementation of policy involves a complex process of successive and sometimes simultaneous stages, especially when working within organizations with a minimal degree of institutionalization. Where underdevelopment is greater so is complexity, since policy implementation generally parallels the institutionalization of organizational frameworks. This makes implementation a learning and adjustment process more than a simple act of installing a new program. It is necessary to acquire new capacities, learn new rules of behaviour and be converted to new beliefs. It is necessary to learn to fulfil new tasks, provide services in accordance with new objectives, and feel and think in a different way (MacLaughlin, 1985).

The multiple dimensions and categories of social policies foster the existence of diverse implementation philosophies. One of them is to seek compliance with new dispositions, invoking norms and sanctions. Another is induction in which reinforcement and incentives are used to motivate the population. Yet another is beneficence, which is based on technical assistance and donations (Bardach, 1980). These philosophies are not mutually exclusive. One or the other may be used as the implementation process moves from one level to another and progresses through time. Those who participate in the implementation process emphasize different aspects and philosophies. At the end, policy becomes whatever the participants recognize as central, in

accordance with their own interests. In this way unforeseen objective can come to light during implementation such that the final results may not be the ones expected. Thus, the implementation of social policies becomes part of a complex social intervention process. The original social policy is clarified, specified and modified as intervention in the social body takes place. The decision which often has greatest impact is the one made by the health promoter, teacher or local bureaucrat at the moment when service is provided (MacLaughlin, 1985). The face of the public service is that of these individuals, who are anonymous to the system, but finally invest policies with their vital content. Their actions are crucial, as can be shown through any number of examples.

A revealing case is that of a study which detected that many women who tested positive in a Papanicolaou test (a routine introduced by several health programs in the region) never understood the results communicated to them by the physician and never showed up for treatment despite the fact that they may have been mortally ill (Ramos and Pantelides, 1990). Examples can also be found in schools, vocational training centers, family orientation agencies, children's welfare homes and nutritional centers. In some instances, these were cases which did not greatly affect the lives of individuals, but in other cases, they have had fundamental consequences in terms of individual and collective development.

A major risk in the social intervention process, implicit in the development and implementation of social policies, is that the system lacks the capacity to control and evaluate final products. Perhaps the worst consequence of the state crisis in Latin America is the present impossibility of making anyone accountable for their bad -or good- work. The loss to society, the community and the individual of the capacity to "audit" the system is one of the current crisis' most negative consequences for human development. Research is urgently needed to generate knowledge with respect to the recovery of public and social responsibility, and to make effective control mechanisms operational. One of the greatest costs of social policies, while not exclusive to them, either, is inefficient bureaucracy and the corruption of public agencies. A typical case is that of losses due to corruption in social security systems (Urrutia, 1990). There is nothing more demoralizing, nor more ethically corrosive, than a corrupt and unpunished state. Wherever such a state exists, any attempt at social ethics for human development crumbles.

Social control or the "auditing" of social policies is a complex area requiring research from the perspectives of both supply and demand. Social policies surge in response to a group of needs for products, techniques and services. Both the state, through its programs, and the private sector seek to satisfy that demand. But as is well known, this demand does not appear in an integrated or coordinated fashion. Ideally, social policies require the coordination of three basic systems: 1) an information system providing a data base on needs, goals and achievements; 2) a planning system leading to adequate resource allocations; and 3) an efficient budget execution system which can place resources where they are required when they are required. Each of these systems is an area which should be "audited" by society. Social research in this area must answer the following questions:

- What type of institutional arrangements will be needed so that the identification of needs and goals, the measurement of achievements, the allocation of resources and the execution of expenditures can be controlled in some way by the state and by the communities involved?
- How can control be exercised over NGOs, donors and development agencies with respect to social responsibility?
- How should control of the social impact of economic, technological and other kind of policies be exercised? How should the impact of these policies on social policies be monitored?

The modernization of the state structure is an issue that must be implicitly or explicitly considered in order to answer these questions. The bureaucratic power structure divides into sectors actions that should be carried out in an integrated fashion, thereby affecting the state's capacity to implement redistributive social policies as well. It is not unusual to find that actions attempted from social sectors such as education or health are undermined by actions undertaken by the economic, finance or industry sectors. Sectoral specialization sharpens the conflict of interests between diverse policies and makes communication between sectors handling different concepts and data difficult. If sectoral rules of conceptualization and implementation differ, the integrated use of knowledge is impossible.

Regulations covering the state's sectoral actions are of great importance. Each government sector has operative rules. This may be an advantage or a disadvantage in responding to local needs in a flexible and timely manner, and represent an obstacle to the multidisciplinary use of knowledge. For professionals whose careers take place in the public sector, policy and program norms are practically their only source of knowledge. This is frequently observed in the health and education sectors, where innovations occur almost exclusively when service provision regulations change. Sectoral norms also define the space available for action by promoters, teachers, physicians and others. One of the problems of implementation at the local level will be the negotiation of space permitted by each sector's norms and practices. It is hoped that with decentralization and regionalization, local governments will enjoy greater working space to compromise between local needs and the state's vertical structure. This is most crucial in social policies, for which the cluster of local factors is highly important at the moment of implementation.

Certainly, one should not ingenuously believe that the implementation of new policies can take place outside the framework of existing institutions in the region. It is true that the implementation of selective policies will require specialized institutions. In the early stages, however, there is no alternative but to base activities on what already exists and make use of available institutional, material, technical and human resources (Vergara, 1990). That is why the experience and stability of institutional resources is so important for policy success. Unfortunately, the state and economic crisis has led to discontinuity. The underdevelopment in which both public and private institutions operate has in many cases led to the dismantling of some structures in order to create others. Instable financial resources, turn-overs in personnel, and normative changes in administration prevent the successful and effective application of social policies. Successions of educational reforms and health plans provide well-known examples of these situations. In any case, whatever amount of social policy that can be produced in the region must be implemented by institutions in crisis.

All these problems indicate that social policy implementation will be a difficult process. It is one thing to discuss the need to face new social policy design, implementation and evaluation challenges in a multidisciplinary and multisectoral manner, as part of a systemic approach. It is quite another to achieve integrated activities in practice. Attention must be paid to the institutional frameworks which must be used. Research on this last issue is urgently required as a prerequisite to reaching a minimal rationality in and establishing priorities for the allocation of public and private funds. The integration of policies is a basic requirement since poverty problems respond to sets of individual, family and collective determinants. That effective social interventions should adjust themselves to a systemic approach is a principle being accepted in public forums. Nevertheless, it will be difficult to apply, given the complexity of the implementation process, the weight of underdevelopment, the anachronisms of state structures, and the lack of appropriate social engineering systemic models.

Research on effective social intervention within the current framework of crisis and all types of scarcities, presents perhaps, the greatest challenge, and requires the most urgent answers. The major question is how to do things. Decentralization and regionalization, the new roles of local governments, and the democratization process are new and very favourable conditions to be taken into account. But not much time is available. In most cases, there is immediate need for quickly conducted studies designed to support professionals and technicians working at the local level with very few resources, pressured by the seriousness and urgency of unsolved needs, and without concrete intervention tools or adequate diagnoses of the situations they hope to act upon.

## ***EVALUATION: AN ETHICAL AND TECHNICAL PROBLEM***

Evaluation is implicit in any discussion of social policies. Once evaluation exercises are begun, a distinction must be made between criteria on values that orient policies and criteria related to more technical aspects (Klein, 1982). Academic discussion of social policies tends to refer to the values of policy content; in this case, it is a meta-activity that goes beyond the apparent content, oriented towards the underlying social philosophy. The technical discussion is quite different, it does not question the underlying values; rather, it accepts them and operates from them. Both types of discussion are complementary and required; however, another current challenge is to refocus these discussions within a framework consistent with changes in the role of the Latin American state and recent developments in the fields of capitalism and socialism.

What values will orient the new social policies? Current history will redefine the content of values such as social equality, equity, individual achievement or freedom of choice. The discussion of social goals and their translation into specific social policy objectives is basic to redefining the limits of state, society and individual liability with respect to human development. However, this necessary academic discussion will not be easy, since the value structures corresponding to models prevailing until recently will persist, despite ongoing historical changes. Scholars will need to display courage and imagination to creatively discuss fundamental values, in accordance with historical changes, and experiences of social policy success or failures.

Another even more difficult challenge is to link evaluation as a meta-activity to evaluation as a technical activity. Ideally, to make technical evaluations viable, the objectives must be clearly defined, and cause-effect relations understood between social intervention activities (for example, the kind of educational curriculum or family planning service) and the expected effects (such as greater educational achievement or fewer pregnancies). However, social policies are often ambitious and very often have general objectives. Thus, the cause-effect relationships to be considered are not only multiple, but become increasingly blurred as a result of complex interactions between organizational, political, social, cultural and legal factors at different levels. The solution, starting from a clear identification of social indicators, is not easy. Any idea of a social welfare dimension (education, or ideal family size) is in itself multidimensional, valuative, and resists being encapsulated in a simple series of social indicators (Klein, 1982). Known social theory and available experience do not allow us to be certain as to what social indicators actually mean. But efforts must be pursued, there is no other way to carry out technical evaluations, without which it will not be possible to learn whether underlying goals are being historically achieved or not.

To the problem of uncertainty as to the meaning of social indicators, another may be added: what time frame is necessary to achieve a significant impact? To the uncertainty as to the causal

mechanisms of our as yet elemental social engineering, we must add the uncertainty about the time horizon required for social change to become institutionalized. Under these circumstances, what will be requested of the social researcher and planner?

Experience with positivist evaluation models has not been satisfactory. The classic evaluation system based on the hypothetical-deductive model supposes a rationality that is non-existent in current social policy, and requires clear and operationally defined objectives, stable program parameters, and criteria for measuring success. Inputs such as policy and program results are considered in a static fashion as within an experimental design, and the results are treated as if they were the effects of a controlled treatment. Inputs and results are defined in constant and unidimensional terms, and rarely incorporate elements such as context and the implementation process. An environment with simple structures is presupposed, as is a hierarchy with singular authority, few complex interactions, and a rational rewarding system (MacLaughlin, 1985). Experience with Latin American social policies and programs proves it impossible to make these types of assumptions. Objectives are not only general but changing, implementation mechanisms vary through time, and there are no definite authority or reward structures.

Research on social policy will have to explain, at a technical level, not so much what should be done, but how to do it, what will result, and why. Research must focus more on analysis of the processes involved, rather than simply on identifying whether objectives are realized. However, although social interventions will have to be discussed from a technical point of view in order to answer basic questions, their meta-political discussion will be unavoidable. Research must, therefore, generate objective technical results on which to base this discussion, and must then be able to elaborate a new social ethic to which all those providing social services -that final but crucial point of all social policy systems- must adjust themselves.

The many difficulties previously noted will surely mean that the distance between academic and technical discussions will never disappear entirely (Klein, 1982). However much this must be accepted, the situation that must be avoided is to allow financial and political pressures for immediate and clear results lead to the abandonment of academic discussion, or to reduce reflection on social development to technical evaluations. The separation between these types of discussion is one of the greatest intellectual and practical risks the region currently faces.

## ***TRAINING: THE NEW PROFESSIONAL***

Conceptually and practically, the systemic approach to social policies requires a new profile for the researcher and the professional of the social sciences. The traditional disciplinary focus, based on formation in sociology, anthropology, economics, psychology, education or law, is no longer sufficient. New social policies must be oriented towards a multidisciplinary and intersectoral focus which will lead to innovations in social planning procedures.

Social planning has been carried out from a sectoral perspective, which is consistent with traditional disciplinary and institutional specializations. Thus, services are offered by sector: education, health, employment, justice or social security. This, in practice, has kept social planning separate from economic planning. Since the time in which a working group presided by Gunnar Myrdal met in 1969 under United Nations auspices to revise the concept of social planning and recommended integrated planning, little progress has been made towards a concept that is only

now recovering special interest (United Nations, 1971). At that time, it was proposed that social planning should be understood as socially committed economic planning: the planner should be an economist with social awareness (Hardiman and Midgely, 1989). However, little importance was attached to implementing these concepts in terms of training needs, organizational responsibilities and professional roles. The proposal assumed that common professional training, especially in economics, would be sufficient for social planning. The risk of applying strict economic efficiency criteria to social plans and policies was not foreseen. Recent Latin American academic practise has produced a divorce between different disciplinary traditions, to the point that economic criteria predominate in practical planning and development leadership (as shown by current government practises). With few exceptions, final decisions on social programs are made by the Ministries of Economy and the central banks throughout the region.

Many factors have contributed to this situation. Among the most important is the fact that social engineering models for human development have advanced less rapidly than economic models for the analysis of economic growth. There is, of course, a large potential that should be taken into account. But to do so, human resource training must be directed to producing innovative professional profiles.

Multidisciplinary formation based on the handling of quantitative and qualitative techniques is required, along with the mastering of new information technologies, and a clear systemic and practical orientation. As opposed to economic planners, social planners must have a different methodology, appropriate for considering social needs and social problems (Hardiman and Midgely, 1989). But, in light of what has been discussed thus far, this professional "must be" will be difficult to achieve. Here is, surely, Latin America's main challenge in implementing the social policies it needs so much. Because, in addition to all the above, the new social policies will have to be designed, implemented, and evaluated by the few or many professionals remaining in government, NGOs or universities after these years of crisis.

The formation of necessary human resources should be addressed to creating the technical and managerial capacity needed to work in both the public and private sectors. The capacity to win credibility from potential beneficiaries and mobilize community resources will be crucial. If the new social policies are to be based on the principles of privatization and the free operation of competition mechanisms in institutionally open markets, the training of new professionals will require drastic changes. The concept of a "social manager" will have to replace that of a social administrator.

The idea of social management is not popular among social scientists. However, institutional changes and the processes of economic and technological transformation will require greater capacities in developing solutions and evaluating results. Social engineers with a systemic, non-fragmented view of social problems will have to emerge, hopefully as a result of action rather than through omission by professional training and social research centres.

## **CONCLUSION**

We have consciously left aside discussions about what human development is and how to define social policy content, but expect to have shown that despite clarity and agreement on these definitions, there is still a long and difficult road ahead before effective results are achieved. When



dealing with an issue as complex as this, it may prove more rewarding to search simultaneously for conceptual clarity and solutions to the problems faced in practice.

Human development is basically an ethical enterprise. In the public sector, social policies are the major institutional instruments for its promotion and achievement. But for achievements to indeed occur, several conditions must be met. Policies should be based on a systemic perspective of knowledge, including consideration of the social, technical and environmental aspects affecting social problems. Data and collection methods should be accessible to those who make decisions and provide services. Knowledge of problems must be socialized and even democratized: both the collective and the individual should and may take part. The state, the society and the individual must be able to control levels of social liability among those involved in the implementation process. The ability to evaluate the achievement of goals and values must exist.

Human development as an ethical activity is not, then, merely a question of academic axiology. It also involves science and technology. Therefore, during the region's current historical moment, social research must target new methodological and practical directions. It is not enough to propose goals; the path towards them must also be indicated, as must the manner in which the results can be measured. All this will demand the ability to summon ideological pragmatism and managerial capacity from social science professionals. Human development is no longer a matter of good intentions. Meeting this challenge may perhaps be the best way of rescuing the social utopia that has always illuminated Latin America's most dramatic historical moments.

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***SECOND PART:***  
***ALTERNATIVES AND PROPOSALS***



# THE CASE STUDIES: PERU, COLOMBIA, CHILE

## **PERU**

**Surface:** 1,285,220 km<sup>2</sup>

**Population:** 21,8 million

**Urban population:** 72%

**Real income per capita:** US\$ 3,080

**Literacy rate:** 83.4%

**Life expectancy:** 63 years

An economy destroyed by consecutive unsuccessful experiments carried out by the two former governments (1980-85 and 1985-90), an economic adjustment policy that so far has not shown positive results, and a Gross Domestic Product of US\$ 32,031 million, incomes from exports that only amount to US\$ 2,672 million, and a fall of private investment levels -already low as compared to the country's historical levels- constitute the framework for the difficult social and political situation Peru has suffered during the last twelve years.

The effects of the economic crisis on the population's life standards are deep. The drop of the working population's consumption levels is evident. The quality of the services rendered by the State, in the fields where it still provides services, has significantly decreased, and future perspectives are even more somber. Besides, the fragile social integration networks which appeared in the last years are gradually weakening while the State withdraws from several social sectors. The unfruitful struggle against Sendero Luminoso, the most brutal and best organized terrorist group of Latin America, and the recent break of the institutional order by the President elected in 1990 add to this chaotic situation and make the attainment of a viable solution alternative to current problems even more difficult.

It is evident that Peru is facing a profound political, economic and social crisis. To overcome it in a successful way -through the development of a more just and integrated society- is indispensable, for even the existence of Peru as a nation is at risk.

Javier Abugattás, Gloria Helfer and Richard Webb's works reflect the country's critical situation and the urgency of applying effective social policies. Particularly, Gloria Helfer's shows that even within the profound crisis, there exists the potential of a population that has not resigned itself to its situation.



## **COLOMBIA**

**Surface:** 1,138,910 km<sup>2</sup>  
**Population:** 30.2 million  
**Urban population:** 70%  
**Real income per capita:** US\$ 3,810  
**Literacy rate:** 85%  
**Life expectancy:** 68.8 years

Along its recent history, Colombia has had one of the most stable economies of the Latin-American region; Gross Domestic Product reaches almost US\$ 35,000 million. This stability is based on an efficient and competitive economic activity, on a sustained growth, on adequate productive investment levels, and on having achieved a diversified export offer that amounts to some US\$ 5,000 million per year.

However, problems persist and are even more serious. The struggle against narco-trafficking has only begun, and is resulting very costly in human lives and in money; the life conditions of the Andean populations continue to be among the worst of Latin America, and the levels of social and political violence are still very high.

To construct a really integrated nation out of a country like Colombia, a project that works towards the elimination of sectarian and violent tendencies and that enables it to acquire a more orderly and equitable social coexistence would be necessary.

Juan Luis Londoño's work presents the present government's social policy proposal, which constitutes an outstanding effort to reach a viable society project. The works of Miguel Urrutia, Humberto Rojas and Rafael Echeverri identify a group of critical areas and propose a series of research areas to make social policy viable.

## **CHILE**

**Surface:** 756.950 km.<sup>2</sup>  
**Population:** 13.2 million  
**Urban population:** 86%  
**Real income per capita:** US\$ 4,720  
**Literacy rate:** 92%  
**Life expectancy:** 71.8 years

While going through a period of transition to democracy after sixteen years of military dictatorship, Chile is at present in a situation of relative advantage with regard to other countries of Latin America. A Gross Domestic Product of almost US\$ 20,000 million and an income of more than US\$ 8,000 million out of exports clearly show the dynamism achieved by the Chilean economy and its enormous future possibilities.

Not everything is success though. The so called "Chilean economic miracle" has left a high external debt as a result, US\$ 17,615 million, and has made poverty more acute. 40% of the thirteen millions of Chileans is living under the poverty line, marginal neighborhoods have proliferated in Santiago, most of medium and low class population has become impoverished, and there has been a decrease of nutritional levels. The influence of military in the definition of the country's destiny is still very deep, and this prevents the establishment of a democracy with effective participation of the population.

The greater problem Chile faces today is to articulate in a single program a proposal that preserves the achievements made by its economy while ensuring more equity in the distribution of the benefits obtained. At present, Chile leads the discussion of this subject, and provides a laboratory for the testing of new approaches. A successful performance of social programs in this country would benefit the whole region, for it would enable the construction of effective social policy models that could be applied in other countries.

The works done by Mariana Schkolnik and Ana Sojo show what social policies have been, are, and intend to be in Chile, and also show which are the mechanisms necessary to successfully implement them. Carlos Vergara's work shows the position of the civil society and the need to include it in the discussion and planning processes.



# SOCIAL POLICY AND DEVELOPMENT IN PERU

*Javier Abugattás<sup>1</sup>*

## **INTRODUCTION**

In Latin America, the second half of the 20th century began with a commitment to build the region's national economies. Peru attempted a number of development models that, in theory, should have produced high rates of economic growth. Success would have made the goal of a just society with better living conditions for all more feasible. However, these attempts have systematically failed. Aggravated by crisis during the 1980s, the situation is now one of little or no progress towards meeting development objectives. In fact, there have probably been setbacks. Living standards in many sectors of Peruvian society are the same or worse than they were three decades ago.

This undesirable outcome demands that some fundamental changes be made in the way development strategies are conceived, designed and applied. The question is no longer one of patiently looking for what, in theory, might be the right strategy. Alarming rates of child malnutrition and mortality in Peru demand immediate attention so as to avoid enormous and definitive damage to the human potential of large sectors of the population. A second major task is to recover the capacity for organizing life in society, a capacity that has seriously deteriorated due to economic crisis and social conflicts, which in the worst extreme have included acts of terrorism.

In this difficult context, Peru must redefine its criteria with respect to political leadership. Politics must be understood as the art of focusing all available state mechanisms on efforts to ensure the full development of all citizens in a harmonious environment. Full development, in turn, must be viewed as the full achievement of the potential inherent in all members of society in their environment. Within this perspective, policy decisions should be framed within a systemic approach that considers the entire chain of reactions which can be unleashed by policy decisions<sup>2</sup>. Such a

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<sup>2</sup> Torres (1991) suggests this type of approach for both research and social intervention.

holistic view is essential, particularly in a situation such as exists in Peru, where crisis has produced a general sense of chaos and mounting confusion.

In this sense, the idea of an essential development policy comprising both social and economic plans is particularly relevant. Generally, the goal of such a policy would be to produce the conditions necessary for the full development of all individuals and groups. The conception of such a policy arises from the fact that society's *raison d'être*, and that of the state representing it, is to provide all present and future citizens with the best possible standard of living.

For these reasons, a social development policy must be the cornerstone of Peru's development strategy, whatever its characteristics turn out to be. Adequate design and implementation in this area will stabilize growth. If social development is neglected, any progress in the management of macroeconomic variables will remain weak and unstable.

This paper, originally conceived as a review of social policy issues in the health sector, has been expanded to a discussion of elements considered vital to designing proposals for a social development policy. Emphasis is placed on aspects which currently affect policy design, approval, implementation and monitoring, or will so in the near future. While a thorough analysis of social policy management in Peru is not attempted here, it is important to recognize that management practices have lacked coherence during recent years. This has been evidenced by drastic and recurrent changes in decision-making criteria, many of which seem to have been based primarily on short-term political motives.

## **BACKGROUND**

### **Social Policy in Peru**

This section does not provide a detailed diagnosis of the state of social policy in Peru or how it has been managed. However, consideration is given to aspects which highlight the complexity and deterioration evident in this area. During the past few decades, the well-being of the Peruvian population has declined drastically. It is estimated that less than 20% of the economically active population has sufficient income to fully satisfy a worker's basic needs and those of his/her dependents. That means that more than 80% of the population is at least uncertain about their ability to satisfy their basic needs, if not definitely unable to meet them.

During this period, political parties and governments have suggested a variety of mechanisms for managing socio-economic policy. However, these proposals have been isolated, devoid of any consistent articulation with overall efforts to guide the economy. They have neither been cognizant of financial restrictions, nor included concrete policy proposals. Instead, these suggestions have been vague, recommending the meeting of objectives like "health for all", "education for all" or "food and social security" to be achieved via public spending and private services. No exception to this pattern emerged during the 1990 general elections. Although every political platform touched on the subject of "emergency social programs", no candidate managed to produce a minimally solid or far-reaching strategy for socio-economic development.

The serious decline in living conditions experienced by the Peruvian population since 1987 (family purchasing power fell more than 50% during this period) placed immediate and undeniable demands on those aspiring to public office. In principle, serious macroeconomic distortions had

to be corrected so as to halt upswings in inflation. By the end of Alan Garcia's administration, inflation had reached the height of 40% a month. The social groups most affected by the crisis were in urgent need of assistance, particularly those facing extreme poverty. Chronic conditions of unsatisfied basic human needs in the country's rural areas thus became coupled with growing indigence in urban zones.

However, actions undertaken by Alberto Fujimori, who assumed the presidency in August of 1990, brought no substantial changes in the management of social policy. Instead, attention was focused on a partial process of economic stabilization, the only apparent objectives of which were to "reduce inflation" and to "gain reentry into the international financial community". While the failure to eliminate macroeconomic distortions was potentially more damaging than any adjustment process, the lack of a systemic approach to the design and execution of macroeconomic policy occasioned an unnecessary increase in the costs of stabilization.

Initial policy design errors have maintained a distortion in relative prices -for example, in reduced wages and a low exchange rate, thus generating uncertainty that has affected families and businesses alike. Delays in initiating fiscal reforms (particularly a new tax law) have made it impossible for the state to fulfil its basic responsibilities in terms of public spending. A systemic approach would have reduced poor management and radically improved the quality of public spending and tax collection.

Due to the lack of a government social policy, vast sectors of the population must somehow continue to attempt to survive on their own. Grass-roots organizations are applying self-help mechanisms (for example, community kitchens) but lack the resources to construct definitive solutions (as would be the case if adequate employment were available). August, 1990 witnessed an effort to temporarily coordinate an emergency social program involving the government, non-governmental organizations (NGOs) and institutions, the Catholic Church and the business community. The ultimate failure of this initiative can be traced directly to a lack of official support for the program's employment projects and the government's inability to provide basic health services, education and infrastructure. Subsequent public sector efforts have been virtually nil: a so-called "Social Development and Compensation System" was created but never put into operation, and the Emergency Social Program continues to lack support.

The ongoing recession and the alarming decreases in income suffered by most Peruvians demand that immediate action be taken in the field of social policy. The state -and society- cannot allow the present circumstances to continue without risking a situation that is obviously hazardous to peaceful coexistence.

## **Instability in Orientation and Action**

The prime characteristic of Peruvian public policy, especially in the social field, is instability or the tendency to switch from one isolated approach to another. It is difficult to find a clear or stable trend in the social policies adopted during recent decades, even though the country has assumed a number of international commitments which have implied specific objectives in both health and education.

Until now, political decisions have been based more on short-term or special group interests than on a coherent strategy. One need only compare the precepts in the Peruvian constitution with government policy and action for examples of this lack of clarity and orientation. In principle, the

constitution reflects the orientation that political parties represented at the Constituent Assembly consider appropriate for the nation. Therefore, it seems reasonable to assume that society as a whole, and particularly the state, would strictly comply with the standards established in this document<sup>3</sup> -standards which have remained relatively stable over time- especially when designing and implementing economic and social measures. Unfortunately, there is evidence to the contrary.

A case in point concerns Chapter III of the Constitution, "Social Security, Health and Welfare", which addresses state responsibilities in the area of health. According to Article 16, the executive branch is obliged "to establish a decentralized national health system to plan and coordinate comprehensive health care through public and private agencies and to offer the entire population equal access to such services, which shall be adequate in quality and hopefully free of charge".

Limited private sector involvement in basic health care has resulted in a broad network of public health posts, centres and hospitals operating parallel to the social security system, which tends to concentrate on curative health. The Ministry of Health is currently responsible for some 3,000 health posts, 1,000 health centres and 130 hospitals (INEI, 1991). However, resources earmarked for these establishments are totally insufficient and usually amount to no more than a third of the budget required to provide minimum basic assistance. Public infrastructure and personnel are concentrated in the country's three major cities, as are private hospitals. To make matters worse, this precarious capacity has been virtually paralyzed in recent months by a strike among public employees seeking better wages (most earn less than US\$50 a month).

The state appears uncertain of its ability to overcome the situation. Official documents signal lines of action, but no mention is made of limitations to their implementation (see for example, Ministry of Health, 1991). With no knowledge of the amount and type of resources needed for these actions -including managerial resources- institutional goals and modifications become little more than good intentions. This situation is similar in other fields including education and in the administration of justice, law and order. A lack of orientation and the failure to provide adequate resources have further weakened state institutions and are aggravating chaos in Peruvian society. To aid in the search for simple but effective means to confront the problem, a series of preliminary guidelines and criteria are proposed in the next section.

## **AREAS OF CONCERN, GENERAL ORIENTATION AND MAJOR OPTIONS FOR SOCIAL POLICY**

It is difficult to arrive at a universally acceptable definition of human, personal and collective development that could be used to guide the design of social policy in Peru. However, a consistent frame of reference capable of winning consensus is both necessary and possible, based on the following major areas of social policy concern:

- First, it is important to know the size of the population in each region, its structure in terms of age and occupation, geographic distribution and changes over time. This is an indispensable starting point for understanding the reality of the problems confronting society.

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<sup>3</sup>An amendment to the constitution requires at least two years, while legislation can be modified in less time.

- Secondly, one must know what resources individuals and families have with which to satisfy their basic needs. In this respect, special attention should be paid to both types and levels of employment as well as levels of consumption and accumulation. An analysis of consumption must include education, health and social security contributions, as well as expenses for food and transportation.
- The home and its environment are fundamental to the preservation of health and to community development. Consideration must be given to the family, which represents the smallest nuclei of people in society. The psychology and individual profiles of family members are also important to developing an adequate frame of reference, as are culture and the use of time.
- Justice and public order are essential to social stability, since they can guarantee respect for the rights of all citizens. Accordingly, consideration must be given to this area, particularly with respect to seeking solutions to internal conflicts and improving respect for human rights.
- The way society is organized and its systems for security make an essential contribution to the well-being of the population. Consequently, a clear understanding of their functional shortcomings is important to the development of social policy.

A set of similar areas of interest (see Table 1) was proposed by the United Nations more than a decade ago as a model for integrating social statistics in developing countries (UN, 1980). Although useful for the sake of comparison at the international level, the set as a whole requires revision. In the meantime, the proposed scheme (or an equivalent) could serve as a framework for social policy diagnosis, design and monitoring.

A diagnosis should be developed according to this scheme, followed by a strategy designed in terms of guidelines and policies that are simple and easy to apply. Yet before the strategy can be constructed a challenge exists, because those elements essential to human life in society must be identified if complicated theorizing of little practical value is to be avoided. These essential elements are the ones that must guide new policies and actions in the social field. However, the urgency of the present situation -in which human potential and the social environment are deteriorating at an alarming rate- demands, once again, that concrete actions be taken before these elements are established. The following paragraphs suggest a few simplified elements to orient such action.

**Full human development in a harmonious environment** must be the overriding criterion. This concept, which can be extremely broad in theory, should be pragmatically approached in relation to the **satisfaction of the basic needs** of all sectors of the population. Basic needs are those which are essential for creating capacities for the full development of individual potential (Abugattás, 1991).

Given these criteria, it may be said that, in general terms, the range of possibilities varies between two extremes:

- a. The first, and most favourable, involves concentrating efforts and maximizing the use of the limited resources available to satisfy the society's essential needs as rapidly and efficiently as possible, thus generating the conditions for its full development. This option will require considerable efforts to determine how can resources be most efficiently used and what are the best orientations for policy and action.



**Table 1**

**AREAS OF INTEREST TO SOCIAL POLICY AS PROPOSED BY THE UN**

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**MAJOR AREAS**

- Population
  1. Size, structure and changes
  2. Geographic distribution and changes
- Training and educational services
  1. Progress and results among the population
  2. Use and distribution of services
  3. Input, output and performance of educational services
- Income-generating activities
  1. Participation of the labour force
  2. Employment opportunities and mobility
  3. Remuneration
  4. Working conditions
- Distribution of income, consumption and accumulation
  1. Level and growth of family income and accumulation
  2. Level and increase in consumption
  3. Redistribution and disparities in income and consumption
- Health, health services and nutrition
  1. State of health
  2. Nutrition
  3. Health service availability, use and performance
- The household and its environment

**SECONDARY AREAS**

- Family formation and the household
  - Culture and free time
  - Social security and welfare services
  - Public order and security
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A definition of the state's functions, including the amount of public funds required to provide social services and to ensure their quality, will be required as a beginning. This initial step is particularly important since neither the public nor private sector have attempted to determine the level of public spending necessary to guarantee basic health, primary education, a minimum of administration and essential infrastructure. The reason for this probably lies in the short-term criterion of government authorities who decide to cut social services when faced with the need to reduce public expenditure, since the effects of this option are not immediately evident.

The definition of social spending levels must take into the account the problem of unsatisfied basic needs (Abugattás, 1991). In the case of Peru, it is recommended that the state guarantee **basic health and primary education** to the 80% of the population currently without adequate employment<sup>4</sup>. This minimum coverage should be maintained for at least the next thirty years in order to rescue what has been lost in recent decades. To do so implies generating sufficient tax revenues and guaranteeing quality in public spending, regardless of whether these activities are ultimately executed by the public or the private sector. If this commitment is not made, there are two alternatives: society must find other ways to satisfy these needs, which is highly unlikely; or the country must accept the loss of its human potential, and the consequences this implies - underdevelopment and the gradual disappearance of life.

Estimates put minimum required social spending at approximately 15% of GDP (assuming a GDP of US\$ 21 billion), bringing total annual public spending in the medium-term to about 25% of GDP (Arias, 1991). This last figure includes necessary investments in infrastructure. The following are suggested preliminary percentages for the different sectors:

- Basic health	2% of GDP
- Primary education	4%
- Administration and security	5%
- Minimum social security	2%
- Minimum investment	2%

The next step is to determine how these shares should be allocated within each sector. This will depend on a final definition of state functions; that is, what the state will and will not do in terms of health, education, the administration of justice, public order and defense, general administration and security<sup>5</sup>. It is suggested that basic functions such as the defense of national sovereignty, guarantees for the exercise of human rights, and the promotion of general well-being should be reflected in the budget executed by the public sector. However, the budget for health and education could be managed by either the public or private sector according to local conditions as long as national standards of quality were respected. In any case, the fact that an expenditure is backed by public funds (from tax revenues) should guarantee a continuity in efforts, whether these are publicly or privately managed. This is not necessarily the case when responsibility is delegated to private agencies (for example, NGOs) since they may not have permanent sources of income.

- b. The second option is one of inertia. In short, this implies continuing the trend of recent years during which little or nothing has been done with respect to social policy. It also means furthering enormous damages to countless human beings and the environment.

This option must be considered, inasmuch as it characterizes the present situation. Despite the time that has elapsed since the change in government, and apparent political willingness to

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<sup>4</sup>This is the level of coverage which has normally corresponded to state-funded services in the past. Hence, the objective is not excessive.

<sup>5</sup>A concrete proposal for health spending is included later in this article.

improve social policy management, no attempts at corrections have been made. In fact, social indicators seem to be declining at an even faster rate, a fact which is affecting the social coherence of political leadership. Peru is becoming more and more incapable of satisfying its basic needs: the continuance of falling wages, a lack of investment and failure to improve the quality of public spending will result in permanent damage to the country's population and productive capacity.

## **GUIDELINES FOR A PROPOSAL**

Two broad and complementary fields of action can be identified using the general guidelines suggested earlier. The most urgent of these obeys the criterion of safeguarding the population's health so as to avoid further damage. The second, which has medium-term effects, involves generating an environment conducive to recovering past living standards and the harmonious development of the population, such actions being closely related to the satisfaction of basic needs.

The following is a brief description of concrete guidelines for designing a social development strategy aimed primarily at fostering discussion on appropriate lines of immediate action. This discussion must be accompanied by detailed, applied research into specific aspects of social policy<sup>6</sup>.

### **Safeguarding Human Potential**

The main concern in the short-term should be the implementation of mechanisms to avoid further damage to the country's human potential, a line of action closely related to the field of health. The prime objective would be to protect and rescue families exposed to high risks of malnutrition or mortality<sup>7</sup>.

The family is suggested as the unit for analysis, since it is the smallest population group that best reflects unsatisfied needs. The risk criterion makes it possible to objectively integrate factors related to basic well-being (for example, health, nutrition, the home and the environment, and family economy), while recognizing that the increased risk of illness or death results from a combination of elements such as underemployment, polluted water, etc.

The criteria for identifying high-risk families is based on the presence of children under the age of three, pregnant women and/or breast-feeding mothers with affirmative risk indicators<sup>8</sup>. These criteria reflect fundamental concern for the fact that the span between conception and age three is decisive to an individual's future development. Any subsequent attempt at recovery would require even more resources and, past age three, the damages may be irreversible. A network

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<sup>6</sup>Several issues which warrant research are suggested in the conclusion.

<sup>7</sup>Peru has experience with programs of this type. The largest is PANFAR, a program operated by the Ministry of Health and the National Institute of Nutrition (INAN) with the collaboration of PRISMA, a charitable organization.

<sup>8</sup>The PANFAR program has designed evaluation charts that include biological and objective economic indicators for this purpose.

should be established to care for this segment of the population. It should comprise public or private health centres specializing in primary care -there are nearly 3,000 such facilities in Peru. They must provide immediate and efficient care to the general population, and to high-risk families in particular, with an emphasis on children under the age of three, pregnant women and nursing mothers.

The creation of this network does not mean that efforts undertaken by other organizations and sectors should be neglected. However, priority should be placed on the network as an indispensable and stable framework for care with national characteristics. Furthermore, it would not be difficult to put the network into operation: the formulation and enactment of minimum national standards for the type of care offered by health posts (public and private)<sup>9</sup> would suffice to initiate the process.

While the health network is being established, the level of public expenditure required to support the program<sup>10</sup> should be defined. Expenditures should focus on the following items:

- Operation and maintenance of health posts, including teams to visit remote zones and transportation for patients (approximately 1% of GDP should be allocated for this item).
- Programs for high-risk families and basic mother-child care, first aid and the treatment of major diseases.
- Arrangements for transporting patients to specialized health centres.
- A data system that could be used to monitor and control care quality, with the cooperation of a population who should recognize basic health care as a right.

National and regional organizations must be able to sample the quality of care and conduct periodic evaluations. Local governments and organizations must serve as alternate and complementary channels for organizing demand in terms of minimal national standards, using funds transferred from the public sector as initial resources. Moreover, it is essential that actions undertaken with public funds be coordinated with activities developed by other organizations operating at local levels, such as community groups, NGOs, churches and municipal agencies.

Regardless of the options selected to safeguard human potential, the main concern should be to ensure that the sum of public and private efforts is sufficient to rescue high-risk families. Therefore, public actions must be transparent so that complementary private actions can be developed. In the event of permanent public action (through the central government as well as through regional and local administrations) plus adequate funding, the efforts earlier proposed can be coordinated with a broad range of non-governmental agencies (for example, educational and community centres, NGOs, international organizations, etc.).

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<sup>9</sup>See Ministry of Health (1984), pp. 155 and thereafter.

<sup>10</sup>Although the 2% of GDP earmarked for this item would not be enough to provide high-risk families with dietary supplements, it would be sufficient to generate a frame of reference for other efforts if coupled with the establishment of national standards for minimal care.

## **Basis for a Definitive Solution**

A long and intricate complementary process must be initiated parallel to efforts aimed at rescuing the high-risk population. There are several global conditions linked to the country's general environment, the economy and government credibility, which are indispensable to promoting sufficient volumes of investment and adequate employment. The process in question is one of fostering the development of these conditions -such as clear and stable norms, an exchange rate conducive to investment, sufficient tax revenue, adequate wages- particularly with respect to the living standards of the population and employment.

The population's size and location, its composition and changes, living standards and other indicators must be carefully evaluated. Local actions require detailed knowledge about the characteristics of groups that social policies are designed to benefit. They also demand simplified methodologies in order to avoid unnecessary delays. Actions at local and district levels, or on a lower scale, can be a good mechanism for accurate resource allocations. In this respect, appropriate geographic references would be extremely useful to establishing a normative framework for social policy, or to consolidate the decentralization process. Although profound changes have occurred since the last national census of 1981 (which implies an absence of up-to-date and reliable statistics at the national level), an initial allocation of resources could be based on the national image portrayed by this census. Until a new census can be conducted, a more adequate allocation methodology could be developed by updating this image as better information becomes available. In any case, these alternatives show that national actions need not be postponed on the basis of outdated information.

As for unemployment, a definitive solution to the crisis obviously hinges on the availability of sufficient and stable employment at fair wages. Yet, present circumstances make it impossible to wait for the normal process of private and public investment to generate acceptable levels of employment. This process surely would take too long to confront the urgent income needs of vast segments of the population. Accordingly, assistance to high risk families must be complemented with local investment programs. These programs should improve the supply of basic goods and services, while elevating consumption capacity. For example, a National Social Investment Fund could be used to transfer resources to provinces and districts for a few principal lines of action that would avoid centralism and encourage active community participation, even in the poorest areas. Communities should propose and initiate productive projects that are coordinated by local committees and operated with funds transferred from the central level. The central level, in turn, would limit itself to defining the areas in which these projects would be supported, for example, sanitation, communication routes and/or revolving seed funds.

## **Final Considerations**

Consolidating efficient social policy management in Peru will be an enormous undertaking. As illustrated earlier, little has been done in terms of practical application or conceptualization and design. While a few general guidelines for discussion have been presented here, a detailed analysis of specific areas is urgently required. Although such an analysis is beyond the scope of this paper, several issues that require investigation, particularly applied research, can be identified. Priority should be placed on analyses leading to concrete recommendations for immediate use under actual conditions.

Firstly, research is required on **sustainable population** issues. Peruvian society cannot develop harmoniously without equilibrium between its basic needs and available resources. In this respect, the basis for analyzing physical limitations to development must hinge on several elements. These include investigation of: trends in population growth and the potential of available natural and technical resources; demands in relation to basic goods and services; the supplies required to meet these demands and possible sources; the potential supplies in Peru and the maximum population for these supplies; the actual supplies and their limitations.

The second issue involves the need for a **simplified system to monitor** major areas of interest. Public and private channels facilitating access to a flow of information should be encouraged. One alternative is to establish a national information centre within the government, drawing initially from the local level and moving up through provincial and regional administrations to the central government. Another idea is to set up local centres within local organizations and NGOs to support community decisions and even channel data to confirm information at the national level. Data could also be gathered via social projects and, if possible, through ongoing development projects. The data could then be used by the responsible entities, as well by local and national centres. Whether or not these alternatives are feasible could be determined through future studies.

Another issue warranting analysis is research on how to **support development programs based on local action**. Operational research is needed to determine possibilities for immediate application, at local levels, of a future nationally-approved social program proposal (In the meantime, the preliminary proposal suggested herein could be implemented to move forward on concrete aspects). Any application at local levels must be linked to assistance programs for high-risk families and those for productive employment. The following criteria should be considered, if possible, when designing such proposals:

- Execution should be decentralized to the local level through local committees. These committees could evaluate proposals, authorize allocations, report on implementation and spending, recommend technical assistance, propose adjustments to correspond with local conditions and recover funds, all in accordance with national and regional guidelines.
- Coordination at national and regional levels should concentrate not on program execution, but on establishing standards for local committees, fund raising and the geographic allocation of resources according to simple indicators. These could involve the infant mortality rate in the case of social investment, and numbers of high-risk families or a similar indicator for short-term actions.

It is also important to identify the **general conditions required** to adequately apply appropriate social development policies. These include: public spending levels (in terms of both quantity and quality), tax levels, necessary and stable regulations, and the coherence of investment prospects and productive potential in relation to population growth. In short, it is essential to determine the elements required for decisions on private investment favourable to comprehensive national development.

**Institutional frameworks** are another issue of importance. As noted earlier, one sees a constant decline in the state's ability to fulfil its functions. The regionalization process seems to be causing an additional loss of coherence. In many cases, regions created on an administrative basis are beginning to reproduce what the new system was attempting to avoid: centralism and the inefficient use of resources. Moreover, resource allocations are not being decentralized effectively.

A mechanism is urgently needed to formulate standards and monitor compliance. The following could serve as a guideline in this respect:

- The central government should be responsible for national standards and the consolidation of information on which to base decisions at the national level. It also must control compliance with these standards.
- Regional and micro-regional administrations should be responsible for regional norms, based on orientation from the central government. They would also consolidate information at the regional level and control compliance with established norms.
- Concrete operating decisions should be made at the local level, in accordance with national and regional orientations. Local governments should also generate primary information and suggest changes in national and regional orientations in order to respond to local conditions.

Finally, a multidisciplinary effort must be mounted to improve policy formulation. This should include an anthropological and psychological approach towards understanding **actual circumstances and trends in Peruvian society**, in terms of social and individual concerns. It is well-known that Peru is marked by a heterogeneity to which no harmonious solution has yet been found. This phenomenon is manifest in the poor communications existing among the many groups comprising Peruvian society. Profound cultural differences and different ways of perceiving reality accentuate tensions. Therefore, profiles of individuals and groups must be established in order to improve an understanding of the conflicts and needs facing Peruvian society and to determine personal and social capacities for adequately confronting problems and challenges. These profiles must also yield information on the means available for improving this capacity and easing social tensions.

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# EDUCATIONAL POLICY AND SOCIAL POLICY

**Gloria Helfer Palacios<sup>1</sup>**

## **INTRODUCTION**

Proposing the logic and feasibility of social policy in present-day Peru is a necessity. It is also a tremendous challenge because Latin America, and the Third World in general, have a dubious record of trial and error in this field.

Peru is currently suffering the effects of a virtual lack of continuity between its economic and social policies. A noted Peruvian economist claims there is no better social policy than a good economic policy and, in some ways, he is right. From an ethical standpoint, no economic program can be an end in itself. It must serve the people and not the other way around. However, in a country with an economy in shambles and a population of 12 million poor people, close links between economic and social policy are not only ethically required, but also most feasible.

The situation in education and health is alarming. Economic "adjustment" as we know it has swollen the ranks of the poor from eight to twelve million. In this context, the fact that an emergency social program has yet to be devised is extremely alarming, particularly since what little social assistance did exist has been frozen or dismantled.

There are those who would remain unmoved by ethical arguments or the fact that people are entitled to guaranteed basic services for education and health. They might bear in mind that economic success will have little meaning if the country becomes ungovernable due to the loss of the state's credibility and legitimacy for not having fulfilled its fundamental obligations.

These general observations underscore the complexity of relations that can help or hinder the development of Peruvian social policies, particularly with respect to education. Experience shows that there has been a tremendous lack of communication between the designers of economic policy and those responsible for social policy. Their concerns and logic are different, their accusations reciprocal. As a result of this failure to communicate, the boomerang effect of budget cutbacks in the social sectors is usually ignored. Cholera provides a case in point. Losses to the

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national economy due to the epidemic surpass the amount requested from Andean Group countries to finance Peru's first steps towards reinsertion into the international economy. In education, the economic losses of the high drop-out rate in 1991 when 1,300,000 students failed to register (official figures that clearly underestimate the problem) have yet to be quantified.

Another consequence of poor communication concerns wasted possibilities. Once the planning and execution of economic policy have been accomplished, there still remain its control and realization. Quality in the latter two is crucial at a time when the state is plagued by crisis in terms of efficiency and ethics. Unfortunately, the realization and control of economic plans have been problematic. The state has not considered the possibilities offered by social pressure and control in such areas as tax collection, a process fraught with difficulties. In the face of such missed opportunities, how is it possible to explore what the social sectors can do to improve economic programs, or establish the investment aspects of social programs?

Resolving such complex problems in so difficult a situation will not be easy. The sort of reflection needed to develop sound proposals must be based on experience, since it is in practice that complications arise.

## ***THE EDUCATIONAL SITUATION AS OF JULY 1990***

Peru's educational problems are not new and many harken back to the colonial era. However, the last few years of crises were merely a preamble to what is happening today in education.

The situation is characterized by several important factors. Educational coverage has grown constantly but without a corresponding increase in the budget. This hampers quality. The system has been unable to achieve efficiency and, as a result, repetition and desertion are serious problems. Growth in education is anarchic and unrelated to any medium- or long-range development plans. Nor has educational growth been reflected in the needs of the labour market, which leads to frustration among young people. Some associate this frustration with the acceptance of violent forms of response or the fact that many high-calibre professionals are leaving the country to put their needed talents to use abroad, not at home. Several indicators lend objectivity to these assertions as the following examples demonstrate.

### **Coverage: Growth versus Retention**

The ratio between educational spending and the number of students in Peru shows that from 1985 to 1989 per capita expenditure declined by 45%. Accordingly, the amount spent on a primary student fell from US\$ 42 in 1985 to US\$ 23 in 1989. Current and capital spending by the Ministry of Education on primary schooling alone dropped from 34,088 in 1985 to 18,572 in 1989.<sup>2</sup>

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<sup>2</sup>Public spending figures and tables are taken from the SECAB-GTZ Agreement, Project on Teaching Materials for Basic Education. Peru (Working Document). Lima, July, 1991.

**Table No. 1**  
**Trends in State Spending on Public Education**  
**Constant 1980 Soles**

YEARS	TOTAL SPENDING PER STUDENT	CAPITAL SPENDING PER STUDENT
1970	88.9	2.9
1975	139.3	5.4
1980	114.1	6.4
1985	62.5	1.9
1986	80.5	6.9
1987	68.5	3.7
1988	37.4	1.3
1989	27.5	1.0
1990	19.8	0.6

Unfortunately, further consequences of the state's inefficiency are reflected in a total lack of statistical data in some cases and unreliability in other cases because of the dispersion or political use of statistics. The current processes of regionalization and decentralization pose the possibility of improving access to basic information. In fact, some interesting diagnostic experiments are now underway that merit adequate support. A supply of reliable and efficient information is essential to research and planning. Yet in this respect, social research for the design of social policies still has a long way to go.

**Table No. 2**  
**SHARE OF CENTRAL GOVERNMENT SPENDING DEDICATED TO EDUCATION**  
**(Million Intis)**

Years	Central Government (1)	Education Sector (2)	Ratio (3=2/1)
1985	44,314	5,907	13.3
1986	76,685	10,855	14.2
1987	131,215	24,852	18.9
1988	680,865	109,443	16.1
1989	16,374,740	2,549,115	15.6

Source: Annual budgetary legislation.

## **Quality: The New Demand**

Despite the difficulties which Peru faces, new innovative teaching models are being developed; and communities, parents and teachers alike are becoming increasingly concerned about shortcomings in educational quality. Problems in this respect are due to a variety of factors, such as the disastrous condition of infrastructure, inadequate teacher training, the growing deprofessionalization of teachers, decreasing teaching salaries, poor educational materials or lack of the same, obsolete curricula, outdated teaching methods and an organizational system that does not favour change.

There is a serious and growing lack of qualified professionals among the ranks of Peru's teachers. In 1985, 25% of all teachers did not hold a degree; five years later more than 50% did not have degrees. This proportion may be even larger since training schools are not producing enough graduates to meet demands. Falling wages have forced many teachers to leave the profession in search of better-paying jobs. They have been replaced by unqualified personnel, and the calibre of education has suffered as a result.

## **Government Organization: The Old and the New**

As of late the breakdown in the state's ability to function has been dramatic, particularly over the past five years. The lopsided growth in government bureaucracy has responded not to planning, but to old practices like political patronage. Between 1980 and 1985, the number of new administrative jobs in the educational sector rose by 50%. Between 1986 and 1990, the increase came to over 120%. Wages accounted for 90% of the educational budget, while investment spending was 10% or less. Changes in educational plans correspond more to the protagonistic will of political parties than they do to technical criteria or the search for consensus on how to guarantee stability and continuity. As a result, there have been so many modifications in the educational system that various parallel programs remain in place, much to the discredit of those who execute them: teachers.

The situation is further aggravated by the corruption and unethical practices of government officials, who use their positions for personal or partisan gain. This panorama also includes a regionalization process which is trying to chart its course. Although not without some problems, the process will hopefully bring important changes to current practices in centralized state management.

## ***THE IMPACT OF THE ECONOMIC ADJUSTMENT PROGRAM***

Life changed substantially after the July 1990 introduction of the current administration's economic adjustment measures. In short, the party was over and it was time to pay the bill. Every child born in Peru now owes US\$1,000: to be paid if it survives. The social costs of economic adjustment have been tremendous. Let us look at its effect on education.

## Coverage

The economic measures adopted in 1990 occurred halfway through the school year. The timing was favourable given that parents had already met their major educational expenses (enrolment fees, purchase of textbooks, uniforms, etc.). The result was an inertia that kept students in the classroom. The emergency program and other possible measures could alleviate, but not stop, a further break down in education or school performance. The most serious effects are to be seen at and following enrolment time in 1991.

Public school enrolment data as of May 1991 is summarized in Table 3. Estimates of hidden desertion are based on figures obtained through consultations and visits to schools in the Lima metropolitan area during the first 15 days of April and the first 15 days of May, and in the provinces during the second half of June. With respect to the latter, information is still incomplete due to limitations imposed by distance, although information has been gathered from Cusco, Puno, Arequipa, Tacna and Junin.

Research on desertion is indispensable, since it is impossible to devise proposals without knowing the dimensions and characteristics of the problem. We are unaware of the levels, modes, cycles and places where desertion is most pronounced, although we can imagine the causes: parental difficulties in meeting educational costs and/or inability to forego a child's contribution to family income, plus poor expectations regarding education. However, these are assumptions that must be confirmed.

**Table No. 3**

### **STUDENT ENROLMENT AND DESERTION (In thousands)**

(1) Enrolment	(2) Forecast Enrolment	(3) Official Enrolment	(4) Official Desertion Figures	(5) Estimated Hidden Desertion	(6) Total Desertion*
1990	1991	1991	1991	1991	1991
7,254	7,667.0	6,287	1,380.0	766.7	2,146.7
95%	100%	82%	18%	10%	28%

(1) Overall enrolment in 1990, according to the Ministry of Education.

(2) Enrolment forecast for 1990, according to the average rate of growth for 1998-1990.

(3) Enrolment in 1991 based on official figures from the Ministry of Education

(4) Desertion estimated according to figures from the Ministry of Education

(5) Hidden desertion not registered by Educational Service Units because schools withhold information to avoid cutbacks in teaching personnel or to prevent teachers from being declared surplus and removed from their jobs.

\* Understood as the desertion of students enrolled during 1990 who failed to enrol in 1991.

In any case, more than 1.3 million children and adolescents are working in the streets, or trying to, in order to survive. What bearing does this situation have on increased political violence, delinquency and illiteracy? What are the repercussions in terms of technological development and the expectations of young people in terms of their educational aspirations?

## **Quality**

With this type of scenario, proposals for educational quality may seem far-fetched. How can we ask for quality? For example, the cholera epidemic put educational infrastructure to the test and showed just how precarious its services were. Yet, aspirations for quality are apparent among teachers, parents and students alike, and must accompany proposals to recover the student body.

## **Organization**

A voluntary retirement program for administrative employees was implemented without any semblance of planning. There was no consideration of issues such as the dimensions or characteristics of the new state, or its requirements in terms of medium and long-range perspectives. This is one more demonstration of the lack of connection between the design of economic policy, which has its own rules, and attention to social needs. Furthermore, no thought has been given to the possible effects of this disjuncture within a development strategy.

## ***PUTTING THEORY INTO PRACTICE***

Rather than recounting what was proposed, planned and accomplished during my term as Minister of Education, I would like to mention only a few activities that may be useful in reflecting on the current situation. The actions taken were based on previous experiences and the intuition of those of us both in and outside the ministry who accepted the challenge of putting theory into practice and proposals into action.

## **Defining the Central Issues**

Given the precarious situation, three fundamental areas of activity were defined as being basic to a government plan for education: 1) an emergency program; 2) the restructuring of the state; and 3) a search for consensus on an educational project. I will discuss only the first, since it achieved more scope and development than the others and best illustrates attitudes on policy design, execution and evaluation.

## **The Emergency Program: "The School in Defense of Life"**

The emergency program was the first priority. With the adoption of economic adjustment measures, this decision was reinforced and the program's implementation accelerated.

## Description of the Program

It was felt that an emergency program should lay the foundation for substantial educational changes aimed at overcoming a purely welfare approach. Accordingly, support was sought from beneficiaries, grass-roots organizations and the educational communities surrounding each school. Mechanisms were created to encourage their participation and cooperation. Given the complexity of Peru's problems, it was important to rescue the school as a space dedicated to serving children and young people. Schools had to be empowered by transforming them into "Centers for Comprehensive Attention" as part of a strategy that combined action in the fields of teaching, nutrition, health and the generation of employment.

The school cafeteria program provided 750,000 servings a day in Lima before it was a month old in August 1990. Four months later, it was distributing 2.3 million servings a day nationwide. Various management techniques made it possible to reduce costs from US\$0.13 to 0.06 per serving. Output was doubled at some locations because complementary resources were found, while the program continued to serve students in Piura after its official closure in the provinces. This was possible due to a combination of good management and tremendous local efforts to conserve resources and invest efficiently.

Subsequent evaluations with participants confirmed that the program had had favourable unforeseen outcomes. These included the recovery of the peasant economy in areas where food was purchased directly from farmers and the creation of jobs, 2,500 at community bakeries alone. Despite the program's newness and lack of experience and the large volumes of food involved, losses were minimal. In fact, they were less than those normally registered by organizations with experience in this field. If profit or illegal gain were avoided, it was because social control mechanisms were created for the timely detection and correction of abnormalities.

As a Centre for Comprehensive Attention, a school must offer new curriculum content oriented towards understanding reality and the mastery of knowledge related to health care and nutrition. Consequently, a plan was initiated with the Ministry of Health to diagnosis tuberculosis, monitor nutrition in the lower grades and create opportunities for the long-term coordination and integration of sectoral actions. Teachers were trained in measures to prevent common illnesses, and schools in marginal neighbourhoods were equipped with School Pharmacies. The success of a vaccination campaign held during October 1990 provides a good example of the benefits of intersectoral efforts.

This presentation does not pretend to ignore the existence of problems or shortcomings. Much of what was planned remained on paper: the educational proposals were not developed and employment generation tended to be incipient at best. Basically, my aim is to answer one question: Given Peru's fragile situation and the need for action, what can be learned about the mechanisms that contributed to the program's success? While those who assumed responsibility for the program showed true creativity and honesty, good leadership was not the only factor involved.

## Hypotheses and Verification

At this point, I would like to venture several hypotheses about the success of the emergency program's approaches and mechanisms:



- **Integration.** The emergency contributed to eliminating disjointed and partial approaches to social problems. Objectives like meeting the basic needs of students made the school a privileged place where the target population, school age children, was concentrated. We also knew that this attention was a necessary condition for the successful development of educational activities per se. Since the problems people face are integrated and complex, their needs and the interrelated nature of these needs must be examined from an integrated and holistic perspective. Integrality is achieved when approaches make the beneficiary the centre of attention. The slogan "children first" is a product of this understanding.
- **Intersectoral approach.** The need for integrated actions led to an intersectoral approach to program planning, execution and evaluation. The most fruitful experience was with the Ministry of Health. Here, facilitating agencies and components were created where none existed before. For example, a School Health Office was established in the Ministry of Health to coordinate activities with the education sector that, in turn, established the emergency program "The School in Defense of Life". Efficiency and economy can be obtained through intersectoral efforts, with the goal not only of eliminating duplication but of empowering resources. We must rise to the challenge of formulating budgets that can facilitate integrated projects.
- **Decentralization.** Decentralization is essential if practices are to be far-reaching in terms of scope and democracy. In concordance with the regionalization process, the education and health ministries installed partnership councils to provide permanent channels for communication and a locus for decision-making. However, decentralization of the decision-making process must go even further. Agreements with local governments are fundamental and fruitful because the local level is privileged from the standpoint of integrated approaches. It will also be important to reach grass-roots organizations. The creation of Educational Councils in schools that brought together parents, students, teachers and members of the community provided an important opportunity for democratizing and improving educational decision-making. The councils' advantages are rooted in their proximity to educational problems, their representation of vested interests and the potential for efficient supervision, all of which are essential for good project management.
- **Flexibility.** Successes also derived from the program's flexible procedures. Because of the recent and consequently diverse nature of operations and political composition at the regional government level, we could be flexible about the definition of counterparts. An effort was made to follow established procedures and reinforce the government's decentralization process, but the program was not stopped by the absence of a particular input, its malfunction or a lack of willingness.
- **State-Society Relationship.** It is clear from the present situation that new links are required between the state and society. New ways must be found to relate for the sake of ensuring complementary actions, empowering resources, and developing further and more democratic channels for participation. This approach can enhance the design of a new state in the midst of the building process.

Due to a variety of reasons and previous experience, the emergency program both required and made possible cooperation with institutions that had resources and prospects not typically available to the state. The Catholic Church and the national network of non-governmental organizations (NGOs) were called upon, and the entire budget of the "School in Defense of Life" program was managed in an agile and serious way through these institutional networks. Red-tape and administrative costs were reduced. As to volume, the total amount transferred to the

Emergency Social Program was equivalent to US\$11,118,895. Budgetary execution amounted to US\$9,473,422. Administrative expenditure was equivalent to US\$ 8,714. This represents 0.09% of the executed program budget.

It would be simplistic to believe that this success could be maintained or reproduced with the same characteristics, or that state responsibilities could be replaced through such programs. What is important to recognize, however, is that there are ways that the relations between the state and society can complement the functions performed by each.

This attempt at complementarity between the state and social organizations was possible insofar as each retained their identity, had clearly defined functions and the articulation was achieved as a result of common objectives. In my opinion, NGOs took part believing this initiative would broaden their prospects for work, enable them to reach broader sectors of the population, and contribute to their experience with integrated activities.

The formation of consortia, networks and working groups reflected a move towards combining resources and thinking. These actions were strengthened as the benefits of joint action became evident. The relationship between NGOs, between NGOs and the state, and even between NGOs and finance agencies could be improved tremendously in this manner. Through this support, the state benefited from managerial capacity, dexterity, professional ability and a good relationship with the community and its organizations. Articulation of this sort should be explored further.

- **Social participation and control.** Effective community participation must be encouraged because of its importance in achieving democracy and efficiency. This requires the establishment of certain basic structures, such as clear transmissions of information about methodologies, objectives, and financial management. In our case, information was circulated directly, in writing, and even through the mass media. This allowed interested parties to monitor the execution of programs at sites where the Educational Councils operated. In the few cases where local authorities attempted to improperly use resources, they had to respond to these organizations for their actions. This avoided the need for the central government to impose sanctions which, given the size of the program, would have been impossible to enforce effectively.

Community participation also offers a number of resources that empower those of the state. In this sense, the emergency program's ability and flexibility to take advantage of these contributions was essential to its success. It also meant that in areas with guerrilla forces, the guerrillas had to face the community rather than state authorities if they tried to boycott a public program.

- **The Relationship between social programs and productive recovery.** Although we were unable to strengthen the relationship between the program and production incentives, the experience shows how an initiative of this type can reactivate the economy, specifically the peasant economy. The social organizations (communal associations, federations) went to work quickly and special fairs were organized for the purchase of required products. Local produce was purchased in order to save on transportation costs and to respect the population's eating habits. This action had an additional effect: it injected money into the rural economy that was used immediately to plant new crops. In the words of a local peasant: "This is better than credit from the bank because we don't go into debt."

## **AND NOW WHAT?**

I would like to close with several questions that may be useful to research for the design of social policy.

- What mechanisms break the vicious circles that lead to lack of feasibility and collapse? How can social policies help in this respect?
- How can education contribute to the design and implementation of social policies? How do these aid the formulation of general development policies during times of extreme crisis? What are appropriate areas for the design of integrated policies that can overcome sectoralization?
- How does one determine the appropriate relationship between economic and social programs from the standpoint of ethics and efficiency.
- How can we identify resources and potential in society that can be useful to the design of social policies?
- Is it possible to put forth proposals that help to improve quality while trying to recover lost ground in terms of education coverage? Can the collapse of the educational system spark reforms in the field of teaching?
- What is the school's new role as a space for the development of comprehensive social programs involving health, nutrition, environmental protection and the generation of employment? How do these programs relate to the purely educational functions of schools? Accordingly, what is the teacher's new role as a social promoter and educator? How can teachers participate in the design of social policies?
- With respect to the decentralization of decision-making and the efficiency of systems, what is the role of local governments as privileged spaces for the development of integrated programs?
- Can mechanisms for social control constitute a democratic principle as well as a guarantor of efficiency in efforts to evaluate and monitor social policies?
- How can NGOs and other societal institutions contribute to the design and application of social policies? What role can grass-roots organizations play in the planning, execution, control and evaluation of such policies?
- How can serious research be developed in times of crisis? How can we remain dedicated to concrete action while preserving seriousness and efficiency? How can emergency measures be linked to medium- or long-term proposals?

We do not have many answers but, to some extent, the solutions are outlined by the questions themselves. In any case, the social sectors, and education in particular, must help to make the country work and to create conditions that give children the possibility of finding a place for themselves in Peruvian society. The past must be analyzed to recover a sense of ethics in political activity and to regain the common sense that establishes a relationship between individual and collective interests. Ultimately, the question is how to help build Peru as a nation.

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# THE CRISIS OF DATA FOR SOCIAL POLICY IN PERU

**Richard Webb<sup>1</sup>**

## ***INTRODUCTION***

In a country such as Peru, with much poverty, frequent economic crises and widespread unrest, information is not only important but necessary for the adoption of adequate social measures. The urgency of the current situation demands that long-term policies must be designed not only to assist stabilization measures, but also to confront structural poverty. For this reason, social indicators are required. These indicators should have the capacity to describe situations and the tendencies of social conditions which are or should be the target of social measures.

## ***WHY ARE SOCIAL INDICATORS IMPORTANT?***

Social indicators should provide information on how existing conditions respond to generally accepted social objectives and the rate at which these objectives are being achieved. In other words, social indicators should be centered upon: basic aspects of social welfare; the achievement, efficiency and effectiveness of diverse social programs; the distribution of social welfare and the use of social services; and the benefits derived from the use of these services.

Social indicators are therefore required to describe social conditions and to identify those requiring corrective measures, to define related objectives, and to determine the general achievements of social programs and policies. Within this framework, a social data base should provide:

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- Data which are regularly and rapidly available.
- Indicators with respect to the general population and the poorest groups, subdivided by socio-economic categories and by regions.
- Indicators on ongoing programs, including permanent and compensatory programs.
- Evaluation indicators for social policy, indicating achievements, costs, quality and the reasons for which goals are not achieved.

## **WHAT IS THE CURRENT SITUATION WITH RESPECT TO SOCIAL INDICATORS?**

In Peru, data which would meet the above requirements is deficient, problematic, or nonexistent. In order to understand the current state of Peruvian social indicators, a brief description of the situation in the most important social sectors follows.

### **Health**

The principal situational indicators available in this area are:

- Infant mortality rate. Numbers of deaths of children under twelve months of age in a given year per thousand live births.
- Maternal mortality rate. Numbers of maternal deaths within 42 days after delivery per 10,000 live births.
- Mortality rate, by causes of death.
- Infant and general morbidity rates.
- Population covered by the Peruvian Social Security Institute.
- Human resources and infrastructure.

These indicators suffer from serious deficiencies. Current infant mortality rates are merely extrapolations of census data corrected by surveys which were not designed for the exclusive study of infant mortality. Maternal mortality rates measure hospital deaths, and thus fail to account for deaths which occur outside these institutions. Some of these deficiencies can be corrected by referring to vital statistics. However, the quality of vital statistics also suffers from high rates of under-registration and long delays in the release of information. This situation is recognized by the state institutions themselves.

Similar problems with respect to deficits and under-registrations are also found in the morbidity rate data produced by the Ministry of Health. This situation is partially due to insufficient coverage by data collecting agencies, a lack of civil education with respect to the importance of vital

statistics, and to the long, slow path taken by the information from its source to the Ministry's Central Statistics Office which results in distortions and outright losses. The most reliable health data is that related to coverage indicators for the Peruvian Social Security Institute, and to the sector's human resources and infrastructure.

The health sector's implementation indicators are much more limited. What information is available refers only to some of the Ministry of Health's activities, such as:

- Acute respiratory infection diseases (ARI) control.
- Acute diarrhoeic diseases (ADD) control.
- AIDS control.
- Cholera control.
- Vaccination campaigns (VAC).
- Family planning programs.

The Ministry provides information only on the numbers of program beneficiaries, not on program costs. In general, information on health spending is quite limited, whether with respect to regular or special programs.

Finally, no evaluation indicators exist for sectoral policies. As a result, no understanding can be obtained as to the results of programs providing care for high risk populations, service quality or the impact of differing programs or activities on the improvement of the population's health. Moreover there have been no evaluations of the effects on quality or coverage of such events as doctors' and nurses' strikes, which have paralysed health services for considerable periods of time.

## **Nutrition**

Indicators revealing the population's nutritional status are most scarce. Currently, only the following information is available:

- Numbers of children by degree of malnutrition.
- Numbers of children with iodine deficiencies.
- Numbers of tuberculosis patients.

The little information available also appears only after considerable delays. Malnutrition data comes from the National Nutrition and Health Survey carried out in 1984, and the iodine deficiency data is the result of a survey made in the Peruvian highlands in 1985. Since then, there have been no updates with the exception of some statistical collection activities undertaken by organizations with nutritional assistance programs in marginal urban zones, and to a lesser extent, in rural areas. The number of tuberculosis patients is provided by the Ministry of Health, and therefore is subject to the same types of registration difficulties as mentioned with respect to the health sector.



No other significant information is available with which to evaluate nutritional status or to define target populations for specific programs or policies, such as numbers of children, pregnant women and breastfeeding mothers living in poverty and facing nutritional risks.

With respect to implementation indicators, there is data available on the diverse state programs administered by the National Institute of Food and Nutrition and carried out in coordination with NGOs such as PRISMA or CARE. As a result, there is information on the following programs:

- The Food and Nutrition Program (PANFAR), which covers pregnant and breastfeeding mothers, children under three years of age and preschool children between the ages of three and five.
- The Integrated Development Program with Food Assistance (PRODIA), which connects health centres with popular cafeterias.
- The Rural Food and Health Project (PRAS), which reaches pregnant and breastfeeding mothers in peasant communities. This project is carried out only in the rural areas of one department (La Libertad).
- The Technical Assistance Project - Mother-Child Food Program (PAT - PAMI).
- The School Food Supplement Program (PAE). This program, directed to schoolchildren, is carried out in the departments of Ancash, Cajamarca, Cusco, and Puno, and in the provinces of Lima and Callao.
- The Food Supplement Program for tuberculosis patients and their families.

As in the case of health programs, existing information is limited to numbers of beneficiaries. Cost-related information is not available. Moreover, it should be mentioned that this group of programs is just part of many activities being undertaken in this area, of which not much is known. The private sector's growing participation in the development and execution of food assistance programs and the diversity of participating institutions and organizations make it difficult to completely systematize ongoing programs. Very little is known, for example, about the efforts of differing committees to provide schoolchildren with a glass of milk or popular sub-kitchens in low-income neighbourhoods.

Even more serious is the situation of evaluation indicators. No details exist on program efficiency, nor are follow-ups carried out with those assisted by the programs. That is, there is no way of knowing whether nutritional assistance programs actually reach their target populations. This lack of evaluation indicators also leads to the overlapping of activities by different organizations, duplicated efforts in certain population groups and a lack of coverage in others.

## **Education**

Education is considered fundamental for human development and while official statistics provide a series of data and indicators on achievement; they are limited in terms of illuminating the system's quality and efficiency. Situational indicators provide data at the national and departmental levels with respect to:

- Total students registered by grade, gender and type of education.
- Total teachers by category.
- The number of public and private educational centres.
- The number of illiterates.

Educational efficiency indicators exist and address such issues such as drop-out and repetition rates by grades and levels. However, execution indicators are limited. They refer only to the programs provided by the Ministry of Education through the formal system or special programs such as:

- Informal initial education.
- Literacy programs.
- Intercultural bilingual education.
- Teacher training.
- Occupational education.
- Parent training programs.

With respect to social policy execution in this field, information exists on global government spending, but it is not broken down by such factors as levels, types of education, grades or regions.

All these data and situational and evaluation indicators provide certain quantitative evidence on educational coverage, but none on content. As an example, the case of curriculum should be considered. The basic curricular structure suffers from a lack of analysis of the psycho-social characteristics of children in the nation's diverse socio-economic and cultural environments. The consideration of these aspects could help to define curricular content and teaching methods in accordance with children's learning needs within their local and regional contexts. The absence of these considerations means that there continues to be a single national curricular structure which does not take into account the country's differing cultures, languages and ethnic groups.

No information exists on the availability of texts and educational materials, although there is general agreement that these materials are limited.

Another serious problem for educational quality concerns the professional competence of teachers and teaching methods. A high percentage of teachers do not have education degrees, and teaching methods based on memorization and dictation still dominate. However, the effect of teaching methods on learning in Peru is not known, because the Ministry of Education does not employ evaluation indicators related to student achievement. Moreover, little is known about educational infrastructure, except that there is an important lack of classrooms, basic services and equipment, and that public school buildings suffer from obsolescence and deterioration. No information is available on maintenance, rehabilitation and renovation programs.

## **Housing**

Information related to housing poses serious limits for analyses, since the last nationwide information comes from the 1981 census. While more recent complementary information was gathered in the 1985-1986 National Survey on Living Conditions (ENNVl), the characteristics of this survey do not allow certain data to be disaggregated to departmental or provincial levels. Such disaggregated information is required, however, in order to adequately design housing and basic service programs in the interior of the country.

Indicators showing how Peruvian families live are required, including: types of housing by geographic areas, crowding, housing deficits, ownership regimes, water and sewage services, electricity, and other utilities and services.

Information with respect to implementation indicators is even more limited, as is the case in many other sectors. Programs of water and sewage, electricity and other home utilities have quite limited coverage. Their effect on development in specific areas is unknown, as are the criteria according to which services are prioritized. Nor is it known how the resources destined to provide these services are managed. For example, a monthly fee is charged for increasing electrical coverage, but fee-payers have no idea how the fees are used.

Other sources have the potential to provide more information about construction and housing improvements. These include the credit institutions (for example, the Central Mortgage Bank, the Housing Bank, credit cooperatives) or private construction associations (for example, Peruvian Chamber of Construction, private builders, among others). However, the diversity and dispersion of these sources and the variety of criteria used in assigning loans make it difficult to systematize and unify the data. These limitations lead to an unequal distribution of resources, to the disadvantage of areas most in need.

Information on marginal urban areas is incomplete. Human settlements, which after several years are finally recognized as such, become part of official statistics and eventually receive credit and/or government services. However, no information is available on the living conditions in illegal settlements. Finally, very little is known about private efforts in this area despite the fact that many NGOs provide technical and financial assistance to peasant communities and marginal urban areas.

## **Employment**

Employment statistics are confined to Metropolitan Lima, and are based on information gathered by the Ministry of Labour's annual Employment Survey. Due to the economic crisis, this survey was not carried out in 1985 and 1986. At the national level, the only available information comes from a survey carried out between 1978 and 1979, as well as from the 1981 census. The Ministry of Labour also provides information on employment evolution in large enterprises (100 or more employees). The National Statistical Institute provides estimates on private and public employment.

Other attempts to quantify the labour force and national employment levels have been carried out by public institutions such as the National Institute of Public Administration, the Ministry of Economics and Finance, and the National Institute of Planning. Other public and private institutions also carry out various studies on employment.

The most widely available indicators in this area are: economically active population (EAP) by economic sectors, EAP by employment levels, EAP by private and public sectors, employment indices in Metropolitan Lima, work-hours lost, and strikes by economic activity and causes.

One of the problems faced in the analysis of employment derives from the segmentation of Peru's labour market. Though the informal sector is substantial, conceptual categories basically refer to the formal sector. In 1984, the Ministry of Labour attempted to quantify the informal sector in a survey of Metropolitan Lima. The Centre of Development and Participation Studies (CEDEP) applied the same survey in 1986, and the Ministry of Labour produced disaggregated data on the economically active population by formal and informal sectors in 1990. However, there are still conceptual and operative disagreements about how to characterize this complex sector, especially now, when a significant proportion of the labour force is involved in apparently informal activities.

While employment statistics are incomplete and largely limited to Lima, the economic situation during the last few years indicates that employment opportunities have deteriorated. In order to attenuate the effects of the crisis, several programs designed to generate temporary employment have been implemented. These include the Temporary Income Support Program (PAIT) and the Mass Employment Program (PROEM). There are some data on the results of these, especially PAIT, but no evaluation has yet been made of the employment and income levels of the participants.

Finally, the major problems found in employment related data deriving from various sources must be pointed out: incomplete historical series; a definition of underemployment based on the 1967 minimum wage, indexed from year to year, which distorts interpretation of the indicators; and the use of "projections", which are generally extrapolations of tendencies that do not necessarily reflect economic realities.

## **Environment**

Environmental analysis in Peru is limited to the following areas: pollution (categorized according to sources, that is ocean, lakes and rivers), air pollution, flora and fauna predation, noise pollution, desertification and soil deterioration and radioactivity).

The statistical treatment of environmental problems is difficult because of the numbers of institutions and organizations which are operating in a context which lacks an overall organic design. In effect, efforts to maintain environmental stability have been carried out within a complex framework which includes more than twenty agencies in six Ministries (including the General Health Directorate (DIGESA) and the National Service of Meteorology and Hydrology (SENAMHI)), as well as regional and municipal organizations. All form part of a National Commission which is currently working with the National Planning Institute to develop an environmental policy, while the National Office for the Evaluation of Natural Resources (ONERN) is the principal agency monitoring the state of the environment. This framework increases the possibility of duplicated efforts, as well as competition for scarce resources and conflicts among the many scattered agencies.

Currently, information in this sector is limited and its quality questionable. Information related to contamination comes only from infrequently conducted studies, and there is no systematic follow-up on existing information. In other cases, such as the management of some of the jungle's

natural resources, the available information consists of estimates based on outdated information (such as the last Agrarian Census, conducted in 1971-1972).

The Environmental Code, created in September 1990, is an important step although the government currently has very little enforcement capacity to ensure that the Code's guidelines are respected and its goals met.

## **CONCLUSIONS**

Because of the crisis, institutions dedicated to statistical collection face a lack of resources. As a result, information cannot be collected on a regular basis and specialized technical personnel are leaving. A clear example of these consequences are the difficulties which have emerged with respect to conducting the next census.

Under-registrations and delays in the gathering and diffusion of data are characteristic of present information systems. Information is practically nonexistent for areas suffering from social unrest because of guerrilla warfare or drug trafficking, and in which there is a lack of government control. What data is available generally derives from the 1981 census.

Little attention has been given to meeting the population's basic needs. Diverse information sources have emphasized economic data more than human development issues. Priority has been given to quantitative rather than qualitative aspects and there has been a tendency to avoid information that could enlighten the interpretation of quantitative statistics.

Data collection efforts have been centralized in metropolitan Lima, as for example, in the case of price indices and unemployment rates. Wide-ranging surveys have not been fully exploited. Much data is not processed, and much less used. Lastly, what analyses have been conducted have been largely academic in nature and their dissemination restricted to certain circles.

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# SOCIAL POLICIES IN COLOMBIAN DEVELOPMENT

Juan Luis Londoño<sup>1</sup>

## *FROM PESSIMISM TO OPTIMISM*

During the past thirty years, the role of social policy in Latin American development has been limited at best. In light of what analysts of Hegelian extraction saw as the "roots of inequity" and the "pauperizing nature of dependent capitalism", it was considered virtually impossible for society to improve its standard of living through policy actions. Little or no importance was given to mechanisms for social management and a pessimism was found with respect to social development. Propagated and popularized by noted Latin American academics and subsequently echoed in Colombia, this pessimism was not incompatible with the existence of institutions too weak to deal with problems in health, education, housing and sanitation. As a result, in Colombia, as in many parts of the world there was limited activity in the social sectors. Efforts were centered on specific acts of protection for certain population groups and simple welfare-type assistance designed to attack the more visible manifestations of social ills and distortions created by development.

Fortunately, this view is changing, thanks to recent assessments of poverty and human development. Many countries have made important progress through **ambitious, well-funded** social policies outfitted with **efficient instruments**. A number of conclusions can be drawn from these experiences. First, poverty and inequity can be offset through decided action on the part of the state: society is not doomed to live with these blights indefinitely. Second, given their close relationship, social policy must be regarded in light of macroeconomic issues and development programs. Third, social policy is more efficient when it creates conditions for the poorest segments of the population to earn an income on a permanent basis. Hence, the best approach is to generate conditions for new economic **opportunities** while simultaneously building the poor's **capacity** to take advantage of them.<sup>2</sup>

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<sup>2</sup>This diagnosis is reflected in four recent evaluations of the effects of policy on social well-being. See the World Bank (1990, 1991) and UNDP (1991a, 1991b).



The social policy outlined in the development plan adopted by Colombia's current administration is quite different from traditional notions about development to which our Latin American colleagues have accustomed us. Rather than limiting efforts to regular compensatory spending for specific actions by weak institutions, emphasis is placed on reinforcing the population's **capacity** to take advantage of greater **opportunities** provided through the plan's economic programs. In short, the advent of new opportunities and the building of human capital are fundamental to a more advanced and equitable form of national development in the future.

In this approach, social policy seeks to expand the coverage of education, health, housing and sanitation, and to provide fairer access to these services. Efforts in this respect constitute important progress towards building real **social infrastructure** that will allow the country to invest in its people, reduce inequities, prepare Colombians to internationalize their economy, and consolidate peace.

## ***SOCIAL POLICY DESIGN***

In terms of policy design, the fundamental questions are simple: **what** to do and for **whom**, **who** should do it and **how**, and for **how much**. The prime objective is to expand the **coverage** of education, health, housing and sanitation. Strengthening all areas of social policy necessitates a priority on **basic tasks** that have a major impact on the population; namely, basic education, primary health care, child nutrition, low-income housing and access to drinking water.

Expanding the coverage of basic social services implies reaching the **poorest population groups**. This requires not just a quantitative build-up in the capacity of existing institutions, but an effort to **target** these services on the neediest 25% of the population.

New **institutional channels** must be established if the poorest population, whom the state has been unable to serve in recent decades, is to gain access to basic social services. This can be done by creating space for organizations closest to the community, such as territorial entities that have been strengthened through **decentralization**, and/or by making state action more efficient through **competition** from non-government agencies in the direct supply of basic services.

New **instruments** for action must be developed if new institutional channels to provide the poorest groups with basic services are to operate successfully. Colombian history offers ample proof of the fact that indiscriminate spending on the bureaucratic apparatus is unlikely to benefit the lowest income groups. This is why **direct demand subsidies** for housing, secondary education, health care and even nutrition are proposed as a way of improving efficiency and targeting. **Community participation** is also required to facilitate massive access to new programs and to control the quality of basic services.

## **THE PROGRAMS AND THEIR PHYSICAL GOALS**

The plan's goals for social infrastructure consist of attention to basic services in the areas of education, health and nutrition, plus an incentive to accumulating assets in the form of housing and systems for water and sewage.

### **Educational Reforms**

#### **Diagnosis**

Colombian educational problems have changed radically in recent years. Following important progress in universalizing urban primary schooling during the 1960s and 1970s, the country now faces major difficulties with respect to: primary school access in rural areas and the completion of basis education in cities, particularly with respect to secondary school access and completion rates. On par with these **quantitative deficiencies** can be found **problems with quality** at every level, including higher education. For the most part, these shortcomings are linked to the way the system has **developed institutionally** in recent years.

In the area of **primary education**, the problem is becoming less a question of initial access than one of retention, efficiency and quality. Today, more than 90% of all Colombian children enter the first grade. Those who do not are primarily from rural areas and the poor neighbourhoods of large cities. Yet, 40% of children attending school fail to complete primary education and a third of all enrollees are older than expected. This is mainly due to excessive repetition. Problems with primary education quality arise from inadequate curricula, not enough effective class time for students, a lack of educational materials, the absence of preschool preparation and shortcomings in the calibre of teaching and teacher training.

The main problems with **secondary education** involve low coverage (just 46% net), the system's limited capacity to retain students, dispersion of the curriculum and variations in teaching quality from one region to another. Secondary schooling is clearly decisive to the future of education in Colombia. In the field of **higher education**, major difficulties concern academic quality, the failure to arrive at a precise definition of technical education, the institutional atomization of the system, and inequities in the distribution of state subsidies.

One of the greatest obstacles to progress is the way the system is **organized from an institutional, labour and financial standpoint**. Educational services supplied directly by the public sector are revealing testimony of the state's inability to confront new tasks unless non-governmental agencies are given an opportunity to assume a more active role in institutional and financial terms. The centralized manner in which public education is organized makes it increasingly difficult to satisfy the requirements of different regions and population groups. For example there has been no specialization based on comparative advantages at differing government levels nor is there a capacity for effective planning and coordination.

#### **Policies**

The National Development Plan contains ambitious goals for **coverage, quality and institutional improvement** in the field of education. This implies a build-up in the supply of school services provided by territorial and non-governmental agencies, as well as in the demand for these

services on the part of the population. Two-thirds of the nation's children now enjoy the benefits of primary education and the goal is to increase overall **coverage** to 80% by 1995 and to 86% by the end of the century. Accordingly, the current administration will have to increase coverage to 95% for the initial grade ("year zero"), provide the entire population with access to primary education and expand the coverage of secondary education to 70%. In overall terms, this means enrolling nearly one million more Colombian children in the school system by 1995 and slightly more than one million in the latter half of the 1990s.

Strategies to improve the **quality** of education contemplate: implementation of the "year zero" concept in all public schools; creation of a national system to evaluate educational quality through annual student exams; improvements in teacher training; curriculum revision; the distribution of educational material to students and support to teachers; incentives to research at all levels; and concentrating the efforts of the Colombian Institute for the Development of Higher Education (ICFES) on gathering and managing information about the quality of college education.

At the **institutional** level, the aim is to combine more efficient and equitable public education with teaching services supplied, in part, by non-governmental agencies. To accomplish the first goal, the responsibility and resources for education must be decentralized. This will require strengthening resource allocations according to the number of children educated in each municipality. The second goal implies creating financial conditions that allow families to select schools on the basis of quality. With this in mind, credit has been extended to the private sector for building educational infrastructure and the capacity of students to pay enrolment fees has been improved through scholarships.

The tendency to regulate private education will be reversed gradually through efforts to relax administrative control over enrolment and conditions for enrolment. Competence will be encouraged by providing information on the quality of education offered at both the secondary and university levels.

Finally, if **financing for public education is to become more equitable and efficient**, mechanisms must be devised to ensure the following:

- a) Public funds for education and subsidies for the poorest students must be targeted on geographic zones where primary-education needs are the greatest as well as on scientific development programs at universities.
- b) Resources must be channelled to the neediest regions, where efficiency in accomplishing educational goals should be monitored.
- c) Competition between public and private institutions is needed to guarantee more and better quality education.
- d) Families require timely and efficient access to educational loans for higher education, as do public and private institutions in order to expand coverage.

## Health and Nutrition

### Diagnosis

In the past, there has been a close relationship between the health of a population and the characteristics and utility of its institutions. The relative degree of underdevelopment observed in Colombia during the early part of the 20th century - evidenced by all sorts of economic and social indicators - is no secret and was reflected in the health of the population. In fact, problems with the health of the Colombian population at the beginning of the century were rather dramatic. Life expectancy was below then current rates in every country of the world and child mortality outpaced today's rate in the poorest countries. This may explain the tremendous bias towards curative and specialized care found within the health system and the failure of its institutions and mechanisms to focus on the poorest segments of the population. Since health problems were so extensive and generalized, and state-of-the-art medical technology offered no other alternative, curative and specialized care may have been the only option.

Yet surprisingly, the health of the Colombian population has improved dramatically over the last 50 years. Life expectancy at birth has more than doubled and child mortality declined to a fifth of what it was. This has changed the nature of health issues considerably. Because the problems are far less generalized, basic health care can now be directed to the poorest social groups and regions of the country where indicators still denote major problems (for example, child mortality rates in the Choco region are extremely high and the rate of malnutrition among children in the marginal neighbourhoods of large cities remains scandalous). Medical technology has evolved to the point where the problems of these groups can be treated with simpler and less-expensive techniques.

Mortality and morbidity caused by malnutrition and infectious or transmissible diseases, such as measles and malaria, are still frequent among the low-income population and in relatively lesser developed communities. Eighty percent of these illnesses can be resolved through promotional and preventive action coupled with basic care provided directly or at ambulatory centers near the home. But the coverage of these services is limited and deficient. Nearly 26% of the population lack access to health care of any type. Low coverage and duplicity are manifest in resource allocation which is also inefficient and inequitable.

Mismanagement in the way human, physical and financial resources are deployed have become more evident. Moreover they are no longer hidden by the magnitude of the problems or the relative ease with which results can be obtained. Health resources are still concentrated on curative care for small segments of the population (at the upper levels), which increases costs and limits possibilities for broader coverage.

Much remains to be done to improve the health of the Colombian population. However, this depends not so much on the overall availability of physical infrastructure or specialized medical personnel -areas where the country has made important progress- but on the possibility of reorganizing its institutions to attend to the neediest members of society in a more efficient and equitable way.

## Policies

The Development Plan includes programs to remedy the major shortcomings of the health system by investing in critical areas, with an emphasis on low-income groups. Three new tactics are suggested in this respect: 1) put public-service institutions in contact with the population; 2) require public institutions to compete with the private sector in supplying health care; and 3) promote new forms of action attuned to the problems and capacities of communities.

As in the case of education, efforts to supply competent service can be aided substantially by institutional reforms that stress efficiency and quality. Accordingly, the **decentralization** process sparked by Law 10 of 1990 will be encouraged; the management and administration of health institutions will be improved; their infrastructure and equipment will be put to optimum use; and a model for prepaid medical care will be designed and implemented to subsidize demand among the low-income population.

Decentralization implies establishing regional and local health bureaus as autonomous agencies linked to departmental and municipal governments. It will be their job to plan, coordinate and supervise the supply of service within their jurisdiction. Each of these agencies will manage a health fund and contract services from public and private institutions alike. These mechanisms will generate efficiency and competition. Units providing services will be constituted as decentralized public institutions, private or mixed public-private entities at departmental or municipal levels. They will be legally independent, have their own assets and enjoy administrative autonomy.

Parallel to decentralizing responsibilities for budgetary execution, a more direct system of health care will be implemented in light of demand. However, emphasis will be gradually shifted from curative to primary care and from primary to preventive care.

A crucial aspect of the plan is to improve the response capacity of health services at local levels by developing the **National Plan for Primary Care**. The new model is based on care provided by outside teams who can be contracted by local health funds and eventually the community. This program will be reinforced through the mass media to promote changes in individual behaviour and collective lifestyles; through essential medicines of better quality and availability; and through an efficient supply of basic input via the Community Pharmacy Program and a build-up in emergency hospital care.

A more decentralized form of service focusing on primary and preventive care necessitates the design of new instruments that respond to the needs of the poorest Colombians. Costly operating subsidies for health institutions will be replaced gradually by direct subsidies to the poorest segments of the population. The plan calls for the design and application of a system of prepaid medical care which, given reasonable cost estimates, could cover over 80% of the poor population by the end of the current administration.

Concentrating state efforts on fighting malnutrition problems that still exist in the poorest sectors is another priority. As with all social indicators, progress during recent decades has been considerable. Malnutrition, regardless of its form, is less than half of what it was in the mid-1970s. Even so, one in six children has troubling symptoms. To combat this situation, supplementary food programs will be expanded for the poor where the social yield from this investment is greatest: pregnant women, nursing mothers and children under age seven. Special nutrition programs will be developed for mothers and children under two years of age, the coverage of Child-Care Homes

for poor youngsters from two to six years of age will be expanded, and school cafeterias will receive assistance to improve the educational performance of children ages seven to fourteen.

## Housing

### Diagnosis

An unusually rapid process of urbanization in the 1950s and 1960s, averaging at least twice the rate reported by other developing countries for the same period, put the urban housing deficit well above 50% by the start of the 1970s. During the last two decades, this overwhelming deficit has declined by more than 40% thanks to access to housing for the urban middle-class and basic housing in rural areas. The low-income housing policy is targeted to the poorest 25% of the urban population who still lack adequate housing and to rural dwellers who are without water and sewage systems.

The major policy instruments employed during the last few decades involved increasing family credit capacity (through subsidized interest rates, lower down payments and broader terms) and systems to build homes through state agencies. These proved to be extremely useful for resolving middle-class housing problems, but were costly at the low-income level and failed to benefit the target population.

### Policies

The **Low-Income Housing Plan** proposes new instruments and institutions to create conditions that will provide the poorest sectors with access to housing. These include a direct demand subsidy and participation of the private sector and the community in construction. A direct subsidy of this type encourages the private sector to provide a supply of housing by complementing family savings (expressed as larger down payments). It also makes loans from financial intermediaries less risky by reducing the debt-collateral ratio.

This instrument plays a different role in each of the three groups to which the policy is targeted. It is a more adequate and efficient way to stimulate a private supply of housing and credit for Colombians whose earnings range from two to four times the minimum monthly wage. Urban dwellers who are even poorer (those who earn less than twice the minimum monthly wage) require complementary self-help processes and/or additional subsidies from municipal governments to obtain building sites equipped with public utilities, plus a basic unit constructed with manual labour contributed through a system for progressive development. In rural zones, the subsidy is designed to improve housing that already exists and to complement efforts undertaken by other state institutions to provide water and sewage systems.

This new policy demands new institutions. Functions formerly performed by the Territorial Credit Institute (ITC), namely the extension and recovery of home loans and direct contracting for home construction, have been replaced by direct subsidies and support to communities and municipalities in the preparation of building plans. These new mechanisms are the responsibility of the National Institute for Low-Income Housing and Urban Reform (INURBE). Besides being more relevant and feasible, the new institutions will enlarge the impact of social spending through at least an 80% reduction in previous operating costs.

The new mechanisms imply an increase in the number of homes for the poorest segment of the population. During the current administration, new policies will make it possible to construct, improve, title, enlarge and provide sewage systems for 539,000 homes: 443,000 in urban centers and nearly 100,000 in rural zones. Over the course of the next four years, 315,000 subsidies will be granted and more than half of these will go to the poorest members of the rural and urban population. Compared to the previous scheme, this represents a tremendous increase in action. For example, in the 1980s, not more than 25,000 households benefitted each year from ITC efforts backed by budgetary contributions and yields from obligatory investments.

## **Sanitation**

### **Diagnosis**

Since the 1960s, Colombia, like other developing countries, has invested slightly under 0.5% of its **GDP** annually in water and sewage systems. However, coverage (66% for water and 51% for sewage systems) is still low compared to international patterns. These would suggest at least 73% coverage in a country with Colombia's characteristics. The lag is particularly evident in the enormous disparities which are found between regions and is most damaging in rural zones and relatively lesser developed cities.

With the exception of several hydrographic basins, Colombia has enough water to satisfy the needs of its population. However, technical and financial difficulties, coupled with poor management on the part of those responsible for making this resource available to domestic users, have led to major problems with coverage. These failings are more a question of institutional weakness than overall investment. The centralism prevailing throughout most of this century, as exemplified by the Institute for Municipal Promotion (INSFOPAL) and its agencies, collapsed during the 1980s. Unfortunately there was no management capacity at local levels to assume new responsibilities. This ushered in a period of institutional instability.

### **Policies**

The Development Plan seeks to equip the sanitation sector with resources, mechanisms and institutions to eliminate bottlenecks and generalize access to drinking water, within the context of decentralization. Accordingly, the following objectives are proposed:

- a) The sector's institutions must be restructured in accordance with the decentralization process, while acknowledging the multisectoral nature of the problems. As to organization, a Superintendency of Public Utilities will be created, the statute on utility companies will be amended, and the scope of territorial agencies will be clearly defined. Efforts at the national level will concentrate on planning, regulation and technical assistance. Departments will support and assist municipalities. At the municipal level, city structures will be rationalized and private enterprise will have an opportunity to supply all or part of these services.
- b) The goal is to increase water coverage from 66% to 76% and sewage systems from 51% to 57%. This necessitates providing water to nearly six million inhabitants and sewage facilities to four million, which would coincide with international coverage patterns. To do so, water coverage in the four major cities must be expanded from 94% to 96% and that of sewage systems from 87% to 93%. In intermediate cities (over 100,000 inhabitants), water coverage would have to increase from 80% to 87% and from 74% to 75% in the case of sewage systems. For the rest

of the urban area, water coverage would have to increase from 82% to 91% and the coverage of sewage systems from 51% to 55%. In the rural zone, the goal is to increase water coverage from 24% to 40% and sewage service from 8% to 16%.

- c) Another objective is to make all water supplied to the community via aqueducts apt for human consumption, as opposed to the current 50%.
- d) A Strategic Sanitation Plan will be designed for sewage systems in major cities.

A series of programs have been devised with these objectives in mind, including: Support Programs for institutional development; technical assistance, training, human-resource development and pre-investment; Special Basic Rural Sanitation Programs aimed at ensuring water quality and a quality environment; the prevention, control and eradication of cholera; and a Financial Support Program representing 930 million dollars in resources.

## Summary of Physical Goals

The following tables summarize the physical goals proposed to achieve a Peaceful Revolution within the next four years.

**Table No. 1**

### **PHYSICAL GOALS OF THE EDUCATIONAL REFORM PROGRAM (1992 - 1995)**

Programs	1992-95	1992	1993	1994	1995
Thousands of "zero-year" openings	600	251	122	119	108
Thousand of primary openings	630	111	110	165	244
Thousands of secondary openings	311	111	40	45	116
Students for postgraduate and teaching degrees	1,325	353	327	315	330



**Table No. 2**  
**PHYSICAL AND COVERAGE GOALS OF THE HEALTH PROGRAM**  
**(1991 - 1995)**

Programs	1992	1993	1994	1995
<b>HEALTH</b>				
Equipment for family and community health	1,200	600	600	150
Training health agents	20,280	10,140	10,140	10,140
Community health and environmental units	1,200	600	600	600
Hospitals completed	1	5	4	
Workshops-Hospital Maintenance	14	21	-	
Community Pharmacies	1,572	1,095	138	-
Microscopes to Diagnose Malaria	374	353		
<b>NUTRITION (*)</b>				
Child-care homes (children)	1,100,000	1,100,000	1,100,000	
CAIPs (children served)	277,000	277,000	277,000	-
School cafeterias (children served)	1,554,000	1,554,000	1,544,000	-
Mothers and children under age 2	395,000	526,000	526,000	-
Manufacturing of "Bienestarina" (tons)	33,000	40,000	50,000	-

\* Programs served by the Colombian Institute for Family Well-being

**Table No. 3**  
**COVERAGE OF THE DRINKING WATER AND SEWAGE PROGRAM**  
**(1992-1995)**

Programs	1992/95	1992	1993	1994
Water coverage/population	76.0%	71.1%	73.7%	76.0%
Sewage coverage/population	57.1%	54.1%	55.7%	57.1%

**Table No. 4**

**PHYSICAL GOALS OF THE LOW-INCOME HOUSING Program  
(1992-1995)**

Programs	1992/95	1992	1993	1994	1995
Housing solutions	539,667	130,847	136,990	148,715	122,705
Urban housing (incl. improvements)	443,648	106,851	113,653	123,163	99,982
Rural housing	96,017	21,299	23,337	25,552	22,723

## ***THE FISCAL COST OF THE NATION'S SOCIAL POLICY***

A build-up in investments with a major impact on social welfare is the first priority, and allocation of state resources will clearly reflect this decision. In an initial effort to formulate a multi-year investment plan, Chapter V of the Development Plan outlines the fiscal effort implied by these policies. The importance placed on social infrastructure is evident in the growing percentage of the national budget assigned to this item during 1991-1994. Funds allocated for education will increased from 3.8% to 7% of the budget, health from 4.9% to 8%, housing from 2% to 4% and sanitation from 0.5% to 3.5%. As a result, investment in social infrastructure will expand from 10% of the budget in 1991 to 24% in 1995. Moreover, since budgetary allocations will not be inflated, the percentage of effective spending on investment in social infrastructure will probably increase even more.

## ***SOCIAL AND ECONOMIC IMPACTS***

### **Effect on economic growth**

Greater income can increase well-being which, in turn, can spur economic growth. When positive, economic growth is probably associated with greater well-being. This is particularly so if intensive use is made of the poor population's most abundant resource: manpower, or when accompanied by investments that empower their productivity, such as education and appropriate adjustments with respect to land. Poverty is unlikely to decline if economic growth is slow or nil. However, in the past or at least until the 1970s, the country experienced periods of growth when these conditions were not fulfilled. The results were extreme inequity and a lack of social progress. But there have also been periods of growth that have complied with these conditions and in which inequity has been reduced and social progress made. The Development Plan will benefit the population by accelerating economic growth, making greater use of manpower and enhancing it through complementary investments.

An increase in the well-being of the population can empower economic growth if associated with a build-up in productive capacity. An accumulation of human capital depends on health and nutrition, but mainly on more and better education. Postwar experience worldwide has shown human capital to be an irreplaceable source of economic growth by contributing to labour productivity and creating externalities which increase and improve productivity (for example, the rapid spread of technology and know-how among a better-educated population). According to an impact simulation, it will be some time before investments in human capital are reflected in greater earnings. Although their contribution to growth will be marginal during this administration, it could raise economic growth potential in the second half of the 1990s by more than half a point, when the student population joins the labour market.

## **Impact on poverty**

An empirical reconstruction of income trends among the Colombian population during the last 50 years shows that poverty is not an immutable structural characteristic of our economic and social development, as proclaimed by so many theories in Latin America. The incidence of poverty has changed rapidly, thanks to changes in what social groups earn and their access to basic services and infrastructure. Historical information indicates that poverty due to income declined steadily between the 1930s-when this phenomenon affected over three-fourths of the population- and the end of the 1980s -when one fourth of the poor were "income poor". Poverty due to lack of housing, drinking water, sewage systems and education had barely begun to decline at the start of the 1970s (when three-fourths of the population were subject to poverty of this type) but has reduced more rapidly than income poverty since then.

The impact of the Development Plan on poverty attributed to unfulfilled basic needs or insufficient income can be quantified. The plan introduces a careful method to quantify the impact of basic investments in education, housing and sanitation on groups who lack these services and assets (considered as Unsatisfied Basic Needs). Although a large part of this effort will compensate for demographic growth, the overall impact on poverty will be important. Poverty will be reduced by 24.5% during four years to no more than 27.3% of the country's population in 1994. As a result, the poor population will decline from almost 13 million in 1990 to under 10 million in 1994, a one digit figure for the first time in decades.

The plan's effect on poverty as measured by insufficient income can also be estimated. In this case, impact depends on induced growth in per capita income and its distribution among the population. In the most likely scenario, real per capita income in Colombia will increase by at least 10% during the current administration. Given past tendencies and the progressive nature of the plan's policies, the most conservative hypothesis would assume distribution to remain stable. Under such conditions, poverty due to insufficient income would decline by at least a fifth to slightly more than 20% in 1995.

It is felt that the housing program will have the greatest impact, followed by the program for basic services. However, considering the cost implied in extracting a person from poverty, the best return on social investment will probably come from the education programs. Since the housing and basic service programs favour the urban population, the reduction in poverty will be greater among city dwellers.

Results indicate the plan can have an important quantitative effect on poverty by reversing the slowdown in social progress observed during the 1980s. This impact will be greater on poverty

attributed to basic needs than poverty measured by income, provided efforts to target investments and basic services on the neediest population bear fruit. In any case, the outcome of the **Peaceful Revolution** in terms of reducing poverty will be tremendous.

As a whole, the social infrastructure programs which imply an important fiscal cost, will do much to reduce poverty and meet the basic needs of the population. Besides limiting inequities, this investment will accelerate economic growth considerably in the intermediate future.

## **IN SUMMARY**

The Hegelian legacy of pessimistic historicism has exercised an enormous and prolonged influence on the way social scientists in Latin America and Colombia have interpreted history and the possibilities for social development. This view is not unrelated to the limited amount of attention afforded to our weak social sector institutions, or the resources wasted through the use of instruments proven to be inefficient in serving the poorest segments of the population. The **Peaceful Revolution** adopts a different view. By recognizing the power of social management to build human capital for growth, equity and social peace, it has designed the construction of social infrastructure that is ambitious, strong, open and modern. In one philosopher's words: "The misery of historicism is the misery of a lack of imagination... We simply cannot accept that history has its own meaning. We can and must influence the meaning of history and its possibilities...The future is much more open than these people think. Something can be done about the future...On this basis, it seems particularly important to clarify that we must not be pessimistic. What we can do, we must..."<sup>3</sup>

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# ACCESS, QUALITY AND EQUITY IN EDUCATION

**Miguel Urrutia M.<sup>1</sup>**

## **INTRODUCTION**

In social policy, "...it is not enough to propose goals; the path towards them must also be indicated, as must the manner in which the results can be measured" (Torres, 1991). This study will address three issues in educational quality. In the first section, the criteria and research needed to establish goals will be discussed. The second will review obstacles to the achievement of these goals. The last section will consider the process of evaluating and measuring results.

## **GOALS**

Colombian education goals are relatively clear. In order to be an economically competitive society at the international level, Colombia must achieve the following four quantitative goals before the year 2020.<sup>2</sup>

- A high degree of preschool coverage - 100% in initial grade (Year 0);
- 100% coverage for primary education and four years of secondary education;
- 95% of the population with complete secondary education.
- 20-30% coverage for basic higher education.

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<sup>2</sup> The international data and all what they imply are discussed in M. Urrutia and J. P. Trujillo (1991).

These goals are derived from an analysis of the minimum educational levels reached by nations which have achieved high rates of economic development and an increase in total productivity.

An important research topic to be considered concerns the definition of further education goals. It would be interesting to establish, based on comparative international analyses, clear goals in the following areas:

- Levels of coverage in higher technical education (short-term studies vs. long-term studies);
- Goals for graduate degree coverage;
- Goals for retraining the unemployed and the characteristics of this type of training;
- Goals for the training of youths who do not complete secondary education, and the characteristics of such programs;

The definition of these goals will require a great deal of research. For example, the design of training programs for youths who do not complete their secondary education must be based on research on the causes of desertion. Only then can effective retraining plans be proposed. These should also be linked to information programs in order to make placements in the private sector possible.

With respect to higher technical education, detailed studies on demand and comparative research on the profitability of this type of education and that of complete, higher academic education need be conducted. Research is required on demands and profitability in order to determine the degree of subsidy required to create and provide graduate programs. Moreover, the costs and benefits of domestic and foreign graduate programs must be compared. This research would have to include estimates of the positive externalities of national graduate programs (effects on technological change in industry due to research conducted at local universities, etc.).

In many of these areas, preliminary research efforts with emphasis on cases of international success will be necessary in order to design alternative strategies. Once the alternatives are defined, small pilot level experiments should be conducted in order to test the effectiveness of the strategies. Once the pilot experiences have been successfully evaluated, the programs could be generalized.

## **EDUCATIONAL QUALITY GOALS**

In addition to quantitative goals, educational quality goals must also be established. Little research has been carried out on educational quality in Colombia. In Fedesarrollo, some achievement studies have been undertaken with respect to examinations conducted by the Colombian Institute for the Promotion of Higher Education (ICFES). The preliminary results suggest that during the last decade there have been no serious changes in secondary education quality. However, it has not been established whether that quality is high or low.

Some additional analyses should be made of the proportion of students correctly answering certain ICFES examination questions. For example, a panel of employers could identify the type of questions that an average employee should be able to answer, and the proportion of high school graduates who have mastered these areas could be identified.

However, a study comparing Colombian students and those in other countries could also be proposed. Comparative studies have been conducted across some countries on achievements in certain examinations. It is very important to apply these examinations in Colombia, in order to compare the quality of our education with that of developed nations (These examinations have been carried out in South Korea, Thailand, Japan, the United States, England, Canada, Germany, etc.). One way of measuring quality is to compare ourselves with other educational systems. In order to guarantee quality in different schools and to create incentives for improvement, examinations at different levels within our school system would have to be developed. This topic will be discussed in greater detail in the section on evaluation.

Another area in which research is required concerns the analysis of factors related to educational quality. Studies to identify variables which best explain academic achievement and minimize anti-social behaviour in youths must be designed, and should include such questions as:

- What effect does the number of school hours or study have on achievement in examinations? If the relationship is clearly positive, as seems to be the case in some countries, the effectiveness of double and triple shifts must be reconsidered. It is also possible that the number of school hours is negatively related to indices of anti-social activities. In this case, a larger investment in education in order to offer full school days would be justified.
- What is the relationship between academic achievement and the existence of texts and materials? If the relationship is positive and high, as seems to be the case in other nations, it will be necessary to give higher priority to this type of spending. What is the relationship between educational costs and quality? What type of spending leads to greater improvements in examinations? In other countries, there seems to be no clear relationship between the costs per student and achievement on national examinations.
- What teaching characteristics are related to academic achievement? In some studies in other countries, there is no positive relation between teaching experience or teacher training and educational quality. If this is the case, salary policies need not reward experience, nor must employment policies give preference to education graduates. It seems that the best teachers are those who have the most knowledge of the subjects they teach. For example, the best teachers of physics would be those who studied physics, not those who studied in normal schools or have degrees in education.

Research on educational quality is a priority. Some studies carried out by Fedesarrollo have identified important regional differences in educational quality, as measured by the ICFES examinations. This could create serious employment and economic efficiency problems in these regions in the future. Data from Antioquia also suggest a widening gap in educational quality. ICFES examinations have worsened in poor schools and improved in the best ones, almost all of which are private. If the quality of public schools does not improve, education may become a source of future social inequality. This would be of serious consequence, since in recent decades increased educational coverage has been one of the principal determinants of improvements in income distribution in Colombia.



Finally, the impact of school nutrition and preschool education programs on later academic achievement and retention must be explored in order to define goals in these areas.

## ***HOW TO ACHIEVE EDUCATIONAL GOALS***

As soon as educational goals are established, the means by which they are to be achieved must be designed in detail. This process also requires an ambitious research program.

The problem of primary school coverage has not yet been solved in Colombia due to low retention rates. Factors determining desertion must be investigated. Once some of these factors have been identified, pilot projects seeking to overcome these problems could be designed. Only when the pilot remedial projects have shown a positive cost-benefit relation, should institutional and procedural innovations be extended on a regional or national level.

Also required are analyses of the relative efficiency of private and public management systems, and between different degrees of administrative autonomy. If private schools are more efficient, then access to these schools should be guaranteed by the state and indirectly provided by scholarship systems. Different systems of scholarship distribution which assure efficiency and equity should be studied and tested (For example, scholarships could not be awarded on the basis of academic achievement, since this would discriminate against the poor). The efficiency and quality of differing public administrative structures and degrees of autonomy should also be studied. In order to validate the resulting hypotheses, pilot programs for institutional change could also be designed,

Since fiscal resources are scarce, it is clear that state systems are required which will provide the poor with access to high-quality education. Since education is economically profitable for the individual, it may be assumed that those who are able to pay may obtain a private education. Thus, the challenge to public policy is to design administratively and politically viable systems which make it possible to direct public funds to providing the poor access to high-quality education. It is not clear that the public system is the most efficient: we do not have to copy European or North American programs. Even if public schools prove to be the best cost-benefit response, the type of institutional plan and degree of local or school autonomy producing greater incentives to efficiency would have to be defined.

At any rate, the state must provide information to parents and students on the quality of educational establishments. This should lead to the institutionalization of state examinations and the publication of their results. It is important to facilitate informed public decisions in an environment in which private schools are becoming increasingly important educational actors. In the case of public school systems, examination results could serve as management tool for determining administrative quality.

All these system implementation and design problems also exist in educational sectors beyond formal primary and secondary education. Should specific vocational training programs be carried out in educational institutions or within enterprises? The success of these programs, and of retraining programs for the unemployed, depend on whether private enterprises absorb those being trained. Research is required to determine the degree of participation private firms should have in

program design, and whether it is possible to create incentives so that retraining might be conducted within firms or with their assistance.

At the university level, what credit and repayment systems are viable, given existing salary levels and wage structures? There are partial credit payment proposals for certain professions considered socially important (public employees, teachers and other low-paying activities). Another alternative would be equal pay, which, for recruitment purposes, would force the state to improve the salaries of teachers or public employees. The political viability of diverse alternatives should be studied.

In this section, it has been made clear that the efficiency and equality of the educational system will depend to a great extent on the institutional arrangements society will define for providing education. This area requires research which uses the instruments of various disciplines. Managerial and economic perspectives will be necessary, as will those linked to the new political economy which emphasize the relationship between institutional arrangements, interest groups, and the results that can be expected from interrelations between political actions, diverse interests and institutional arrangements.

## **EVALUATION**

Much of the research proposed in this section seeks to evaluate diverse institutional arrangements, investments in different aspects of education, and different means of guaranteeing access, quality and equity in the educational system. Emphasized is the information required to establish a permanent evaluation process and the possible evaluation mechanisms needed to guarantee efficiency, quality and equity.

The importance of evaluation can be illustrated by referring to diversified secondary education. In Colombia and many other countries, educational policy-makers have believed that the majority of youths should receive technical education beginning in secondary school in order prepare them for early entrance in the labour force with the training required by private enterprise. This belief resulted in Colombia's National Institute of Diversified Medium Education (INEM) program, which was partly financed by the World Bank. Fortunately, the World Bank's contracts included investment evaluations.

These evaluations revealed that the benefits of diversified education were not greater than those obtained through the traditional high school program. However, the costs of diversified education were indeed greater. Thus, the higher costs of the INEM system were not justified if its students were not able to obtain employment or improve their future incomes more easily than students in the traditional system. In this case, evaluation led to no further expansion of an educational program which initially seemed very attractive.

The opposite case is reflected by a recent evaluation of the New School program. In this case, it was demonstrated (Rojas, 1991) that a less costly system produced equal or better examination results than did the traditional system. This evaluation led to support for a cheaper system which nonetheless was equal in quality to the traditional system. Without evaluation, it would likely have been difficult to justify expanding the system to an important proportion of Colombia's rural areas.

Unfortunately, such evaluations are exceptions to the rule in Colombia. Most programs are not evaluated and therefore somewhat inefficient educational programs are maintained. For example, the Ministry of Education, with UNESCO and the German Mission, have contributed great efforts towards the development of textbooks. However, it has not been established to what degree this program has resulted in new texts, whether they were massively distributed, or whether academic achievement improved in the schools using the material. In a study on educational evaluation, Rodrigo Losada (1989) found only ten strictly evaluative research projects, most of them on the INEM and New School programs. Losada concluded that with respect to the immense majority of educational programs carried out by the national government, there is no way of knowing whether or not these programs are achieving their proposed objectives.

In summary, a systematic effort must be made to evaluate the efficiency and effectiveness of the country's educational programs, in order to assure the greatest productivity possible from every cent of public resources invested. Currently, the government, at all levels, invests nearly 14% of total public spending in education (Fernández M.C. and Urrutia M., 1991). However, acceptable coverage has not been achieved at any level of education. Given the existing obstacles to a substantial tax increase in Colombia, it is obvious that increased coverage and quality will only be achieved if significant efficiencies occur in current educational spending. This makes the institutionalization of permanent reviews of efficiency and effectiveness in public education spending necessary.

## **INFORMATION NEEDS**

For all the research and evaluation activities proposed above, tracer studies of employment and income are required for different types of students.

Although it would seem logical to design a data base for each type of study or evaluation, it is also possible to consider a survey which would make it possible to evaluate various types of education within a single data base. For example, it is feasible to consider the conduct of a comparative study of the outcomes of higher vocational and professional education, which at the same time would be of use in the design of graduate programs. To do so would require a study of business employees with backgrounds in both types of education. It would be most efficient to choose a sample of employees from manufacturing and financial entities, public organizations, hospitals and consultants. A study could then be made of the incomes and professional history of different types of personnel with higher education, in order to estimate the profitability of different types of education. The identification of differing levels of profitability could provide information on which sectors suffer from insufficient supplies or excess demands.

With respect to quality, it would be interesting to apply an internationally comparable examination to children of different ages and in diverse types of schools. This information, which should include basic data on the families and schools of participating children, could identify the most important variables for academic achievement in Colombia. Another study of quality could investigate the relation between educational costs, school characteristics (personnel policies, use of materials, hours of study, organizational characteristics, including information on whether they are public or private and what degrees of autonomy) and the results of the ICFES examinations and the examinations discussed in the previous sections. Finally, the characteristics of drop-outs should

be examined at all levels of the education system. A data base, based on the results of surveys could be established to facilitate this endeavour.

Research ideas and data useful for high-priority evaluations have been suggested throughout this study. In each case, an international bibliography should be consulted to locate methodologies which have been successfully used in other countries. However, this does not imply that they should be mirrored in Colombia: in all cases, methods should be adapted to local needs.

## **HUMAN AND FINANCIAL RESOURCES FOR RESEARCH AND EVALUATION**

Undoubtedly, Colombia has the human resources necessary to carry out the research, evaluation and pilot projects suggested here, if financing existed. The problem is to encourage the government to finance such studies. There might be some sort of low-cost international financing available for this research, if it were proposed as a prerequisite for social investment projects financed by multilateral entities. Perhaps FONADE (the National Development Fund) might be able to obtain resources from entities such as the Japanese Fund in the Inter American Development Bank. Foreign foundations could also play a strategic role if a demand for this type of research were created by financing a few projects that demonstrated the importance of systematically evaluating social spending.

## **CONCLUSION**

The studies that Fedesarrollo is presently conducting for the UNDP suggest that if spending efficiency does not greatly increase, the nation will have to greatly increase public spending in order to reach acceptable levels of educational coverage and quality. Given the difficulty of significantly increasing taxes, the country's human development clearly depends on the efficiency and effectiveness of public education spending. This can only be achieved if the nation institutionalizes evaluations of differing education and training systems.

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# SOCIAL SECURITY AND HEALTH SERVICES IN COLOMBIA

***Humberto Rojas Ruíz<sup>1</sup>***

## ***INTRODUCTION***

The purpose of this study is to contribute to discussions of problems related to the current formulation of social policies in general and of health policies in particular.

## ***HEALTH AND NUTRITION***

The health of a population is the result of development processes and serves as an indicator of the standard of living reached by a society. A population's health also determines a nation's economic development and levels of well-being. The healthier a population, the greater its productive capacity will be; in fact, the direct relation between health, production and productivity is part of the concept of "human capital".

There are two ways of conceiving health. The limited concept, according to which health is the "absence of disease" and the more global concept, which further considers the state of health required for individuals to develop their potential as members of society. Both have economic implications related to the "human capital" concept. Moreover, in both the concept of health is closely related to that of nutrition since global or chronic malnutrition not only causes disease and sometimes death but also severely limits the development of human capital.

In Colombia, as in the majority of low and middle income developing countries, protein-caloric malnutrition is the major cause of the high infant mortality rates still associated with low socio-economic groups. Particularly affected are children under five years of age, pregnant women and nursing mothers.

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Of significant relevance to preschool nutritional programs for low socio-economic levels, with obvious social and economic repercussions, are food availability and agro-industrial promotion policies. These policies seek to rationalize the production, management and commercialization of basic foodstuffs by making them more accessible, improving their quality and reducing or stabilizing their prices.

In order to link policies concerning health, nutrition, food availability and agro-industrial promotion, it is clear that a multisectoral perspective is required which can consider the relation between macroeconomic policies and living standards in certain population sectors.

The importance of helping children to survive, to avoid diseases commonly related to poverty, and to have normal physical growth has meant the neglect of other elements important to their development as socially integrated and economically productive beings. Other important developmental dimensions to be considered in the creation of desirable citizens include: psycho-affective development, care and self-care (all of which are closely related to self-image); the acquisition of abilities through formal and informal education; and positive cultural definitions. A recent report by the National Council on Economic and Social Policy (CONPES) on integral child care was based on this global, multidisciplinary perspective.

## **THE HEALTH OF COLOMBIANS**

On the basis of certain indicators, it has been generally accepted that the Colombian population has significantly improved its health conditions in recent decades. However, an examination of the indicators which reflect qualitative aspects of these conditions makes it clear that greater efforts are required to put Colombia at the same level as other countries at similar development levels. Certain health and environmental indicators reflect appreciable lags in some regions and within some socio-economic groups. Special attention will be required if more equitable development is to be achieved. As discussed below, some indicators reveal both advances and delays, as well as regional and socio-economic differences.

### **Life Expectancy at Birth**

According to the National Department of Planning (DNP) "...during this century, Colombian life expectancy at birth has evolved in close relation to the nation's economic, social and institutional events" (DNP, 1991: 1). In 1905, life expectancy was barely 30 years; by 1930, it had increased to only 33 years; by 1957, it had increased to 57; by 1980, it was 63 and by the end of the eighties it had reached 68. It is now estimated that life expectancy will be 70 years by the end of the century.

### **Infant Mortality Rate (IMR)**

In the 1930s one of every five children died before their first birthday (IMR of 200 per thousand live births); by the fifties, the rate had dropped by half (102 per thousand). Currently, of every 25 live births, one child dies before its first birthday (39 per thousand). Compared with other nations at similar levels of development, this IMR rate is still high. Moreover, there are also profound differences between regions and socio-economic levels. For example, in reflection of the fact that

a mother's level of education is the determining factor in child mortality levels, the IMR fluctuates widely between mothers with no formal education and those with higher education. With respect to geographical differences, there are significant differences between urban and rural areas as well as between regions. For example, while Bogota, Cali and Medellin have IMRs of 22, 22 and 24 per thousand respectively, the Pacific coast region has an IMR of about 75 per thousand.

### **General Mortality Rate (GMR)**

The GMR rate, which was 25 per thousand at the beginning of the century, had barely decreased to 21 by the fifties. In the following decades, decreases have been more rapid: down to 15 in the sixties, nine in the seventies, with the current rate at five per thousand. The causes of mortality have become increasingly similar to those found in developed countries, although those directly related to poverty still play an important role. Moreover, the nation's current socio-political conditions are reflected in the violence, accidents and traumas that are currently the principal causes of general mortality, particularly among males.

### **Nutrition**

Although there are geographic zones and socio-economic strata in which childhood malnutrition persists, in general, the population's nutrition has improved significantly. Twenty-five years ago, one-fourth of all children presented signs of overall malnutrition; the rate is currently around half that (13.1%). Chronic malnutrition decreased from 34.1% to 20.8% during the same period. Children between 12 and 23 months of age living in rural areas are most affected by malnutrition.

### **Morbidity**

The range of childhood diseases recognized by public health services shows that those traditionally related to poverty, deficient public services, and environmental sanitation occupy an important position, although their incidence on child morbidity has tended to decrease. However, there are few assistance programs oriented towards school-age children in low socio-economic strata, so it is possible that the real incidence of these diseases is much higher. The data available, although dated, seem to indicate that the greatest problems are related to oral health and the sense organs.

## ***SPECIALIZED HEALTH RESOURCES AND INSTITUTIONS***

Until the 1970s improvements in health were largely determined by economic advancement which showed constant progress and influenced the population's improved standard of living. Beginning in the seventies, health improvements were linked to the strengthening of specialized health care institutions. However, possible lags were primarily the result of deficiencies, disorganization and inefficiencies in the operation of these institutions. Therefore, instead of creating new infrastructure and training more personnel, the health system's institutions should be



reorganized in order to more efficiently and equitably attend the most needy. In addition, the "modernization of the health sector's institutional apparatus" should be given the highest priority.

The crisis is not due to insufficient resources, but to incorrect use: "The human, physical and financial resources have been excessively concentrated in high-level curative care, which is more costly and has fewer possibilities of providing more extensive coverage" (DNP, 1991: 6). Thus, at the beginning of the nineties, one third of all Colombians, probably the poorest, do not have access to health institutions, while social security institutions provide care for only 18% of the population. The great majority of diseases affecting these Colombians could be solved with health promotion and preventive activities, and direct basic or ambulatory care near their homes (Ibid.).

According to the DNP, management deficiencies are the sector's most critical problem and have resulted in low coverage, precarious service quality and high operating costs. Excessive centralism, the Ministry's executive incapacity and a lack of commitment by municipalities and departments to health problems have caused the crisis. Because institutional limitations are greater in public entities than in private ones or the social security system, institutional problems in the public sector have deepened the inequity of Colombians' access to health care (DNP, 1991: 9). The obvious conclusion is that institutional reform is urgent; health entities must be modernized and made more efficient.

Paradoxically, while significant sectors of the population have no access to health services, several differing institutions provide care for other sectors. This has led to inefficient spending and duplicated activities. "Here, a diagnosis focusing on duplicated care and leading to program formation tending towards the beneficiary's care and follow-up by a single institution is needed" (Cifuentes and Casas, 1989: n.p.n.)

With respect to human resources, the problem is not one of scarcity but of location. Sixty-one percent of public employees work in the capital cities, where only 43% of the population lives, thereby generating a significant deficit in rural areas and small towns. "There is also a discrepancy between the educational profile of health professionals and required care; more personnel is required for primary care" (DNP, 1991: 7). This discrepancy derives from the type of training provided by universities and health institutions; it does not favour making professionals a source of education for the population at large (so they may become the basis of their own health)" (Cifuentes and Casas, 1989: n.p.n.).

Because of this "professional deformation" there are also "hierarchical care levels". With no evidence of official interest in integral care and marked differences in objectives (caused by a misinterpretation of the hierarchy and its authority), functionaries show little interest in institutional diagnoses through which the incidence of certain pathologies or common factors affecting society could be determined (Cifuentes and Casas, 1989: n.p.n.).

Medical and paramedical research is poor in general, due to a lack of resources and interest on the part of the sector's entities. This has resulted in a failure to take advantage of the experience and knowledge of specialized personnel and limits the possibility of establishing interinstitutional activities for the exchange of advancements as resources become available.

With respect to physical infrastructure, there are no global deficits of hospital beds or of ambulatory care institutions. What has occurred, however, is an unbalanced use of this infrastructure. Sometimes sophisticated and costly installations are used for less complex cases which could be treated at a local or primary care level.

With respect to medication, the problems are multiple. The pharmaceutical industry is oligopolistic and highly protected by the state. Despite the enormous proliferation of products (more than 4,500, of which only approximately 800 are essential), primary level institutions suffer great deficits. In some cases this is reflected in a total lack of basic drugs; in others, it is reflected in excessive purchases of nonessential items. Moreover, prescription problems have been detected which can be attributed to outdated knowledge on the part of physicians.

## **SOCIAL SECURITY**

Colombia's social security system has one of Latin America's lowest coverage rates. It remains to be seen whether its degree of efficiency is equally low. In 1987, social security covered only 22.7% of the total population and 33.5% of the economically active population (EAP) (Villamizar García-Herreros, 1989: 2, citing PREALC). This puts Colombia in thirteenth and twelfth place, respectively, among the continent's nations.

With respect to social security contributions, Colombia occupies seventh place, according to Mesa Lago (Villamizar García-Herreros, 1989: 4). In five of the six countries with the greatest relative contributions (Argentina, Brazil, Chile, Costa Rica and Uruguay), social security is universal, or very close to it. In the sixth nation, Bolivia, coverage is double that in Colombia. In the three nations (Cuba, Panama and Venezuela) with lower contributions than Colombia, the percentage of coverage is from three to seven times greater.

The social security system mostly covers urban wage workers. This means that important population groups have been neglected. The situation is even more critical when we consider that an important portion of wage workers is not covered -only 64.3% of the salaried population is affiliated to social security. "In addition to the skewed coverage of wage workers in the economy's formal sector, there is a concentration of services among the economically active (15 to 59 years of age) insured in some economic activities (public employees, manufacturing, banking and finance) and among the most developed departments" (Villamizar García-Herreros, 1989: 3). The general conclusion that can be drawn is that, in addition to inadequate and narrowly prescribed coverage, the Colombian social security system is inequitable in terms of regional and economic sector coverage.

## **THE SOCIAL SECURITY INSTITUTE (SSI)**

While coverage is low, there is an enormous proliferation of social security entities. Vivas et al. (1988: 216) indicate that there are nearly two hundred national, departmental or municipal social security funds, while Villamizar García-Herreros (1989: 3) calculates that in 1986 there were more than 300 cooperatives or programs providing social security services. Among these were more than 195 pension funds, more than 70 covering family needs, and more than 36 providing health services. Except for two funds (the SSI and the Civil Aviators' Fund), all belong to the public sector. In addition, the majority have their own regulations and coordination is almost nonexistent.

The Social Security Institute (SSI) is Colombia's major social security agency. According to Vivas et al. (1988: 212 and ff.), SSI services had potentially covered 12% of the nation's total population by 1984, having covered 7.1% in 1973. The total number of SSI contributors represented 20% of the EAP and the total number of affiliates represented 70% of all those insured, while the National Social Security Fund covered only 7%.

Several studies have examined the SSI and all mention a variety of limitations, inefficiencies and structural, organizational and financial problems. All have made a number of recommendations as well, some of which are now being implemented by the Institution's present administration. According to Vivas et al. (1988: 252 and ff.), the SSI has the capacity to broaden its coverage with reduced, in some cases minimal, increases in operating costs through affiliation to a family medicine system. These so-called special funds are thus far (1988) a little used mechanism for increasing and democratizing coverage.

The same authors point to important problems and clear gaps and stress the need for corrective measures. For example, they note that if the SSI attempts to extend coverage to the poorer sectors through simplified service systems, "... it's going to be difficult to count on greater contributions to finance operations, therefore it is necessary to increase efficiency in the provision of services" (1988: 253). The authors have detected excess service or administrative personnel in some regions; in other regions they have detected excessively high operating costs per hospital bed. Therefore, they conclude that "... the average operating costs of the SSI's clinics are, in general, higher than those registered in hospitals belonging to the National Health Service (NHS) public sub-sector". Moreover, there are no mechanisms available to follow-up on those costs, despite their great importance to the system's efficiency.

There are also no clear hiring policies within the overall health service provision policies, which leads to "... indications that the SSI hires in a residual manner, using the resources remaining after covering internal operating costs" (Ibid.: 254). Cifuentes and Casas (1989) point out other deficiencies in SSI operations: lack of coordination, inadequate control and evaluation mechanisms, poor relations between the administration and service areas, little motivation to train service personnel, insufficient information for the assignation of resources and service programming, and a lack of adequate coordination mechanisms with the enterprises and their affiliates.

Suárez Melo and Pineda Hoyos (1991: 383) add new criticisms to those already mentioned: information on the enterprises required to make payments is outdated, leading to payments much lower than they should be; low service quality requires employees to seek double coverage through private insurance; care is delayed and there are continual shortages of medication; the SSI's internal labour structure is inoperative; there are difficulties in applying sanctions, and therefore irregularities exist (for example, physicians who do not complete their schedules); and there are nine labour unions which interfere with the entity's management and perhaps lead to all sorts of corruption.

The future of the pension fund is not good "... if adequate corrective measures are not applied immediately, a critical phase, in which the resources available to cover the cost of pensions would be irremediably exhausted, will begin" (Coyuntura Social, 1990: 2, 86). Diverse phenomena have contributed to this crisis, the most significant being imbalances between income and spending.

In view of these accumulated deficiencies, Suárez Melo and Pineda Hoyos (1991: 383) conclude that they are "... the result of the State's excessive and inadequate interference, which has resulted in institutional bureaucratization, in an inappropriate pension management system and an incorrect investment policy, all of which reveal the State's inefficiency and ineffectiveness in managing the Institute, and demand a new social security structure able to meet the needs of the pensioned population during the coming decades". Given this situation, the authors suggest the

privatization of a large portion of health and social security services as a plausible alternative to the existing system.

## HEALTH SPENDING

Colombians spend a significant portion of their incomes on health, and they do so inefficiently. The state also spends important sums; nonetheless, infant mortality, malnutrition and morbidity rates have remained high, particularly in some regions and among certain low-income groups.

With respect to public health spending, the following considerations, found in Coyuntura Social (No. 2, 13 ff. and 56 ff.), should be noted:

- a) Health needs are defined as "preferential" (as are educational needs), since they do not necessarily have to be satisfied by the public sector. However, the population's poorest groups can only access these services through public spending. In this sense, public spending should be selective and should focus on specific groups, thus fulfilling the state's role in income redistribution.
- b) With these premises in mind, public social spending behaviour, and health spending in particular, has been the following: when considered in constant prices, public social spending on operating costs has tended to increase and investment to decrease throughout the decade. This is true for education, health, social security and housing. Investment costs in health "... pay, to a great extent, the costs of adjusting to macroeconomic stabilization policies", while ignoring investments in environmental sanitary infrastructure.
- c) Beginning in 1982, gradual adjustment measures have been adopted which have reorganized public spending in general and social spending in particular. The health sector's relative participation in social spending began to decrease in 1980, reaching its lowest level in 1984 (12.3%). While it increased in 1988 to 14.0%, it has never reached the levels achieved at the beginning of the 1980s (15.3%). Moreover, public health spending as a proportion of national income has been lower in Colombia than in other nations such as Costa Rica, Argentina, Chile and Uruguay. Between 1975 and 1988, institutional and private spending represented 8.1% of the GDP on average, of which private spending was 3.6%, and public spending, 4.5%.
- d) With the reorganization of the National Health Service the health sector will be included in municipal development plans, receiving important resources from the aggregated value tax (VAT). It is estimated that this reform will mean an increase in health finances and that the sector's resources will improve by 30%.

With respect to private spending, health is an important component in family spending for Colombians, as was shown by the National Health Survey (1977 - 1980):

- a) "While the average national family spending in health was 12.1% of income, this proportion was 25% in the poorest households and 8.1% in the richest" (Coyuntura Social, 1990: 2, 60).
- b) Analyzing the distribution of health spending by item, a greater proportion goes to medical and professional services (Villamizar García-Herreros, 1989: 192). Where there are the greatest

differences among socio-economic levels: "... the poorest families spend 22.4% of their income on this item, much higher than the national average, which is 8.5%, and that of wealthy families, which spend only 4.7% of their income on this item" (Quoted by Coyuntura Social, 1990: 2, 60).

- c) Lower income homes spend more on drugs than they do for professional services.
- d) Spending on accident and illness insurance is relatively low, which reflects a lack of protection from these types of events (Ibid.: 194-5).
- e) Finally, spending for hospital care has the same relative weight in all social categories, which leads to the conclusion that differences can be found in the quality of the services to which differing groups have access.

## **SOCIAL POLICY ON HEALTH**

The crisis in the eighties affected Colombia less severely than the rest of Latin America and what adjustment measures have been adopted have not been regressive in character. Therefore, no "short-term social debt" was generated, and the "long-term social debt" was partly paid (PREALC-ILO, 1990; Jaramillo and Bonilla, 1991: 47). While in 1978 rural poverty was 80%, and in 1982, urban poverty was 44%, by 1988 these percentages had decreased to 62% and 38%, respectively. However, great inequalities in income distribution and living conditions among different socio-economic strata persisted, as did the unequal levels of development between regions, although there were slight improvements.

While the country was relatively successful in facing the crisis of the eighties, by the end of the decade symptoms of wear were beginning to show on the current development model. Inflation reached its highest levels, unemployment also increased and several worrisome signs of recession appeared. Moreover, conflict situations sharpened, reflecting the social and regional differences previously noted with respect to inequities in public spending.

Because of these circumstances, the formulation of a new development model became imperative. Thus, production and commercial structures, the axes of economic policy, were opened, internationalizing Colombia's economy through increased productivity and competitiveness. Concurrently, a National Constituent Assembly was convoked to reform the Constitution. Both the economic opening and the new Constitution have brought about far-reaching economic and social reforms.

First, a new concept of government has appeared. The modernization of public structures has begun to make them much more efficient and to specialize their functions. Specialization implies concertation, negotiation and the delegation of responsibilities to civil society. It also means that the state encourages privatization in diverse areas and recognizes that valuable contributions can be made by the private sector, unions, NGOs and community organizations. While the state is losing its interventionist character, it has also maintained exclusive jurisdiction in some areas. Among the functions the state has reserved for itself, are the following (Montenegro, 1991):

- a) The provision of public goods and the satisfaction of social needs which, as opposed to so called "preferential needs", cannot be met by market mechanisms because prices cannot be

assigned to them. This is the case of justice, defense, environment, and some goods such as highways (Coyuntura Social, 1990: 2, 13).

- b) The maintenance of macroeconomic stability through appropriate policy instruments.
- c) Adequate income distribution and the satisfaction of the basic needs of the population's poorest sectors.

Another major change in the state concerns the current decentralization process. Diverse reforms have reduced the responsibilities and functions of central government organizations and transferred them to the municipalities. In addition, the new constitution also recognizes intermediate levels such as associations of municipalities and regions, which bring several departments together.

Thus, the municipalities have assumed responsibility for the implementation of social programs and services and must now adapt themselves to new functions in health and nutrition, child care, education, child care in high risk circumstances, public property and even the productive activities of low income groups. Major questions have been raised by this series of reforms:

- a) What will the short-term social costs of the economic opening be, given the economic and political difficulties faced by the country?
- b) What capacity do the central public institutions have to delegate functions and how prepared are the private sector, NGOs and community organizations to take on their new roles?
- c) What response capacity do local administrations and social organizations have to assume service delivery in accordance with the new laws?

With respect to the first question, in the short term the social costs will be high, and greater social and productive investment targeted towards low income sectors will be required. Focusing programs on the poorest sectors is an essential part of social policy. Several reasons for supporting this assertion have been presented by Lora (1991), and Jaramillo and Bonilla (1991):

- If indeed custom tariff reductions have "neutral effects" from the perspective of employment and income distribution, the same cannot be said for indirect taxes. Here, compensatory increases have had strong recessive effects quite superior to the expansive effect of reduced custom tariffs.
- The compensatory effect of indirect taxes is also regressive because it worsens the inequitable character of income distribution and tends to displace the labour force to the informal sector.
- With respect to difficulties in reaching short-term macroeconomic stabilization objectives, especially regarding inflation and monetary stability, it is necessary to remember that macroeconomic disequilibria can have negative effects upon the satisfaction of the social needs of the lowest income social groups. Therefore, in the measure that the government is successful in achieving macroeconomic stability, it will create more favourable conditions for promoting social programs.
- If increased indirect taxes were to be insufficient in compensating custom tariffs, strong fiscal restrictions may occur, making the proposed social programs even more difficult to implement. "Therefore, in the short and medium term, international sources of resources targeted towards low-income groups are indispensable" (Jaramillo and Bonilla, 1991: 60).

With respect to the second question, the following considerations are presented:

- One of the state's greatest challenges concerns its own current reform endeavours, since significant efforts are required to modernize the public institutional structure. As suggested by Suárez Melo and Pineda Hoyos (1991), the central characteristic of Colombia's public institutional structure is that "... there is much state where it isn't needed, and not enough where it is". In effect, state presence is excessive in some areas in which the private sector operates more efficiently, and has been insufficient in other areas, which is reflected in poor coverage and low service quality.
- In the areas where it is still possible for the state to delegate multiple functions and responsibilities to society at large, the delegation and transfer process will not be an easy task. Given its complexity, it is not advisable to force privatization processes because "... it is not possible to compel a society to adopt privatization schemes. Privatization should be a flexible and gradual process that allows state activity to re-dimension itself, thus facilitating the recovery of its credibility ... privatization's transcendental objective is to rationalize public functions, so that the state may strengthen itself by carrying out its basic functions" (Suárez Melo y Pineda Hoyos, 1991: 410-411).
- Privatization should be understood in a broad sense: not only as the transfer of services, activities and responsibilities to the business sector, but also to NGOs and community organizations. This widened focus would permit proposals for the association of efforts and resources in the provision of services by the state, the private sector and communities. Privatization must not be considered a magic formula that will solve all problems through a simple change of operator; it provides many possibilities, but in no case "... should it imply the loss of the state's control capacity over planning and its own operation". Neither does it "imply elimination of subsidies that the state has made and should continue to make to compensate society's least favoured sectors" (Suárez Melo and Pineda Hoyos, 1991: 392).
- The areas of social security and health services present favourable characteristics for increasing the participation of the business sector, NGOs and community organizations. The government perceived it that way and that is why it is currently possible to form private pension funds, a system complementary to the SSI.
- In relation to the provision of other social security services, some private alternatives are available. Mutual funds and private health insurance present unquestionable advantages with respect to services rendered, but the major question regarding increased coverage for the needy remains unanswered and apparently is not easy to resolve.

In reference to the third question, the following considerations are pertinent:

- While improved efficiency is proposed in the provision of social services, particularly in the area of health services, and greater participation in this process is assigned to civil society, it is at the local level that the new reformist proposals will be tested.
- In the provision of health services, legal instruments have been designed to make efficiency, private sector participation and targeting of the most needy at the local level possible. For example: i) the law creates local health funds to increase coverage of the primary care system; ii) a public insurance model is established for the most needy; iii) community based health teams are formed for preventive activities and for referring patients to specialized care centers when necessary; iv) diverse modes of child health care adapted to local conditions are promoted; and

v) drinking water supplies and sewage programs are encouraged, including assistance in cofinancing with municipalities.

- However, the decentralization of social programs will be a difficult process because of a lack of human resources and experience at the municipal administrative level and in other local entities which are assuming responsibilities for which they are not prepared. Some of the functions and responsibilities to be carried out at the local level include: interinstitutional coordination, participative local planning, the execution of program activities and projects, the establishment of local information systems, and the follow-up and evaluation of projects and programs. One of the most difficult tasks will be to make the process of delegation and transfer viable in order to avoid a major historical failure. Programs for counselling, training and follow-up with local entities are, therefore, of the very highest priority.

## **RESEARCH AGENDA**

Many issues have been raised in this study of which little is known and much research required.

At present, for example, only limited knowledge exists with respect to the types of social needs generated by the deep social transformations presently occurring in Colombia. These include demographic transition and the relocation of the country's population to differing regions and urban/rural zones. As well, little is known about the capacities of institutions to respond and adapt to these changes through the formulation of adequate social policies.

Another area requiring research concerns the transformation and processes brought about and promoted by the new development model. These include steps taken towards the modernization of public institutions, privatization, growing private sector participation, and the decentralization of social programs. Such aspects as the advancements and difficulties in processes, intervention models, consulting, follow-up and training methods are research issues of particular interest and value.

There exists enormous vacuums in the information currently available to support the development of social policy. Because these gaps affect decision-making at various levels and phases, it is a priority area for research. UNICEF has understood this need and is assisting the National Department of Planning with resources for the development and execution of a social indicator system which would make it possible to evaluate and follow-up on social programs.

Another area of importance concerns the role of community participation. Currently, especially after the interesting National Constituent Assembly experience, community participation seems to have become a panacea. However, several questions may be proposed as possible research guidelines: What does community participation mean, beyond the traditional concept of the community as a source of inexpensive or free labour? How can community organizations be supported so that the community actually participates in the various stages of local development? What role do NGOs have in participatory local development? How can NGOs encourage community organization without supplanting the community?



With respect to social security, the following questions should be considered: Given that social security coverage is so low, how can it be increased, either through the SSI and social security funds or private alternatives? Considering that both the SSI and social security funds have serious problems with respect to inefficiency, decapitalization, corruption, high costs and functional overloads, what possible solutions can be designed and implanted for the short- and long-term? Given that coordination between various social security entities is practically nonexistent, what mechanisms should be used to promote coordination and integration with the public health system?

An area that offers interesting perspectives is evaluative health research. As Losada notes, this type of research refers to "programs" (expressed in goals specific enough to be quantified, together with specifically assigned resources and the imposition of deadlines for their achievement) and not to "policies", meaning evaluating "... the deliberate confrontation between objectives and goals on one hand, and their achievement on the other" (1990: 110).

Most evaluations have not only been sporadic, but linked to the requirements of international organizations, and have involved only a few of the health services available. Therefore, there is a need for more systematic, wide-ranging and perhaps more rigorous and methodologically sound evaluations. A serious obstacle to evaluative research is posed by enormous information deficiencies with respect to coverage, data quality, relevance and timeliness (Losada, 1990: 111).

Little valid and reliable information exists on emergency services, oral medicine, orthopaedics and optometry, on the control and prevention of hypertension, malaria and yellow fever, the effectiveness of official campaigns against drugs and/or AIDS, nor on the impact of the Colombian Institute Welfare Children's home child health and nutrition programs.

According to Losada, another serious obstacle to solid evaluation in the health sector is "... the unpredictable character (with respect to amount and effective arrival date) of the diverse resources with which health services are financed" (1990: 112).

With respect to hospital costs, comparative studies of the public and private systems are required in order to evaluate the convenience of contracting out services to private hospitals and clinics. It is necessary to deepen analysis on the use of resources currently available through the national health system. Finally, an area that must be seriously evaluated is the impact and quality of services. According to Losada, "... serious study as to what degree current government health programs are really the most relevant, given the morbidity and mortality conditions in Colombia in 1990, their etiology and contemporary developments in the health sciences is urgent" (Losada, 1990: 112). With respect to this point, attention must be paid to traditional and "popular" medicine and nutritional anthropology, and their relation to the institutional health system. In effect, "... the plans of the Ministry of Health include the need to encourage alternative medicine in order to improve the National Health System" (El Espectador, "Vida cotidiana", Sunday, July 28, 1991/5-E).

The new Colombian Constitution recognizes the nation's multiethnic and multicultural character and therefore accepts diverse ways of seeing and conceiving the world, health and disease. These diverse concepts have survived outside the institutional health system, both in rural and urban areas. By ignoring the different conceptions and procedures inherent to traditional medicine, institutional health programs and services run up against cultural barriers, defined as "prejudice and ignorance", which result in an exclusive and hostile attitude with respect to the entire alternative system. This profound lack of knowledge is being replaced by a growing interest in traditional medicine on the part of Ministries and specialized institutions. The World Health Organization (WHO), impressed by the enormous importance of traditional medicine in countries as diverse as China, India and Mexico, has recommended its member states to "... encourage

recovery of medical thought and therapeutic procedures which, despite a tradition of centuries and millennia, have not been included in institutional health services". In 1976, the WHO began a program to promote and develop traditional medicine on a global level.

Seen from the perspective of costs, and given the fact that manufactured medicines consume an important part of the Colombian population's health budget, especially among the neediest, it seems sensible to seek out and articulate less expensive therapeutic alternatives which traditional medicine may offer. A potential research area is, therefore, related to articulating the therapeutic resources found in "alternative medicine" and traditional medical cultures with the institutional health system.

Finally, two major research fields can be identified which are related to human resources in health. The first concerns the formation of technical and professional personnel who provide services and direct care for patients. Their training has been questioned from several angles: its orientation, quality, and cognitive and valorative contents.

The second concerns the training of health researchers. There is a need for greater articulation between the universities and public health services (to date the universities' presence has been marginal). As mentioned by Blanca Lilia Caro, "... work must begin to form a group of 'thinkers' in health who participate in planning, follow-up and control of plans and programs, and who continually search for methodological and management alternatives to improve service quality and coverage" (1990: 3, 113). Health research should not be limited to health professionals. Due to the enormous complexities of the area, such research also requires the presence and contributions of diverse disciplines. Biologists, economists, anthropologists, sociologists and engineers, among others, should be included in the professional body of health researchers in order to promote and develop projects with a multidisciplinary approach.

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# INFORMATION REQUIREMENTS FOR SOCIAL POLICY IN COLOMBIA

***Rafael Echeverri Perico<sup>1</sup>***

## **INTRODUCTION**

The government program that seeks to redefine the role of the state as the facilitator of modern development within the context of a modern economy integrated into the world market will require the support of profound changes. These include changes in production structures, market conditions, government management practices, planning and decision-making concepts and social action schemes.

Information is the raw material of planning; it orients decision-making in any national development process. As institutional structures modernize, and in particular economic structures, information requirements become increasingly important. Until now, planning decisions in Colombia have been typically based on only the partial use of information. In some cases, no information has been used to orient planning. This has created a major barrier to Colombia's modernization process.

The purpose of this study is to assist in conceptualizing the issue of indicators for use in planning activities.

## **INFORMATION IN PLANNING AND MANAGEMENT**

A discussion of the role of information in social policy follow-up should be contained within the limits of concrete institutional processes such as planning and management. By definition, information is an instrument for reading reality which makes possible the reduction of uncertainties

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in decision-making. Therefore, it is necessary to begin with reference points on the processes which frame the generation, production and use of information.

The end objective of social policy is to achieve human and social development which satisfies the principles of equity and respect for human rights and which coheres to a development model. To this end there are decision-making chains for defining plans that include social policy, programs and projects. This planning includes an evaluation and follow-up element that in turn leads to new definitions and directions. The manner in which these processes and the roles of different decision-makers are perceived provides room for and a concrete model for planning.

## **Planning and Evaluation**

Planning, as nationally conceived and applied, has a deductive structure which begins with general policy definition and continues through with the definition of priorities and plans that are executed through budget assignment tools. Social development plans provide the overall framework for defining goals and strategies that orient state activity. Within these plans, macro-development objectives are defined through converging actions in diverse social areas. The technical planning cycle translates general development policies into sectoral action programs and concrete projects. The stages of this process are diagnosis, strategy formulation, the evaluation of alternatives, follow-up and impact evaluations.

By and large, research and information use have been incorporated into the stages of diagnosis and follow-up. A wide variety of research studies and indicator systems support decision-making in these areas, and, in general, indicators and information are relatively developed here. However, there are two areas that lack sufficient research and information: In the focusing of social programs and in their evaluation. Focusing implies the strict definition, both in time and space, of target populations for social action programs. This implies the conceptual and formal definition of groups most in need, those at high risk, and those for which the achievement of the program's objectives and goals is viable.

Evaluation research has been hampered by deficiencies in conception, methodologies and application. These deficiencies particularly affect the selection of project alternatives, the analysis of project viability, program follow-up, management control, and impact assessment. Little systematic and objective knowledge is available on the long-term achievements of action programs. The new definition of planning in the new Colombian Constitution makes the evaluation of development plans obligatory. This will have a major influence on the structure of social program research and follow-up. It will also generate new needs for information systems and indicators.

A central problem for social development in developing nations is a lack of sincere political will and execution ability, which is often hidden behind a lack of funds. This means that the efficiency of action programs seriously compromises the real possibility of extending development's benefits to greater sectors of the population. There is thus a clear need to apply evaluation models to these programs.

There is a discord between policy formulation, social diagnosis, and evaluations that is reflected in the use of indicators. When social indicators are mentioned, they usually refer to the macro-indicators used during the policy formulation phases. Indicators of program achievement are infrequently discussed or used. The development of conceptual and methodological frameworks

meeting program evaluation needs must be considered in order to complement macro-level social development research.

Evaluations determine research needs and the definition of indicators that go beyond evaluating program and project viability, execution follow-up or impact measurement. Evaluative research to reorient programs on the basis of utility criteria and the involvement of program participants should be considered. Ongoing evaluations should include planning-action cycles that would allow every execution level to count on management indicators to support decision-making processes.

The predominant use of social program evaluation has been for investment control and has involved the use of coverage or budget control indicators. Nevertheless, there is very little information available on government social program spending. In general, evaluation is carried out ex-post to justify or redefine programs. It is not coincidental that the most significant developments in evaluation have been promoted by international financing agencies. However, these evaluations have not contributed to decision-making processes, nor have they identified indicators able to improve service quality or efficiency.

Experience shows that ongoing, qualitative and utility evaluations may help to overcome these deficiencies. These all include some type of qualitative information management and process interpretation orientation. This process is not necessarily incompatible with quantitative techniques allowing the systematization and synthesis of essentially qualitative processes. However, it is a fundamental area for development in evaluative research.

## **Planning and Institutional Change**

Colombia's general planning structure has been changing under pressure produced by modifications in the state and in development. Both are undergoing a process of rapid institutional change that will require rethinking of planning structures. The most important changes are centered on greater autonomy, economic opening, democratization and decentralization. These elements require new planning proposals which in turn require changes in research and information.

Decentralization implies changes in decision-making levels for important areas of society. Departmental and municipal governments are no longer mere delegates of the national government: they now must represent their communities. Decentralization has led to different concepts of the state, public management and development, all of which should be considered when information problems are being analyzed.

The protagonists of planning have changed. Services such as education, health, housing and public utilities are becoming more and more the responsibility of local administrations. The establishment of priorities and control over public investments have been transferred from planning technicians with modern and sophisticated technical tools to communities and their representatives who are defending local autonomy under very poor technical conditions. The development of innovative technical planning options must therefore take place in new political, social and philosophical contexts.

Decentralization leads to needs for evaluation, follow-up and control of management and social spending, which will allow for the management of increasingly more complex administrative and planning structures. This supposes a greater number of agents with decision-making power,



the need for a greater degree of mutual agreement and an increased need for information flow and exchange. A great change in information requirements is found when decisions are made at lower hierarchical levels. For decisions to be made wisely at these levels, information must be more disaggregated, accessible and timely.

The dispersion of decision-making through participation by community organizations and their representatives requires the development of an information culture. The decentralization model does not currently have a planning and information use culture. Thus, the process of information generation and use must be a dynamic working instrument which, in addition to contributing to planning, develops a management culture.

## **RESEARCH AS THE BASIS OF INFORMATION FOR PLANNING**

The development and use of information systems and social and economic indicators derive from the application of general models that are based on research processes. There should not, therefore, be a disarticulation between the use of indicators and research based on theoretical and methodological considerations.

Linking research to the establishment of indicators determines their potential for comprehension and use. If decision-makers do not understand the meaning of the indicators they use, the results can be worse than if they did not use indicators at all. Grave distortions have repeatedly occurred in the interpretation of economic and social phenomena because of the erroneous application of concepts and methods. However, scientific research demands the coherent use of theoretical and methodological frameworks in order to develop interpretative capacity as far as possible. Theory and research permit the construction of models composed of variables and relations on complex phenomena.

The second aspect of research is the empirical confrontation of conceptual models through measurement. These measurements determine the indicators that will best allow approximations of the reality under study. Indicators become depositories of interpretation previously contained in conceptual structures and models.

Frequently, these elements of scientific research are excluded from the definition and comprehension of economic and social indicators. In practice, then, we are faced with separate tasks which prejudice the interpretation and use of indicators: conceptualization has been separated from the use of indicators.

In Colombia, there is a division of labour among research centres and universities that provide the general framework for interpretation and human resource formation. Some entities are responsible for collecting official information, while others, such as decision-makers, use the information contained in the indicator systems. This division is seemingly clear and reasonable. Unfortunately there are insufficient channels for communication between these two types of entities.

The National Statistics Administration Department (DANE) has been largely responsible for producing indicators. This Department is clearly isolated, as reflected by its limited scientific capacity, its restricted access to developments in the social sciences and to comprehensive interpretative models, and its rigid and superficial relationship with those interested in using the

information it produces. It is evident that the Department has not been able to meet the interpretative needs of information users.

Similarly, the scientific community has a poor relationship with the rest of society. Even in entities with intense scientific activity, there is little communication with development agents. This hampers the identification of relevant research problems. However, both basic and applied economic and social research have become the most important source of diagnoses of the national reality, more due to the nature of scientific work than because of any real outreach channels.

Both project dispersion and the lack of a coherent research policy limit the transfer of knowledge to decision-making processes. This is equally true with respect to the identification of research issues. To a significant degree these respond to the priorities of donors, many of them international. As a result there is little room for national agencies such as the National Council of Science and Technology (Colciencias) to participate in decision-making processes.

The third component of the information production and use system involves those responsible for the decision-making process. Social planning and execution agencies are seriously restricted because of their limited access to needed information. Moreover, an even more serious problem exists in the fact that existing indicators are generally irrelevant to the needs of these agencies. If users are not included in the development of information systems, it will be impossible to provide truly useful information.

## ***THE CURRENT STATE OF INFORMATION FOR SOCIAL POLICY FOLLOW-UP***

Social development indicator systems comprise three general types: macro-level integrated comprehensive indicators; follow-up and synthesis sectoral indicators; and evaluation and management indicators.

### **Global Macro-Level Indicators**

Macro-level indicator systems have been developed on three fronts that seek to provide follow-up information on global and integrated social development policies. They include the UNDP's human development index (UNDP, 1991), integrated poverty measurement indicators that are widely applied at the regional level (Boltvinik, 1990), and social progress indicators (II Regional Conferences on Poverty, 1990).

### **Human Development Index**

The Human Development Index has consolidated three differing types of development measurements into an aggregate index. The first involves the possibility of living for as long as possible in the best of health conditions; the second involves access to knowledge and expressions of intellectual achievements; the third, access to material wealth, that is, to the goods and services that development can provide.

Life expectancy and access to knowledge indicators are constructed on the basis of the achievement of desirable levels. These indicators include life expectancy needs; that is, how much time remains in order to reach a desirable life expectancy level. In the case of knowledge indicators, degrees of adult literacy are considered. Income is approached on the basis of per-capita income, with a correction factor for acquisitional power and the exchange rates of national currencies. These corrections allow desirable income levels to be established, based on the poverty levels of industrialized nations.

Continual evolution in the conceptualization and measurement of human development has introduced other elements that are leading to more comprehensive expressions of development. Considerations of social participation, equity and sustainable development qualities have contributed to the adjustment of human development measurements developed to date.

## **Integrated Poverty Measurement**

Poverty has become a very important conceptual element in the determination of social program beneficiaries. Despite its general, global character, it has become a useful instrument for identifying high risk groups. In Colombia, this measure has been used extensively by the United Nations in its Regional Project for Overcoming Absolute Poverty, as well as by DANE. Two working methods have been developed and formally applied in Colombia during recent years: measures of Unsatisfied Basic Needs (UBN) and the definition of the Poverty Line. Currently, work is being conducted on the development of an Integrated Poverty Measurement.

The measurement of UBN is based on an estimate of social services access indicators and the accumulation of basic goods, particularly housing. This type of measurement identifies the proportion of the population excluded from access to services and leads to a general structural measure of poverty. The poverty line identifies the proportion of the population whose current income is below that required for purchasing the minimum amount of food required for survival. This measure best expresses economic change, making it the best indicator of conjuncture. The UBN and poverty line methods are clearly complementary and their combination may help to establish an integrated poverty measurement.

## **Social Progress Index**

This index is based on two fundamental dimensions: opportunity and achievement. Opportunities are determined by the magnitude of society's goods and services, the free time available for satisfying human needs, and equitable distribution. Achievement is expressed in terms of quantity and quality of life.

The first part of the index is comprised of two opportunity indicators: income, expressed as per-capita GNP; and a measure of free time, corrected by income distribution, using the Gini coefficient. The second part, achievement, includes a normative measure of longevity and a measurement similar to the integrated poverty measure that is obtained by simultaneously applying UBN indicators and the poverty line.

## **Sectoral Indicator Systems**

Colombia now has a very complete inventory of social statistics as a result of work undertaken by DANE and the UNDP (Jaramillo L., Duarte J., Sarmiento L., 1990) in June, 1990. In addition, the National Department of Planning has designed a system of socio-economic indicators for women, which covers almost all social sectors (DNP, 1991). This project represents the most advanced and coherent effort to date to integrate existing indicators in order to satisfy the specific information needs of users and it includes technical definitions of the systemized information.

The evaluation of existing statistics and indicators points to some problems that require urgent attention:

- Existing systems are characterized by an abundance of data, but very little of it is articulated. Registry, management and research systems produce data of little relevance for the establishment of effective indicators that could be used for the follow-up of specific social policies.
- There are broad areas of social development which lack indicators. Among the most important areas requiring indicators are ecology and the environment, culture, recreation, leisure time use, political development, social conflict, crime and violence, social communication, public assistance, and employment conditions.
- The current systems do not consider existing inequities in the population to which indices are applied. There are no stratification systems by income, gender, municipal development conditions, or socio-occupational categories.
- Information production lacks conceptual orientation or practical criteria for usefulness and selectivity.
- Conceptual and methodological documentation is lacking. Such documentation is required to permit assessments of information quality and examination of the criteria used in its construction.
- Information systems lack an orientation towards systematization. Data bases are not equipped with the tools needed for efficient and economical updating and consultation. Practically all are sequential data archives, with no organizational criteria easing consultation.
- Most systems are dispersed and isolated. Each entity manages part of the information; this information is not compatible and there are no exchanges of information. A marked casuistic tendency favours duplication.
- Financial resources for investments in information are dispersed, and information producers and users are disconnected, even inside a given institution.

## **Follow-Up Indicators for Programs and Projects**

Evaluations take many different forms. As research, evaluations can take place prior to program or project formulation to facilitate choices between alternatives of action. Ex-post

evaluations measure impacts on specific population groups, and follow-up evaluations can contribute to decision-making with respect to aspects of program administration and control.

The current information situation is very precarious for each type of evaluation. Impact evaluations have been most frequently, though sporadically, undertaken but without a clear tie to decisions made on programs and with serious restrictions in the application of solid evaluation methodologies. Moreover, these evaluations have not contributed to the development of indicator charts or interpretative frameworks which would allow for their periodic reapplication.

Follow-up and program control evaluations reflect an even greater vacuum. While evaluations have become an integral part of programs, they are conducted only in terms of procedures and supervision through bureaucratic mechanisms with preestablished routines. Criteria are based on such factors as the completion of tasks or discussions of goals and coverage. There are no control mechanisms for users, communities or the program agents themselves. Consequently, indicators and management information systems are not well developed and not well used in evaluating program efficiency and quality. In fact, the concept of a quality evaluation does not exist.

Follow-up and control evaluation experiences in Colombia have tended to be global and ex-post. These evaluations do not affect management decisions on focusing, quality control, or user and community participation. Nor do they provide information which could be used to reorient or improve programs. Further, criteria have not been established for the development of standardized management indicators. One serious problem affecting the efficacy of public social program administration has been corruption and the misrouting of resources and activities. This type of problem is favoured by the lack of effective evaluation mechanisms.

There seems to be no possibility of aggregating information for the construction of synthetic indicators based on partial and routine management evaluation indicators. The relation between macro-sectoral indicators is precarious because of the operating realities of individual sectors. It is, therefore, difficult to translate global decisions based on macro-information into separate micro-level activities, or to define macro-level indicators that would permit a comprehensive reading of efficiency and quality problems at the micro-level. Important methodological efforts in this area propose in-process evaluations, usefulness evaluations and qualitative evaluations.

The new constitutional dispositions on social program management, quality and participation have not established instruments to facilitate compliance with current evaluation criteria or the use of follow-up information by social programs.

## ***A NEW CONTEXT FOR INFORMATION DEVELOPMENT: THE NATIONAL STATISTICAL SYSTEM***

DANE is currently defining a national statistics system. Considering that the design of such a system responds clearly to the need for developing indicator systems, highlights of this agency's work is presented below.

The National Statistics System (NSS) includes information production activities in an effort to overcome the country's limited statistical development. Specifically, it seeks to provide

coherence in information generation, production, systematization, availability of transmission, and use. In line with its central objective, the NSS has targeted design, setup, development, maintenance and exploration of sectoral and territorial information systems as components of a national information system.

The development of the system seeks: to define policies for statistical production and the establishment of economic and social indicator systems for following up on national development; to identify and incorporate all public and private entities responsible for information production and use; to create interinstitutional working conditions suitable for initiating statistical research programs; to establish sectoral and territorial structures to articulate and promote sectoral statistical development; to define functional specializations for entities involved in national statistical activities; to establish a framework to normalize and regulate national statistical production; to promote and coordinate assignments of technical, human and financial resources; to establish information dissemination policies and programs; and to develop a national statistical plan with the full participation of all involved entities.

## **Open System**

The system will allow free access to all those who produce, distribute or use information. It will promote the autonomy of the system's members and channel diverse public and private resources for financing the design and establishment of information systems.

## **Decentralized System**

The NSS will be institutionally and sectorally decentralized, so that it may adapt to the conditions of each sector and optimize existing potential. The system should respond to structural changes in planning and development models, particularly those that are determined by political and administrative decentralization.

## **Integrated System**

The system will consider the different stages of an information system:

- It will work on data generation activities as a primary element in statistical production.
- It will include information production activities based on existing data banks.
- Information will be systematized by using modern processing techniques and the system will establish data bases that allow access to and the use of information.
- The development of a large transmission and information flow capacity will be a priority. This implies development of interconnected systems, which in turn are based on existing production, consultation and coordination nodes.

- The system will need to develop a group of mechanisms to ensure efficient access to information by public and private parties, thus guaranteeing democratic access to information.
- Finally, the system should integrate activities that arise from the use of information and its application to planning, management, production or marketing.

### **A Technically Developed System**

A key issue in the design and implementation of a national information system is to incorporate technical and modern criteria. Thus, the system will have the following characteristics:

- The use of the most advanced techniques in the processing and definition of data sets, batteries of indicators, analysis models and the exploitation of information.
- The use of modern, sophisticated and powerful tools in information processing, storage, transmission and consultation.

## **THE ROLE OF AN INFORMATION SYSTEM SUPPORT PROGRAM**

This section of the paper presents recommendations towards the definition of a research strategy that would support the development of social indicator systems. This proposal is based on the following conclusions:

- The problem of indicators cannot continue to be considered only a measurement and systematization problem within the context of information availability. Indicator systems are an integral part of planning and management, and cannot be separated from these processes, as is currently the case.
- Scientific research should provide an efficient and effective link between diverse decision-making levels. The relation between reality and planning models must incorporate theoretical and methodological concepts which permit comprehensive and viable means of resolving measurement problems.
- Measurements and indicator systems should have real users and must satisfy specific needs under the principles of prioritization and selectivity.
- Information systems should respond efficiently and directly to political and social action models. Their design and composition should recognize the evolutionary nature of planning and management systems. Consequently, they should be informed by the same adjustments that are being undertaken by institutions, development conditions, and diverse agents and protagonists.
- The issue of indicators and information systems should therefore be included in social action systems and should be developed in line with the processes originating them.

- The situation of indicators and conceptual models for following up on social action policies and programs present imbalances on three levels: 1) global social development macro-indicators; 2) sectoral indicator systems; and 3) management information systems.
- At the global indicator level, important efforts have been undertaken but these should be fully developed. Integrated measurement indicators of poverty, human development, social progress and quality of life present significant advancements in the comprehension and conception of development.
- Sectoral indicator systems have developed unevenly and have serious restrictions with respect to opportunity, relevance, access and quality. The levels of disaggregation greatly limit focusing and concrete evaluations. Their institutional structures are characterized by dispersion that has led to limited standardization and exchange, and duplicated efforts.
- Indicator systems and, in general, support information for management decision-making, program follow-up and control are practically nonexistent.

## **General Objectives of a Research Program**

A research program to support the development of information systems and indicators for social policy follow-up should seek to produce comprehensive tools for information management in decision-making at different planning and management levels. The following general activities should be carried out:

- Investigation of the use of statistical, economic and social information in order to respond to needs for human resources training, comprehensive information system design, and support in information use and analysis for social development follow-up.
- Research on basic aspects of social program and policy conceptualization.
- Integrated efforts for improving social indicator systems.
- Sectoral seminars on indicator system developments.
- Training of personnel in key aspects of the handling of indicators at different management and planning levels.
- The development of demonstration and test trials of information management models.
- The incorporation of quality concepts into social action program execution.

## **Research Areas**

Applied research to support information systems for social policy follow-up, should center on:



## **Research on Information Systems**

There is a need for statistical research applied to the development of statistical inference models, prospecting, multivariate methods and time series analysis in order to develop indirect indicators that fully exploit available data bases. Social synthesis research is required to aid in the construction of comprehensive economic and social frameworks based on the integration of economic and social sectoral indicators, and in particular the development of social accounting systems, and measurements of overall life quality, poverty and human development or social progress indicators adapted to the nation's available information. Informatic and telematic research is also necessary for the design of systems applicable to social information, its standardization and normalization.

## **Basic Sectoral Research**

Sectoral research is required to define high-risk populations, to introduce specific focusing criteria, and to establish control groups to strengthen the results of follow-up activities. In addition, research is required on the complementarity and interrelation of intersectoral activities, especially crossed and integrated evaluations of concurrent social programs for specific population groups as well as sectoral inventories and evaluations of existing information systems and indicators.

## **Evaluative Research**

The development and pilot testing of evaluation methods and indicators for incorporating quality criteria in management is needed. Also required is examination of the conformation of macro-indicators based on aggregate micro-indicators that will more closely relate follow-up analyses on general policies and specific programs and projects.

## **Research on Decentralization**

A better comprehension is needed of the relations between political and administrative decentralization, decision-making, and information management. Investigation should focus on the design of tools and mechanisms for the handling of information; the application of global social development indicators to differing regions and population sectors in order to extend comprehension of poverty-associated phenomena; and regional research which would make regional and local participation in decentralized policy development and follow-up strategies possible. Lastly, research is required to aid in the construction of regional and local information collection systems that would involve the use of indicators and information systems relevant to the needs of decentralized systems.

## **Institutional and Operative Conditions**

This final section presents a framework for optimizing research efforts on information systems. There should be integration among different research projects within a total program. It will thus be necessary to have an institutional entity responsible for defining priorities, and coordinating and guaranteeing complementary research efforts. As far as possible, this research effort should be integrated with the work being carried out by DANE and the National Department

of Planning within the framework of the National Statistical System. This will guarantee the widest possible participation of information users and producers.

Collaboration should be encouraged between research centres, universities and agencies responsible for information systems and social action programs. A regional effort that would favour the creation of local and regional information systems should be supported. These systems should also encourage the participation of universities, research centres and social policy agencies.

The research program should be aligned with other government social policies and resource assignment activities, establish compatible priorities and focus efforts on diverse levels. Support should be sought at the highest government level to guarantee sufficient funds for the development of viable information systems and to avoid the dispersion of information management resources among the differing entities responsible for social programs. There should be a specific and efficient system for disseminating basic and applied research and information systems that permit potential users to actually use existing information.

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# SOCIAL POLICIES IN CHILE: RESEARCH NEEDS

***Mariana Schkolnik<sup>1</sup>***

## **SOCIAL POLICY FROM 1920 TO 1991**

The development of social policy in Chile can be divided into three major periods with respect to both theoretical conception and practice. The first and longest period, from 1920 to 1970, was characterized by the growing development of the state's role in both income redistribution and the satisfaction of basic needs. The second, from 1973 to March 1990, corresponds to a general withdrawal of public economic support for social policy and a radical change in its conception and formulation. In the third or present period, the government is benefitting from the lessons of the past while seeking to formulate an overall development strategy with which to overcome poverty in line with objectives for long-term economic development and sustainability.

### **Social Policy Until 1970: A Half Century of Growing Social Development**

This first period was characterized by the lack of a general theoretical model for confronting poverty which led to a certain lack of coherence in applied social policy. Despite this, it is clear that there was a general strategic orientation towards greater social justice and the policies which were implemented did result in growing social development.

Concern for the so-called "social question" was the result of a strong national reaction to the "external sector-oriented development model" crisis. The discontent of the poorest sectors had begun with the reform movements of the 1920s, and increased during the 1930s Depression which witnessed the plunging of the national income.

In the productive sectors, declining exports and greatly limited imports led to great structural changes in Chile and the rest of Latin America. These involved the promotion of import substitution policies through support for the development of national industries.

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From a social perspective, this political-economic strategy led to a surge in active and powerful labour unions, especially in the major mining centers. The remainder of the social structure was comprised of a middle class and a relatively small upper class. The former played a significant role in increasing democracy and educational opportunities as well as in expanding the growth of professional, public, commercial and intellectual activities. The latter, who concentrated Chile's wealth, was able to maintain its position and avoid the breakup of the political and economic system through the extension of small concessions.

Thus, in the thirties, beyond doctrinaire inclinations, a social policy was implemented to confront the difficulties caused by global circumstances. The economic model generated important structural changes in society and led to the appearance of pressure groups which began to express a series of social demands largely backed by the political sector. Unfortunately, the system did not have in place the economic policy instruments required to support these demands over the medium and long term.

The growing importance of social policy over the next five decades was one of the basic causes of progressive improvements in income distribution and in the country's general well-being. The state's role in satisfying basic needs centered on two major policies: those regulating labour relations, working conditions and income; and those oriented towards satisfying educational, health, nutrition, housing and social security needs. The Chilean experience in social policy development and the search for greater and more equal opportunities was one of the first in Latin America. By 1924, even more important issues were being confronted.

In his analysis of the period, José Pablo Arellano (1985) distinguished three major positions with respect to the "social question". The Conservative Party demonstrated a non-institutionalized, non-systematic concern -principally expressed through the Catholic Church's charity work- which was based on the need to legitimize the power of the economically privileged class. The Radical Party, wanting the state to assume a more integral role, saw it necessary for the weakest and most vulnerable to bear arms to strengthen their fight for their rights. Finally, anarchist and socialist positions found support among labourers in their attempts to eliminate both paternalism and the concentration of wealth in order to secure more just and equitable wages.

## Social Policy in Practice

The marked differences between these positions sustained a debate on the institutional requirements necessary to confront the "social question". Thus, in 1918, the First Public Welfare Congress proclaimed that one of state's responsibilities should be the maintenance of public establishments in order to meet the needs of the ill, the elderly and the needy. The differences also led to a debate between conservatives and radicals on the appropriateness of mandatory primary education.

The program which swept Arturo Alessandri into power was based on the need to protect the proletariat and improve its working conditions. Based on his triumph, wide-ranging social legislation was introduced. Social problems were no longer seen as matters for charity, but as matters of justice. This idea was to predominate during most of the following decades. Legislation introduced during the twenties led to increased fiscal spending, which was abruptly halted by the 1930 crisis. The economy, badly affected by its dependence on the foreign sector, subsequently became focused on import substitution with the strong support by the government.

The Labour Code of 1931 integrated existing legislation with new norms on minimum wages and worker protection. In 1936, the Public Housing Fund was created, financed by government contributions and social security funds. Beginning in 1938, health services were organized which offered preventive medicine to workers, as well as to their children and spouses. In 1952, this benefit was extended to the entire family, and the National Health Service (SNS) was created. During this period new groups of workers were included in the social security system and new benefits were created, such as family welfare, severance pay and a maternity subsidy. The establishment of the SNS and the Social Security Service (SSS) led to substantially improved benefits beginning in 1952. In that year as well, a pension system based on years of service, disability and death was also created for private sector employees.

With respect to education, the 1920 Obligatory Primary Education Law led to expanded enrolments at all levels. As a result of successes in expanding primary school coverage, secondary education enrolments increased in particular. In 1953, the National Committee for Educational Support was created to provide for the needs -such as nutrition and school supplies- of the poorest. These measures generated greatly increased government spending. Between 1930 and 1955, social fiscal spending tripled, with the largest increases in social security, health and housing. Educational spending, although lower, still expanded more quickly than the gross national product (GNP). Although the education benefits reached the general population, other benefits were only slowly extended via workers' groups and associations. This led to extremely complex legislation and an unequal benefit and contribution structure. Moreover, one result was that some groups were favoured much more than others.

When the Radical Party achieved power, the government began to play the role of "benefactor" rather than that of "protector". This change was accompanied by frequent financing problems. Each new benefit was financed by equally new mechanisms which altered employment patterns and caused a series of indirect effects and distortions. This culminated in the mid-fifties with the imposition of severe anti-inflationary measures: the growth of benefits was stopped, while growth in social spending would not increase again until 1964. However, as a consequence of previously implemented policies, social spending still increased at a rate greater than that of the GNP during this period

From 1964 onwards, the Christian Democrat government made income redistribution one of its highest priorities. To this end, benefits were expanded to traditionally marginalized sectors (peasants and marginal urban dwellers). These activities doubled public spending within six years, reaching 20% of the GNP in 1970. In addition, an agrarian reform expropriated 15% of all agricultural land, leading to rural unionization and neighbourhood organization in marginal urban sectors. The previous tendency of improving benefits for middle class and urban workers continued, as did structural changes in property distribution. Although some efforts to equalize the distribution of benefits were frustrated,<sup>2</sup> the inclusion of new social sectors was reflected in greatly increased spending.

There were two outstanding problems in social policy application prior to 1970. The first derived from the lack of a coherent financing strategy which would have assured long-term program sustainability. This led to continual regressions and major fluctuations in state provided benefits. The second problem arose from the fact that traditional policy applications -fundamentally through formal social security systems (wage earners)- led to few significant achievements for non-salaried marginal sectors. Moreover, powerful political groups and alliances meant that the major

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<sup>2</sup>In 1965 the Congress turned down a project to equalize family benefits among different groups of beneficiaries.

beneficiaries of government actions were middle- and lower middle-class groups, not the truly needy.

## Conclusions

During most of this period the country underwent an economic development process based on import substitution policies. Growing state participation in satisfying the population's basic needs generated a group of institutional socio-economic policies that produced health, housing, social security and other programs. The government played a fundamental role in extending these services to a growing proportion of the population, under the precept that it should provide for general well-being. Thus, Chile was a pioneer in achieving high social service development and coverage levels, and its efforts were reflected by the country's high degree of social development.

However, the means to support social policy were exhausted towards the 1960s as a result of the exhaustion of the import substitution development model. Constant increases in social spending to satisfy growing needs and the lack of adequate instruments to generate fiscal resources led to frequent macroeconomic crises and severe adjustment measures which, in turn, led to increasing deficits, inflation, and deteriorating investment levels.

## Social Policy During the Military Regime: The State Steps Back

The neo-liberal model adopted by the authoritarian regime in 1973 caused extreme inefficiency in the government's distributive functions. Economic growth became the only valid instrument for reaching economic prosperity for all, and the state lost a major share of its role in creating conditions for greater equity and equality in opportunities.

The social policies which were developed from 1973 onward concentrated on eradicating extreme poverty through selective and focused policies targeted towards the neediest. This meant, in practice, reduced filtrations to the benefit of other groups. The state lost its character of benefactor and concentrated its assistance efforts on groups unable to provide for themselves the social services previously received from the state. Subsidy distribution began to take place in accordance with the criterion of extreme need rather than that of the ability to pay.

The military's theoretical-doctrinaire position was based on the principle of state subsidies designed to strengthen two fundamental values: individual liberty and equal opportunity. To this end, the government was to refrain from all types of interventions and assumed only those responsibilities that individuals and intermediate organizations were not able to adequately undertake.

Individual liberty was interpreted principally as the ability to choose goods and services in the market, including not only basic goods but social services and labour relations. Equal opportunity was defined as a lack of discrimination in the market - the lack, that is, of the public bureaucracy's arbitrary and discretionary power, which was removed from the market. The achievement of equality also required ensuring that the entire population could satisfy its minimum needs for food, health and education. Thereafter, persisting inequalities could be attributed to such issues as individual effort or merits, propensities towards savings, or diverse natural characteristics. The model assumed that the remaining determinants of poverty would be automatically corrected

once individuals reached certain minimal critical levels, and thereby the vicious circle of poverty would be broken.

## The Neo-Liberal Model in Practice

The implementation of the neo-liberal economic model produced profound transformations which caused a sudden decrease of public spending in the social sector. Reduced social spending resulted from both short- and long-term objectives. On the one hand, the government's anti-inflationary policy was based on severely reduced government spending. On the other, its long-term development strategy sought to reinforce the private sector thus causing a reduction in government size.<sup>3</sup> Under this model, economic growth would be the basis for favouring the neediest sectors, not income redistribution policies which were cast aside.

Another substantial change took place in diverse social services, where private sector participation grew, and efforts were made to use the market as a rationalizing and disciplinary mechanism. Thus, in education, primary and secondary levels were decentralized down to the municipal level. University tuition was increased and low-interest government credit was created, as was a competitive system for state funds.

In health, numerous attempts were made to transfer services to the private sector, although the reforms eventually introduced were much less radical than those originally proposed. It was established that resource allocations would be directly linked to the services provided, and authorization was given to transfer the obligatory contributions of wage-earners to the health system for the hiring of private health services. In social security, an individual capitalization system was established to replace the public distribution system.

The housing subsidy system was modified. It would now give a larger role to real estate companies and the capital market as financing mechanisms. A series of regulations on the urban land market were also removed.

The results of the economic and social policies applied during this period were increased poverty and a greater concentration of income in the higher socio-economic strata. In 1987, households described as poor amounted to 38.1% of the national total (CEPAL, 1990). Between 1978 and 1988, only the top quintile of households increased their real spending; the remaining 80% were forced to reduce their spending.<sup>4</sup> Considerable reductions in public social spending in the face of the world economic crises of 1975-1976 and 1982 translated into reduced support for health, education and housing.

During the military regime, assistance programs were strengthened to the impairment of social investments, principally in health and education. Contributions received by these sectors decreased from 45% of total fiscal spending in 1980 to 30% in 1989. Although social spending doubled between 1970 and 1989, it was the result of growing social security contributions, not of public spending. The creation of the Individual Capitalization System required the government to

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<sup>3</sup>In 1975 and in 1982 the country was forced to cut spending in the face of the worldwide economic crisis. These cuts generated severe economic recessions.

<sup>4</sup>See comparisons of the 1978 and 1988 Family Budget Surveys conducted by the National Statistics Institute (INE).



assume responsibility for the former system's pensioners, which quadrupled contributions in this area.

Education contributions shrank from 4.2% of GNP in 1989 to 2.7% in 1989, and the municipal administration of educational establishments led to serious deficits, especially in the poorest communities. Educational quality declined, and teachers' wages fell in real terms. Although the goal of decentralizing management was originally greater efficiency, the process led to clear discrimination against the poorest communities which were unable to supplement the scarce resources provided by central authorities.

Although preschool care expanded from 6.1% in 1973 to 21.3% in 1989, primary education suffered from constantly shrinking enrolments and, secondary education, from serious problems in orientation. While enrolment at the secondary level had increased considerably, data from the 1987 National Socio-Economic Characterization Survey (CASEN) indicates that 53.9% of non-enrolled youths belonged to the population's poorest 30%.

With respect to higher education, the restructuring which began in 1973 caused a severe erosion in Chile's prestigious university system. This, in addition to constantly reduced contributions, led to reduced university enrolment with respect to the total 20 to 24 year-old population for the 1973 - 1989 period.<sup>5</sup>

In housing, already seriously affected by economic crises, reduced contributions and structural changes led to a growing deficit and an unprecedented problem of relatives having to live together.

During this period, the health sector suffered from structural and functional deficiencies which became more serious as contributions to the sector decreased. The system, whose original conception had included a criterion of equity, lost that quality with the creation of the private health insurance system. The result was an undesirable redistribution as a result of crossed subsidies from the middle class to the lowest sectors of the population. Furthermore, health sector financing was systematically reduced, requiring increased contributions from beneficiaries. Although public health spending grew between 1974 and 1989 by 10% in real terms, the sector's development was radically limited with respect to that of previous decades. Between 1974 and 1989, real investment fell by 10.2% and fiscal contributions by 36.7%.

In labour relations, the application of an excessively liberal market model caused the loss of a series of benefits and guarantees acquired by workers during previous administrations. Authoritarianism and the application of norms designed to restrict collective bargaining provoked a climate of instability and insecurity which in turn limited negotiation and participation. The flexibility of the labour market caused a disproportionate increase in the power of employers. As a result, unionization and collective bargaining were limited in real terms.

In 1981, a new labour law was instituted with the objective of achieving flexibility in salaries and hiring levels at the cost of diminished power for workers. Article 155-f, which permitted firing without express cause, became used as a means of limiting unionization and collective bargaining. The right to strike was also limited and in general a series of benefits acquired prior to the application of the authoritarian model were lost.

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<sup>5</sup>New professional institutes now account for a large portion of enrolment in higher education. As a result, total higher education enrolment increased between 1973-1989.

During this period, the application of new social policy criteria, especially focalization, led to the development of instruments for objectively measuring efficient social spending and for assigning subsidies directly to the extremely poor. Although the number of beneficiaries of diverse programs decreased from 1973 onwards, policy effectiveness increased, in that benefits were provided to the most vulnerable. However, because of strict adherence to criteria of extreme need, several programs faced the rigors of the fiscal tightening after the 1982 economic recession.

## Conclusions

The ideological and political perspectives of the military regime during the 1973 - 1989 period favoured greater individualism with increased emphasis on the consumer, increased liberty and freedom of choice. The role of the organized community in decision-making disappeared, as did participation in providing social services. This was a significant departure from the basis upon which social policy had been implemented since the 1920s.

The state subsidy principle implied concentrating social efforts in those sectors where the neo-liberal economic model was ineffective in achieving equity. However, the criterion of making social policy sustainable through reducing benefits for those socio-economic groups able to pay was carried to the limit by focusing assistance almost exclusively on sectors in extreme poverty. This left out large segments of the middle and lower middle classes who lost many of the economic benefits they had previously achieved.

During the 1982-1983 economic crisis, the consequences of the reduction policy as previously applied to social spending became more obvious. Although palliative actions were undertaken, they were insufficient to counterbalance deteriorating basic social services which were now unable to meet current basic needs.

Finally, during this period, social policy was conceived not as a social development instrument, but as a tool to possibly soften the pernicious effects of economic crises or social problems in specific sectors caused by the application of the economic model.

## Social Policy in the 1990s

The economic model followed by the present Concertation Government maintains continuity with the previous model in several respects, but differs radically in its emphasis on the need for greater social equity and opportunity. Increased poverty, deteriorating social services and the macroeconomic problems of previous administrations, provoked by the application of social policies unsustainable in the medium and long term, has led to a development strategy different from that of the past two periods, although it includes some of their more positive aspects.

Social action has become a fundamental objective of the government's program, which may be summed up as "improving the quality of life of all Chileans by developing and applying policies which may be sustained in the long term, and which do not compromise the process of economic growth or the new democracy's economic and political stability".

## General Social Development Strategy

The government's social development strategy proposes the maintenance of an open and competitive economy, and the achievement of social objectives within a framework of macroeconomic efficiency and stability. The state seeks to complement the private sector's efforts to promote growth, investing in those areas where social profitability is greater than private profitability. The population's improved quality of life requires a consolidated process of economic growth, which will be made sustainable by assuring both durable renewable resources and compatibility with growing levels of social justice and equity.

Furthermore, the strategy seeks positive complementarities between the private market and public actions through support for social participation, as well as concertation among diverse social and political groups. Participation is seen as a necessary requirement for the stability needed for economic progress, while a concertation of interests will encourage joint efforts towards common goals. The encouragement of both processes are linked to reforms in the public sector and in the decision-making process; the implementation of the strategy will require growing institutional decentralization.

## The Role of the State

The active role that the state began to play in this period, largely through its program directed to the neediest, is based on a different concept of the capacity of economic growth to improve the general population's living conditions. It has been proven that economic growth is not sufficient to achieve greater social justice and equality. Similarly, the large social debt incurred with the neediest, whose situation worsened while the economy grew and the nation developed, must be paid.

Efficiency in the use of financial resources will depend to a large extent on the returns the state receives on its investments. In this respect, government social action should serve as a factor for social development. This means investing in people and creating opportunities for all. The qualitative and quantitative improvement of human capital investment has thus been made a high priority objective which is being met through diverse projects in areas such as health, education, training and housing.

Lastly, the government's decentralization process forms an integral part of its objective to seek both modernization and development for all. With it, better geographical equity is sought through the effective incorporation of each region in the economic development strategy. Above all, however, efficient public investment and the assignation of budgetary resources must increase while regional and local governments and their respective communities are strengthened. Political decentralization and administrative deconcentration are closely linked to the nation's adoption of an open economy and export-based development style and to the possibility of mitigating poverty and regional unemployment.

## New Institutional Characteristics, New Criteria

During the first year of this period, the new criteria governing society led to a different way of determining economic and social policy. This is reflected in the implementation of recent adjustment measures and in the achievement of wide-ranging political and social consensus.

Despite economic adjustments in 1990, income distribution has improved, an important achievement during a period of diminishing growth. Agreements between political actors have led to important social development reforms, including fiscal reforms designed to support and finance increased social spending, and labour law reforms, whose objective has been to revindicate workers' rights and improve their deteriorated collective bargaining power.

The new social policy seeks to extract and apply the positive elements from the diverse experiences previously undertaken. Social policy should accompany economic policy instead of merely being a tool for supplementing the latter's distributive deficiencies. Social policy should ensure social development in order to achieve economic development. Sustained and stable economic growth is not viable if the nation as a whole does not develop and if individuals are not trained to confront an increasingly competitive economy. From this point of view, social policy is more than support for the most needy; it must contain elements to promote science and technology, culture and environmental protection, among other things.

The government's social policy attempts to assure a satisfactory standard of living for all Chileans, and grants priority to those most in need during its first stage. Solidarity and equity are two fundamental values for policy definition and activities in the current socio-economic model. On the one hand, they respond to resource prioritization criteria as they target the neediest, and on the other, they seek to generate truly equal opportunity. Financing must come essentially from the sectors with the highest incomes. This will also allow the resolution of some problems which the middle-class cannot solve on its own.

Because of the lack of resources for social activities, emphasis must be placed on the efficiency with which they are executed; that is, there is need to perfect and design new social evaluation and budget assignation instruments with social purposes. Efficiency is linked to the need for more selective social policies, for example, the design of specific programs for specific groups. Social investments necessarily generate conditions that allow the poorest to find productive jobs. In this respect, targeting of the extremely poor is to be complemented by spending on specific poor and medium-poor groups that are able to develop and pull out others below them. Thus, there will be policies directed towards groups or communities which, despite not being extremely poor, can maximize the potential of social spending to reach poorer groups. Training projects and support for small- and medium-sized businesses should be able to assist these communities to successfully overcome poverty.

Finally, the design of a social network to meet the basic needs of the poorest sectors through different life stages should prove an efficient strategy. There should be a certain continuity among programs, so as not to lose previous achievements. Thus, for example, the network should ensure that breastfeeding infants receive food supplements, that later they should have access to preschool education and, later still, they should also have access to education and vocational training which will allow them to adequately enter the labour market.<sup>6</sup>

This integrated approach responds to the problems of duplicated efforts and lacks of coordination which were evident in past policies. Actions undertaken in each social sector should have a common goal and should therefore complement and improve the potential of each. Although some programs have achieved a certain complementarity designed to improve selection

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<sup>6</sup>The continuity of the social network should be interrupted only when the socio-economic conditions of the beneficiaries improve to the point that they or their families can provide for themselves. This will allow a redistribution of benefits towards the most needy.

and increase the potential of social investment, new mechanisms should be designed to link assistance programs to those which imply productive investment in individuals.<sup>7</sup>

Finally, participation is a fundamental element in the socio-political structure of the new democracy. However, to this end some institutional modifications are required, specifically the democratization of intermediate organizations and decentralized decision making. Greater participation seeks to bring solutions closer to those who do not have the means to acquire basic goods and services. This includes prioritizing support for youth, women, the elderly and the most needy, sectors which have been neglected for many years.

### Activities for 1990 - 1991

State participation in the social area has aligned itself along two axes: 1) the execution of social policies which will ensure that all Chileans have access to basic goods and services which allow them to participate in development; and 2) the strengthening of collective bargaining capacity.

In the social area, a series of measures enjoying wide-ranging political support have been generated. On one hand, the public sector's tendency to reduce income and spending, which was based more on ideological than technical reasons, has been reversed. Significant support received by the 1990 tax reform has allowed a 17.4% increase in contributions to social programs during the period's first year. In 1991, an additional increase of 12.2% will be possible. Greater fiscal resources have permitted the financing of new programs, the revision of those already in progress, and an increase in resources for high priority social sectors.

Although the focus is on strengthened investments in people, the more immediate problems have been addressed by income assistance programs. This has meant increasing the amount of better focused monetary subsidies, specifically the sole family subsidy (SUF) and assistance pensions (PASIS). The universal family assistance program has also been made more progressive, through scaled adjustments by income. In addition, the government made adjustments to minimum pensions during 1990, a benefit which will be extended to all pensions between 1991 and 1992.

During this period, fiscal contributions to the health sector have significantly increased. Tax reforms permitted the original 1990 budget to be increased by 7.85%, and the 1991 budget increases spending by almost 20% in comparison with real 1990 figures. Real investment has nearly tripled in comparison with that of the late eighties.

In education, new programs have been undertaken to improve educational quality in the poorest primary schools. Decreased state resources during the preceding period caused differences in quality which affected equal opportunity in lower income sectors. Steps have been taken to modernize and improve the quality of technical and professional education programs. Likewise, vocational education and training programs have been developed and are now being implemented in order to assist sectors who have usually been marginalized from the formal labour market.

In the area of housing, qualitative and quantitative advancements have been achieved. With the construction of a number of dwellings greater than each year's needs, a marked tendency

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<sup>7</sup>Presently, the school nutrition program (PAE) fulfils two objectives: to improve the nutritional conditions of students and to promote the school system.

towards housing deficits has been broken. From the viewpoint of equity, the point system has been modified, which means the inclusion of new criteria and consideration of specific situations such as female heads of household, and relatives living together. A new program of progressively-built homes allows beneficiaries to take an active part in the design and construction of their own homes. Finally, a wide-ranging debt renegotiation plan with a progressive, efficient focus has been developed, benefiting the poor and those who, insofar as their capacities permit, have met their obligations.

In the area of labour legislation, modifications in the Labour Code have eliminated discriminatory articles while establishing modern, objective mechanisms so that firms can more efficiently plan their labour requirements. Indemnities for years of service have been increased, and have been extended to domestic workers. Labour union organization, collective bargaining and the right to strike have all been regulated. A consensus achieved between workers, firms and the government has also led to the signing of an unprecedented agreement which allowed the minimum wage to be increased by 44% and public sector wages to grow by 25% by December 1990.

## Conclusions

The Concertation Government has decided to confront poverty more seriously and decisively. General consensus on the problem's gravity and the importance of the state's role in the social sector have allowed some key reforms to be made, thereby achieving greater equity with growth and stability.

The policies adopted will always have the economic support necessary to sustain them, without affecting macroeconomic and fiscal balance. Furthermore, the state's social efforts will not be limited to satisfying the basic needs of those in extreme poverty, but will also seek to revert the tendency towards the impoverishment of the middle and working classes.

It is particularly important to identify specific groups or areas that require support in order to develop their potential, thereby reducing continued dependency on state assistance. Investments in health, housing and justice are fundamental to ensuring a positive social environment. Also required are investments in education and training to provide incentives and develop employment skills that can contribute to both economic and social development. If indeed the first part of this period has been characterized by the continuity of social programs, the formulation of new actions and the determination of high priority groups have constituted necessary advancements based on better and more specific knowledge of the dimensions of poverty.

## **NEW SOCIAL POLICY RESEARCH NEEDS:**

The changes which have occurred in Chilean social policy during the past century have been profound and reflect the diverse ideological beliefs of the government of each period. As a result, the state which believed it should satisfy needs and provide social services to the general population (as a "benefactor" government) evolved into one which privatized the problem of access to basic goods and services. From a state which managed social benefits at its discretion, there evolved a pattern in which individual citizens had to channel their demands into a market, and the state played a limited role as a supplier of subsidies.

A review of Chilean social development and the associated costs and benefits of the two earlier periods led the present government to redefine the problems to be solved. The magnitude of accumulated poverty is such that the country's social development has become the task of society as a whole, one in which the state plays a fundamental role. Society must seek and generate its own solutions to reinforce social policy. The state should design and improve programs in areas where private participation is not profitable, but in which action is advisable from a social viewpoint. For these reasons it should also assume functions in social policy evaluation, control and follow-up.

The relevance placed on social problems by the new democracy, the incorporation of new target groups in the government's action plans, a diagnosis of poverty based on diverse criteria, and the need to perfect evaluation mechanisms signify that a major social research effort is required in order to increase both efficiency and effectiveness in the use of limited public resources.

## **Diagnosis**

Chile is a nation with vast experience in social science research. However, this research has not normally been linked to the policy-making process, and less still to implementation.

In the current context, it is not sufficient to have good diagnoses of poverty and unsatisfied basic needs such as health, education, housing or employment. It is not enough to know how many poor there are; rather, their specific location, their needs and the causes of their poverty must be identified. Policies directed towards poverty-stricken groups characterized by illiteracy and low educational levels are quite different from those directed towards the working poor, even in the formal sector, whose incomes do not allow them to satisfy their basic needs. In the case of location, there may be regions where the priority is the lack of housing or employment generating projects. Knowledge and analysis of the nation's diversity are fundamental to determining what policies are required.

Recent studies have demonstrated the heterogeneity of poverty (Schkolnik and Teitelboim, 1988; Raczynski, 1991), which means that families with unsatisfied needs in one dimension are not necessarily the same families with unsatisfied needs in another dimension. These diagnoses must be periodically updated, due to their implications for the design of policies directed towards reducing poverty. This is basic because, in comparison to countries with similar poverty levels, Chile's needy population has a rather high cultural level and ability for rapid integration.

The number of poverty stricken homes and their needs, as well as the number of those with more than one type of problem must be identified. This will allow individual programs to be better defined and better mechanisms developed in order to provide more comprehensive coverage for those families with more than one type of problem. Selective social policy applications require knowledge of the numbers of these families and their location. Focal points of poverty and vulnerable groups must be detected, and variables such as gender and age must be included in analyses.

Just as diagnoses must be increasingly specific and concrete, more knowledge is required of existing institutions and their capacity for regional, provincial, communal and local project management and execution. Effective decentralization requires the effective movement of operational capacity affecting decision-making and resource assignation from the regional to the local level. This capacity must be described and reinforced in order to more efficiently assign

resources and achieve the true participation of all those involved in social policy decisions. Similarly, examinations and diagnoses of regional and community conditions are required.

In order to avoid duplicated efforts, ongoing programs must be identified, as well as the operative capacity of non-governmental and other organizations involved in social sector activities.

Finally, the government must monitor the perceptions of beneficiaries and social actors with respect to social programs. These preferably periodic diagnoses must be compared with ongoing social program evaluations in order to incorporate into their design considerations of effectiveness in terms of the impact of the programs from the perspective of the beneficiaries.

## **Policies and Programs**

A diagnosis of complex and heterogeneous socio-economic environments will contribute to the development of efficient policies directed towards specific groups and locales. There are currently some areas which, while being addressed to some extent, require research to provide more insight into the nature of the problems to be resolved.

The redefinition away from an assistance-oriented social policy towards one that generates opportunities must take place mainly through programs and projects in the areas of training and support for productive employment. Therefore, it is necessary to conduct research on the current and future labour demands required by the nations's development process. Furthermore, mechanisms to link training institutions and the private sector must be examined in order to adequately transform efforts into effective employment. In the same fashion, the needs of small- and medium-enterprises must be defined, as well as their potential contribution to addressing the problems of the informal sector.

The need to draw on the potential of social policies, to take advantage of large-scale economies and to avoid duplication, implies the need for research on new ways of linking the diverse activities of differing sectors and groups. Instruments should be complemented rather than superimposed, while mechanisms should be designed to ensure that actual beneficiaries are the target beneficiaries. For example, research is required to examine complementarities between training and labour policies for women, and extended hours of service for daycare centres and preschool institutions. With respect to youths, it is essential to seek greater integration between policies on education, culture, sports and recreation and programs directed to problems of drug addiction and alcoholism. Urban development issues require a holistic perspective and integrated approach from the public works, housing, health, education and other applicable sectors.

Rather than focusing on isolated sectoral proposals to solve the problems of poverty, multidisciplinary intersectoral proposals must be developed. A central imperative of the today's social policy is the need to ensure life-long access to health, education, housing and employment.

The social policy of the previous government placed an emphasis on maternal-child health programs, ignoring prevention and care for adults and the elderly. Although high coverage was maintained in primary education, only one of five children attended preschool, and secondary drop-out levels reached 50,000 students annually. School desertion and high youth unemployment rates led to the current, extremely grave problem of unemployed and unoccupied youth. Lack of care for the elderly was reflected in the lack of pension and retirement fund readjustments.



The social network thus presents a number of worrisome vacuums. Early investments in nutrition and health for breastfeeding infants are often lost because of a lack of preschool education or school desertion. Secondary education is not oriented towards higher or technical-vocational education in line with society's current needs. Moreover, the social network should not only be complemented by specific activities; it is also imperative that the quality of some services, such as education and health, be improved. All this implies the need for research on modernization and on institutional reforms. In health, research on the population's actual demands would be indispensable, and in education, research directed towards improving quality and modernization is required at every level.

The social network and the implementation of integrated policies should ensure life-long access to basic needs. This is the basis for true equal opportunity which will in turn lead to the effectiveness of development programs oriented towards the productive sector. Social development must be closely linked to economic development.

There are other areas which also urgently require study and proposals for action. For example, the focusing of diverse programs and subsidies such as the National Food Supplementary Program (PNAC) and the family assistance program remain insufficiently evaluated. Further, more knowledge is needed on the institutional capacity which will be required to carry out social programs in the context of growing decentralization, and how to make social participation operative.

## **Evaluation**

Given the lack of public resources and the specificity of many programs, diverse evaluation instruments for measuring the effectiveness of social policies are required.

The National Socio-Economic Characterization Survey (CASEN) has proven useful for measuring the impact of social expenditures on homes and the coverage of programs implemented at the national level. However, it does not measure specific programs targeted towards specific groups. CASEN's demonstrated usefulness in the areas for which it was devised suggests there are possibilities for designing similar surveys to follow-up on the effectiveness of programs targeted towards specific ends or groups.

Moreover, indicators which allow measurements not only of social program coverage, but also of service quality, access and use, need to be developed.

The population's perceptions of social policy must be regularly evaluated. This will require the design of adequate instruments for such a purpose (for example, opinion surveys).

Systemized and periodic evaluations of the effects of economic policy on social conditions must be conducted. Despite being a period of economic adjustment, the 1990 results showed that development with improvements to the incomes of the poor is possible. There is also need to study alternative sources of financing for social spending and their potential economic impact.

In summary, research which is useful to policy design, which can analyze and evaluate effectiveness, point to alternatives, examine financing arrangements and the perceptions of the general population are required to support the current development of social policy in Chile.

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# SOCIAL POLICY RESEARCH: CURRENT ISSUES IN CHILE

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## **INTRODUCTION**

This study discusses research directions useful for developing, implementing and evaluating Chile's social programs. It is based on the assumption that social policy should contribute to equity, social integration and systemic national competitiveness.<sup>2</sup> Two aspects have been considered for the selection of practical and relevant research priorities: strategic social policy orientation in terms of objectives, programs, and instruments; and social policy implementation, and the influence of diverse social actors on the viability and relevance of the measures to be fed by research.

The study summarizes the characteristics of the social policies adopted by the military and transitional governments. The following issues are then discussed with reference to health, housing and education: (i) the orientation of social policy selectivity; (ii) the microeconomic of social programs; (iii) equity and systemic competitiveness; and (iv) program management.

## **STRATEGIC SOCIAL POLICY ORIENTATION**

### **The Military Government Period**

During the military regime, extreme decreases were felt in social spending. After five decades of continuous expansion beginning in the 1920s, social spending per capita was abruptly reduced, particularly over 1975 and 1976. While spending recovered from 1977 onwards, reaching

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<sup>2</sup>For support of the relevance of these three aspects see CEPAL (1986, 1987); Gurrieri (1990); Sojo (1991).

early 1970s levels by 1980, per capita reductions were then maintained until the end of the military period (Arellano, 1984; French-Davis and Raczynski, 1987).

Between 1974 and 1985, per capita social spending decreased and fell below 1970 levels in education, health and housing. In education, spending fell between 10% and 15%; in health, between 35% and 45%; and in housing, between 30% and 50%. While moderate in terms of the cuts in other areas, social security spending also suffered (Arellano, 1984: 46). Spending in this area remained below 1970 levels from 1974 to 1980, and then actually grew to 8% above 1970 levels in 1981 (CIEPLAN, 1988).

Two fundamental reasons explain this reduced pattern of social spending. On the one hand, the cuts were made to help maintain the nation's monetary balance and to combat inflation. On the other hand, they reflected the state's increasingly subsidiary role in social policy, a role which was being strategically reduced by privatizing social services. In general, the reductions were contained by channelling resources to social security within the framework of privatization. This action reduced the amount available for other social sectors and conditioned the re-distributive impact of public spending.

There was also a fundamental change with respect to the targets of social policies. During the late 1960s, middle-class groups made substantial contributions to social programs and obtained benefits in line with their fiscal contributions (Foxley, et al., 1980: 183-188). During the military regime, emphasis was placed on the strict "targeting" of programs to groups in extreme poverty<sup>3</sup>. This served to exclude the middle-class. Other measures negatively affected this group. For example, state financing for public health was reduced, and higher income groups stopped their implicit subsidy of the poor. The weight of financing deteriorating services thus fell on middle-income groups (MIDEPLAN, 1991: 61).

"Targeting", understood as spending directed towards groups in extreme poverty, increased the re-distributive impact of some programs. The military's maternal-child programs did make important advances in reducing infant mortality, and lowered malnutrition in children under six. But the overall effectiveness of state redistribution was limited. Only slightly more than half the resources of the five major programs favored 30% of the poorest households, with a degree of selectivity that varied considerably from program to program. For example, while 67.3% of the beneficiaries of the sole family subsidy (SUF) were poor; only 27.9% of the beneficiaries of the housing subsidy were so (Haindl and Weber, 1986).<sup>4</sup> Of total spending, only 15% was targeted to the extremely poor. Considering the tendency of wages towards concentration, the high unemployment rates of some years, and increasing poverty, this level of financing resulted not only in insufficient coverage but in undesirable phenomena such as the rotation of nutritional supplements extended to needy school children (Vergara, 1990).

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<sup>3</sup>In many cases, the effects were not what had been expected: sectors other than the extremely poor often benefitted from the state's actions. While this does not affect the argument that the extremely poor were the targets of the military's social policies, the defining of social policy orientation as a function of its beneficiaries should take into account whether an income group benefits as a target group or through filtrations. This distinction is essential to make since the social policy strategies adopted with respect to target groups—for example, universalist policies, "fine focusing" or "wide focusing"—determine very different needs for financing and implementation. Similarly, "filtrations" should be defined according to the definition of the target group. It is imprecise to abstractly define "filtration" as all social spending which benefits middle- or high-income groups (Foxley, et al., 1980: 28, 63).

<sup>4</sup>In other regions, universal programs have had a similar or greater re-distributive effect. For the case of Costa Rica, see Trejos and Elizalde (1985), and Sojo (1990).

"Focused" subsidies were granted on the basis of individual needs. To determine widely diversified vulnerabilities, two versions of a global social stratification index with very tight rankings, known as the Social Action Committee Index (CAS), were used. The use of this index led to the exclusion of individuals with severe needs in some areas, such as people forced to live in the homes of friends or relatives (known as "allegados")<sup>5</sup>. Moreover, the index was not very useful in assessing differences at local or regional levels either. Certain traditional instruments, such as considering the opinion of teachers in the design of nutritional programs, continued to be non-systematically used (Vergara, 1990; Raczynski, 1991). The "focused" provision of services targeted towards the extremely poor effectively helped to address certain morbidity and nutritional problems. However, the services provided were largely curative in nature. Prevention and promotion were ignored (Vergara, 1990). Moreover, the increased reduction of real subsidies led to deteriorating service quality.

Important changes also occurred by way of the decentralization or transfer of important educational and health programs to municipalities. This led to a variety of problems.<sup>6</sup> Because municipal mayors were nominated by the President and decision-making remained centralized, the process was really one of de-concentration -rather than the decentralization- of social services. As a result, there is now an urgently recognized need to increase the decision-making capacity of municipalities, to improve communication and coordination with other branches of the government, and to promote exchanges of experience between municipalities.

Another set of municipal problems is related to the trajectory of other social policy reforms. For example, the transfer of funds for health services to poor municipalities led to problems, particularly over the medium-term. Municipal transfers from the National Health Fund (FONASA) did not cover actual expenses; poor municipalities could not mobilize supplementary resources and adjustments were often made by decreasing spending or activities.

The national health system deteriorated. Reductions in preventive medicine, especially related to surgery or specialized consultations, led to the spurious use of emergency services, which represented 40% of all consultations in 1987. Public sector health infrastructure underwent severe deterioration. At the beginning of 1990, 53% of 703 ambulances were in poor shape or out of service; 90% of washers or centrifuges had deteriorated, were out of service or had been removed from inventory; 40% of the nation's hospital furnaces, required for heating and sterilization, were not in use; and 75% of the metropolitan region's hospitals were at risk in case of emergencies such as earthquakes or fires (MIDEPLAN, 1991: 63).

The financing of education on the basis of daily attendance led to unstable municipal income and, among other things, made the undertaking of medium-term projects difficult. With respect to human resources in education and health, notable developments included lost career development paths and decreases in real income.

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<sup>5</sup>In Chile, the term "allegados" is used to describe people who are forced to live with other family members or friends or who construct a precariously built shelter on the same lot as another dwelling because they can no longer afford to rent or own their own home.

<sup>6</sup>See among others Raczynski and Serrano; Jiménez and Gilli (1989); Morales, et al. (1990); Vergara, 1990; and Palma and Rufián (1989).

## **The Transition to Democracy**

Barely more than a year after the transitional or Concertation government assumed office there have been both continuity and breaks in the orientation of social policy proposals and practice.<sup>7</sup> It is important to examine the development of social policy in a macroeconomic context. The inflationary aspects of the military government's expansive policy prior to the plebiscite made a 1989 "mini-adjustment" necessary. The new government substantially raised the interest rates as an adjustment instrument to reduce inflation. This modified overall spending, and in particular aggregate consumption in high-income sectors. Among the measures adopted by the Concertation government to increase the welfare of low-income sectors was a tax reform to soundly support and increase social spending.

Using the resources generated through the tax reform, social spending was increased. In 1990, the budget increased by slightly more than 17% and this year, by more than 12%. During this period, several monetary subsidies were readjusted and greater resources were directed towards education and health programs. These sectors along with the housing sector, grew in real terms by 12.2% in 1991. However, there has been concern over regional inequalities in coverage and service provision, especially with respect to preschool education and housing (MIDEPLAN, 1991: 21, 93).

### **Selectivity**

With respect to target groups, the government has affirmed that social spending should not negatively affect the middle class (Ibid.: 21). The concept of "targeting" on the neediest has been maintained, although improvements to the quality and selection criteria of some programs have been proposed. Such is the case of measures taken by the National Supplementary Food Program (PNAC) (Ibid.: 74, 75). Moreover, the concept of selectivity has been expanded beyond mere assistance. A number of programs have been developed which represent medium- and long-term investments in human resources. These include teacher training in poverty-stricken areas; occupational training and employment programs for unemployed youths and drop-outs; subsidized loans and scholarships which should assist 20,000 low-income university students by 1994; the development of adult literacy and post-literacy programs; and the creation of integral adult education centers (Ibid.: 93-108).

Consideration has been given to expanding the coverage of some traditional target groups and the selection of new beneficiaries. Thus, upon renegotiating the mortgage portfolio of the Regional Housing and Urban Service, preferential treatment was approved for pensioners and widow/ers receiving the pensions of their deceased spouses (Ibid.: 51). In health, this is reflected in programs oriented towards unprotected groups: adults, adolescents and the elderly (Ibid.: 83). In education, there have been proposals to increase coverage to some age groups with low preschool coverage, such as children of up to two years of age, of whom only 1.1% have had access (Ibid.: 22, 93). In housing, initiatives have been made in favor of the "allegados", the rural population and female heads-of-households.

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<sup>7</sup>For detailed information on the process of macroeconomic adjustment see Rivera (1991).

Mechanisms used to "focus" activities on individual homes, such as the CAS index, have been maintained.<sup>8</sup> But selective spending has also been channelled towards communities and localities through comprehensive community development programs, which consider the diverse needs of groups rather than individuals. In 1990, a reinforcement program for basic care was implemented which centered on 24 urban and 104 rural communities with important needs. Proposals for the organization of groups for housing is also being promoted (Ibid.: 45, 70).<sup>9</sup>

## Health

The public health system must be restructured and modernized, and norms and incentives to promote cooperation in the sector's financing should be proposed. Objectives include increased investments in physical infrastructure and equipment; support for institutional development; and reinforced health care programs for unprotected sectors (Ibid.: 68, 83). For the first time in many years, the rate of users of public health plans and the system's income have increased in real terms (Ibid.: 82).

In this area, the current government asserts that investments in the primary level were "over-targeted", to the expense of other, more complex, areas. The organization of the present system is considered inadequate to cope with the country's emerging epidemiological patterns. Preventive programs are thus far underdeveloped for complex pathologies and non-communicable chronic diseases such as cardiovascular disease, cancer, traumas and diabetes.

## Housing

Housing activities undertaken in 1990 and 1991 will probably not only freeze the housing deficit, but decrease it slightly, breaking a historical tendency (Ibid: 51). The work undertaken during these two years could duplicate the previous administration's average activity in the sector.

In housing, problems such as the social segregation of the urban poor have been recognized. Based on the integrated growth criterion, the formation of neighborhoods and cities with balanced urban and regional development are being sought, as is overcoming segregated housing and rigid, uniform construction standards. In the case of progressive housing, the participation of beneficiaries will be promoted in order to define stages of housing construction. Communities are to be given schools, health centers, police controls, recreational centers, parks and community equipment (Ibid.: 24, 45).

It has been recognized that the middle-class was greatly affected by mortgages during the military regime and by indebtedness related to utilities such as electricity and water. New, more accessible financial instruments have been proposed as well as a leasing project designed to create real estate companies which would invest in housing through a subsidy system.

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<sup>8</sup>Some modifications have been made to the CAS. For the assignation of housing, see D.S. No. 150, October 1990.

<sup>9</sup>The workers' housing program (PET) grants preference to the proposals of organized worker groups who are able to supplement their savings with employer contributions, thereby increasing their potential to meet their housing needs as well as the government subsidy to which they are entitled.



## Education

A number of educational problems related to quality and equity can be traced to, among other things, the previous government's decreased funding for the sector and its transfer to municipalities of schools with operating deficits, excessive personnel and insufficient equipment and infrastructure (Ibid.: 91).

There are serious inequalities in education. Constantly decreasing enrolment in primary education, which reached 5% between 1982 and 1989, is not strictly due to demographic factors. Of the children not attending school, half belong to the poorest 30% of families (Ibid.: 94). Disparities in average student achievement vary greatly by type of school and by regional and rural/urban location. These elements are in turn correlated to the income levels of students.<sup>10</sup>

Efforts are therefore being centered on "increasing the level and relevance of students' learning through the educational system, especially in those establishments serving low-income areas." Priority will be placed on increasing coverage in some areas; improving educational efficiency in teaching/learning and administration; modernizing education; enriching education with criteria such as equity and democratic participation; promoting the development of science and technology; and stimulating cultural activity (Ibid.: 99).

Some of the initiatives oriented by these objectives are legislation to improve the employment conditions of teachers; the construction of more nursery schools; and teacher participation and development programs.

The program to improve primary school quality seeks to improve student achievement in a total of 969 schools which represent nearly 12% of the nation's primary schools. The primary schools chosen are located in extremely poor urban and rural areas. The program includes improved infrastructure, teacher training, and the provision of educational material, texts, educational games and children's books.

The program to improve the quality and equity of the education is focused the preschool, primary and secondary levels, as well as on providing the Ministry of Education with greater institutional strength. It includes efforts to improve educational quality and relevance, broaden coverage, and improve the quality of the sector's human resources. The resources which are directed towards primary education are enormous, while those for secondary education are quite limited.<sup>11</sup>

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<sup>10</sup>Studies have shown that one half of subsidized schools do not attain even a minimal level of achievement. The majority of the children attending these schools come from low-income families. Students from medium-income levels also suffer from low achievement. These results are more frequent in rural areas. The analysis suggests that fourth grade children do not understand what they read and score poorly in arithmetic. They also have low scores in basic skills such as reading comprehension, vocabulary, writing and solving mathematic problems that imply adding or subtracting two or more numbers.

<sup>11</sup>The total cost of the project will be approximately US\$ 242 million. The World Bank will provide a credit for US\$ 170 million to be paid within 15 years. During the first five years no payment will be required. National contributions will amount to US\$ 72 million. Allocation is planned as follows: US\$178 million will be assigned to basic education within five years; US\$40 million, to preschool education within five years; US\$ 19 million, to strengthening the Ministry of Education (MINEDUC) within five years; and US\$ 2.5 million will be assigned to junior and high school education within two years (MINEDUC, 1991a: 6, 7).

With respect to technical and professional education, present proposals include the articulation of curricula and administrative systems with the productive and business sectors; the acquisition of different types of laboratory and workshop equipment; and the promotion of teacher training. An emergency program for modernizing professional and technical education will be directed towards training provided by municipal establishments. The youth training and employment program proposes the modernization of equipment in industrial, technical and commercial schools (Ibid: 104). For its part, the training and employment program for unemployed youths will equip workshops and optimize resources in participating technical and professional educational institutions.

In higher education, the stabilization of institutional state support, equal access to higher education and improved quality and productivity are proposed. Initiatives include the creation of a national development plan for scientific and technological research, and a joint UNDP-National Research Council on Science and Technology (CONICYT) project to strengthen institutional capacity for modernizing technological infrastructure in higher education (Ibid.: 106).

## ***SOCIAL POLICY RESEARCH***

The following section suggests a number of areas which require research to support social policy. Because this list is not and does not claim to be all-inclusive, the research themes are not arranged in a definitive hierarchy. Moreover, areas not discussed such as research on Chile's social security system or on gender specifications should therefore not be considered as exclusions.

### **Targeting/Selectivity Instruments<sup>12</sup>**

It is clear that the current administration considers targeted policies to be an important element in its fight against extreme poverty. To this end it has proposed new target groups in the areas of health, education and housing. Therein lies the importance of the quality and relevance of selection instruments. During the previous administration, "targeted" spending was centered on the socio-economic characterization of the household, synthesized by the CAS index, which continues to be used with some adjustments.

Because of its global character, the CAS index has been criticized for excluding individuals with specific vulnerabilities that should have made them the virtual beneficiaries of some targeted social programs (Vergara, 1990; Raczynski, 1991). This is even more surprising considering that its actual use in municipalities during 1989 and 1990 greatly exceeded the regulations' stipulations which were limited to the sole family subsidies, assistance pensions and marginal housing programs. Despite the fact that the index is strongly weighted towards aspects related to a home's physical environment, it was used to establish targets for a wide range of programs including free health services, access to nursery schools, and school breakfasts and lunches (Raczynski, 1991).

Questions remain on the efficacy of the index in capturing the diverse vulnerabilities it seeks to measure, and others related to aspects such as imperfect information, the skewed information

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<sup>12</sup>Selection criteria should be determined by the complexity of policies. See Sojo (1990).

provided by beneficiaries and accepted by the index, and its indifference to regional or communal peculiarities (Vergara, 1990: 288-312; Raczynski, 1991). Behind all this are underlying questions directed towards the criteria used to identify poverty either directly or indirectly and considerations on the efficacy, costs and benefits of selective interventions.

Some analysts have even concluded that the continued use of the CAS index is not justified and they propose the introduction of targeting instruments adapted to diverse needs and programs (Raczynski, 1991: 24-28). For these reasons, research to evaluate how the CAS has been used since its creation, its technical qualities, as well as means of improving it either through the use of complementary mechanisms or direct "targeting" alternatives, would be of great value.

Current selection criteria emphasize regional, communal or group needs. We believe that this orientation requires the development of complementary indirect selection mechanisms to identify needs and select beneficiaries through criteria grounded in geographic, regional or productive variables. To this effect, Chile has the benefit of experience with the National Socio-economic Characterization Survey (CASEN), which it is hoped may provide the basis for regional and communal diagnoses. Its most recent version includes questions which will lead to the identification of obstacles barring access to education (Schkolnik, 1991: 7, 17).

Household surveys provide another useful and periodically applied instrument, whose design has been centered in measuring employment and unemployment. In the area of social policy, these surveys have been used to estimate the extent and degree of poverty. The socio-demographic information collected in these surveys has not been fully exploited. Although the data can be disaggregated to the provincial level, it has not been well used to illuminate the socio-economic characteristics of target populations (Bravo, 1990: 11). There are therefore possibilities for optimizing the use of data currently being collected, or of introducing ad-hoc modules to investigate specific issues.

A variety of studies related to the design of the CASEN and household surveys and to the processing of micro-data would be of significant importance to the development of selective social policies. The REDATAM (a micro-computer package from CELADE's small area census data services) can be used for these purposes. Comparisons with household survey experiences in other locations would be useful, as would research on dimensions used to characterize target groups such as unemployed youths, female heads-of-household, illiterate adults, rural populations, specific age groups, occupational groups, cooperatives and communal organizations. The results of such studies could enrich the orientation of data collection processes.

## **Social Policy Financing and Program Microeconomic**

Municipal financing has been fraught with a series of problems which are leading to a negative impact on quality, difficulties in providing services, and limits on the mix of services provided. For these reasons, research on these areas is very much required. These studies should include examinations of service cost structures directed towards developing alternative financing proposals for optimizing resources. Examinations of the cost impacts of alternative uses of resources should include such issues as modifications to service mixes (for example, ratios between teachers and students, doctors and paramedics or doctors and patients).

These studies may help to establish adequate budgets and to aid municipalities in making necessary budget and rates' adjustments through time. Some service inequalities in Chile have

resulted merely because differential costs have not been considered. This is the case of rural municipalities, whose health services to a dispersed population involve transportation costs not at first considered, or that of small municipalities, which do not achieve scale economies in purchases such as medicine.

In order to understand the real dimensions of these problems, it would be beneficial to carry out pilot studies on service costs (for example, in health and education) in a sample of the nation's municipalities, selected according to diverse characteristics (such as rural or urban location, proportion of needy population covered, diverse financing arrangements with respect to the use of their own resources or those of the Municipal Common Fund, and/or the efficacy of services provided).

The results may shed light on the adjustments necessary for current municipal financing, or on eventual service adaptations according to specific realities. Thus, regional and local cost structures could be systematized; proposals might be developed to allow groups of municipalities to share purchases of goods and services; and suggestions made as to how differential cost structures are to be considered in financing mechanisms, which include transfers from the Municipal Common Fund.

This issue, in turn, leads us to the importance of studies on the financing of municipal social programs. Relevant topics include evaluation of the Municipal Common Fund and a search for proposals to make it more progressive as well as examinations of financing arrangements that could facilitate municipal investment planning. At present such planning is hampered by such problems as instable transfers or uncertainties as to payments made on a month to month basis. Cost structure studies are also relevant to discussions on sales of services to private health insurance systems (ISAPRES).

Other studies could contribute to varied reforms in social program orientation. There exists for example the idea that the current national health system is too much oriented towards maternal-child health, and that it is necessary to adapt it to carry out preventive interventions in other health sectors so that it can care for chronic diseases typical of a nation undergoing demographic transition and for age groups such as adolescents, adults and the elderly. Such a reform of the national health system leads to the need for research in areas related to financial, human and administrative resources, in the investments needed to reach these new goals, and in the needs for public's education on health.

## **Joint Progress Towards Equality and Systemic Competitiveness<sup>13</sup>**

The current government proposes to meet educational needs in a variety of dimensions: individual growth needs, requirements for moral and intellectual integration, contributions to strengthening democracy and promoting national economic growth and competitiveness "...within a global framework in which adding intellectual value to goods and services for export is an important strategy" (MINEDUC, 1991a: 2).

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<sup>13</sup>With respect to the contribution of social policy to creating factors for systemic competitiveness, see Sojo (1991: Part IV).

In this area, social policy faces an important challenge: it must help to create production factors concomitant to productive transformation, while looking for ways to increase and improve sources of competitiveness in an open national economy participating in a world economy governed by technological innovations.<sup>14</sup> Education should thus contribute to confronting technological backwardness. In this context, it would be useful to have proposals for improving both educational quality and efficiency.

Studies on economic competitiveness and productivity are required in order to identify the contributions made by human resources and knowledge to national competitiveness, for these in turn are closely related to social policies -particularly with respect to education and health.

While preschool coverage must be expanded and has been made a priority, the options for doing so vary widely in quality. These options include half-day kindergartens in elementary schools with trained teachers, the full-day nursery schools of the National Committee of Nursery Schools (JUNJI) which operate with trained teachers, and INTEGRA open centers run by non-specialized personnel. Evaluations of these many options will be necessary in order to contribute to the rational growth of preschools.

A recent diagnosis on secondary education indicates many problems, including its loss of usefulness as it does not satisfy neither social nor personal needs, and is almost exclusively oriented towards higher education. For these reasons, secondary education does not prepare the majority of students to integrate positively into academic life or employment, achievements realized only by graduates from more favored social strata (MINEDUC, 1991a: 26).

The same report proposes a series of wide-ranging studies directed towards the improvement of secondary school quality. These include examination on: the requirements and demands made on secondary education by diverse social groups, curricular revisions, measurements of quality, and evaluation of the effects of decentralization on the external and internal efficiency of secondary education (Ibid.: 29-30). However, despite the importance of secondary school, there are substantially fewer resources targeted to reforms here than at other levels. To contribute towards its improvements, research is needed to complement and enrich the above mentioned themes. This would contribute to the reform of education in general terms; the interaction among the different grades and levels makes the coordination between reforms in primary, secondary and higher education necessary.

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<sup>14</sup> Land, labor and capital are traditionally considered factors of production. However this study assumes the distinction made by Porter (1990: 74, 75) who considers the role of these factors in producing goods and services. For this purpose, Porter classifies production factors into five categories: 1) Human resources: quantity, skills and labor costs, including administration, standard working hours and labor ethics. Human resources can be divided into a variety of categories such as specialized workers, engineers, computer programmers, etc.; 2) Physical resources: amount, quality, access to and cost of natural resources, hydroelectric power sources, fishing potential and other physical aspects. Climate, geographical location and size, time zones; 3) Knowledge resources: scientific, technological and marketing information available for the production of goods and services, universities, governmental and private research institutes, available bibliographies in science and business, studies with respect to research on markets and data bases, commercial associations and other sources. Scientific and technological knowledge can be subdivided into various disciplines such as acoustics, the material sciences and land chemistry; 4) Capital resources: all types of capital resources, determined by national saving rates and by the structure of national capital and influenced partially by globalization processes; 5) Infrastructure: type, quality and costs. Includes transportation and communication systems, mail and package services, bank services such as money orders, the health system, housing availability, and cultural institutions that in some way determine the quality and appeal of a country.

The diagnosis for technical and professional education is quite negative. Its problems include insufficient and obsolete equipment, low-quality graduates, and weak links with the productive sector. As part of a project which hopes to lead to municipal reforms in this area, areas for support were seen to include metal-mechanics, electricity, construction, clothing, food, commerce and management (MINEDUC, 1991b: 4). In this regard, studies leading to strengthen links between the productive sectors and technical-professional education -taking into consideration the labor demands of firms, tendencies with respect to world insertion of the economy, nuclei of technological development, and the design of training programs- would be useful.

Technological cycles have shortened notably, which has major implications for human resource training. Workers must have a greater range of general abilities, as well as a good capacity for learning, flexibility and an ability to respond to innovations. These demands lead to harshness requirements in the formal educational system (Macario, 1991: 17). In a nation like Chile, in which demographic transition is advanced, this trend reinforces the need to prolong training throughout productive life. On-the-job training is one of the modalities that appears as essential if we consider that the educational system is unable to guarantee the national competitive advantage. The educational system must be thus linked to production, and the industry's own efforts in training must be promoted (Porter, 1990: 9, 17).

To this end, studies on the following issues would be useful: the promotion of education in the work place; the identification of government incentives to encourage private sector contributions in this area<sup>15</sup>; the identification of obstacles to work place education in small companies and the location of adequate resources to remove these obstacles; proposals to improve recognized intermediate technical organizations; and studies on key productive sectors to locate enterprises which have training weaknesses and identify alternatives for improving the situation.

With respect to higher education, studies related to quality are also important, as would be the detection of possible interventions through research institutes in areas where productive excellence or improved sources of competitiveness might be attained. Examination of mechanisms which could promote private sector financial support for this research and for joint projects is also required.

## **Program Management Studies**

This area would concentrate on studies related to management problems in the implementation of public social policy. This includes, among other issues, evaluating the adjustment of human resources to program objectives, recruitment styles and remuneration policies. Research in these areas could lead to proposals for ways of "recycling" personnel, providing material incentives, encouraging participation and other means of encouraging high levels of identification, cooperation, and productivity in social policy management at the local and central government levels.<sup>16</sup> Studies that would facilitate the adoption of flexible and open management styles, and

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<sup>15</sup>The present tax exemption has the potential to benefit 70% of the labor force in the formal sector. It has only been used to train 4% of the labor force and has proved interesting only to larger companies (Cerdeña and Marcel, n.d.). Studies are currently being carried out to promote training in small companies.

<sup>16</sup>This would also contribute to equity objectives. For example, poorer municipalities have had difficulties in proposing projects which would allow them to increase their finances. It is thus urgent that training be provided to improve project management capacity at the municipal level. If such training is not provided, new initiatives such as the creation of a fund

those which estimate current human resource deficits and the effects of technological change on personnel requirements would also be most relevant.

These studies could contribute to increasing social policy productivity and be aimed towards the better use of resources within differing technological, organizational and institutional frameworks.

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for educational improvement projects could continue to foster inequality among municipalities.

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# SOCIAL POLICY AND DEMOCRATIC GOVERNABILITY

**Carlos Vergara<sup>1</sup>**

## **INTRODUCTION**

A hypothesis heard frequently in forums and debates is that the rupture of democratic regimes is principally due to extremely sharp conflicts between civilians and the military which lead to military intervention through the classic coup d'état. Our hypothesis is quite different, postulating that, at least in the case of Chile, the breakdown of democratic institutions was due fundamentally to the loss of a basic consensus **between civilians** on how the state, society, economy, politics and their interrelations should be organized.

## **DEMOCRATIC TRANSITION AS A RECONSTRUCTION OF CITIZEN CONSENSUS**

By 1973, Chilean society was radically polarized; there was no consensus as to the type of government that should rule Chile, nor as to the development models, the type of economy, justice or political parties. In practice, there was absolutely no consensus among civilians on any topic relevant to the nation or society.

A democracy that lacks minimal consensus among civilians cannot be governed. Faced with radical ungovernability, the military intervenes and takes sides in the dispute. From then on, history is rewritten. The principal objective of transitional governments is to reconstitute a basic consensus among civilians in order to give the nation political stability and to define the society's and nation's future.

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## **THE SPECIFICS OF CHILE'S TRANSITION**

Chile was one of the last nations in Latin America to begin its transition towards democracy. For this reason, it had the opportunity to observe and learn from the experiences of other countries.

In our opinion, there are two important factors that distinguish the Chilean transition from others in Latin America. First, policies regarding structural adjustment, economic stabilization and productive reconversion were carried out (or first put into effect) in Chile during the military regime, almost a decade before they were adopted by other countries in the region. Because of this, the democratic reconstruction process in Chile appears to be disconnected from two factors that strongly threaten democratic stability and governability:

- The Chilean transition does not have to decide whether or not to put into effect the "liberal" principles of economic restructuring, since they were imposed a decade before.
- Chile's democracy does not have to confront the political price of high social costs caused by changing from an import substitution model to a "neo-liberal" model that includes an open economy and international competition.

Unlike other countries, the political and social changes characterizing the transformation from dictatorship to democracy (political transition) are not as closely related to the social and economic transformations characterizing transition from one economic growth model to another (economic transition).

The second major factor which, in our opinion, describes the transition in Chile is the belief among its political elite that democratic stability and governability depend to a great degree on having **majority governments**. The idea that one-third of Chile governs the other two-thirds is a poor prognosis for the future. In other words, a government must count on a majority in parliament, both to be effective and to construct a stable democracy. The government of the nineties is a **coalition government**.

Nevertheless, it is important to point out that the concept of a coalition government collides with Chile's political culture in which one-party governments (i.e. the Christian Democracy between 1964 and 1970) or governments in which a coalition is formed in order to gain executive power (i.e. Popular Unity between 1970 and 1973) prevail. It was never an issue for the political culture that the executive branch would not have parliamentary support. Given this tradition and Chile's immediate future challenges, the current coalition government, despite its early achievements, is an extremely fragile entity.

## **CONSENSUS AND CONTROVERSIES: THE MAJOR HYPOTHESIS**

Severe governability problems are caused and become evident when the basic consensus of a nation's citizens is lost with respect to the major parameters affecting society. The most obvious of these parameters concern a country's economic growth model and its political model

of government. Throughout Latin America there is clear consensus on the need for, and convenience of, democracy as a political system. However, there is no consensus about the economic growth model. The "neo-liberal" model and its well-known structural adjustment policies have met with significant opposition from important segments of the population and the political system.

In the case of Chile, there is not only ample consensus with respect to democracy but also with respect to the country's economic model. Economic discussions are not about the model itself, but about its inner details. Beyond the undeniable social costs observed in its first phase of application, over the past five years this model, labelled in many ways (liberal, neo-liberal, wild capitalism, etc), has shown, among other things, economic growth with low inflation, growing employment and investment, increases in exports and technological modernization. It is an economic model which seems to have real possibilities for inserting Chile into the world economy. However, the implementation of the economic model by the military- authoritarian government led to severe decapitalization in government social services and an important increase in economic and social inequalities<sup>2</sup>, as reflected in the following chart:

#### FAMILY SPENDING BY INCOME QUINTILES (METROPOLITAN SANTIAGO)

Quintiles	1969		1978		1988	
	\$	%	\$	%	\$	%
1	28,617	7.6	19,767	5.2	16,656	4.4
2	44,532	11.8	35,431	9.3	31,255	8.2
3	58,893	15.6	51,832	13.6	48,182	12.7
4	77,636	20.6	79,904	21.0	76,638	20.1
5	168,003	44.5	194,372	51.0	207,749	54.6

Values expressed in June 1988 pesos and percentages.

Source: Instituto Nacional de Estadística (INE), 1969, 1978 and 1988 Family Budget Surveys.

The original links that existed between the economic model and military authoritarianism leads to many doubts about the model's present coexistence with the democratic regime. Will there be room to permit the model's advantages to survive while at the same time attempting to reverse the tendencies towards socio-economic inequality which were generated along with it during the last decade. As opposed to what has been observed in past decades, recent discussions no longer center on the economic development model: from authentic liberals to socialists, all seem to agree that the current model offers the greatest advantages and opportunities. Doubts arise only when the problem of social inequality is considered.

The greatest consensus exists with respect to the slogan "Growth with Equity". Everybody seems to know how to generate growth on the basis of the current model; however, very little is

<sup>2</sup>Abundant empirical evidence of the economic and social inequalities produced during the imposition of the new model can be found in Ricardo Ffrench-Davis and Dagmar Raczyński, The Impact of Global Recession and National Policy on Living Standards: Chile, 1973-1989, published in CIEPLAN, Notas Técnicas, No. 97, November, 1990.

known about how to reduce the inequality caused by the model. Thus, the major focus of public discussion is moving progressively away from the "economic problem" to the "social problem", and this tendency will probably grow in the coming years. Likewise, tensions affecting the present government coalition will be increasingly linked to its treatment of social inequality.

The possibility of a rupture in the coalition will be associated with its political capacity to significantly reduce social inequality. If a rupture were to occur, democratic stability and governability would become more fragile and at even greater risk; the development model would be severely threatened since the social and political conditions on which it rests would dissolve. In other words, the minimal consensus necessary for it to operate successfully would be lost.

## ***THE NEED FOR DISCUSSION***

One of the major tasks for Chilean society is to generate public discussion on the "social issue" and social policies. It is evident that for relevant discussion to take place, there must be relevant research. However, the traditional ways of circulating research advances and results must be altered: researchers, political representatives and social policy decision-makers must be in close contact with one another.

Fluid communication among these three groups will make discussion of "social problems" and social policies both possible and necessary. In order to be technically and politically effective, the discussion requires the following minimum conditions:

- First, social inequality and its treatment through social policy must be defined and discussed as national policy, since it affects society at large over a long period of time;
- Second, the discussion cannot (or should not) be confined to the state apparatus, since in the medium-term it will deteriorate into a discussion among "public officials". No matter how competent the officials are, there is a risk that questions and problems will remain limited to sectoral and bureaucratic logic;
- Third, the discussion cannot (or should not) be taken over exclusively by political parties. Although they play a fundamental role, there is the risk that the discussion will always be strained by specific though legitimate interests or by electoral expectations;
- Fourth, as much public and private information as possible on the topics in question must be made available. Because of the contributions of current authorities, especially the Ministry of Planning, data bases and other information jealously and inexplicably kept secret during the military regime are now available to non-governmental research institutions. Without democracy in access to available information, the discussion necessarily becomes sterile;
- Fifth, the discussion should recognize the autonomy of eminently technical components. A solely ideological discussion leads nowhere and is useless.

The hypothesis is that research can become a sterile activity if it is not accompanied by adequate mechanisms of communication or opportunities for discussion, compatible with both this era's technical requirements and a democracy's political and societal requirements.

## **DISCUSSION TOPICS AND RESEARCH NEEDS**

The major issues currently under discussion and which, in our opinion, should be most strongly emphasized by research follow.

### **Inequality, Poverty and Exclusion**

It is not unusual to find that the terms inequality, poverty and exclusion are used indifferently and without any precise meaning in discussions on the "social problem". Sometimes a more political, albeit conceptual, dispute takes place and an attempt to define the overall situation based on just one of these concepts is made.

Certainly, each term refers to a distinct dimension, and forms part of a different conceptual body. However, the "social problem" cannot be exclusively defined by just one of these terms; rather, it has dimensions affecting all of them. This is not only relevant for conceptual discussion; it also has implications for the type of social policy adopted.

Thus, it can be postulated that social inequality problems should be confronted through social policies oriented towards the improvement of service quality; that poverty problems can be basically confronted through the creation of a supportive social network; and that exclusion problems correspond to social integration policies.

Therefore, from this perspective, it is impractical to define social policies along a single dimension. It is incorrect to define the state's social policy as being the "eradication of poverty" as has occurred in the past. The real problem is to distinguish among these dimensions; to define the categories and social segments that are particularly affected; to understand their interrelations; and to design policy instruments with clear objectives; and thus to articulate an overall social policy.

### **The Problem of Quality**

A discussion on the relevance of quality will not be included in this study, although it is important to point out that it is closely linked to the problem of social inequality. For example, despite widespread educational coverage, educational quality is socially distributed in an unequal fashion. Nevertheless, the purpose of the following is to point out quality problems which, in our judgment, require research.

First, although quality is currently discussed quite a bit, little is known about **instruments to measure it**. Important advances have been achieved in measuring educational quality during the last few years, but they are not sufficient. In other areas such as health, however, there seems to have been much less progress.

Second, it is necessary to accumulate knowledge, fundamentally based on experimental studies on the design of **low cost and highly effective mechanisms and instruments oriented towards substantially improving quality** for a specific service area. Measuring quality in a specific sector is not the same as effectively and efficiently improving the quality of supply in less-favoured sectors.



Third, **institutional operating and cost requirements**, which imply quality improvement strategies, must be researched. Many times designs and strategies which almost totally ignore institutional operation in a specific area of the public sector are proposed. All large-scale replication theories involving applications at micro-social levels should include a chapter on this topic.

## **Decentralization**

Much has been written and discussed about this topic. It is common to affirm that social policies should be executed in a decentralized manner so the process of decision-making is brought closer to the population, thereby increasing the probability of participation, while providing the opportunity and space to diversify. This is an important proposal in Chile which has had a tradition of adopting uniform policies resulting from a highly centralized type of government.

Yet in most sectors it has not been made clear which responsibilities and attributions belong to central authorities and which correspond to the local level. This has frequently led to competition, if not chaotic confusion among municipal authorities and national or regional ministerial representatives.

Second, it is said that the closer the implementation process is to the local level, the more "integrated" it is; that is, the less ministerial it is. What is obviously coordinated on the local level, loses that quality as it grows closer to the central authorities. When considering the design of a development policy for a "poverty stricken locality", for example, it is obvious that efforts in housing, public works, education, health, public hygiene and other areas must be coordinated. In sum, the term "intersectoral" has become a sort of slogan which has no artifacts or mechanisms to make it a viable part of local development. There is insufficient study in terms of functional and institutional requirements for integrated work at the local level.

Third, there is little information available on technical training requirements for local personnel in order for them to effectively and efficiently carry out their social policy tasks. Consequently, there are also no systematic opportunities or centers for professional formation for those working on local and municipal social policies and programming.

## **Public and Private Aspects of Social Policy**

In Chile, the decentralization process occurred hand in hand with the privatization of certain social services, without taking into account a serious and responsible debate on the limits and regulations of private and public activity. Ideologically, debate on the public or private character of specific social services continues, confusing, in our opinion, the concept of public responsibility with that of state management. The private management of public services is possible, if the state acts as a guarantor of public well-being, and defines regulations and limits. Detailed research is required at general and sectoral levels to throw further light on these issues.

## **Effectiveness Evaluations**

Studies on the effectiveness of social programs are necessary and therefore financial and technical resources must be made available for this purpose. If we generically conceive social policies as the allocation of resources for the purpose of diminishing social inequality, reducing

poverty and increasing social integration, it is clear that instruments and programs designed for this purpose will not reproduce themselves in time merely through bureaucratic inertia.

However, due to the lack of evaluative social research on the effectiveness of social programs, discussion on this issue runs the risk of reducing itself to purely ideological controversy or of becoming a privileged area for political-electoral debates. We do not mean to state that social policy should be limited to technical aspects: certainly there are legitimate ideological components which are becoming an increasingly important part of political disputes. However, it is necessary to recover the technical components (which can place limits and boundaries on political contingency as well), among which research on effectiveness occupies a relevant spot.

## **Poverty: Concepts and Measurement**

During recent years, Chile's debate on poverty has been strongly influenced by the political effects that diverse arguments and results might have on public opinion. The problem is too serious to leave in the hands of political contingency. Emphasis must be placed on its conceptual and technical components -basically in measurement processes- in order to orient the discussion towards the government's search for the common welfare and the general good.

There are now four different ways of measuring poverty: physical capital (the classic maps basically measured by housing and public hygiene conditions), human capital (education and health), income (the "foodbasket" method), or by structural positions in a specific occupational stratification. Each system offers different results in terms of the proportion of the population found to be living in poverty, which raises questions about their conceptual and theoretical depth and reach.

Efforts in terms of elaborating instruments for measuring poverty which take into account all these components, as well as discussion on the issue have been scarce. The National Socio-Economic Characterization (CASEN) survey data base provides an outstanding opportunity for advancement in this area.

## **Determining Target Groups**

A great deal of discussion on social policy during the last few years has been centered on "focusing" policies. Even though this issue cannot be examined in detail in this study, it is necessary to point out that the discussion has tended to confuse the general principle with one of its many possible concrete manifestations.

In view of serious budget restrictions (whose magnitude is debatable), the need to focus resource assignation to specific target groups seems inevitable. However, the path from acceptance of the general principle of focusing to acceptance of a specific manner of focusing (for example, the one put into effect by the previous administration), is a long one.

New discussion requires rigorous research. Will focusing be carried out in terms of individuals "with specific names" or in terms of poverty stricken "areas" (geographical focusing); in terms of a sole synthetic indicator or in terms of sectoral indicators; in terms of poverty criteria or in terms of social segments with reference to their life cycle or their location in the social or productive structure (marginalized youths or female heads-of-household, for example)? In any case,

once the need to focus is accepted, the empirical possibilities are many, but to do so good research with conceptual clarity, technical measuring instruments and reliable data bases are needed.

## **New Problems**

Recent considerations of social policies have included the traditional issues which have defined this area for some time: health, education, housing, social security and pensions and, recently, poverty. Presently, new issues and problems are developing, which in light of the state's and society's current institutional order, no one has responsibility for.

One example concerns the topic of quality of life, which manifests itself in many ways and lacks definitions that are more or less socially accepted. Two cases, very specific to life in Santiago de Chile, may be useful to explain our concern:

- The problem of citizen safety, delinquency or social violence (whatever you prefer to call it). The danger faced by an important part of the population is obviously a symptom of deterioration in the quality of life. Faced with this, the only visible institutional response has been to increase police personnel. There is insufficient research relating this phenomenon with social integration problems, feelings of belonging, existence of intermediate societies and other aspects;
- Air and water pollution, so dangerous for personal and collective health, seems to be a problem strictly relegated to the Ministry of Transportation. Can it be considered from a more social perspective?

Lately much has been said about the democratic need for more social participation. However, what does this concept specifically mean? How is it defined, what are its dimensions and indicators? How may participation in health, education, housing programs, local development policy, and in other areas be considered? How can we know if participation has increased, decreased or remained the same? How can we evaluate programs designed to increase participation? There is little research in this area.

Topics related to specific social categories are becoming relevant. Women or youths appear as strategic social segments for democratic construction. The question is not only what they can do for democracy, but what democracy can do for them, how a democracy can be constructed taking into account the specific historic condition of women and youths.

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## **THIRD PART: FINAL THOUGHTS**



# SOCIAL POLICY RESEARCH: WHAT TO DO?

**Mario Torres**

Human development problems generated by the crisis of the 1980s and the changes introduced in the economic and political systems of several Latin American countries make the design of efficient and effective social interventions an urgent matter. Unfortunately, the knowledge needed to carry out these interventions is insufficient. It is not easy to successfully confront this situation, since the human, institutional and financial resources needed to support research are scarce. A methodological proposal is required for identifying research priorities, which in the case of social policy, is a particularly complex task.

The methodological proposal presented in this work does not divide issues according to sectors such as education, health, employment, housing, social welfare or social security. There are several reasons for this. First, the need for a more holistic focus on human development problems has led to a search for intersectoral approaches (Torres, 1991). Secondly, the state's shortage of human and financial resources, as well as the trend towards the privatization of social services, make joint institutional efforts compulsory. Thirdly, the problems faced by social policy in each social sector do not vary. Finally, given the state's difficulty in responding to social problems, consideration should be given to restructuring the state's apparatus. As a result, the present sectoral structure should not be thought of as permanent.

Consequently, this document assumes that social policy research should focus on both the crucial aspects of the policy-making process, and on the critical aspects of human development. In other words, research must be addressed to the basic contents of social policy, and in doing so it must take into account both the targets of the policy and the internal dynamics of the policy process. To this end, the discussion centers on two questions: "How to act?" and "With whom to act?"

This work is based on discussions held during a series of regional consultations in Latin America<sup>1</sup>. These included in-depth interviews with researchers and planners, reviews of social

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<sup>1</sup>The consultations included visits to researchers, social research centers and government organizations in Colombia, Peru, Chile, Argentina and Uruguay.



programs and interventions, analyses of the results of specially-requested consultancies<sup>2</sup>, and recommendations resulting from workshops organized in several countries<sup>3</sup>. In a sense, this paper is a summary of the many views obtained during this process. However, it seeks to go further by developing a methodological proposal for identifying social policy research priorities. This approach, it must be stressed, is not aimed at discussing new or existing social policies, but rather at examining what might be done.

Regarding the above, a comment is necessary. A discussion on social policy research priorities cannot be separated from one on social policy priorities. Research should be carried out to support and evaluate current policies or to propose new policies. In this respect, the region's social policy situation is quite varied. Some countries have proposed new directions in social policy, some are already applying new policies, and others are still using traditional formats<sup>4</sup>. The methodology used to prepare this document implicitly considered these developments in the belief that there was sufficient agreement in some areas to provide a starting point for the establishment of research priorities. Most critically, despite the diversity of approaches, planners and researchers seem to agree on what the priorities of social policy should be. As has already been argued (Torres, 1991), the pressing situation, coupled with the lack of available knowledge, does not allow much room for conceptual discussion. New policy contents will have to be specified while being designed and applied.

## ***HOW TO ACT? - RELEVANT ASPECTS OF THE PROCESS***

Faced with urgent social needs, several criteria, including the following, could be used to develop a methodological proposal:

- Priority areas for sectoral or intersect work, such as child mortality in health, drop-outs in education, unemployed youths in labour, or nutrition in health and education.
- Type of desired impact, such as poverty reduction, increased service quality or the greater effectiveness of policies (Abugattas, 1991; Vergara, 1991).

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<sup>2</sup>Basic documents were requested from ten consultants in Colombia, Chile and Peru: Abugattas (1991), Echeverri (1991), Helfer (1991), Londoño (1991), Rojas (1991), Sojo (1991), Schkolnick (1991), Urrutia (1991), Vergara (1991) and Webb (1991).

<sup>3</sup>Three workshops on research priorities were organized with support of the International Development Research Centre - Canada in Peru (July 23 - 24, 1991), Colombia (August 1 - 2, 1991) and Chile (August 12 - 13, 1991). In Peru, the event took place under the auspices of the National Population Council, the Pontificia Universidad Católica and the Universidad del Pacífico. In Colombia, the workshop was organized by FEDESARROLLO, with the collaboration of the National Planning Department. In Chile, it was organized by the Ministry of Planning and Cooperation, with support of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Centro Latinoamericano de Demografía (CELADE). The workshops were attended by researchers, NGO representatives, members of state organizations, planners and politicians.

<sup>4</sup>Some examples are the recently prepared Strategy for Bolivia's Social Development; the Chilean 1990 - 1991 Social Action Plan; Colombia's Development Plan, which includes the social policy component. The concurrence of important foreign aid from bilateral and multilateral sources is foreseen for this type of efforts.

- Strategic policy phases, such as diagnosis, design, application, monitoring or evaluation (Schkolnik, 1991).
- Operational aspects, such as appropriate selection instruments, financing mechanisms, competitiveness or effective management capacity (Sojo, 1991).

This proposal takes some of these criteria into account, but emphasizes relevant aspects of the process of social policy design, application and evaluation. Current circumstances do not require directions as to policy goals, on which there is apparent consensus, as much as they require indications of how these goals may be reached, and how their results might be measured. From this perspective, critical aspects of the policy-making process include the identification of target populations, institutional aspects and management, efficiency, sustainability, information, and evaluation.

## **The Identification of Target Populations**

Because of a scarcity of resources and the need for in-depth intervention, more precise methodologies are required with which to identify beneficiaries or target populations. This will improve the focus of policy activities and facilitate the evaluation of their redistributive effects. There are two basic considerations to be taken into account: how to focus activities; and what to do once targets have been identified.

The identification process involves four aspects: (i) definition, (ii) inclusion, (iii) specification of supply and demand, and (iv) provision.

- i) For the definition of target populations, several criteria have been proposed. While not exclusive, they do lead to different results. These criteria include:
  - Social risk situations. These involve the use of indicators such as: child and maternal mortality, morbidity due to infectious diseases, malnutrition, social abandonment, unemployment or social marginality (Abugattas, 1991). Emphasis in this area is placed on the examination of groups with health, psychological or economic survival problems.
  - The social potential of a group. In this case, the criterion of age is used to identify infants, children, adolescents and young adults as typical groups. Attention is given to the development of capacities and learning skills for the medium- and long-term, rather than attempting to solve short-term social problems.
  - The precariousness of economic and labour positions in the productive structure. This criterion usually identifies groups such as small entrepreneurs in the informal sector, peasants and traditional fishers (Schkolnik, 1991). The entry point is a given group's economic vulnerability.

The development, application and operational evaluation of these criteria is a high-priority issue in social policy methodological research. The reason is that for practical purposes, the identification of target populations is both the beginning and the end of all policy processes. No service delivery is possible, and no impact evaluations possible unless the beneficiaries are clearly defined.

ii) Once the group has been defined, it is included in specific programs. Several criteria may be used:

- Self-identification by the potential beneficiaries. For example, this occurs when youths enrol in retraining programs or adolescents seek guidance.
- Residence in specific neighbourhoods, marginal zones or rural areas. In this case, an activity would involve an entire community.
- Needs indicated by some type of standard measures. Periodic surveys have involving specially designed questionnaires have been used to this end (Schkolnik, 1991; Sojo, 1991).

Ensuring the inclusion of target populations in interventions is not a simple matter. Groups with social needs do not always express them, make demands or make use of services. There seems to be a positive relation between poverty or social marginalization and the inability to make demands. The poor and those with particular social needs do not always have channels available to them for expressing their demands, and so their demands remain unvoiced. Consider for example, the situations of temporary migrant workers and the rural poor who lack access to labour unions or the social security system, unemployed and inexperienced youths who are left out of the labour market, or pregnant adolescents who must hide their condition.

iii) The next step is to specify the contents of the demands and the capacity for supply. Aspects such as the factors which condition a demand's existence, its contents, and the cost of accessing services must be considered. In particular, the question of whether those requesting the service are those who need it most must be answered. The perception and use of social services tends to be lower among more disadvantaged social strata. This, among other things, contributes to the fact that the intended population is not always a program's actual beneficiary.

iv) Once the demand is specified, the next step is to study what should be provided. It is one thing to focus activities on specific groups, and another to determine what is to be given. Research should assist in determining whether this should be training, credit or technical assistance, advice and orientation, or some other form of assistance. Similarly, the policy's philosophical basis should be defined: Will assistance be emphasized, or will the creation and development of abilities be accented? Are the determinants of poverty -or of any other situation of need- external to those suffering it, or must the needy make efforts that only they can make (Irrarázabal, 1991)? For example, an assistance approach would focus on studying the effective distribution of benefits. A promotional approach would concentrate on the development of abilities and service payment opportunities in an open market situation.

## **Analysis of Institutional Aspects and Management**

Social policies are applied within institutional frameworks that are often unfavourable. In some areas -for example, macroeconomic or national defense policies- there are clear authority structures. This is not the case in the social sectors (Molina, 1991). Here, intersectoral agreement mechanisms within the state and between the state and society have yet to be developed. One

issue requiring urgent study is how to apply intersectoral policies within an institutional framework which will continue to be sectoral.

The issue of how sectoral institutions are to plan, apply and evaluate integrated social policies has not yet been resolved. Institutional prerequisites for the most efficient and effective social policy applications must be examined: What framework will be used to apply new social policies? Within that framework, what type of institutional arrangements are desirable and viable? This study must be made at the central, regional and local government levels, particularly in those countries planning to decentralize their social programs (Vergara, 1991). Legal, normative and organizational aspects must be reexamined. Particularly important will be coordination between public and private sector activities, including NGOs dedicated to development activities, private research centres, universities and businesses.

Decentralization is a growing trend in the region. There are several questions which must be answered as quickly as possible: What are the results of the first experiences in social program decentralization? What should be decentralized and what should remain under central government control? What and how to decentralize, for example, in education, health and social security (Urrutia, 1991)? Other related questions include: What coordination and follow-up mechanisms are required? What limits are required in the geographical and social differentiation of programs in order to avoid affecting the equity of results?

Many countries are beginning to grant more autonomy to local municipal governments. However, the extent of the region's municipal management capacity is somewhat unknown. Moreover, despite the closeness of this level of government to target beneficiaries, most activities are still not integrated. The practice of sectoral program execution is an obstacle to integrated program management.

It is important to know the management capacity of organizations working at the community level, such as schools, medical centres, social service agencies and NGOs. Their capacity to attract, generate and manage resources must be studied. Some research has been made in this area, and there is some information available. However, it is not enough. It is necessary to identify obstacles originating from laws and norms, routine practices and the perceptions of personnel, as well as their level of training and commitment. Similarly, the actual ability of grassroots organizations to sustain programs must be studied (Helfer, 1991). No one denies the need to decentralize and provide greater participation. However, social participation has not yet been clearly defined nor have the mechanisms which can be used to promote and achieve it been identified (Vergara, 1991). A key consideration is the reinforcement or design of social control mechanisms for those who conceive, apply or evaluate social policies. How may greater accountability be achieved?

## **Efficiency**

Although diminished in relative or absolute terms, public resources still fund existing social policies. We must examine the rationale of public expenditure (Cohen, 1991). How are expenditures taking place? What is the level of policy efficiency in cost-benefit terms? What are the prices of services? What portion of invested resources reaches beneficiaries? The problem is not so much insufficient funds, as wasted resources due to inefficient bureaucratic practices or corruption. The key question is how to achieve efficiency without an increase in resources (Urrutia,

1991; Sojo, 1991). The following provide some examples of the issues which must be studied in-depth and discussed widely:

- The structure of public social expenditures. Prices of social services. Cost recovery modalities (Londoño, 1991).
- The private expenditure of NGOs and the population in general on service provision and consumption.
- Analyses of subsidies, including their recommended duration. What can the population provide and what should be subsidized? How to subsidize without creating dependency?
- Follow-up systems for public expenditure and its destination.
- Alternatives for spending scarce available resources. Is the state the only alternative? Can public spending be carried out by private agencies, with supervision and control by the state? May greater efficiency be achieved by privatizing social services?

## **Sustainability**

Of vital concern is how to sustain social policies through time, making them resistant to changes in subsidies, decreases in foreign aid, the impacts of other policies, and instability in institutional and human resources.

With respect to financial resources, several important research topics should be mentioned:

- Fiscal instruments to finance social policies (Londoño, 1991).
- The availability of private sector resources and how to attract them.
- The contributions which can be made by the target population.
- The financial circuits which local governments can use.

The general issue is constituted by the alternatives that may be tested for combining public and private resources, state and private management, and control and monitoring by the state and social organizations. To date, the use of state modalities has predominated.

The impact of other policies on the sustainability of social programs makes it particularly important to study the positive and negative impacts of macroeconomic, fiscal and tax policies (Londoño, 1991). Similarly, the benefits of social policies for the sustainability of economic programs and other policies related to productive transformation, technological innovation and environmental conservation must be demonstrated. The economic costs of unsuitable social policies are unknown, making it impossible to document their interrelation with economic investments.

With respect to human and institutional resources, the technical weaknesses of ministries and local governments makes it necessary to develop alternatives for the rapid retraining of public

sector personnel. These alternatives should emphasize management abilities with the goal of developing necessary management resources (Sojo, 1991). To this end, the potential role of universities should be examined, as well as the type of institutional adjustments they will require in order to train the professionals required for tomorrow.

## Information

It can be said that the region lacks information, but not data. Social policy information research must be geared towards facilitating management and evaluation. Methodological research must seek to improve, simplify and make use of existing data to generate more adequate information on current public and private institutional and human resources. Such research is also required to obtain sufficiently refined social indicators for specific social interventions. Among the most important research issues are the following:

- Situational and social trend analysis (analyses of poverty, quality of life or social integration levels and their tendency to increase or decrease) (Webb, 1991).
- The monitoring and evaluation of program execution. Information systems and social indicators disaggregated by area, department and municipality or district.
- The integration of existing information systems at the national or regional levels which would serve as a diagnostic base for integrated and intersectoral programs.
- More efficient and widespread use of existing information services, particularly by the general population. The design of decentralized information systems allowing free access to diverse users and the capture of information and results generated by NGOs. Open information systems are needed to create well-informed public opinions.
- The articulation between situational and social tendency indicators and service provision indicators. Data on representative services or programs for follow-up and evaluation activities (Webb, 1991). The articulation of social and economic indicators to examine the mutual impact of social and economic policies (Echeverri, 1991).
- Qualitative data to complement quantitative data, in order to provide information on service coverage and quality.
- International comparative analyses for the development of national and regional evaluation methods (Urrutia, 1991).

## Evaluation

In general, the relation between social program returns and expected improvements in equality and social equity must be studied.

Evaluations included in program follow-ups are indispensable for incorporating the criterion of quality into activities. However, social policy evaluation must also focus upon continuous quality control; evaluations at the end of the day may not be as useful as evaluations conducted during the process of policy implementation.

How to incorporate the perceptions of beneficiaries into evaluation processes is also a subject which has to be examined. In addition, objective service evaluation criteria must be developed as well as social control mechanisms to ensure greater accountability.

Research leading to the identification of channels through which social programs affect economic development is a crucial priority. The profitability of social policies must be determined in order to complement their ethical defense with economic reasons which can be presented to authorities managing national or local budgets, as well to public scrutiny (Londoño, 1991). In other words, research must be developed which can contribute to demonstrating that social policies are an economic "investment", not just an "expense", and that they are useful as well as desirable.

Evaluation research should be directed to examining how social services are being used and how relevant the offer is to needs.

Finally, prospective research must identify social policy scenarios (Schkolnik, 1991). To this end, technical evaluation results are needed that will clarify the redistributive impacts of social policy and indicate achievements of greater social equity.

## **WITH WHOM TO ACT? - CRITICAL LIFE TRANSITIONS**

Although opportunities were provided for the raising of thematic social policy issues, the discussions carried out during this project always turned to the policy-making process. Research priorities were apparently more linked to the process than to contents. However, given the wide scope of social policies, the points raised in the previous section, while helpful in delimiting priorities, are not sufficient to fully establish priorities. It was interesting to observe that no unique criteria for the selection of substantive social policy themes emerged from the discussions. That is why a theoretical-methodological concept is required that can help select substantive priorities in social policy research and planning.

It is difficult to decide what strategic research to carry out in a particular field when there is a lack of knowledge about the causal relations explaining the phenomena under consideration. The complexity of human development makes this a particularly difficult task in the case of social policies. As a way of dealing with this matter, it was argued that social policies, and by extension research on them, should be guided by a systemic approach (Torres, 1991). There appears to be consensus on this point of view. However, turning this theoretical approach into an operative instrument within the framework of a methodological proposal is not easy.

The following proposal is based on the idea that human development involves critical stages which must be appropriately faced in order to avoid cumulative negative effects on both the individual and society in general. The basic concept is that of critical life transitions. Critical life transitions are periods of human life when crucial personal development does not depend so much on the individual but rather on a cluster of social actors, processes and structures. Critical life transitions involve social problems which are not sectoral or do not pertain to individual disciplines, nor are they those of isolated individuals, or single institutions or organizations.

In light of existing social knowledge, it is plausible to say that there are crucial social and biological transitions in a person's evolutionary process. During these transitions, a complex

socialization process takes place that includes the development of capacities, the appropriation of knowledge, the learning of abilities and the acquisition of the values needed for the individual's social integration. In the classic social sciences, the closest idea to the concept of critical life transitions is that of the passage from one stage to the next within the socialization process: birth, puberty, adulthood, marriage, family formation, retirement and death. All these stages have been examined in detail in modern and traditional societies. For our purposes, this classical framework is too individualistic. However, it is an interesting reference for it permits discussion about certain life periods during which individuals, families and even whole communities are closely linked by specific social problems.

Based on the results of available social research, expert opinions, and the interests expressed by many different population groups, this proposal seeks to concentrate social policy research efforts on four critical life transitions. These are: initial development, early social incorporation, adult social integration, and retirement. Evidence indicates that problems occurring during these transitions have cumulative effects on human development and affect a variety of spheres in personal and social life.

## **Initial Development**

Initial development refers to a period of life that may begin even from before conception to the second or third year of life, passing through gestation, birth and initial survival. It is a transition that involves the child and the mother, as well as a set of other groups and institutions in their social environment. From a social policy perspective, the focus should not be limited to the mother and child dyad. It should also include groups such as adolescents and youths in pre-marriage and pre-parenthood stages, pregnant women, recently-formed families, newborn infants, and children of up to two or three years of age.

It is a critical life transition for the adolescent seeking sexual and family orientation, for the recently-formed couple seeking family planning services, for the pregnant teenager, for the families of all these individuals, for the newborn infant and for children during their first years of life. The following appear the most outstanding social problems requiring research:

- Adolescent fertility and fertility with short interbirth intervals;
- Maternal and child mortality and morbidity;
- Infant physical and psychomotor development; and
- Mother and child cognitive learning and affective development.

The social problems which occur during this transition are not independent from one another. On the contrary, they form a cluster which should be considered from the systemic perspective of the individual's initial development. It is not a matter for observation from a sectoral perspective, because these problems can only be effectively treated in an integrated manner.

The lack of solutions to these issues generates a cascade of negative effects at both the individual and societal levels. Sexual disorientation leading to unwanted pregnancies, poorly-managed pregnancies, births in precarious circumstances, inadequately stimulated or abandoned infants: these are not necessarily separate problems. Instead, they signify that an



incomplete or poor transition is taking place, not only for the child -the critical reference point of the process- but also for the mother, the couple, the family and even the community. Inadequate solutions to problems in this transition period lead to a compilation of negative effects later in life. These include, for example, children with multiple biological, psychological and social problems that limit their development and prevent them from easy transition to school; frustrated and humiliated adolescents and young mothers facing additional and undesired pregnancies, abortion problems and social and psychological maladjustment; disintegrated families; and high levels of maternal and child morbidity and mortality. Successful social interventions during this life transition may avoid enormous social, economic and psychological costs. Adequate support at this time may increase the probability of successful transitions later in life.

The groups of aspects and actors involved in this transition have been separately analyzed. However, available social research suggests that these problems should be solved in a holistic way. This is a great challenge which must nevertheless be successfully confronted in order to produce effective interventions. As examples, the following two cases should be considered. The first refers to adolescent pregnancy. The prevention, treatment and follow-up actions required to solve this problem are many. They involve sexual education, specialized health care, education in child care, assistance and orientation for the adolescent's family, and even orientation for the local school staff (in some countries pregnant girls are expelled from school). The second example concerns the psychomotor development of infants from birth to the first or second year of life. This case demands orientation programs for mothers, evaluation of day-care programs, improvement of women's labour conditions, community support programs for families in critical situations and nutrition support programs.

## **Early Social Incorporation**

In the case of Latin America, this life transition refers to entrance to the formal education system. The centre of attention is the child entering school, but parents, school teachers, those in charge of school nutrition programs and local school officials, preschool education programs and community programs are also involved. This is a critical transition for children in that their future educational opportunities and standard of living are strongly conditioned by initial success or failure.

During this transition, elemental but fundamental learning abilities must be developed and skills acquired for reading, writing and numerical analysis. At this stage, it is important to provide, for example, educational support to children with learning problems. And it is important to involve and orient parents, to mobilize the community to recapture school drop-outs, to make school activities compatible with the productive activities of the community and of the family, to provide nutritional support, and to appropriately retrain teachers. This is another cluster of needs to be systemically faced.

The most prominent social problems requiring high-priority policy research are:

- Deficient preschool preparation and elemental but fundamental learning abilities and skills;
- Insufficient basic learning, particularly reading, writing and numeric analysis;
- Failure and repetition in the first years of school; and
- As a consequence of the latter, definitive school desertions.

Educational research suggests that the child who fails in the early years of education, repeats grades, and that in the long term the repeater leaves school. The family suffers social frustration, the child grows up feeling diminished. Moreover, dropping-out is often conducive to early work, which reinforces entrapment in a situation from which it is very difficult to escape.

There is another cascade of positive or negative effects stemming from this critical life transition. It is known that incomplete primary education is associated later on with high fertility rates, lack of knowledge about preventive health care practices, limited access to skilled labour, deficient learning capacities, etc. The cumulative negative impact on the personal and social level is enormous and its cost to society is immeasurable. Societies pay very high economic and social costs for a population with diminished personal self-concepts and minimal learning capacities. Even for countries with low school failure or repetition rates, the costs of producing a literate population can more than double if children must wait until the end of their primary studies to be able to read, write and count well. The provision of timely support at this critical moment could lead to a different future for both the person and for society.

## **Adult Social Integration**

This critical life transition revolves around inclusion in the labour market. It may, therefore, be initiated at different ages and embrace a variable number of years depending on when it occurs: upon leaving primary or secondary school, after graduation from secondary school, or during or upon ending higher education. This stage involves more than simply moving from school into the world of work. It means incorporation into the adult world of society, supposedly with all of a citizen's rights and obligations.

The key social problems making this transition difficult, and where research efforts should be concentrated are:

- Incomplete basic education and a lack of even a minimal level of learning abilities;
- Incompatibility between the expectations, knowledge and abilities acquired at school and university, and the labour market's demands and possibilities;
- Poor access to minimal health and social security services, particularly those associated with forming a family; and
- Lack of minimally-informed participation in local political decision processes, where this is possible.

Since the cumulative effect of the problems experienced in previous transitions is felt here, both target populations and actors are dramatically multiplied -youths of different ages and abilities, the formal school system and its teachers, the public and private higher education sector, vocational schools, the government and private entrepreneurial sectors in all their industrial diversity. This multiplicity complicates the situation even further.

The education sector probably receives most of the attention because of its relation to employment, but the cluster of related problems reflects the complexities faced by youths entering adulthood. The most visible negative aspects of inadequate transition at this stage are unemployment and underemployment. There are, however, other ill effects whose economic costs

are difficult to estimate. Some of these consequences include: the personal, family, and even collective frustration produced by an education which does not fulfil the individual's expectations with respect to employment; the impossibility of carrying out a personal development project; and difficulties and later obstacles in forming a family. These phenomena, through time, erode a society's human potential. In many cases, the situation is the result of unsolved problems in previous transitions. The constant and growing numbers of youths entering the labour market in the above conditions makes society's capacity for productive transformation, economic competitiveness and technological development almost impossible.

In some cases, the social, economic and political price is very high: violence, marginality, and lack of interest in a just and democratic society; or involvement in illicit economic activities which, as in the case of drug trafficking, suffocate the viability of new economic and political development models. In some countries, the cost of violence can be valued in the billions of dollars.

As in the previous case, appropriate intervention to reverse or at least mitigate the situation may have an enormous social and economic return. Research must include aspects related to education, the needs of the business sectors, technological innovations, youth assistance programs and social welfare policies. Social and economic investment at this stage may have lasting effects far beyond the youthful age of those involved.

## **Retirement**

Another important social transition refers to the change from active life to different types of retirement. This transition certainly does not begin with retirement, but much before. It involves the population reaching Third Age, their close relatives and the community.

Compared with previous life transitions, the set of social problems is apparently smaller here. Two major research areas appear:

- Retirement and pension systems; and
- Health services.

The present crisis in social security and pension systems indicates that the region's societies have not been very farsighted. This topic requires high-priority attention, since Latin American societies are aging and pressure for services for the mature and elderly will increase.

Once again, the situation reflects a cluster of problems requiring multisectoral attention. Certainly, the retired are a social group with no capacity for social pressure. They are voiceless, particularly those in society's poorest sectors, but their lack of care may create indirect but unbearable pressures on society as a whole.

The specific entry point for research might be the current and future potential of social security systems. While of great importance to the elderly, they are also most relevant to the well-being of other social groups. Social security underlies all the critical life transitions discussed to this point. Depending on the country, these systems cover pregnancy, illness, accidents, disability, unemployment, retirement and death. As a result, these systems have a significant potential for providing multisectoral social interventions.

## AN APPLICATION BY WAY OF CONCLUSION

The possibilities of identifying research priorities through this methodological proposal can be represented as follows:

### ASPECTS OF THE SOCIAL POLICY-MAKING PROCESS

Identification

Institutional aspects and management

Efficiency

Sustainability

Information

Evaluation

Example in the case of Early Social Incorporation:

#### PROBLEMS:

- \* Preschool education and nutrition
- \* Minimum abilities: reading, writing, numeracy
- \* School failure and repetition
- \* School desertion

Initial  
Development

Early Social  
Incorporation

Adult Social  
Integration

Retirement

CRITICAL LIFE TRANSITIONS

Taking the case of "early social incorporation" as an example, research should focus on the identification of those individuals prone to school failure; the sort of educational, nutritional and family preventive or remedial programs that may be developed for them; the way in which these programs can be decentralized; the capacity of local schools to apply them; the costs of school drop-outs; how to subsidize programs; the role the private sector can play; how to locally finance programs; the information required for follow-up; the most appropriate indicators; how to gauge the relevance of programs and their later impact on school performance; and how to determine whether they are a real social investment.

Proposing a methodology with which to identify research priorities is a way of focusing a problem in reality. The proposal described here considers social policies as an instrument available to both government and society for the promotion of human development. The proposal supposes that the central objective of social policy is not to be cheap, effective or easily applied, but to be ethical -that is, to have human development as its primordial objective. This should certainly not lead us to forget that social policies should pay attention to important economical, political or organizational issues; otherwise they could not meet their objectives.

The attention of this paper has been focused on how to do things. The objective of interventions to develop society's human potential was also emphasized. For this reason, a concurrent research focus on human life's key moments -where the few existing resources can

make a significant difference- was proposed. No assumption has been made regarding the possible existence of differing perspectives on this issue. Surely, there must be a variety, because nothing is more controversial than human development. We all have opinions; in the end, there is nothing closer to us than ourselves.

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