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SOCIAL ISSUES IN CENTRAL AMERICA

Overview

The following sections of this book contain additional material prepared by A.I.D. on Central America which concentrates on recommendations for helping to solve some of Central America's major social problems. This material complements previous written material presented to the Commission by A.I.D., which focused on identification of the nature of these problems. In the following papers, A.I.D. has concentrated its attention on population growth, education, health, nutrition, and housing and urbanization. While A.I. normally treats agrarian reform as an economic problem and part of the agricultural sector, we have included it here since it will be part of the Commission's review of social and humanitarian issues.

The major current problems of the region are of course the political and economic crises. Even if these are solved in

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the short term, however, serious problems would remain. The most serious concern is the inability of the region's economies to create sufficient employment and economic opportunity in the face of a growing labor force. The result is high unemployment and underemployment. The second most serious problem, therefore, is not the population growth rate per se, but the population growth rate in relation to economic growth rates and government's ability to provide an adequate level of basic services -- i.e., the equity issue and the complicated set of variables that underlies it.

Historically, the most important means by which social conditions have improved for people is through economic progress, which has generated increased incomes for individuals and improved technologies for facing human problems. Nevertheless, actions in what have been termed "social fields" cannot be postponed into the indefinite future by developing countries like those in Central America. There are two major reasons for this.

First, some improvements in social indicators are important vehicles for economic progress. Increased education makes the individual more productive, as does better health and nutrition. Availability of land to rural groups can mobilize a

currently underutilized resource--farm labor. Lack of access to even rudimentary education may be an insurmountable barrier to upward mobility or even to meaningful participation in national society.

Second, increased quality of life is the ultimate end for which economic progress growth is sought. Unless there is a perception by all groups in a society that they are participating significantly in such benefits, social cohesion will be undermined and political systems threatened. This is clearly one of Central America's major problems at present.

Underlying much discussion of social problems in Central America is the assumption that governments have done little in the past to deal with these issues. This is incorrect, for all the countries have shown sharp increases in their attention to them and in government spending for these purposes. The results of these efforts have also been impressive in historical terms, as indices of social welfare (health, education, life expectancy) have shown sharp improvements during the past two decades. Nevertheless, the pace of such improvements, except in Costa Rica and Panama, has been slower than that of the rest of Latin America.

Whatever the pace of improvement in the past, it is clear that more must be done now. This is not simply a matter of additional external assistance or of increasing government budgets. Rather, solutions require a strong national commitment and an ability to focus on the crucial issues and then to carry out development programs efficiently.

Concern for efficiency issues must pervade any response to the problems of the region. For example, increased education funding will produce little if curricula are not revised to be relevant to the needs of the students. Our view is that too much attention has been placed in the past on solution to such problems through programs directly administered by bureaucratized, centralized government agencies, and that too little attention has been given to alternative approaches using non-governmental mechanisms, including private business, cooperatives, and other voluntary associations.

The strategy that emerges from the detailed papers might be summarized as follows:

First, there is a need to continue to support efforts aimed at reducing population growth, in order to ease the burden on

these societies as they evolve toward modern economic structures, and on governments in extending social and economic programs to all strata of society. This will require increased efforts to provide improved access to family planning information through both government and private channels.

Second, efforts to get productive assets to the poorest groups to provide opportunities for increased income and upward mobility need to be increased. This means wider and more relevant primary education. Over the long haul, education is the most effective means by which people increase their productivity and their capacity to meet the challenges life poses. The history of modern economic growth is one of the gradual replacement of tangible wealth -- primarily land -- by man-made assets (increasingly involving knowledge rather than physical assets) as the primary source of economic and social well-being.

Slowing the rate of population growth and increasing incomes and upward mobility are long-term approaches to the problems of the region. In the meantime, a third element of a strategy is needed -- that of direct action to alleviate the most serious health, nutrition and shelter problems. There is

a continuing need for governments in the region to demonstrate that they can respond directly to address basic human needs, such as better health, improved nutrition, and adequate shelter. Some specific interventions with promise for dealing with such concerns are identified in the individual papers. The following are illustrative:

In health, oral rehydration therapy has promise of substantially reducing infant and child mortality. Opportunities to improve nutrition and reduce the extent of endemic diseases also exist.

In education, improvements in vocational training offer considerable potential for assisting lower-income groups to increase their productivity.

In implementing social programs, it is essential to understand the relationships between them and the economic structure of the country. Social programs compete with economic investments for scarce resources, so the aims of such programs must be realistically within the capacity of the country. This also underlines the crucial importance of economic efficiency in the delivery of social services. While

some of the Central American countries need to do more to increase tax revenues in order to finance higher levels of social programs, it is also important that such spending not undercut the prospects for economic growth. In the long run, economic growth is the most essential ingredient to improvements in social welfare; no conceivable redistribution of income can produce a high standard of living for all in Central America at present. Only where the economic growth and social equity are actively promoted together can a society meet all of its competing demands.