

08

Collection of Studies
into Local and Regional
Public Policies
on Social Cohesion

Reflections on social cohesion



urb-al III
Oficina de Coordinación y Orientación - OCO

Reflections on social cohesion

Local policies for social and territorial cohesion in Latin
America in an environment of international financial crisis



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Preface

The Orientation and Coordination Office (OCO) of the URB-AL III Programme has the pleasure of presenting the latest publication in the Studies on Local and Regional Public Policies on Social Cohesion collection, the aim of which has been to contribute expertise in a series of issues that make up the European-Latin American bi-regional agenda.

The general goal of the European Commission's URB-AL III Programme (2009-13) has been to drive local public policies that contribute to a greater degree of social cohesion in subnational communities in Latin America. That is why a notable one of the OCO's principal mandates was to provide material for reflection for a better understanding and assimilation of a concept as complex as social cohesion.

The book we now present responds directly to that mandate and describes the efforts made by the OCO at the start of the Programme to provide a theoretical framework for the concept of social cohesion, as a prior step to establishing a common course for the initiatives of all the URB-AL III projects in their various spheres of operation. The aim behind this background document was to provide elements for maximising the potential of local public policies in building more cohesive territories and societies.

It starts from the premise that social cohesion is far from being a mere

economic goal aimed exclusively at reducing poverty. The difference between conventional policies for combating poverty and the social cohesion policies promoted by URB-AL III is that the latter seek to develop and strengthen the capacities of individuals rather than simply deal with temporary needs.

To that end, the study defends the view that creating a climate that is favourable to social cohesion requires explicit agreements and commitments to be made, so that the economic, political, social and institutional resources necessary for improving the quality of life of citizens may be mobilised and put at their disposal.

A socially cohesive community is therefore defined as one in which the citizens "share a sense of belonging and inclusion, participate actively in public affairs, recognise and tolerate differences and enjoy relative equality in access to public goods and services and in the distribution of income and wealth. All that in an atmosphere where the institutions generate trust and legitimacy and citizenship is fully exercised".

Now that URB-AL III has run its course, it gives the OCO great satisfaction to see how the elements contributed by this study have been assimilated, enriched and explored by the subnational governments taking part in the Programme to drive processes from a social cohesion

perspective. The 131 local public policies strengthened or generated in the framework of URB-AL III, all with clear sustainability strategies, are a gratifying example of the advances made in social cohesion in Latin America using a territorial approach.

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1. Objective and contents of the document

The general objective of this document is to set out the guidelines which will help to orient the projects of the URB-AL III Programme. It will attempt to outline a plan for analysis which contributes to organising facts (frequently scattered) linked to local development in Latin America, with the purpose of identifying the key elements of the reality which help establish a common sense of direction for the different particular projects comprised by URB-AL III. With this, the aim is to progress towards a collective conception of articulation and convergence regarding objectives for the development of social and territorial cohesion. This Reference Document is an instrument for orientation and reflection on the scope and the potential of the Programme. By its nature, it is a document in progress which must be constantly enriched by the experiences and the lessons generated by the execution and the evolution of the URB-AL III Programme.

This document is based on a fundamental premise: local public policies are not only a set of decisions which turn into specific forms of intervention in the economic, social, and political life of communities, but they are also an implicit or explicit narration (or an interpretation) of the context in which these decisions and interventions are inserted. This includes certain visions for the future, because public policy deals not only with realities but also with purposes. In order to turn these purposes into public and collective actions and to make those visions attainable, it is necessary to have a solid plan made up of diagnoses and

assessments of problems, while at the same time offering solutions.

One of the main purposes of URB-AL III is to contribute to the construction of this plan. In this sense, the document begins with a general consideration of the largest challenges that local development in Latin America is currently facing. This consideration is carried out from two complementary perspectives. The first (section II) considers factors which are related to the effects of the global financial crisis and the new circumstances derived from it for development in general and for local development in Latin America in particular; the second (section III) reviews the structural reference of the local policies for social and territorial cohesion in Latin America. This review is based on an operational definition of the concept of social cohesion, and its objective is to paint the most up-to-date picture of some of the basic dimensions of social cohesion in Latin America. In this same section, some diagnostic elements (or “critical problems”) of the current situation of these policies are also identified, on both local and regional scales, in the subcontinent. Subsequently, section IV studies some examples of how Latin American society internalises inequality, as well as the consequences or challenges that this represents for social cohesion and the complementarity of its different dimensions. Next part of the document (section V) contains a preliminary exploration of some of the main issues related to the instrumentation of public policies, and is specially focused on the problems of multi-level and intra-

and inter-sectorial coordination, which are of great strategic relevance from the perspective of the sub-national and local governments. The aim is to identify the general axes and the political and institutional circumstances of a potential agenda for local development with social and territorial cohesion in Latin America in view of the eventual reconfiguration of the model for growth that the global financial crisis is precipitating. The last section (section VI) offers a territorial summary (appropriate and relevant to the perspective of URB-AL III) of some old and new problems of the Latin American social agenda in light of the need for coordination and complementarity of public policy.

2. Local development and the global financial crisis

The commencement of the URB-AL III Programme coincides with the financial crisis in international growth and development which has persisted during the last three decades. This financial crisis is systemic, structural, and global. It is systemic because it has shaken the payment system of the world's main financial centres; it is structural because its eruption and development put an end to the growth pattern dominated by financial innovation; and it is global because its recessionary impact spread to the international economy as a whole through a reduction in the volume of international trade without precedent in more than half a century. The financial crisis has had an impact on all of the countries and all of the territories, although with a different intensity and pattern depending on the case and according to the productive structure of each, the natural and material resources available, the level of social cohesion, the political and institutional organisation, and the management capacities of the public administrations on national, sub-national, and local scales.¹

The social effects of this financial crisis are felt in various areas. The global increase in unemployment

in 2008 and 2009, especially in the largest industrialised countries, is a specific example of these effects.² In Latin America the main rates of social development had already registered some regressions as a result of the international financial crisis. It is estimated (ECLAC, 2009) that in 2009 poverty and indigence in the region increased by 1.1% and 0.8% respectively. In just one year, the number of poor people rose from 180 to 189 million (34.1% of the population) and the number of indigents rose from 71 to 76 million (13.7% of the population). These figures show a change in the tendency of reduction of poverty which was already occurring in the region. These nine million people correspond to almost one quarter of the population that had overcome poverty between 2002 and 2008 (41 million people), thanks to the combination of various factors: greater economic growth, expansion of social spending, demographic dynamics, distributive improvements, and expansion of remittances from emigrated workers.

It is impossible to know when the financial crisis will end. Since in 2010 a situation of slow growth of the international economy will continue, especially the western economy, it is still unknown when recovery will occur.³ In

1 This characterisation of the nature of the international financial crisis is based on the analyses of international organisations (ECLAC, 2008 and 2009; IMF, 2009; UN, 2009), of independent economic research institutions (EIU, 2010; CEPR, 2009; IFRI, 2009), and of researchers and specialists in the academic and financial fields (Skidelsky, 2009; Aglietta, 2008; Stiglitz, 2009 and 2010).

2 At the beginning of 2010, the unemployment rate reached 9.7% in the United States, 8.3% in Canada, and 10% in the eurozone (with peaks of 19.5% in Spain and 12.1% in Belgium).

3 This depends largely on how the moment of recovery is defined. If recovery is considered to be the moment in which aggregate growth

any case, a new system for regulating the international and the national economies must be established in order to overcome the current financial crisis. This necessity requires a reformulation of the main institutional arrangements on which the growth regime of the last quarter-century was based, which was a broad liberalisation and deregulation of the markets. This means that the financial crisis is precipitating a general transition with unpredictable results. One specialist has described this process as a very important historical moment in which many things are taken out of order and in which, by definition, the final resting point of the “tectonic plates” which have been shifted remains unknown.⁴

Thus, the immediate outlook is uncertain. Like during other large financial crises, what is currently at stake in the world and in the majority of the countries is the redefinition of the growth regime based on new institutional arrangements. Such arrangements do not have a preconceived configuration, and their final form will express the balance resulting from the confrontation of interests and strategies of a multiplicity of agents which act, with varying degrees of relevance, at various institutional and territorial levels, on a global, national, regional, and local scale. In essence, those interests and strategies will be mobilised according to objectives oriented towards establishing distributive commitments on which to sustain platforms of stability and coherence which make it possible to firmly reorient growth. The result of this process will be an eminently social and political construction, which will have to create a new balance between the market and the institutional organisation of society in its different territorial scales. The answer to the question of what specific form this balance will have is completely open. However, we must remember that the process does not take place in a historical vacuum; on the contrary, it occurs in a context marked by an unprecedented extension of the market society and the democratic forms of government. The specific type of interrelation which ultimately results between these two institutional mechanisms will largely determine the possible solutions to the financial crisis⁵.

turns positive, the economy of the United States already started this process in the third quarter of 2009, and the European economies will do so beginning the first quarter of 2010. However, if recovery is considered to be the moment in which the level of production before the crisis is re-established, the moment in question will arrive in 2011, and in some cases it will not come until 2012. Finally, if recovery is considered to be the moment in which the unemployment rate goes back to its natural level, this moment will not come until 2013-2014. In this respect, see M. Aglietta and A. Lipietz's dialogue with *Esprit* magazine, No. 359, November 2009, A la recherche d'un modèle de croissance.

4 Francois Heisbourg, director of the International Institute for Strategic Studies in London. See the debate between Mr. Heisbourg and Thérèse Delpech, director of Strategic Issues at the French Atomic Energy Commission, *Penser le monde de l'après-crise*. *Le Monde*, 16 April 2009.

5 This appears to be the sense of the rising debate

The financial crisis and its social and political effects materialise and take specific forms in the territorial sphere of the nations. This has a variety of meanings on a local scale. As much as we recognise that this financial crisis is global and that the strategies to face it clearly surpass the range of responsibilities and possibilities of local governments (and in some aspects even of national governments), these are not passive and cannot act passively. They must face the effects of the economic contraction, unemployment, reduction of income, reduction in spending and investments, and the pressure that all of this causes on the demand for services and necessities unmet by the society. Thus, to the challenges traditionally faced by the local public policies, we need to add the ones directly produced by the current global financial crisis. These additional challenges, which are often important, appear in the form of material and financial restrictions which limit the range of possibilities of local governments.

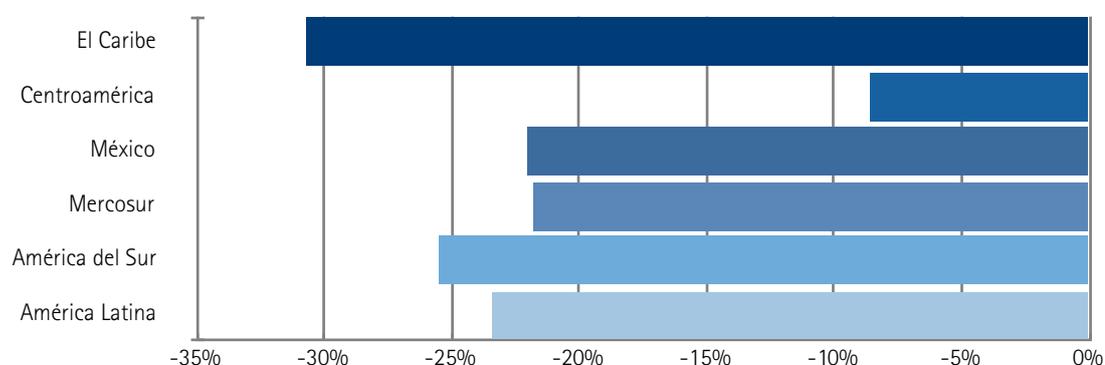
on the possible scenarios for the reconstruction of the political economy in the world after the financial crisis. One example of the terms of this debate can be found in Attali (2008): (¶) despite being the best mechanism for distributing the scarce resources, the market itself is not capable of creating the democracy that it requires to function efficiently (¶). In order for a market society to work efficiently, there must also be a democracy which ensures the right to property, imposes the maintenance of the competition, and creates a (solvent) demand by means of decent salaries and public spending. All of this requires a political intervention (democratic, if possible) in the distribution of income and wealth .

In the local context of Latin American countries, the international financial crisis generally translates, in the short term, into a notable deterioration of the factors which spurred growth in recent years. The effects of the global recession are directly transmitted to the different territories through various channels. Given the great variety of development situations in Latin America, the impact of these effects may be drastically different depending on each case. However, we cannot forget that even if the impacts of the international financial crisis have very specific territorial manifestations, their accumulative effects on a national scale additionally revert to the detriment of towns and regions in the form of a lower level of goods and public services provided by the central government.

The first channel of transmission is foreign trade. In 2009 the international recession brought a reduction of 23.4% in the demand for exports by Latin Americans in current values, which corresponds to approximately 10% in real terms (Graph 1). This contraction without precedents in various decades immediately and very specifically affected the towns and regions whose productive base is oriented towards the international market. The cities and regions in Latin America which (within the framework of the international growth regime that is currently in crisis) specialised in the production of manufactured products which are exportable to the industrialised world, will inevitably note negative effects due to the fact that their export offer is very difficult to place in other markets. Something similar occurs in

the regions specialised in the provision of services to international tourism, a sector in which the demand is very elastic with respect to income (a variable which is being drastically reduced in the industrialised world). It is obvious that all of this has negative effects on many Central American, Mexican, and Caribbean regions where the economy is centred on the maquila industry and whose production is mostly oriented to the American market. The regions

producing primary goods for export, the most important of which are located in the Southern Cone, are also suffering the harmful effects of the recession. The contraction of the world demand is determining a general reduction in international prices on this type of products, which is predicted to last at least until 2010. This fact translates into a lower income for producers due to the double effect of the reduction in value and in volume of their exports.



Graph 1
Contraction of Latin American exports in 2009 (percentage of current values)

Source: compiled based on figures from ECLAC (2009).

Remittances from migrant workers are another transmission channel of the effects of the international recession on various Latin American towns and regions. The labour absorption of these workers in countries like the United States and Spain, two of the economies which have been most affected by the international financial crisis, stopped growing and in some cases suffered noticeable contractions. International migration of labour has been a social

safety valve in the towns of origin of these workers, whose departure has not only reduced pressure on local job markets, but also on the demand for services. Additionally, in the last ten or fifteen years, their remittances became a resource of growing importance in the influx of external resources both for the countries as a whole and for the towns and regions of origin. In countries where this phenomena is most notable (as in countries in Central America), remittances represent amounts which fluctuate

between 15% and 23% of the GDP, and have become a decisive factor of financial stability. In some Central American countries, such as El Salvador and Guatemala, the annual flow of remittances suffered a reduction of approximately 10% in 2009. In other countries, such as Colombia, Mexico, and Ecuador this flow of resources was even higher.

We would like to highlight that, apart from being very important from a macroeconomic point of view, remittances are also extremely important at a micro-regional level. They are an area of income with a large economic and social impact that mitigates, from the perspective of income, multiple shortages in consumption and even in investment in the territorial base of the countries. Mexico is an example of this. This country receives the highest absolute amount of remittances on the subcontinent (25 billion dollars in 2008), and due to the size of its economy (the second largest, after Brazil), these flows correspond to 3% of the GDP and are the third-largest source of foreign currency in the country. The territorial dispersion of remittances (Table 1) shows the potential for economic and social destabilisation that a notable and sustained reduction of remittances would have in different regions of the country. In 17 out of the 32 Mexican states, these unilateral transfers coming from abroad, which are expressed in proportion to the GDP, are higher than the national average. In four states (Michoacán, Oaxaca, Guerrero, and Zacatecas, whose collective inhabitants represent 12% of the national population),

the remittances from the workers who emigrated to the United States range between 11% and 13% of the value of the respective state's GDP. In 18 out of the 32 states, the ratio between the remittances and the total wages of the formal sector of the economy is higher than the national average. In Oaxaca, Guerrero, and Michoacán this amount surpasses between 30% and 54% the wage sum of the formal sector of the state's economy. In the remaining 15 federal states, the value of this variable ranges between one quarter (Jalisco) and 99% of the state's formal wage sum (Hidalgo).

Remittances as a proportion of the state's GDP		Percentage of homes receiving remittances		Percentage of the wage sum of the formal sector	
Michoacán	13,61	Zacatecas	13,03	Oaxaca	154
Oaxaca	11,20	Michoacán	11,37	Guerrero	138
Guerrero	10,85	Durango	9,70	Michoacán	130
Zacatecas	10,68	Nayarit	9,64	Hidalgo	99
Hidalgo	8,83	Guanajuato	9,20	Zacatecas	96
Guanajuato	8,03	San Luis Potosí	8,20	Chiapas	93
Nayarit	8,01	Guerrero	7,86	Tlaxcala	66
Tlaxcala	6,99	Jalisco	7,70	Guanajuato	62
Chiapas	5,82	Colima	7,34	Nayarit	61
Morelos	5,56	Aguascalientes	6,69	Puebla	55
Puebla	5,02	Morelos	6,44	Morelos	52
San Luis Potosí	4,57	Hidalgo	5,06	Durango	45
Veracruz	4,55	Sinaloa	4,60	Veracruz	40
Colima	4,42	National	4,35	San Luis Potosí	38
Durango	4,20	Chihuahua	4,32	Colima	32
Jalisco	3,80	Oaxaca	4,13	Sinaloa	27
Sinaloa	3,11	Baja California	4,02	Aguascalientes	26
National	3,01	Querétaro	3,71	Jalisco	25
Aguascalientes	2,95	Tamaulipas	3,64	México	24
Querétaro	2,85	Coahuila	3,38	National	24
México	2,58	Puebla	3,28	Tabasco	19
Tamaulipas	1,95	Sonora	3,16	Querétaro	17
Tabasco	1,50	Veracruz	2,74	Sonora	13
Sonora	1,27	Nuevo León	2,46	Tamaulipas	13
Chihuahua	1,21	Tlaxcala	2,24	Chihuahua	10
Baja California	1,14	México	2,11	Yucatán	9
Yucatán	1,09	Distrito Federal	1,72	Coahuila	8

Table 1
Mexico: relative importance of family remittances in the different states

Source: compiled based on information from the National Institute of Statistics, Geography, and Data Processing; the Bank of Mexico; and the National Population Council.

Coahuila	1,07	Yucatán	1,41	Campeche	7
Quintana Roo	0,75	B.C.S.	1,08	Baja California	7
Campeche	0,72	Campeche	1,02	Quintana Roo	6
B.C.S.	0,66	Quintana Roo	0,99	Distrito Federal	6
Distrito Federal	0,63	Chiapas	0,76	Nuevo León	4
Nuevo León	0,53	Tabasco	0,64	B.C.S.	4

A third transmission channel is of a financial nature. The global climate of uncertainty during the present financial crisis is accompanied by a generalised aversion to risk, which results in an increase in the (international and national) financing costs for companies and governments. The higher the exhibition levels of a country's financial system (such as in Brazil, Chile, and Peru), the bigger the contraction of the credit channelled from the commercial bank to the rest of the economy. A territorial manifestation of this factor tends to appear in the Latin American countries under the form of a credit restriction which translates into growing difficulties to cover the financing needs of the economic units and the government institutions on a regional and local scale.

Another transmission channel of the effects of the international financial situation concerns the flows of direct foreign investment, which, by definition, have a specific territorial destination and involve the creation of new productive capacities or the expansion of the existing capacities for a series of local and regional Latin American entities. In

2009 the influx of this type of resources, which in the framework of the local development in place plays an extremely important role, suffered a contraction of 39% in Latin America as a whole. This was the biggest annual drop of this indicator in more than thirty years, with the peculiarity of occurring at a general scale, since it affected almost all of the countries in this region to varying degrees. For the economy of various Latin American regions and towns, this fact has been an important additional factor of deterioration. At this point, we would like to note that in some productive sectors which are industrially organised on a global scale (e.g., the car industry, which is very important in all the northern and in some southern states in Mexico), the financial crisis is accelerating a restructuring process that in the coming years will involve the geographic relocation of segments of its value chain. It is a process which is nearly impossible for the agents of the local development in the different regions, cities, and towns where these industries are installed to control, although its potential consequences in these industries may be of a great magnitude in the middle and long term.

The degree at which these impacts of the international financial crisis are affecting, and will affect in the short- and middle-term, the economic growth, employment, income, and the welfare of the different local spheres in Latin America will undoubtedly depend on the level and the duration of the productive recession, the deceleration of commerce, and the global credit restrictions. The greater the strength and duration of the latter, the greater the damages will be to the former. There is no doubt that the contraction of income and the deterioration of the job market and the family remittances will produce an immediate regression in the distributive level, which will accentuate the inherent problems of inequality, exclusion, and poverty. In this context, and together with the centuries-old problems and falling behind of the complex Latin American social panorama, local public policies on social cohesion must face additional challenges which require immediate actions. These include mobilising all the institutional resources available in order to counteract the impact of the international recessive forces and implementing strategies which protect the most vulnerable social groups. In general terms, the institutional and financial resources the local governments have for implementing these actions have structural limitations similar to the ones produced by the situation of financial crisis. Even considering the diversity of specific situations and the existing margins of movement, in 2009 the environment created by the financial crisis exerted and will continue to exert a strong pressure on public finances

at all levels of government. Given the reduction of tax income originated by the recession and then by the slow growth, such pressures will tend to be accentuated in the countries with a weaker tax system and to be magnified in the regional and local governments which are most precarious fiscally.

3. Towards a structural reference of the local policies for social and territorial cohesion in latin america

The real and potential effects of the global financial crisis on the Latin American regional and local spheres overlap a structural situation in which, despite the institutional reforms and the economic growth of recent years, social conflict has not been substantially reduced or mitigated. The persistence, and in some cases even accentuation, of this “social deficit” reveals the weaknesses of a type of development which is not sustainable due to the lack of universal mechanisms that compensate the effect of the different factors of exclusion and vulnerability which are generated by the same. This type of development involves an element of negligence regarding the construction of political-institutional arrangements and the execution of active policies which tend to create equitable social conditions which favour expanding each individual’s capacities and propelling them forward. In a structural context of precarious safety nets, the corrosive action of the factors of exclusion magnifies the degree of economic and social vulnerability of individuals.

a) An operational definition of social cohesion

The socioeconomic history of Latin America in the last two decades reveals a growing disparity between the economic growth and the quality of its social results. Beyond the wide regional range of specific national situations, there is a

structural pattern according to which the progresses made at the level of material production do not translate with the same intensity into an equivalent improvement of the average welfare of the people. In some countries, this gap does not show signs of reduction, but tends to grow larger over time. From the point of view of public policy, the rigidity of this gap (more than its actual existence) is a general sign of how economic and social policy have developed separately, and, probably, in many cases, in a conflicting or contradictory way. The international experience of the last half-century reveals that this type of socioeconomic performance is far from ensuring the progression to a virtuous cycle of development (dynamic economic growth with high rates of human development), and, in the long term, tends to lead to a “deadlock”⁶. Therefore, this international experience itself also denies the sequential approach of development, which is summed up in the formula “first grow, then distribute”.

It is an undisputed fact that in recent decades social conflict in Latin America has not been reduced or mitigated. Vulnerable social groups (those who most suffer the consequences of these conflicts) are vulnerable because their members are exposed to the corrosive effect of various factors of exclusion and live of outside the institutional safety and solidarity nets. Economic is the most visible and widespread form of exclusion, but it is

6 See Ranis (2004).

always accompanied by others (social, cultural, political) which also generate inequity themselves and can be powerful sources of marginalisation. Consequently, social exclusion is related to economic and material shortages as well as to symbolic shortages, which can be briefly described as a partial—and sometimes even null—participation of individuals in the basic social institutions. It is a concept which is more broad than poverty. The latter involves exclusion and it is a basic indicator of inequality. To this extent, social exclusion will be illustrated in this document, mainly, but not exclusively, with parameters which are related to different forms of social inequality. Social exclusion and its consequences in terms of inequality indicate a weakening of social bonds and a fragmentation of the society in whose framework the condition of being excluded involves a heavy burden which comes from the lack of acknowledgment and isolation of the groups and the individuals who suffer it. Social exclusion is not the failed result of different individual strategies, but of a structural process which generates this condition for different groups of society. In this sense, the excluded are the last phase of this process, which is why it is important to focus not only on them, but also on the underlying mechanisms which produce these results.⁷

The concept of social cohesion does not refer to a static situation, but to a process: a process of valuing and appreciating the

relationships between individuals and between individuals and specific forms of organisation of the society and its institutions. Attention is paid to this both in the academic world and in the spheres of formulation and execution of public policies, giving way to a relatively wide spectrum of definitions. Outside of the academic sphere, where this document is placed, there are certain consensuses on the general meaning of social cohesion based on the practice and the operation of policies. To the Council of Europe (2001), it is “a reference concept that reminds us constantly of the collective necessity of being alert and of detecting any kind of discrimination, inequality, marginalisation, or exclusion”. However, monographic studies (see, for example, Jeannotte 2000) have revealed that the term is missing a definition of work that is widely accepted, which does not impede that the most frequent operational definitions have as a common denominator the design of strategies and public programmes which guarantee that all citizens have access to material welfare in a framework of “social quality”⁸. In the practice of public policy, this common denominator represents a “conceptual building” on which each actor builds his own institutional and operational architecture for the promotion of social cohesion.

7 For more information, see Godínez 2007 and 2009, which are the bases for these approaches.

8 Social quality is defined as the level at which requirements and provisions of a specific society adjust to the necessities and the capacities of its citizens. In this sense, some experts talk about physiological needs (food, housing) and psychological needs (security, confidence, identity). On this topic, please see Veenhoven (1996).

The approach of social cohesion offers a useful opportunity to analyse both the dynamics of exclusion and the possible mechanisms of inclusion from the perspective of public policy. This approach is in an alternative sphere to the programmes especially designed for the “excluded”. It is a conceptual mechanism which favours the universal social programmes, which, by definition, discard social stigmatisation. The adoption of this approach by those who design public policies at different levels of responsibility and on different territorial scales, has made it possible to actively—and sometimes even innovatively—face the imbalances generated by the global process of economic restructuring and social change registered in the world in the last two or three decades.⁹ For analytical and instrumental purposes, social cohesion is usually divided in six basic dimensions:

- a. *Inclusion*. Social cohesion is strongly related to the economic institutions, and especially to the market, which is why this dimension can be described as a bridge between the “social” and the “economic” aspects. The practices and situations of exclusion of the market, especially of the job market, are a clear threat to social cohesion.
- b. *Equality*. Social cohesion means a widespread and systemic commitment

to distributive justice and equity. A society which does not guarantee equal opportunities to all of its citizens generates dynamics of social distancing and of differentiated capacities which erode and impede cohesion.

- c. *Legitimacy*. Social cohesion must be constructed collectively and cannot be reduced to a sum of juxtaposed individuals. The strategic action of institutions (both public and private) belongs to this dimension as mechanisms or spaces of mediation which guarantee the “connections” between individuals. Social cohesion is highly dependent on the legitimacy of these institutions, and it is threatened when these institutions are not representative.
- d. *Participation*. Social cohesion involves the extended involvement of the citizens in public matters (which are not only governmental, according to this approach). The lack of incentives and reasons for civic participation is usually considered to be a threat to social cohesion.
- e. *Acknowledgment*. This dimension concerns the positive mediation of the differences in identity, religion, culture, politics, race, and values, as well as any other type of differences, which characterise the society. Citizens who perceive that they are accepted and acknowledged by the others contribute to social cohesion.

⁹ The experiences of the European Union, Canada, and other industrialised nations are very illustrative in this respect.

On the contrary, social cohesion is threatened by the different practices of rejection and intolerance, as well as by an excessive effort to reach social unanimity or homogeneity.

- f. *Belonging*. This dimension is related to the development of a sense of “social connectivity” in a framework in which citizens share values and basic commitments. A threat to social cohesion is associated with feelings of isolation which, under certain circumstances, might be generated between some individuals and social groups.¹⁰

These six basic dimensions of social cohesion are complexly related. The presence of one or more dimensions does not automatically guarantee, under any circumstance, the presence of the others. As can be appreciated, the first two dimensions refer to the economic sphere; the next two to the political sphere; and the last two refer to the sociocultural sphere. In the economic sphere—and especially in the labour field—social cohesion clearly rules out exclusion, and parallelly, a systemic, profound, and

sustained commitment leads to pursuing dynamics of equality (that is, of social justice and equity). From the perspective of social cohesion, equality should entail, at least, equality of opportunities. But economic measures alone are not enough for achieving social cohesion. In the political sphere, social cohesion itself means a broad acknowledgment of the legitimacy of institutions, but it also means the existence of circumstances which allow for a greater participation by the citizens to favour a more active intervention on public matters. Finally, in the sociocultural sphere, social cohesion is based on acknowledgment (and therefore, tolerance) of differences. This, in turn, is an essential premise for the individuals’ development of a sense of belonging, which corresponds to a commitment in forming a local, regional, or national community and to sharing values, not seeking to attain unanimity (which is characteristic of closed or authoritarian societies), but of the active dialogue and the interaction between individuals.¹¹

Social cohesion does not result from any socioeconomic automatism, such as the market, but it is always the result of the interrelation of complex processes. In this sense, institutions play a very important

10 It has been noted that in some specific contexts (such as the microlocal) the sense of belonging might generate unwanted dynamics of social exclusion, which is why the proposers of the approach of social cohesion defend a plural and multiple sense of belonging. In this respect, see Council of Europe, A Report on The Brainstorming Session Held in November 1999 on Education for Democratic Citizenship and Social Cohesion (http://culture.coe.fr/postsummit/citizenship/concepts/erap99_60.htm).

11 It will become apparent that several aspects of this approach are very similar to Sen’s approach (2000), who interprets human development as a process of expansion of the capacities and liberties of the individuals and which contains the main obstacles to this: poverty, political exclusion, lack of economic opportunities and social imbalances, shortages of public infrastructures, and intolerances.

role in a democracy, because they provide the space and define the rules which allow the members of the community to create and recreate circumstances for social cohesion in each particular situation. Therefore, social cohesion is a fundamentally political objective, and solely economic imperatives are not enough to achieve it. As a principle of public action, it is obvious that it is closely linked to the search for equity in all of its dimensions, which necessarily means the adoption of very important decisions with respect to the distribution of income, employment, and welfare. This fact has various practical implications in terms of the social and institutional arrangements in place. For example, economic and social participants will want to hear their voice and will have a strong interest in participating in the design and the execution (including transparency and accountability) of such decisions. This is clearly tied to mechanisms of economic and political control whose effective operation can only be guaranteed by the democratic regimes.¹² The latter is also related to the exercise of citizenship and the development of the sense of belonging: being part of the national community entails both the right to participate in the benefits that originate from it and in the obligations that derive from the belonging to this community. Solidarity is another political premise for social cohesion. It is necessary to create the required structures for distributing income and opportunities, as social differences and

conflicts are not mitigated or reduced by themselves, but by means of redistributive mechanisms—the establishment of which is only feasible on the basis of strong political commitments. This way, the development of public policies for social cohesion depends critically on the effective support of the different social participants. The importance given to social cohesion in relation to other political objectives is largely defined according to the strength of such commitments, and therefore, to their institutionalisation.

Creating a favourable climate for social cohesion involves the establishment of arrangements and explicit commitments which allow the mobilisation and the availability of economic, political, and institutional resources that make it viable and allow the drawing together of public policies which affect the objective and subjective circumstances directly related to the population's welfare and quality of life. There are many functional connections between the basic dimensions of social cohesion and the citizens' quality of life. These connections are present in the collective dynamic and in people's daily lives by means of perceptions and confirmations of equity, employment security, opportunities for education, access to basic services, legal equality, social atmosphere of collectivity, and other factors which are closely linked. The examination of some structural spheres in Latin America which are directly related to social cohesion will make it possible to outline a panorama of the structural situation of the region in this matter.

12 On this topic, please see Hirschman (1977).

b) Growth, employment, and social inclusion: the broken link

On the opposite end of social cohesion, exclusion and vulnerability interact and usually generate vicious cycles of mutual reinforcement. This tends to occur at critical times, such as the current one, in which human and material assets of marginalised groups are destroyed, eroded, and exhausted, further reducing the capacities of the said groups. In most Latin American countries, the lack of resources and capacities impedes that the excluded resist the harmful effects originating from such critical events, and it also prevents them from closing the pre-existing gaps in equality. Since the circumstances of vulnerable groups are usually comparable to the ones of the people who survive on the thresholds of poverty and extreme poverty, every adverse event generally entails a reduction of their income, which further deteriorates their situation both in the short and long term. The implementation of immediate answers to the reduction in income usually brings negative consequences in the future, especially when it translates into reductions in spending on health and education for children and youth, which tends to perpetuate the circumstances of poverty and exclusion.¹³

13 These answers normally consist, amongst many other mechanisms, of interrupting the schooling of children so that they can start working, or reducing the consumption of basic necessities (such as food and medicine) in

Economic growth is a necessary factor for ensuring social progression, but it is not by any means the only one. This has been proven by development in Latin America over the last two decades: after the economic reforms undertaken during these years under the general consideration that the primary forces of growth and development are the globalisation and the free mobilisation of commercial and financial flows, the social panorama of the subcontinent does not present any modification equivalent to the ones noted on the general economic level.¹⁴ An example of this can be found in the labour field, which is the most basic but also the most solid mechanism of social inclusion, apart from being the essential link between growth and the reduction of poverty. The evidence available shows that in recent decades it has not been possible to lower the unemployment level or the percentage of labour dedicated to low-productivity activities. Implicitly or explicitly, it was expected that the economic reform of the eighties and the nineties would lead to a more efficient distribution of resources (and especially of the less qualified labour force) towards the new dynamic activities and, in general, towards those activities in which each country has comparative

accordance with the contraction of the family income.

14 Recovery of the growth after the crisis of external debt at the beginning of the eighties, setting up an export mechanism, macroeconomic stabilisation and restructuring the public finances, accumulation of international reserves, amongst other factors.

advantages. But the effective labour reassignment took other directions: self-employment, the informal services of the urban sector, and, in some cases, the small and low-productivity agricultural

production. Besides these options, and as a last resource, there was also a growing flow of migration of labour to the United States and Europe.

Table 2
Latin America: evolution of some labour variables 1990-2006

Variable	Both genders			Women			Men		
	1990	2002	2006	1990	2002	2006	1990	2002	2006
Unemployment rate*	6,2	10,5	8,6	6,9	12,5	10,4	5,8	9,1	7,1
Informal rate	48,5	47,2	44,9	54,5	52,6	50,7	45,0	43,2	40,5
Real compensation in the formal sector**	100	123	130	nd	nd	nd	nd	nd	nd
Real compensation in the informal sector**	100	81	82	nd	nd	nd	nd	nd	nd

Source: compiled based on figures from ECLAC (2008).

*/ Weighted Average; **/ Index 1990 = 100.

Indeed, the unemployment rate was still very high before the current financial crisis began.¹⁵ In 2006, this rate was higher than in 1990 in Latin America as a whole (Table 2). The problems with equity in the job market have not been reduced either, and the unemployment rate is higher amongst the poor, women, and young people. In the last quarter-century, the quality of employment in the

subcontinent has not improved, as can be seen by the informal labour rate, which remains very high (45%). Workers within this category suffer labour instability and low compensation (usually below the legal minimum wage), and do not receive any benefits or social security. The Latin American job market is clearly far from serving as a bridge for universal access to the systems of social protection. In addition, given the notable differences in productivity and in the instruction and training of the labour force, the activity of the subcontinent's job market in these years has become a mechanism

15 Unless otherwise indicated, the data and figures in this and in the following paragraphs used to illustrate the social tendencies in Latin America are based on ECLAC (2008).

for dissemination and reproduction of inequality: compensation of urban workers in the formal sector experienced a real increase of 30% between 1990 and 2006, whereas compensation in the informal sector suffered a reduction of 18%. The current financial crisis has destroyed the extremely precarious balances of the Latin American job market, accentuating these tendencies in the majority of the countries, accelerating in the first place the expulsion of the labour force in the formal sector (in a moment in which the exhaust valve that international migration meant for several million unemployed people in previous

years is drastically closed). The impact of the international financial crisis on the Latin American job market in 2009 is shown in Box 1.

The end of the phase of relatively high growth of the previous five years left its mark on the job market in Latin America in 2009. The employment rate suffered a reduction of 0.6 percentage points, which increased the unemployment rate almost one percentage point (from 7.4% to 8.3%). This increase would have been higher if the participation rate had not frozen. Besides the impact on the quantity of employment, the tendency for improvement in the quality of employment of the previous years was also interrupted. The demand for jobs dropped drastically, which in many countries translated into a reduction of private salaried employment and a loss of dynamism in the generation of formal employment, partially compensated by the growth of (informal) self-employment and public employment. The drop in the employment rate was fairly general. Out of 14 countries with information available, it is estimated that during the whole year 10 of them suffered this drop, which, in some cases, reached one percentage point or even more (Chile, Costa Rica, Ecuador, Mexico, and the Dominican Republic). We would like to note that this lower employment rate does not mean an absolute reduction of the number of employed people, since the lack of safety nets forces many people to accept job conditions that do not meet their preferences.

Box 1
Latin America:
employment in 2009

Source: ECLAC (2009)

c) Poverty and inequality: between inertia and rigidity

It is widely known that the benefits of the economic growth are very unequally distributed in Latin America. Excessively high concentration levels prevail over practically the entire subcontinent. These are also characterised by a strong rigidity, due to several historic and institutional reasons. This rigidity is present not only in the reduced downward flexibility shown by the different indexes of inequality over time, but also in their regressions due to the downward variations of the economy, such as the current one as a result of the global financial crisis. Some data illustrate simply but clearly the large distributive inequality prevailing in the subcontinent. In 2007, 40% of Latin American homes at the bottom of the scale received an average portion of 15% of the total income¹⁶, whereas 10% of the richest homes received a portion of 35%.¹⁷ In the same year, the average income per capita of the homes in the upper one-tenth of the distribution was 17% higher than the group of 40% of the poorest homes.

The comparative analysis of the resources received by the people living in the homes on the ends of the income range can be complemented by the analysis of the information related to the distribution of the income of the population as a whole. According to the results of the Gini index, the most-used indicator when measuring inequality, between 1990 and 2007 the simple average of the different national indexes shows a slight reduction of 3% (from an average of 0.532 to 0.515). Obviously, this result cannot be considered satisfactory, and even less so if we take into account that in this period almost all of the countries went through a generally high and relatively prolonged growth cycle. The evolution of the last two decades clearly indicates the inertial state of the prevalent distributive patterns in Latin America. At this point, the concept of “inertial” must be understood as the inability to change the historic inequity of the distributive system of the subcontinent which is inherent to the current type of development. Like any inertial state, it will not be possible to change this tendency without the application or the intervention of a force external to the economic automatism.

A high and sustained growth is an essential factor for achieving relative improvements in the distribution, but the Latin American experience proves that such improvements become untenable without fundamental changes in the structural factors which directly determine the configuration of the distributive structure (access to salaried employment, greater work performance,

16 Uruguay is the only country where this socioeconomic group received more than 20% of the total income.

17 The situation is different in every country: in Brazil and Colombia, the richest one-tenth of homes concentrated more than 40% of the income, whereas on the other end, Uruguay and Venezuela represented slightly less than 28%.

compensation of active workers, transfers, education, and more). All of the downward movements of the economic cycle registered in the countries in Latin America in the course of the last half-century clearly show this angle of socioeconomic vulnerability typical of an exclusive type of development. There is no reason to assume that there will be an exception to this rule in the course of the current financial crisis.

Años	Población pobre e indigente		Distribución en millones de personas		Porcentajes de la población total	
	Millones de personas	Porcentaje de la población total	Pobres no indigentes	Indigentes	Pobres no indigentes	Indigentes
1980	136	40,5	74	62	21,9	18,6
1990	200	48,3	107	93	25,8	22,5
1999	211	43,8	122	89	24,8	19,0
2002	221	44,0	124	97	24,6	19,4
2006	193	36,3	122	71	23,0	13,3
2007	184	34,1	116	68	21,5	12,6
2008*	182	33,2	111	71	20,3	12,9

Table 3
Latin America: evolution of poverty and indigence 1980-2008

Source: compiled based on figures from ECLAC (2008).

*/ Proyección

The persistence of economic and social inequality is a factor that has impeded a more general and firm reduction of the levels of poverty and exclusion, which continue to be an important problem in all of the countries, and, consequently, one of the main obstacles in achieving social cohesion. It is true that the level of general poverty has diminished with respect to 1990, when this indicator reached its maximum level in Latin America as a whole (Table 3). Indeed, after the so-called lost decade, the situation of approximately half of the population was classified under this category. In the course of the last decade of the 20th century, a period of general economic growth, this proportion decreased by almost five percentage points. However, due to the demographic expansion, the absolute number of poor population continued to increase up to a historic maximum of 221 million people in 2002. It was after this year when absolute poverty diminished more firmly (it is estimated that in 2008 there were 39 million poor people less than in 2002, which corresponds to a decrease of almost eleven percentage points with respect to the total population). From the two groups included in this category, that is, the poor but not indigent and the indigent, this last category is the one that has registered the greatest reductions during the last five years (approximately 26 million people). This tendency has been slowed by the financial crisis, and in 2009, as it has occurred in previous recessive periods and has already been indicated, registered a regression in the indicators of poverty in Latin America. The economic deceleration

associated with the change of cycle of the United States' economy in 2001-2002 produced at that time a rebound of the regional indexes of poverty and indigence. The current financial crisis, which is more intense and which will presumably take longer to overcome, has re-launched these indexes upward. In any case, in 2008 one out of three Latin Americans was poor, a category that in that same year increased up to a total of 182 million people in Latin America (which is equivalent to the total population of Germany, France, and Italy together). Two out of five of these poor people were indigent (a similar proportion to that of the previous decade), a category that in that year reached a total of 71 million people.

Table 4
The poverty gap in Latin America (16 countries)

Año	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1999	8,6	60,6	17,0	21,7	25,6	8,1	30,1	22,9	27,3	47,4	18,4	39,4	9,9	30,2	2,7	22,6
2005	10,4	63,9	15,9	18,7	20,7	7,9	20,9	21,1	27,0	44,5	12,9	36,9	14,8	29,5	6,0	16,6

1. Argentina; 2. Bolivia (1999 and 2004); 3. Brazil; 4. Chile (1998 and 2003); 5. Colombia; 6. Costa Rica; 7. Ecuador; 8. El Salvador (1999 and 2004); 9. Guatemala (1998 and 2002); 10. Honduras (1999 and 2003);

11. Mexico (1998 and 2005); 12. Nicaragua (1998 and 2001); 13. Panama; 14. Paraguay; 15. Uruguay; 16. Venezuela.

Source: ECLAC (2007)

However, in many countries, the so-called poverty gap shows certain rigidity, maintaining over time relatively uniform values or changes which are less significant than the ones observed in the number of poor people. Unlike the so-called count index (which counts the proportion of people or homes with incomes below the poverty or indigence line), the poverty gap index measures “how poor the poor are”. It does not only consider the proportion of poor and indigent people, but also the difference between their incomes and the poverty or indigence line. According to the information available (Table 4), we can affirm that in most Latin American societies the level of poverty and indigence has not changed substantially so far during the 21st century. This is a clear expression of exclusion which must be combated. Consequently, one of the priority objectives of social cohesion in

the coming years must be to progressively but sustainably reduce the poverty gap. The effects of the financial crisis will also be an important obstacle here.

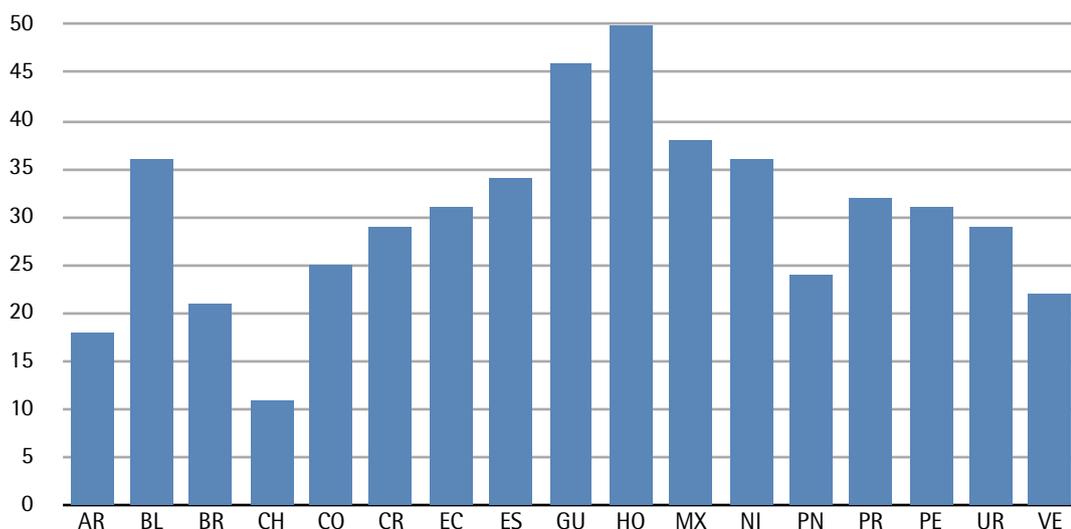
d) Reproduction and intergenerational transmission of inequality: the example of education

The Latin American experience shows us that the link between economic growth and the reduction of poverty has its limitations and has weakened over time. It is deceptive to attempt to reduce poverty through the growth “spill-over” method (that is, without introducing social reforms that guarantee equality). Persisting in this method would require

disproportionately high rates of increase of the product, the maintenance of which would be unsustainable (in the improbable case that these were verified, especially at this time). Besides a stable and sustained growth, it is necessary to establish basic mechanisms of inclusion which counteract and reduce the citizens' exposition to the accumulative disadvantages of social exclusion in its different material and symbolic dimensions in the long term and by means of institutionalised mechanisms. Therefore, this approach involves bigger changes in the development policy, and, first, in its social component. Measures like the programmes focused on vulnerable groups can eventually prevent them from falling below the poverty line, or if they do, help to place them statistically above this line, as has occurred in recent years. However, these measures do not usually change or solve the structural problems that weaken social relations and progressively lead to the fragmentation of society. The difference between conventional policies for fighting poverty and policies for social cohesion is that, in addition to attending to specific necessities, the latter tend to create and strengthen the capacities of individuals.

The majority of Latin American countries do not guarantee the productive participation of the poor in the economic and social activity. The two main mechanisms of social and economic inclusion, employment and education, follow forked paths and are inconsistent from the perspective of reducing the risk and exclusion factors to which the population is exposed. We have

already mentioned some of the structural characteristics of the job market and the main difficulties of labour insertion that Latin Americans are facing, and the panorama of education is equally complex. All of the countries have reached high levels of school enrolment, with values that fluctuate between 99% (Argentina in 2005) and 93% (Nicaragua in 2001) amongst the population between 7 and 12 years old, and between 85% (Chile in 2003) and 67% (Honduras in 2003) amongst the population between 13 and 19 years old. All of the countries have made an effort to extend this service to the members of all types of families (rich and poor, urban and rural), as well to both men and women. However, most of them still present important problems in quality, performance, and retention, which translate into low work-qualification standards of the labour force. All of these imbalances are an important factor behind poverty and inequality, which continue to dominate the social panorama of Latin America.



Graph 2
Latin American countries:
drop-out rate around
2005
 (Drop-outs at the end of the
 secondary cycle/total amount of
 students who started the primary
 cycle)

Source: compiled based on
 figures from ECLAC (2007).

A high proportion of Latin American children of school age abandon primary or secondary school. With the exception of Chile, where just 11 of every hundred students who enrol in primary school do not complete the primary and secondary cycles (and Argentina, to a certain point, with a rate of 18.5%), in all of the countries there is a high drop-out rate (Graph 2). This problem is particularly intense in Honduras (50%) and Guatemala (47%). In the rest of the countries, the situation is not substantially better, with their respective rates varying between 38% (Mexico) and 22% (Brazil)—the majority of which are closer to the former than the latter). This data shows a systemic inability of the Latin American “social fabric” to ensure a complete basic education to a broad segment of the school-age population, which has multiple implications.¹⁸

The educational systems in Latin America suffer strong deficiencies. One of their most substantial problems is retention, which some experts classify amongst the most intense outside of the industrialised world. A large section of the school-age population faces difficulties in transforming the years of school attendance into effective educational years. At the end of the 1990s, an average Latin American student attended school for seven years, but only completed four grades. The average retention rate at the time was calculated to be 30% for each year of studies during the primary and secondary cycles.¹⁹ Except in very rare cases, this panorama has not undergone substantial changes lately.

are outside of the formal education system and have significant difficulties for labour insertion, form an extensive social group which is, in fact, excluded from basic aspects of life in the society Kliksberg (2002).

¹⁹ Puryear (1997).

¹⁸ One specialist points out that these youth, who

These deficiencies in the quality of the educational systems in Latin America bring with them a marked problem of inequality in achievements based on the socio-economic groups one belongs to. Regarding the schooling years completed, the evidence currently available shows that the differences are notable over various categories: the residents of urban areas obtain better results than those in rural areas and the gap in schooling between students from poor families and those from rich families grows, favouring the latter. The differences extend to other areas, such as drop-out rates.

All of the above clearly establishes a pattern of inequity, but there is yet another: the differences in the quality of the education provided. The deficient quality of the education offered does not affect all segments of Latin American societies the same. There are strong disparities in this regard, and they are directly related to the students' socio-economic group. In all of the countries there is evidence that documents how the general performance of the students in the elite private schools—attended by a very low percentage of the school-going population—is much higher than that of students in the public schools.²⁰ In all of

²⁰ In the last two or three decades, a sector of private education which is very broad and in which the quality of the education provided is very heterogeneous was expanded in all of the countries. In a number of cases this segment in expansion is deficiently regulated and supervised by the authorities. However, there is a nucleus of elite or par excellence private education which ensures higher-than-

the key educational aspects, this type of private schools surpasses the public: more class hours, better-trained and higher-paid teaching staff, and more and better infrastructures and facilities. The result of all of that is the existence of a very segmented educational system in which the poor receive an education which is inferior to that received by the rich. A considerably higher percentage of the students who repeat grades and drop out are poor, but even when they remain in the educational system, their average performance tends to be lower quality than that of other students in a series of key areas.

In the majority of Latin American countries, the educational system does not meet the expectations for providing an equality of opportunities and social mobilisation which are expected of it. In a number of fundamental senses, it is even serving as a means of reproduction of situations of inequity: from it arise highly differentiated levels of preparation which subsequently cause even more marked differences in labour and, more broadly, in social inclusion. In many cases, its deficiencies and shortages pave the way for the commencement of a mechanism for perpetuating the levels of inequity and the income gaps between the different groups comprised by the society. With the differences in education, the social gaps in knowledge and access to quality employment are widened, which in

average standards. On this topic, please see the pioneering study by Schiefelbein (1995), which analysed four national cases.

turn influences in varying degrees and manners the differentiated access of the socio-economic groups to assets such as land, capital, and financing, or to basic services related to health, transportation, and public safety, as well as to a whole set of “symbolic” goods and services linked to the complete exercising of one’s citizenship.

The process of reproducing the inequalities which have been detected in education is present—with the unique characteristics of each case—in other fields with a similar range and social importance, such as healthcare. This process sets in motion a mechanism for the intergenerational transmission of the inequity and, therefore, of the various dimensions of the exclusion, the results of which materialise as gaps in employment, income, education, healthcare, and in general in access to basic services and opportunities. This is a social dynamic that not only impedes social cohesion, but which, over time, is also an obstacle to economic growth. In accordance with the so-called new theory of development, the intergenerational transmission of human capital has a decisive relevance to economic growth. According to this approach, the countries with better-educated populations and universal access to health and healthcare services have a greater possibility of driving cycles of high, sustainable growth. Given their high educational averages and their improved standards of welfare—factors which translate to a high rate of investment in human capital—, these countries have the possibility of passing on to future

generations more knowledge and skills which are necessary for driving the productive process and which also create general conditions of equity in income and opportunities in the population. More equitable distribution structures make it so that a greater number of families maintain high spending on the education of their human capital (health and a good education for the children), which in turn contributes to maintaining the dynamism of economic growth. The other side of the coin is more or less evident: the lower the investment in human capital, the greater the possibility of an intergenerational transmission of poverty and marginalisation; and the greater the percentage of the population in poverty conditions, the lower the investment in human capital and lower possibilities of sustaining high-growth cycles.

e) Urbanisation of inequalities and spatial segmentation

Latin American societies are predominantly urban. The majority of the population is settled in the cities, and the majority of the economic activity is generated in these. It is estimated that by 2025, 8 of every ten Latin Americans will live in an urban environment (Box 2). Given the structural characteristics of the Latin American economic and social development model, this process has generated a true “urbanisation of the poverty”: in 1980, 46 of every 100

poor people lived in an urban area; in the years following that, this ratio grew progressively, and today it is 66 of every 100. The vast majority of the urban poor receive income from informal activities. Poor households generally contain extended families (that is, various generations live together), are frequently combined (including members who are not family), and tend to have a higher proportion of female heads of household. More than half of the family leaders in poor households have a cultural level far below the ten years of education which are considered necessary for minimising the risk of intergenerational transmission of poverty.²¹ A poor, urban, Latin American household is typically characterised by having an extremely limited range of opportunities, a shortage of assets (land, human capital), and a great vulnerability to critical events (recessions, natural disasters).²²

21 The data and figures on the urbanisation of poverty and the spatial segmentation of cities come, except where expressly noted, from Rojas et al. (2005).

22 See the study comparing the cases of Buenos Aires, Río de Janeiro, Santiago, Mexico, Lima, and Montevideo coordinated by Portes et al. (2008).

Box 2
Urbanisation tendencies
in Latin America

One characteristic of Latin America in the 21st century is the high degree of urbanisation of its population and the existence of a large number of metropolitan areas. The demographic and economic importance of its cities is growing: in 2000, 75% of its 523 million inhabitants were concentrated in cities, which generated 80% of the economic growth; while in 1900, only one of every four inhabitants lived in urban centres. Today, that number is three out of every four. In 2000 there were 49 cities with a population greater than one million inhabitants, and four of them were amongst the ten largest metropolises in the world. Today there is a myriad of additional medium-sized cities with populations which range between 100 thousand and one million inhabitants.

It is estimated that in 2025 some 80% of Latin Americans will live in urban areas, and that there will be another nine urban centres with over a million inhabitants. The majority of these urban agglomerations are located in territories which are larger than the jurisdictional reach of a single local authority, with job markets and services which cover various municipalities, sometimes even in different provinces. These have a concentration of a large proportion of the productive capacity of the countries and they are connected with other national and international agglomerations.

Source: Adapted from Rojas et al. (2005).

Spatial segregation is another dimension of the Latin American pattern of urban development which has a direct impact on the tendencies of social and territorial cohesion. The dimensions and methods assumed by spatial segregation in urban areas in Latin America are part of an economic-social context which is defined in a specific manner of operating in the markets of the urban spaces and the corresponding policies which sanction it.²³ The manner of operating in the markets of the urban spaces promotes an increase

in prices and generates the exclusion of the poor people in the best located areas of the city which have the best infrastructure and provision of services. One of the results of this is the formation of agglomerations of the poor in the less-favoured areas of the cities.

It has been shown (Rojas et al. 2005) that this process produces a spatial concentration of urban facilities and of infrastructure in the areas where the homes with greater economic solvency are located, which widens the gaps in the quality of life, to the detriment of the inhabitants of the poor areas (where

23 See the Smolka and Mullahy study (2007).

the majority of the population is settled and which lack services, as they are generally located far from the centres of employment). Thus a polarising duality has been established in all of the large urban centres in Latin America. Frequently, poor urban areas are the ones which have the worst environmental problems. There are multiple consequences of these environmental problems, which we have summarised here, from the same source: “It is known that the geographic concentration of poor households favours the intergenerational reproduction of poverty, has a negative influence on social integration (higher youth inactivity), and increases the risk of impoverishment (higher unemployment rates). The accumulation of households with scarce resources in a single area also influences their prospects for the generation of capital through informal activities, based on the residence, and reinforces the tendency to perpetuate the poverty”.

Latin American urban agglomerations are characterised historically by a “falling behind” of their infrastructures and basic services based on the demands required by economic and demographic growth. With few exceptions, in all of them there are deficiencies in transportation, communications, and road infrastructures. In the large urban agglomerations such as São Paulo and Mexico City, the average transportation times between the areas where workers live and the centres of employment (two hours or more) have increased in proportion with the urban expansion of the last

two decades. The shortfalls in services and the deficiencies in installation and quality capacities include a broad range of urban infrastructures and services, with degrees of saturation and inefficiency which obviously change from city to city: communications and mobility, healthcare, electricity, and telephone systems. These deficiencies directly impact the citizens’ lives, and therefore the economic efficiency of the city—which in turn influences the life conditions of the inhabitants of the cities, and in particular of the most poor.

4. Dialogue for cohesion and distance: how do latin american societies internalise inequality?

The restrictions and barriers which limit the opportunities for social mobility and the expectations of improvement of the life conditions of the poorest citizens are a clear obstacle to social and territorial cohesion in Latin America on all territorial levels. It has been suggested (ECLAC, 2007) that the repeated experiences of failure and the accumulation of disadvantages create negative perceptions and insecurity amongst (and about) the groups most exposed to the various factors of social exclusion. In fact, these visions are reinforced by the varied mechanisms for exclusion which operate in the society, deepening the tendency that the poor and marginalised people are not objectively considered as equals—because in practice in a series of fundamental areas they are not—or as full members of the community. When one part of a society perceives that the structure of opportunities is closed and exclusionary, their expectations for the future or of intergenerational mobility decline. This strongly affects individuals' feelings of belonging and social participation, creating new modes of cultural and evaluative exclusion which also erode the social cohesion. Although these “immaterial” dimensions of inequality and poverty tend to become more important in the design of social policies and in the analytical devices on which they are based, there is not sufficient empirical evidence to gauge them quantitatively and qualitatively, as would be convenient in the process of forming public strategies on inclusion and cohesion which are not focused strictly on the material aspects of development.

There are some indications, however, which make it possible to perceive how poverty and the marked differences in income, assets, opportunities, and quality of life mould, in some sectors of Latin American society, feelings of indifference in the individuals (or groups of them) regarding economic, social, political, institutional, and cultural organisation, which together ensure and determine the social and community integration. This type of perceptions of the economic and social dynamic is even shared by those who are not directly affected by the exclusion factors. These indicators (based on opinion surveys applied systematically in various countries in the region) demonstrate general tendencies in the perceptions that Latin Americans have about relationships with individuals, the community, and society. Specifically, they allow us to understand some valuations of the degree of solidarity that the individuals and the groups they belong to feel from society and themselves towards the others. To put it in ECLAC's terms (2007 b), this “inter-subjective dimension” of the relationship between individuals and society makes it possible to illustrate some of the basic dimensions of social cohesion which were already highlighted.²⁴

The creation of situations of social cohesion is strongly correlated to the generation of expectations for upward and intergenerational mobility in the groups exposed to the exclusion factors. To the degree that the members of those groups face rigid and narrow ranges of

24 Cf. section 20.

opportunities, their possibilities and hopes for improvement in the future tend to decline proportionally. ECLAC's tabulation (2007, 2007a, and 2008) of the micro data of the Latinobarómetro surveys allows us to better understand this aspect of the Latin American social reality (Table 5). In accordance with this information, the expectations of Latin Americans are directly determined by the socio-economic level of the family units. The expectations regarding the children's future improved proportionally as the level of family welfare went up. It is true that in homes of all socio-economic levels it is estimated that the future welfare of the children will be better than the current, but the expectations of the poorest homes, collectively, are systematically lower than the average. This result is very revealing: even when it is believed that the welfare of the children will improve

in comparison with the present, it is not expected that they will make a "jump" in terms of intergenerational mobility, and they are expected to continue to be in positions inferior to the social average. The separation of these data by countries shows a tendency which is practically identical. However, we would like to point out that the differences in the average perception of the children's future welfare amongst the poorest homes and the others is highest in Honduras (3.7 to 6.5), El Salvador (3.1 to 5.5), Colombia (4.3 to 6.7), Mexico (4.2 to 6.6), and Costa Rica (3.8 to 6). We observe the smallest differences between these perceptions of the subcontinent in Argentina (6.6 to 5.7), Brazil (6.1 to 6.9), and Guatemala (4.7 to 5.7).

Table 5
Latin America (18 countries): Current personal welfare, future welfare of the children, and the availability of basic goods and services in homes, 2006

(Values expressed in averages, self-evaluation on a scale of 1 to 10, with 1 = poorer people and 10 = richer people)

	0 goods	1 goods	2 goods	3 goods	4 goods	5 goods	6 goods	7 goods	8 goods
Current personal welfare	2,9	3,4	3,8	4,1	4,4	4,6	4,8	5,0	5,4
Future welfare of children	3,8	4,4	4,8	5,2	5,5	5,7	6,0	6,2	6,5

Source: ECLAC (2007a), based on special tabulations of the 2006 Latinobarómetro survey.

Note: Evaluation of the current personal welfare and of the expectations for the future of the children is based on a scale of self-evaluation in which people were asked to grade their current situation and that which they thought their children would have in the future. The indicator of having durable goods and basic services in the home included possession of the following: i) refrigerator; ii) washing machine; iii) land-line telephone; iv) computer; v) hot water plumbing; vi) automobile; viii) sewer system; and viii) mobile/cellular telephone.

In practice, social cohesion is the result of the inter-relation of complex processes. In this sense, the role of public institutions is greatly important: as previously mentioned, they provide the space and define the rules which permit the members of the community to create and re-create, in each specific circumstance, the conditions of social cohesion. As a consequence, trust in public institutions is another key factor when configuring situations of social cohesion. It is difficult to conceive of a sustainable process for social inclusion in the context of a general loss of confidence in the institutional order. The data from Latin America (Table 6) show, at least from a general point of view, a mixed situation. The opinion polls show an upward valuation of the government by the population, with an average of 44% of citizens in 2008 stating they had “very much” or “some” confidence in this institution. Although they also show a slight relative improvement with respect to the beginning of the present decade, congress and the political parties received a lower degree of confidence from Latin American citizens (32% and 21% of the total, respectively). However, when we look at it from the opposite point of view, these same figures indicate that more than half (56%), two-thirds (68%), and four-fifths (79%) of Latin American citizens have “little” or “no” confidence in the government, congress, and the political parties, respectively. As is natural, behind these averages is a myriad of national situations which, despite the differences, do not seem to discredit these general tendencies, especially if the three variables

examined are considered while examining each individual case. This conclusion is in some way reinforced by the citizen perception regarding the (low) degree of compliance with the laws and the (high) level of corruption attributed to the political class, which on both the general and the national scales reveals a fragile base on which to build a broad confidence in the principal public institutions. If we begin with the principle that the purpose of public institutions is “to serve the common good” (as is stated explicitly in the legal and constitutional mandates of democratic countries), citizen distrust of the proper application of the law and the integrity of the political leaders cannot be considered to be anything other than an express manifestation that the practices of the government do not follow the rules, which undoubtedly gives rise to suspicion and distrust in the population.

País	Confianza en 1/			Logro en el cumplimiento de las leyes 2/	Corrupción de los políticos 3/
	Gobierno	Congreso	Partidos políticos		
Paraguay	84	41	23		74
Uruguay	60	50	36	6,4	27
Colombia	60	29	20	5,7	68
Chile	53	32	16	5,6	40
Ecuador	52	36	15	5,8	61
El Salvador	51	48	39	5,5	34
Bolivia	50	25	12	5,2	51
Venezuela	47	41	32	5,5	59
Brasil	42	34	20	4,8	66
México	36	31	17	5,2	54
Costa Rica	35	27	20	5,3	54
Nicaragua	35	23	24	5,1	54
Argentina	31	31	17	4,9	58
Guatemala	28	22	23	4,7	41
Honduras	25	26	20	4,6	55
Panamá	25	18	16	4,7	55
Perú	15	12	11	4,4	63
América Latina	44	32	21	5,2	54

Table 6
Latin America: some indicators of confidence in the institutions, 2008

Source: compiled based on figures from Latinobarómetro Corporation (2008).

1/ Question: "How much confidence do you have in...?" Here the answers only included "very much" and "some".

2/ Question: "On a scale of 1 to 10, with 1 being 'The State does not achieve compliance with any laws' and 10 being 'The State achieves compliance of all of the laws', Where on the scale would you put (country)?" Here the answers were only "average".

3/ Question: "Do you think that amongst politicians there is more, less, or the same amount of corruption than in the rest of society?" Here the answers were only "more".

When we consider the socio-economic condition of the citizens and the income per inhabitant of the countries, greater degrees of confidence are detected in the public institutions amongst the Latin Americans who belong to the family units in the best positions on the distribution scale and amongst those who reside in the countries with a better position in terms of average income, and vice versa. An index composed of the confidence in the State institutions as a whole (Table 7) confirms this.²⁵ The analysis by country of this indicator shows us that in Latin America (with the sole exception of Bolivia) the gaps in confidence in the State bodies are evident depending on the socio-economic situation of its peoples. According to ECLAC (2007a), there is a different explanation for this in each case: in Venezuela the gap is more pronounced based on the relatively high degree of confidence of the people who live in the most comfortable households; whereas in Paraguay, where the gap is also large, the difference is based on the extremely low confidence of the poorest people. In Mexico, however, the low degree of the gap is based on the low relative confidence in the state institutions of the individuals with the best socio-economic position. Finally, it stands out that in

Paraguay, Ecuador, and three Central American countries (Guatemala, El Salvador, and Nicaragua) the confidence levels of all of the income groups considered in the sample are not as low.

25 Please note that this composite index of confidence is not comparable, due to its greater coverage of institutions and the implicit adjustments in it, with the particular indices of Table 6, which also refers to 2008. At any rate, the composite index in Table 7 confirms a low degree of general confidence of the citizens in the official institutions.

Country	Homes with incomes	
	Sufficient and with the possibility of saving	Insufficient and with great difficulties
Argentina	16,2	13,8
Bolivia	15,7	15,7
Brasil	16,7	16,0
Chile	17,9	15,0
Colombia	16,3	15,4
Costa Rica	16,8	13,5
Ecuador	12,1	10,4
El Salvador	14,3	12,4
Guatemala	14,5	12,7
Honduras	15,5	14,7
México	16,6	14,9
Nicaragua	14,7	13,0
Panamá	17,8	16,5
Paraguay	14,4	10,9
Perú	15,6	13,3
Uruguay	18,9	17,4
Venezuela	20,8	16,7

Table 7
Latin America: confidence
in State institutions and
income sufficiency in
homes, 2006

(Values expressed in averages.
The higher the rating, the greater
the average)

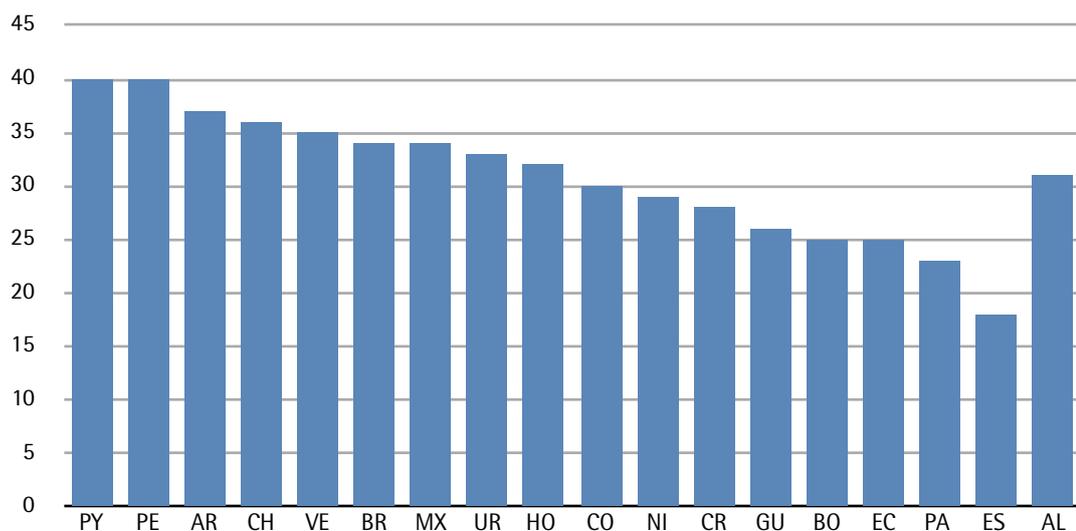
Source: ECLAC (2007a), based on
special tabulations of the 2006
Latinobarómetro survey.

Note: Classification of the households was based on a self-evaluation of the sufficiency of their income to satisfy basic needs.

In the specialised studies on this topic, it is common to relate the tendencies of the degree of citizen confidence to those of the participation in political and social organisations. The empirical information available²⁶ shows two main tendencies. The first is the existence of a low degree of citizen mobilisation throughout the subcontinent.²⁷ The second indicates that, in all of the countries, the poorest groups of the society have a lower level of participation in comparison with that of the more comfortable social groups. This gap is considered to denote a differentiated capacity in the exercise of citizenship which serves to disfavour the poorest people, given that a greater political and social participation tends to broaden the spectrum of resources to which a certain social group may have access. Here there are sufficient elements to feed the agenda of public policy, with the aim of creating the opportunities required by the groups which are most socially vulnerable to effectively de-rail the exercise of citizenship.

26 In addition to the ECLAC projects and the annual surveys by the Latinobarómetro Corporation which have been widely cited in this document, you may also consult, amongst other specialised sources, the monographic studies and the results of the surveys by the Latin American Public Opinion Project (LAPOP) at Vanderbilt University, www.americasbarometer.com

27 In accordance with the results of the Latinobarómetro (2008) survey, the rate of political participation in Latin America is 11%, with a dispersion by country which varies between 20% in Panama and 3% in Chile.



Graph 3
Latin America: perception of discriminatory practices towards the poor, 2008

(Percentages of affirmative responses to the question "As far as you know or have heard, which do you think are the people who are most discriminated against in (country), or do you think that there are not any groups or people discriminated against in (country)?". Here the answers were only "the poor".

Source: compiled based on figures from the 2008 Latinobarómetro survey.

Behind the distrust in the State institutions and the meagre exercising of citizenship which denotes the low level of social and political participation, there are certain discriminatory mechanisms in operation which we must consider from the perspective of the policies on social inclusion and cohesion. There are profoundly negative repercussions on the quality of life of the individuals and social groups who are disadvantaged by these mechanisms. Latinobarómetro's (2008) opinion surveys shows an upward tendency in the general perception of the citizens of the existence of discriminatory practices against specific people or social groups, and specifically the poor, a group which is identified by the general population as that which is most discriminated against (as believed by 28% of those surveyed in 2001, and 31% in 2008). When the proportion of individuals who perceive that the principal reason for

social discrimination is poverty (Graph 3) is considered by country, the following panorama emerges: in Peru and Paraguay, 40% of the population believes that the poor are the group most discriminated against; a little more than one third of the population has the same perception in the other Mercosur countries, Chile, Venezuela, and Mexico; in the other Andean countries and in the Central American countries (except El Salvador, which in this area has the lowest amount in all of the countries sampled) this belief involves portions greater than one-fourth of the population. Other factors for discrimination are based on ethnicity: two-fifths of the population of Bolivia and Guatemala believe that the indigenous peoples are discriminated against (this perception is also deeply rooted in Panama, Mexico, Paraguay, and Ecuador); the people of Brazil (32%), Panama (16%), Colombia, and Ecuador (14%) believe

that there is discrimination against black people in their countries. In Costa Rica (22%), Colombia (14%), Argentina (13%), and Chile (8%) the citizens perceive discrimination towards immigrants. Finally, in all of the countries, there is a history of discriminatory practices related to gender and age, which are the most common.

The analysis by residency factor carried out by ECLAC (2007 a) shows that the higher level of discrimination is experienced by the most vulnerable groups of the population and those that live in areas with more than 100 thousand inhabitants. The most significant of the perceived causes of discrimination, as we have seen previously, is belonging to the social category “the poor” (36.5%), followed by “the elderly” (16.1%), having a lack of education (12.4%), and a lack of contacts (7.2%). According to the same source, the factors which are directly or indirectly linked to poverty and the restrictions on social mobility explain 60% of the causes of discrimination experienced by the most vulnerable members in Latin American society. All of this data clearly suggests that the poor nucleuses of the population are exposed to various factors of discrimination: apart from the socio-economic condition, the individuals in this category may be the object of discrimination based on their age (“the young” or “the elderly”), their lack of human or social capital (lacking education or “being a nobody”), their ethnicity (their race or the colour of their skin), their gender (“being female”) or their sexual orientation (“being

homosexual”). These reasons together are the source of the 31% of discrimination experienced by the Latin American poor. In addition to the social stigma that comes with it, discriminatory practices lead to suffering a negation of opportunities for social integration. All of this serves to highlight the fact that we have before us one of the most important problems to consider in the design and application of policies committed to social cohesion.

5. Social cohesion and complementarity: some necessary guidelines for the renewal of the agendas for local development in latin america

In general terms, the Latin American experience with development shows that the various lags of the subcontinent regarding social cohesion even tend to remain in situations of economic expansion, such as those sustained in the years preceding the global recession of 2009. This experience also shows us that these lags are almost irreducible in the absence of public policies which are consistent, coordinated, and well-supplied with financial, institutional, and organisational resources. Combating this general situation with the aim of overcoming it means facing a series of challenges of complementarity regarding both the different dimensions of social cohesion (intra- and inter-sectorial coordination) and the policies and interventions of the various levels of government (multi-level coordination). The base of these challenges is the need to recognise the transversal nature of the public policies which have a bearing on the promotion of social cohesion. This means, in practical terms, that the national, sub-national, and local public policies must explicitly take into consideration their contribution to social progress and equity, each in its own field of action, but in a complementary manner. In this sense, the design of the institution is a key factor in achieving an efficacious drafting and execution of policies and programmes, and especially so for ensuring an adequate articulation which strengthens its results. From the perspective of sub-national and local Latin American governments, there are at

least three major operational guidelines²⁸ to follow in this direction, and their application may produce a renewal of the agendas for local development which favours social cohesion. Beyond the multiple specific situations of each sub-national and local Latin American sphere, and beyond the specific definitions which each particular case claims, these three major guidelines for employment refer to common problems, those shared by all of them, as well as to the need to generate commitments and arrangements such as those which make it possible to insert the territorial perspective firmly in the process of restructuring the current model for development.

28 This expression is used in the figurative sense which the Real Academia Española attributes to the word *pauta* (guideline): *instrumento o norma que sirve para gobernarse en la ejecución de una cosa* (instrument or normative which serves to govern the execution of something). In this case, renewing the agendas for local development and confronting the various challenges to complementarity required by the active promotion of social cohesion).

a) Multi-level and inter-sectorial articulation and coordination of public policies based on the explicit objectives of social and territorial cohesion

One of the greatest restrictions Latin America is facing in elevating the level of social development is primarily institutional and organisational. The social policies have been inefficient or in the majority of cases, insufficient for achieving that the social indicators improved as a result of and in harmony with the economic dynamism of the last fifteen years. The hypothesis of the “spill-over of progress”, which had already been widely discredited by the reality, crumbled with the first batterings of the global crisis. One of the greatest teachings of the recent experience of development in Latin America is that the lack of integrated public policies is, in practice, a form of public policy which threatens social cohesion.²⁹ This is one of the many causes of the growing disparity, as previously mentioned, between economic growth and the low quality of the social results in Latin America.

One expression of the low degree of integration of the public policies—and of the barely productive utilisation of the financial and material resources which they mobilise—is the inadequate coordination, where there is any, of

the central and local governments’ programmes. The goal is for both types of programmes to operate with high degrees of coordination (“multi-level coordination”), but it is rare that this occurs in the Latin American countries. In the area of social policies, for example, the central governments’ programmes must be conceived and carried out to combat pockets of extreme poverty through transfers, without articulation with long-term integral programmes for economic and social development. The result is that its net impact on the fundamental vectors of social cohesion tends to be small and generally not very sustainable. The social agenda of the towns and the programmes which they are based on respond more and more to priorities fixed by the community itself and even usually incorporate a strong idiosyncratic content.³⁰ In the majority of cases, both types of programmes are carried out un-articulated and in parallel, without producing the operative and functional complementarities which are necessary for optimising the use of scarce resources while at the same time promoting sustainable objectives for development.

In the experience of recent development in Latin American countries, the lack of integration and coordination of public policies has created sectorial environments and produced results which did not contribute to social cohesion—and in some cases were even contradictory.

29 According to the synthetic and at the same time forceful formulation by Palma Irrarrázaval (2008).

30 See Godínez (2007 a).

Palma Irrizábal's analysis (2008) shows how the macroeconomic policies on the commercial opening and liberalisation of the market, on industrial organisation and encouraging competition, on land use, on citizen safety, on fighting drug trafficking, on targeting public spending, and on employment and social protection have caused various losses of social cohesion in the course of the last two decades. The ironic thing in this situation is that all of these policies, individually, had objectives committed directly and indirectly to social welfare. None of them was necessarily contrary to this general objective, but their application generated various losses in social cohesion. The most profound effects which each of them produced in their respective sectors were counter-productive with respect to this objective, either by attempting "neutrality" (as macroeconomic policies usually are) or because in their design and implementation they only accepted or contemplated one of a few isolated aspects of social cohesion and not the group of them as a whole and their functional interactions. It is highly probable that the result of the group would have promoted social cohesion if the different sectorial policies had been articulated around that objective and not on hierarchical sectorial achievements based on their economic-financial relevance.

Both the lack of integration of public policies (in particular those of the central governments) and the lack of harmonisation between the local and national policies lower the efficacy

and efficiency of the economic and institutional resources which they mobilise. This suboptimal utilisation of already-scarce resources is in addition to the structural restrictions derived from the various national conditions of development, which inevitably frame and delimit the possibilities and the effective reaches of public policies. In this sense, a priority of the agendas for local development must be to promote the acceptance, by all the bodies of government (including the central government), of commitments oriented towards a progressive integration of the public policies (including the macroeconomic policy), using explicit commitments to equity and social and territorial cohesion as a crucial factor. Only the bodies of the State, with a base in a wide political and social consensus which makes it possible to map out a long-term strategy, may carry out an effort of this nature, in which the local governments must play a leading role. There are at least three conditions which appear to be necessary for this aim: i) *the transversal nature of the public policies*, which requires that in each case the specific impact and the contribution be explicitly considered in terms of social and territorial cohesion; ii) *the coordination and policies and programmes*, for which it is very important to re-design the process of creation and execution of public policies, with the aim of strengthening their results by means of complementarity, articulation, and monitoring, in global, sectorial, and territorial terms, for all that which is indispensable in order to

have adequate information systems; and iii) *modifications to the legislative and normative framework* which make it possible to institutionalise, and therefore ensure the continuity of, the public programmes which guarantee the complete exercising of citizenship through the universality and the enforceability of social, civil, political, economical, and cultural rights. The need for coordination of the public policies will be taken back up in the final part of this document in light of the new and traditional priorities of the local agenda in the region.

b) Commitments to strengthening the tax system in order to sustain the policies of social cohesion

The interrelation between social cohesion and public finances is a strategic factor in the politics of public policy. Amongst some of the important dimensions is being an indispensable reference for any of the efforts of building commitments in favour of social cohesion. The base of this interrelation is the tax system. Financing public spending, especially social spending, depends fundamentally on two aspects: the structure of the job market and the tax load. In Latin America nearly half of those employed are “informal”, that is, they are in unprotected jobs, and due to this lack social and contributory services. To cover the gaps in protection caused by this—plus the rest of the implications regarding social exclusion

derived from this precarious mass labour integration—the only sustainable source of financing which the State may use as a recourse is taxation. In Latin America, the average tax collection (excluding the contributions to social security) is still very low: 16.3% of the GDP; after numerous reforms, this number has barely varied in more than twenty years (it was 15.4% in the mid-1980s) and is 7 percentage points below the world average (Table 8). This low collection level highlights some of the principal problems of the Latin American tax system: a strong bias towards indirect charges, low tax bases, profits, exonerations, special treatment in favour of high-income sectors or those which have the political capacity to veto, and a low degree of tax decentralisation. In general terms, this is a tax organisation which lacks the devices and aims designed to achieve distributive equity.

Table 8
The tax structure in Latin America

Tax variable	Latin American average	Difference from the world model */
Taxation		
Total income (general government, % GDP)	19,9	-8,6
Income from taxes (general government, % GDP)	16,3	-6,8
Collection of direct taxes (% GDP)	4,2	-3,5
Collection of indirect taxes (% GDP)	7,9	-0,1
Tax rate on income (individuals)	26,4	-7,8
Tax rate on income (businesses)	28,3	-0,4

Source: Lora (2008).

*/ Coefficient of the dummy variable for the countries in Latin America in a regression between each variable and the income level per inhabitant.

The tax problem in Latin America cannot be reduced to the purely technical-administrative. It is the result of a complex tangle of political and institutional restrictions which have historically been tied to the power structure; given the large concentration of economic power and its political influence, the groups in power run an “elite resistance”³¹ which has traditionally made tax reform difficult. From the perspective of configuring new arrangements which are compatible with the promotion of active social cohesion policies, strengthening the State’s tax system is imperative. This is another strategic condition of the agenda for development in the coming years. It

is imperative that all of the countries increase contributions, especially those which come from the income tax, which must become a more progressive duty than what it has historically been on the subcontinent. An action of this nature is not viable without the coordination of a solid agreement between the principal social participants. This agreement must lay the foundation for an express political will which includes the restructuring of the budgeting process when taken as a whole: from its design to its evaluation and accountability, including the establishment of quality-control mechanisms in its allocation and execution.

One fundamental participant in this agreement must be the sub-national and local governments, whose tax imbalances

31 You can find a documented description of these practices in Melo (2004).

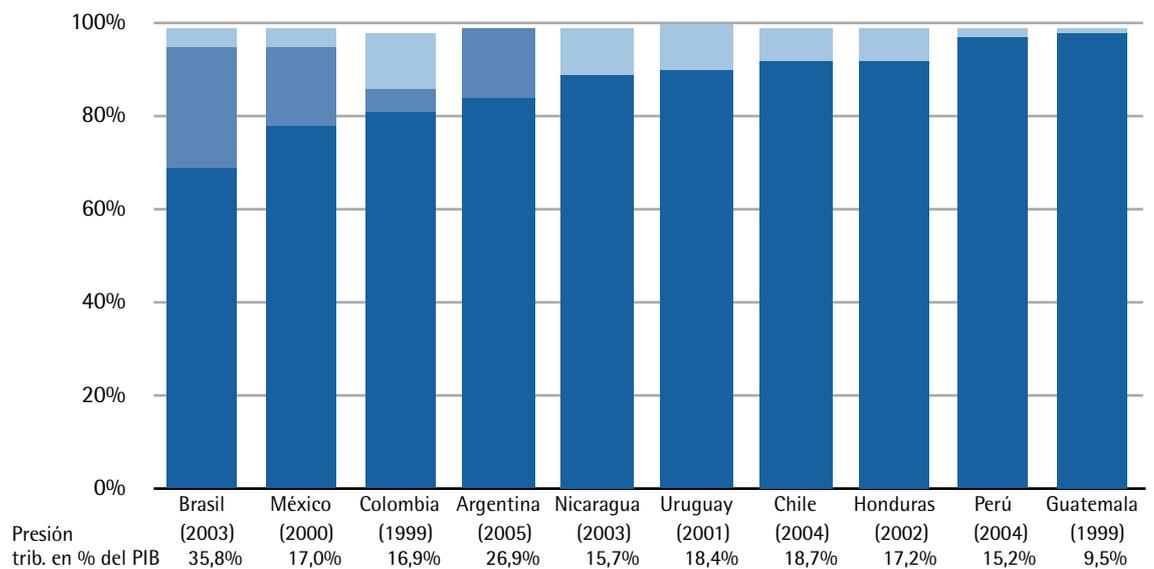
are centuries-old in all of the countries. Theoretically, the decentralisation will not be effective if the local governments do not have the financial resources necessary to decide on a spending allotment which is in accordance with local preferences. In turn, under this model, the citizens may demand accountability from the government which is taxing them. But it is well-known that the region has not historically been characterised by the tax strength of the local spheres of government. Paradoxically, in the last decades of the last century, at the same time as decentralisation was being promoted, a general tendency remained to keep the collection centralised. According to one specialised study (Cetrangolo et al 2009), Chile, Peru, Uruguay, and the Central American countries for which information has been obtained (Guatemala, Honduras, and Nicaragua) centralise more than 90% of the total tax collection. The federal countries, with the sole exception of Venezuela, have a greater decentralisation of the collection, though without reaching a predominant participation (Graph 4). The country with the greatest decentralisation of taxation is Brazil, where more than 30% of collection is the responsibility of the sub-national governments, due mainly to the existence of a value-added tax charged by the states (the Tax on the Circulation of Goods and Services, which generates a tax income equivalent to 8% of the GDP). Colombia, a unitary country, also has a high participation of sub-national collection, except in this country local autonomy is

very relative, as the national government has the power to define the taxes which correspond to each level of government.

And in effect, the decentralisation put in place in the last two decades has not only not reduced these imbalances, but has actually increased them. The sub-national governments generally collect taxes on property (real estate or land), and some also collect tributes on automobile registrations (in Argentina, Chile, Nicaragua, Peru, and Uruguay, amongst others) and on consumption (in Argentina, Brazil, Honduras, Nicaragua, Peru, and Uruguay). These local collections are frequently in addition to similar taxes charged by the central and sub-national governments, as in some federal countries and various unitary countries with decentralisation processes (Cetrangolo et al. 2009). Finally, we would like to point out that the growing tendency recorded in recent years in the collection of taxes at a national level does not have any correlates in sub-national collection. These resources have remained constant, with increases observed only in those linked to the exploitation of natural resources, such as in Bolivia. The fragility of the tax systems of the sub-national and local governments has deepened their dependence on transfers from the central governments. In this way, compliance with some of the basic functions of these governments which are directly linked to the promotion of social cohesion are subordinate to the system of transfers and its conditions. The establishment

of new rules for the operation of the transfers system, the strengthening of functions, and the consolidation of the decentralisation process from the perspective of tax sustainability must be a fundamental part of the political commitments to sustaining the policies of social and territorial cohesion.

Graph 4.
Structure of tax collection by level of government. Select countries



Source: Cetrangolo et al. (2009).

How are we to build a new commitment around this set of objectives? According to ECLAC (2007 b), a commitment of this type is feasible only as far as the role and the duties of the State and of the different groups which compose the society is understood when it decides for its own convenience to pursue goals of social cohesion. From here, it is possible to establish the terms of a new social contract, a notion based on principles of cooperation and which, in the metaphoric sense in which it is used by this institution, lacks legal sense although it may come to possess a strong political force and legitimacy amongst the social agents. From the perspective of social cohesion, one arrangement of this nature gains importance, as it involves participation, cooperation, recognition, and legitimacy of the actions to undertake. It especially involves a dimension of inclusion: a social contract such as that which is being proposed lacks sense if the actors who are traditionally the object of social exclusion do not intervene in it, making their voices heard and defending their interests. This perspective contemplates the introduction of political-institutional guarantees of enforceability, such as the establishment of adequate budget lines for guaranteeing the observance of the economic and social rights and the implementation of the obligations assumed by the State on these topics. The regional and sub-national governments must form an integral part of this new social contract, as their contribution would be strategic in the delimitation of the specific outlines and contents which incorporated this

arrangement in each national context. In any case, as the tax environment that delimits their actions is not transformed to the core, the local administrations in Latin America will continue to face growing limitations in undertaking sustainable programmes committed to social and territorial cohesion.

c) State reform and political and institutional strengthening of the local spheres in Latin America: the opportunities opened by the crisis

Given its nature, the economic crisis is reinvigorating the role of the State in all of the countries, which in this way is also recuperating an importance that, following the style of development of the last quarter-century, some believed to have been lost almost definitively.³² This resurgence occurs amongst a general predominance of democratic regimes, which in principle gives the process an enormous potential for expanding the spaces for participation by the various political and social actors—including, of course, those who act in the territorial base of the countries. In this respect, the global crisis seems to be opening

32 This hypothesis was developed around the ideological discussion by authors such as Ohmae (1995), who proclaimed the advent of the end of the State. Although this idea was always controversial, the new prominence of the State strongly refutes it.

some new opportunities for deepening some necessary reforms, as is (in the case of Latin American countries) that of the State. In this sense, it will be necessary to bring the functions and responsibilities of the State regarding local and regional development back on the scene of political negotiation.³³ The new scenario created by the crisis obliges us to (and also makes it possible to) revise the outlines for State intervention in each country regarding institutional commitments related to decentralisation, participative municipal management, territorial cohesion, and many more topics which the sub-national and local governments call for and defend with different focuses and nuances in accordance with their particular circumstances.

The State's reform must incorporate the territory as a fundamental factor in its organic and operative configuration. In the current process of (re)strengthening the role of the State, it is necessary to explicitly consider how the regions, the cities, and the towns will fit in to the resulting new balance of power. It will be necessary to introduce the territorial perspective into the debate under way on the agenda for Latin American development in the face of the current global crisis and its effects. This means clearly understanding that the reinforcement of the State under way does not have to be contrary to

33 On this topic, please see the document created by Fernández (2009) for the launch of the URB-AL III Conference.

local and regional interests. The premise of this convergence is that the State's reform should deepen and broaden the spaces for democratic governability. The sub-national and local governments in Latin America must play a very active role in the process of reinforcing the public aspect of society (which is not limited to the governmental sphere). In the configuration of a strong and more democratic State, it will be very productive to compile the teachings and innovations of certain experiences of democratic governability which have appeared in recent years in the territorial base of Latin America.

Local governments have much to contribute to the reform of the State. In a number of cases they have been a central factor in the configuration of new forms of relationships between the public power and the society in the search for innovative solutions to problems directly linked to basic vectors of social cohesion on a territorial level.³⁴ These practices—often identified under the umbrella of “participative democracy”—express innovative ways of governing in which cooperation is incentivised and viable and attainable alternatives to the hierarchical structures or excessive bureaucratisation and inefficiency of some traditional government institutions are offered. Here we have a “treasure chest of experiences”

34 The local Latin American governments have lead innovative experiences of public management such as Participative Budget, Urban Participative Planning, Management Advice, and City Conferences, amongst others.

with which to provide feedback from the territorial base of the countries to the process of reforming the State in two senses which can and should be complementary: strengthening and decentralising it. One of the keys to success for this process must be the expansion of spaces for democratic governability and participation.

From the perspective of local public policies on social and territorial cohesion, it is in the interest of the territorial actors to exert an influence on a reform of the State that—together with the practices of democratic governability—institutionalises the articulation and coordination of the actions of the various spheres of government (central, regional, local). The objective is to establish a paradigm of public policy which in addition to the central government involves other social and territorial actors. This model of public policy would open its design and in some cases its execution to actors who, while they are not the legal-administrative heads of the policies which influence social and territorial cohesion, are those which are directly affected by them. The re-consideration of the economic and social model which the global crisis is prompting in many countries has opened a historic opportunity for the local actors to contribute actively and innovatively to the reconfiguration of the style of development and the establishment of new institutional arrangements which favour the promotion of integral and integrated policies of social and

territorial cohesion. In this sense, from the territorial perspective (which is completely compatible with that of URB-AL III), we must assume a set of newly-coined priorities which are added to all those mentioned throughout this document.

6. Local and regional public policies and social cohesion: Spheres of definition of strategic goals

In this document we have outlined a set of considerations designed to build from URB-AL III a general vision of the biggest problems and priorities of a potential agenda for local policies on social and territorial cohesion in Latin America. Although in some cases these problems and priorities were identified and approached in aggregated terms, the analysis has been proposed from the perspective of the territories and their specific characteristics. With this we are attempting to show that, in the territorial sphere, in order to guarantee its efficiency, public policy can be considered to be a set of policies which are inextricably interlaced, similar, and immersed in inseparable processes, which require mechanisms and instruments which help them operate consistently and synergistically. Another aspect is that the political and institutional practice has established a varyingly broad platform of relatively specialised sectorial actions which operate separately and are almost always scattered. In light of this, we would like to rescue and highlight the great possibility of a programme such as URB-AL III in building different and more efficacious methods for intervention which contribute to the articulation of the local public policies on social and territorial cohesion. The atomisation of these policies can be overcome, but that requires the previous establishment of a field of reflection and initiatives which is designed to transcend the limits of sectorial and functional specialisation in order to obtain better results and an optimal use of the resources.

This is precisely the case with the need—which has already been approached generally—for multi-level and multi-sectorial coordination of the public policies. In circles linked to the formulation of policies for “regional development” in Latin American countries, a very broad and lively discussion is under way on the insufficiencies of the coordination of the sectorial actions with the territorial actions. There is a growing conviction that the absence of coordination constitutes a serious obstacle in improving the performance of public policy on social and territorial cohesion. It is understood that the growing activism of the sub-national and local governments on this topic, which is indispensable, is not sufficient and must be complemented with institutionalised mechanisms for coordination between the levels of government. Despite their heterogeneity and their particularities, the sectorial policies face common challenges in the territorial sphere. In both their design and execution, they all need to adopt some type of regionalisation, and based on that, introduce adaptations; frequently—and as the sub-national and local governments well know—the operators must face the challenge of transcending the limits of sectorial and functional specialisation in order to obtain better results and optimise the use of resources, developing different ways of working in common with institutions and economic and social agents directly involved in each territorial reality.

This is exemplified by the policies related to the promotion of “territorial competitiveness”. The principal sectorial components are the policies which promote production, business development, education and training of the labour force, support for SMEs, and all other instruments and their respective institutional references which proliferated in the region from the last decade as part of (and sometimes as a substitution for) industrial policies, and as an obligatory complement to the economic and commercial liberalisation. This focus of public policy was originally designed in the central governments. It was adopted gradually in the search for different local and regional strategies which gave way to particular and specialised interventions, but in the vast majority of the cases, they did not form part of a consistent and integral focus for productive change. Even when these policies do not incorporate a territorial perspective, the important thing is that today they form part of the obligatory repertoire of the different local initiatives oriented towards building competitive advantages in any of their possible aspects. This focus on competition has almost always been translated into efforts to increase the exportation base, and except in very rare exceptions this has not manifested as substantial improvements in development or contributed to reducing the factors of social exclusion and territorial inequality. This has been documented by numerous reports by ECLAC, IDB, and the World Bank, whose diagnoses coincide on the need for institutional articulation between

the local, sub-national, and national spheres with the aim of ensuring that these efforts are more economically and socially productive. There is another coincidence in these diagnoses (regarding the specific situation of the Latin American subcontinent), about which local and regional activism, as an indispensable component of the policies for territorial competition, is not sufficient from the perspective of equitable development (that is, development with social and territorial cohesion). The national policy actions in fields such as financing investments, creating basic infrastructures and facilities, innovation and technology, economic regulation, production chains, etc., are references and parameters which cannot be ignored: they make up the context where they can produce, or frustrate and restrict, the appropriate conditions for a more equitable distribution of the opportunities for economic development and social progress. Coordinating the different levels in which the public policies are applied is a necessary component of the agendas for local development.

The proper political and institutional management of the relationships between the local, intermediary, and national levels is a crucial factor improving the productivity of the local efforts for improvement in the area of social and territorial cohesion. In order to be productive, this focus must introduce an additional fact of the Latin American reality: the marked territorial heterogeneity of the region

and of each of the countries which make it up. Remembering some basic information helps to clarify this point: 50% of the respective national population is concentrated in 4.1% of the municipalities in Brazil and Mexico; this same proportion of the national population is concentrated in 4.8% of the municipalities in Colombia; 3.6% in Argentina; 4.6% in Peru; 10.5% in Chile; and 10.5% in Uruguay. The demographic and economic scale of the territories is important when designing and executing a public policy intervention. Which is the territorial scale that is best suited for interventions with specific types of public policy instruments which favour economic stimulus in the territories? It is obvious that large cities and their metropolitan conglomerates have a greater economic, human, and institutional scale which makes it possible for them to maintain a more influential dialogue with the other levels of government and decisions, perhaps enjoying greater degrees of autonomy, efficiency, and operational functionality. Their needs are very different from those of the smaller-scale territorial units which, on the contrary, require greater technical and financial assistance and probably even assistance from associations in other territories and towns in order to successfully promote their initiatives. What have we learned from the Latin American territorial experience about the consequences of these differences on the design and the options for public policy from the perspective of development and social and territorial

cohesion? Are these differences in scale important when talking about multi-level coordination?

The dimension of the intergovernmental and inter-sectorial relations for the promotion of social and territorial cohesion has emerged as an operative priority of local public policy in Latin America. In territorial contexts dominated by a large amount of unfulfilled expectations for development and progress, and now also affected by the global crisis and its effects, how are we to think seriously about reducing the factors of exclusion and the gaps in equality without turning to an efficacious formula for articulation and coordination of efforts which avoid duplications, contradictions, and even conflicts with programmes and policies which lead to wasting resources and potential synergies? This focus on public policy is practically required throughout the entire range of topics in the agenda for local development, from the decentralisation to managing the fight against the effects of climate change, the management of shared natural resources, the detection of new opportunities for development in the territory, or the exploitation and taking advantage of new sources of energy. Therefore, there is a clear need to identify and comprehend the conditions which, from the perspective of the territories, make the multi-level and inter-sectorial coordination of public policies possible, as well as the coordination of the factors which are slowing this possibility down. The aim is practical: to identify lines of

action which facilitate the configuration of better institutional contexts for pursuing local policies which favour social and territorial cohesion in Latin America. URB-AL III can and should make valuable contributions to this general objective.

In this sense, a short summary is necessary to enumerate some of the large priorities identified in this document. Public policy must attempt to re-establish the functional link between economic growth and the productive employment of the population. In this document, this link has been identified as the mechanism which is the most elemental but also the most steady of social inclusion. Parallely, it is necessary to re-activate sustainable policies for the redistribution of income and richness which influence a permanent reduction in the poverty level, accompanied by programmatic actions in another crucial area such as slowing and reversing the operation of the mechanisms of reproduction and intergenerational transmission of social inequality. In this sense, it becomes necessary to design and execute innovative actions in two strategic areas: education and healthcare. Another substantial area of priorities regarding social cohesion which was identified is the reduction of territorial inequalities, and primarily, of the socio-spatial segmentation of the cities, which is where a growing majority of the Latin American population lives.

Given the nature of the existing problems in these areas, the actions that the social actors in each country and territory are able to adopt regarding these priorities on

social cohesion require the coordination of new agreements and consensuses. From the perspective of this document, which is in the territorial sphere, the general necessity to act at a local level regarding three major operational guidelines was identified, with the aim of generating a new type of commitments and arrangements which would make generating a renewal of the agenda for development possible by means of: i) the multi-level and inter-sectorial articulation and coordination of public policies depending on the explicit objectives for social and territorial cohesion; ii) a strengthening of the tax system which supports the policies for social cohesion at all levels of government; and iii) a reform of the State which opens spaces for the political and institutional strengthening of the local spheres in Latin America.

The design of the regional and local policies for social and territorial cohesion is facing a double challenge in Latin America: attending to the needs of the most marginalised groups and regions and, at the same time, creating conditions which contribute to the establishment of a more inclusive style of development. The importance of this challenge is perhaps even greater if we consider the toughening of the economic environment which produced the crisis on both the national and international levels. To face this, the proposals for social policies which the local and regional agents design in each particular context must be sustained on three basic spheres which ensure their sustainability and additionally contribute effectively, from the territory, to the

consolidation of an integral strategy which improves the basic indicators of welfare, the democratic governability, and economic competitiveness. In the long run, the success of the strategy will lie in the creation of a virtuous circle amongst its political, economic, and social spheres which will generate sustainable processes of development with social cohesion on more competitive bases before the transformations which are taking place in the world economy.

The principal objective of the political sphere of the proposals is to strengthen the democratic institutional framework. The actions which are adopted based on each local and regional reality and circumstance must foment the consolidation of a process of building a citizenry which guarantees, from the territorial base of the society, the full exercise of social rights. A related objective is the strengthening of social and community links, based on a principle of equity which contributes to reinforcing networks of solidarity. In designing the proposals and lines of action in this sphere, it is advisable to consider that the effective exercising of fundamental civil and political rights is a condition without which advances in universal and fundamental social rights—which are part of the basis for social cohesion—lose soundness and run the risk of not being established. The networks of solidarity are one of the principal forms of social capital which should be promoted. The social programmes for regional development and those which are oriented towards improving indicators of education and

health must transcend the individualist bias of the programmes targeted in order to generate spaces for coexistence, social finance offices, and discussions of priorities amongst the beneficiaries of the programmes.

From a territorial point of view, a plausible proposal is that mechanisms be defined which guarantee that social spending is not affected (or it is affected as little as possible) when economic shocks occur. It is in the interest of the local and regional governments to promote a political commitment on social spending which can be translated into a State policy whose design has taken the vision of the territories into consideration and which leads to reinforcing—as much as possible within the legal framework and the tax restrictions of each country—the amounts allotted for the principal social programmes. It is evident that the higher the tax income, the greater the capacity to sustain the growth of social spending and to protect it from the shocks which affect the country's general economic development. In a context of tax restrictions such as in Latin America, social rights must be ranked based on priorities, establishing mechanisms for selectivity and precedence which ensure continuity for local governments and a capacity for the counter-cyclical management of spending, with the aim of relaxing the tensions due to the potential to demand those rights in the critical phases of the economic cycle. Given the tax structure of the majority of the countries, one high-priority policy task for local and regional Latin American

governments is to consolidate the central role of the State's budget as the arena for political and social agreement. The budget and its decentralisation must be understood to be a fundamental mechanism for bringing society's priorities closer to the policy decisions and to the allocation and distribution of resources.

In the economic sphere of the local and regional public policy proposals on social and territorial cohesion, we must consider that economic growth is a necessary condition, but it is not sufficient alone to fight poverty and reduce inequality. In this sense, it is important to orient the economic action of the sub-national and local governments towards the development of factors susceptible to increasing workplace productivity—which ideally should be the principal source of territorial competitiveness in the future. At the same time, this action must be directed towards the sustainable increase in paid employment, the improved qualification of the labour force, and access of the population to basic services which positively affect the productivity of the labour force. Promoting a style of economic growth which is compatible with generating well-paid employment is a priority objective of the local and regional governments. In order to be able to generate this type of employment, the investment in human capital must be increased, but this action must be accompanied by a territorial strategy designed to foment projects which develop activities which may employ the labour force with greater qualifications.

The sustained promotion of economic development with social progress requires a continued diversification of the economy and the productive structure, and as a consequence, the abandonment of elementary or naïve visions of a lineal specialisation which have only brought about epidemic modernisations of the productive and social structure—as has been shown by territorial experience in Latin America in the last quarter-century.

With proportions which vary from one country to another, the dynamism of the economy in Latin America is translated into a much slower growth in formal employment. As a result, in the majority of the cases, the economically active population continues to grow at a much higher rate than the generation of jobs. This imbalance is present primarily in the territorial sphere: it is here where the disparity between the supply and the demand for paid work takes place, and it is here where its multiple economic and social consequences present themselves. In the coming years, the great challenge for economic policy, for the central, regional, and local governments alike, will be to identify the economic activities with the best potential for generating jobs in a context of productive redefinition on a world-wide scale. In the longer term, the competitiveness of the territorial economy must be based on the growth of the investment and the productivity of the work. Competitiveness based on low remuneration for work shows clear signs throughout Latin America of exhaustion as a sustainable mechanism for the economic and social integration

of individuals. It is due to this that we see the importance of the local and regional governments proposals for economic policy in assuming a strategic dimension committed to generating dynamic competitive advantages.

The social sphere of the proposals for local and regional policies of social and territorial cohesion is based on pursuing objectives linked to a more equitable distribution of the wealth and the opportunities. The poor distribution of wealth which prevails throughout the region will only be corrected by improving the opportunities for access to labour markets, which, as we have stated previously in this document, is the most direct path to social inclusion and incentivising participation. In this sense, the policies designed to increase the investment in human capital, principally regarding education, health, and nutrition, must be fundamental components of a more broad strategy which favours creating better-paid jobs, which in turn can only be attained by means of increases sustained by productivity. The strategies for local and regional development must take the recent tendencies of the labour markets into consideration; these signal growing difficulties in generating jobs in the formal sector of the economy. They must also combat horizontal inequality, such as discrimination based on gender, age, race, or any other criteria.

An ideal objective of social policies on a territorial level is that education and healthcare are guaranteed through universal coverage programmes, combined

with programmes focused on the reduction of extreme poverty and with programmes for regional development which make it possible to overcome the falling behind of the poorest and less-developed regions, and promote a more dynamic insertion of the same into the national and international markets. In pursuing these social objectives, the inter- and intra-sectorial and multi-level coordination of public policy becomes strategic and indispensable, and therefore emerges as a priority for the local administrations. It is obvious, for example, that the policy for fighting poverty must form part of the framework of a more broad social policy which combines focused programmes, oriented towards the population in situations of poverty and the most vulnerable groups, with universal programmes which make it possible to build a system of social protections for all. This dimension widely exceeds the capacities and in some cases even the competencies of the local and regional administrations. The public policies and social programmes must expand their horizon and their scope in order to effectively contribute to strengthening the social cohesion and beating the problems derived from the multiple forms of exclusion which plague Latin American societies. Numerous specialists, analysts, and activists in civil society coincide on the need to build institutional and political mechanisms designed to broaden and deepen the social solidarity. Providing a clear political centrality for the objective of strengthening social cohesion is also an aim which encourages important political actors in the countries territorial base.

One field in which the actions of the local and regional Latin American governments can make a contribution of enormous importance, both from the territorial and the national perspective, is the evaluation of public policy programmes and actions. It is imperative that these programmes and actions generate the relevant information for their evaluation and monitoring and that they implement monitoring and evaluation systems which facilitate making reliable estimations of the impact and contribute elements for improving the functioning of the programmes. Social policy must cease to be a specialised topic and become a topic which is debatable by public opinion, which involves the beneficiaries, and which serves constantly as a reason for reflection in different areas, not just the political or the academic. The territorial sphere in which Latin America has some valuable experiences on this topic is an area whose scale and nature lend themselves to the short-term promotion of these practices, as important as they are from the perspective of democratic governability and citizen participation. It is only through a political culture which understands the provision of certain social goods and services as an inalienable right may the citizenry get involved and demand an accountability in accordance with the consolidation of a democratic culture. This is a challenge which transcends the welfare sphere and involves a new way of thinking about public policy and about the relationship of the society and the individuals with the State institutions of which the local and regional administrations are the most

immediate authorities for the citizens. In this perspective, the goals of development with social cohesion and equity will require a vast and sustained cultural effort, in both the democratic policy and public service dimension and in the dimension which is determined every day more intensely in the multi-dimensional relationships which are produced and reproduced by the globalisation of the Latin American economy and society.

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08

Collection of Studies
into Local and Regional
Public Policies
on Social Cohesion

URB-AL III is a regional decentralised cooperation programme run by the European Commission, the aim of which is to contribute towards increasing the level of social cohesion in sub-national and regional groups in Latin America.

Led by Diputació de Barcelona, the URB-AL III Programme Orientation and Coordination Office's mission is to facilitate the implementation of the programme by providing technical assistance and support in the different projects in order to help achieve the programme's objectives.

