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### REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

#### DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

#### Letter dated 22 September 1988 from the President of Colombia addressed to the Secretary-General

First of all, I should like to thank you for drawing attention, in the statement you made at the opening of the summer session of the Economic and Social Council, to the convening, on the initiative of my Government, of the first Regional Conference on Poverty in Latin America and the Caribbean.

As you so rightly stated, this effort illustrates the interest which our countries take in promoting their own development process by means of resolute policies for the development of human resources.

It is an honour for me, on behalf of the Governments represented at that Conference, to submit the findings of the Conference to you, and through you to the General Assembly of the United Nations. Since I shall not be able to do this personally, I have instructed the Minister for Foreign Affairs to make the necessary arrangements.

In my statement to the General Assembly of the United Nations on 1 October 1986, I suggested that such a meeting be convened and the suggestion was taken up in many international organizations and in the countries that are signatories to the Acapulco Commitment. Your assignment of the functions of technical secretariat of the Conference and co-ordination of the various agencies of the United Nations system to the United Nations Development Programme was also a tremendous help.

In pursuance of that initiative, the Government of the Republic of Colombia issued invitations to the Conference, and the latter took place in Cartagena, from

29 August to 1 September. It was attended by 23 countries from Latin America and the Caribbean, and another 13 countries and 28 international organizations participated as observers.

The deliberations reflected a clear and firm desire on the part of the Governments of the region to combat poverty and to bring about far-reaching, much needed changes without delay. The countries that were represented agreed on the need for determination and action in a vigorous process of regional co-operation so as to overcome that social scourge. They also recognized the urgent need, and worked out the bases, for concerted action to deal with the restrictions which international economic relations and the recent global crisis have placed on local and regional efforts to overcome poverty.

The participants clearly intended that the conclusions of the Conference should be taken into account in the negotiations on the preparation of the fourth United Nations development decade, since they are designed not only to promote recognition of the need for internal change in each of the countries but also to highlight the need for a swift solution to the imbalances in current international economic relations.

The main findings are summarized in the Political Declaration of the Conference and in additional agreements on the continuity and projections of the process we have initiated, all of which I am enclosing in this letter. The deliberations and statements are being put together in a separate document which will also be submitted, through you, to the General Assembly for its information at the present session.

I should also like to point out that the Government of Colombia is particularly interested in political promotion and follow-up of the process, and in projecting the process on an international scale.

I should be grateful if you would have this letter and the enclosed Declaration circulated as an official document of the General Assembly at the current session, under items 12 and 82.

(Signed) Virgilio BARCO

ORIGINAL: ENGLISH AND SPANISH

ANNEX

THE DECLARATION AND AGREEMENTS  
FROM THE REGIONAL CONFERENCE ON POVERTY IN  
LATIN AMERICA AND THE CARIBBEAN

Cartagena de Indias, Colombia  
August 29 th - September 1 st 1988  
UNDP RLA - 86 - 004

## CONFERENCE AGREEMENTS

Having presented and discussed the work from Commissions I and II in the Plenary Session, the countries drafted the Declaration of the Regional Conference on Poverty in Latin America and the Caribbean, which is transcribed below:

High level government representatives from the countries of Latin America and the Caribbean participating in the Regional Conference on Poverty in Cartagena de Indias from August 29th to September 1st, 1988, at the invitation of the President of Colombia, Dr. Virgilio Barco, confirm their decision to achieve the welfare to which our people strive by promoting measures that will lend to overcome poverty on the basis of social equity and democracy. To this end, they state the following:

### D E C L A R A T I O N

#### I. CHARACTERIZATION OF POVERTY IN LATIN AMERICA AND THE CARIBBEAN

1. One hundred and seventy million inhabitants of Latin America and the Caribbean, representing more than 40% of the population of the Region, live in conditions of poverty, that is, they cannot satisfy their basic needs; and sixty-one million live in extreme poverty, such that their income is not sufficient even to provide them with food. Minors, women and ethnic groups constitute particularly vulnerable groups that represent the greater part of the poor population. In some countries cases of poverty exceed 70% of total population and in the Central American Region this figure reaches 65%. In the entire Region, the situation described tends to deteriorate at an accelerated rate: during this decade the number of poor has already increased by 25%
2. Poverty is one of the major problems facing countries in the Region in their search for development. Human capital is deteriorating, collective welfare is held back, domestic markets are limited and the situation threatens to convert countries into breeding grounds of social and political instability.

3. The increasing impoverishment of the Region and the overall deterioration of living conditions for most of the population is neither accidental nor transitory, but the result of historical and structural circumstances, both internal and international, and its reversal is an unavoidable common task.
4. Among relevant internal causes which reproduce poverty are: insufficient economic growth, structures of production and public expenditure which do not adequately and efficiently meet the needs of the majority of the population, lack of administrative efficiency, inequitable distribution of national income and lack of opportunities for political and social participation. These basic factors lead to low levels of labor productivity, wages and coverage provided by State services, which contribute as a whole to generate poverty.
5. Important part of the causes of poverty arise from international imbalances which hinder or prevent social and economic development in the countries of the Region. These causes include the deterioration in terms of trade, financial restrictions, high real rates of interest and the impact of external debt, the consequences of concomitant macroeconomic adjustments, and intensified protectionism of the industrialized countries.  
  
In some countries, furthermore, economic and military aggression against national sovereignty, the arms race, parallel economies generated by traffic in drugs and its consequent outbursts of violence have a particularly impoverishing effect.
6. It is the unavoidable duty of the States to ensure the satisfaction of the fundamental needs of all their population without exception, within the demands of the demographic characteristics of each country. Decisive action must be taken with respect to the internal factors affecting the magnitude and nature of the problem of poverty in each case. Whatever is achieved internally, however, the external factors mentioned dramatically reduce resources available to the Governments of Latin America and the Caribbean. For this reason, the debt to the poor is a collective responsibility.

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7. In view of all the foregoing considerations, the Governments of the Region propose the following policies and actions:

## II. GLOBAL NATIONAL POLICIES FOR OVERCOMING POVERTY IN LATIN AMERICA AND THE CARIBBEAN

8. The nature and manifestations of poverty vary from country to country within the Region. In addition to these differences, distinctions must be made between various types of groups of poor, depending on the moment in history at which they came into being, where they live and the degree and manner of their articulation with the rest of their country's economy. The reorientation of development in Latin America, and thus the overcoming of poverty, require actions of many different kinds suited to the realities of each country and the types of poverty involved. Among these actions emphasis is placed on a fresh and firmer resolve for equity and for fairer distribution of income.
9. The efforts of each country and the joint efforts of the Region are an essential condition for the solution of internal causes of poverty and for our countries to reincorporate themselves into the international economy in a manner involving less dependency and inequity than at present. Here, priority must be given to the following:
  - a) Absolute priority to the correctness, openness and honesty in the administration of public resources.
  - b) Innovative means of stabilization and adjustment which place priority on growth and development, protecting our economies from effects of negative external factors; means which in addition to taking macroeconomic equilibrium into account also promote recovery in employment and the protection of the most defenseless groups, particularly children; means which can be translated into expansive and efficient programs to bring about fundamental changes, reduce sacrifices made by the population and achieve permanent solutions.

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- c) Systematic and sustained efforts designed to broaden and transform the structure of production, distribution and consumption, with a view to increasing social efficiency, improving intersectorial and intrasectorial articulation, making use of the potential of technological transformation, changing the quality of our countries' reincorporation into the mainstream of international trade, and offering the basis of sustained growth and development.
- d) Encouragement of internal savings, and the channelling of savings into productive investment contributing to the process of economic recovery; for this, the patterns of consumption and accumulation of wealth will need to be reconciled, the efficiency of public sector finance will need to be strengthened and increased, and policies to stimulate institutional, social and personal saving will need to be implemented.
- e) More equitable distribution of the costs and benefits of material progress, within the framework of a participative process which is essential in the execution of the social and economic development strategies which must be achieved.
- f) The execution of economic programs which bring effective social benefits evaluated in terms of higher levels of employment and welfare.
- g) The development of the means of efficient and massive provision of basic goods and services, and of the inputs required to produce them.
- h) The promotion of the incorporation of urban and rural poor into production and consumption, by lending support to their organization, facilitating their access to productive assets and to social security, and improving their terms of trade with respect to the rest of the economy, through decisive intervention by the State, within the particular circumstances prevailing in each country.

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10. In accordance with the particular characteristics of each nation, social and economic policies should take into account common elements that arise from the diverse experiences of the countries of the Region, such as:
- a) A double integration process: among the social sectors and between the economic and the social spheres in a single coherent body organized around its unique objectives and cohesive instrumental management: an authentic socio-economic policy.
  - b) The formation or strengthening at high governmental levels of a point of coordination with executive functions that can ensure the compatibility of social policies in order to facilitate harmony between social policy and economic policy, while protecting the interests of the poor.
  - c) The need for comprehensive actions involving all public sectors.
  - d) Precise orientation of social programs and services toward the population groups that are the most vulnerable and those in poverty conditions. A suitable level of intervention is the family, particularly attending to children and women. Defining as well as specific actions for indigenous and other ethnic groups.
  - e) A reorientation of public expenditure toward the fulfillment of social objectives with greater efficiency than at present.
  - f) Real sustained participation of communities in decision making and management of social policies.
  - g) Greater efforts by local administrations in their commitment to promote and coordinate territorially integrated social development actions.

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III. REGIONAL COOPERATION FOR OVERCOMING POVERTY IN LATIN AMERICA AND THE CARIBBEAN

11. Coordinated commitment by the countries of Latin America and the Caribbean to overcome poverty is unavoidable, and should lend impetus to regional and sub-regional integration and cooperation, with an aim toward fulfilling the goal of attaining higher levels of development with social justice in the shortest time possible.
12. Joint action by Latin America and the Caribbean is indispensable to overcoming poverty in the Region. Individual national actions are strengthened by simultaneous regional commitment, which gives greater effectiveness to these actions. Simultaneity lends greater effectiveness to national efforts and to the development of common instruments.
13. The above underscores the advisability of reviewing, strengthening and broadening regional and sub-regional cooperation and integration mechanisms and agreements directly linked to the causes and manifestations of poverty, and to overcoming these.
14. It is necessary to establish and strengthen procedures for regional and sub-regional cooperation aimed at:
  - a) Foster a common regional front to support actions and initiatives by Latin American and Caribbean countries vis-a-vis the International Community in aspects concerning the struggle to overcome poverty.
  - b) Exchange of experiences and information on achievements and difficulties in the implementation of national plans.
  - c) Horizontal and vertical transfer of technology under conditions beneficial to economic and social development.

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- d) Agreement on joint efforts vis-a-vis multilateral finance organizations and countries in order to gain access to "non-payable" resources and "soft" credit under appropriate conditions, so as to strengthen actions directed at eradication of poverty. For this purpose, social and economic impact should be taken into account before the short-term financial return on projects.
- e) Adoption of a Regional Program to Eradicate Hunger and Malnutrition in the Region, based on activities and programs undertaken by agencies of the United Nations system and taking into account the International Initiative to Counter World Hunger approved in Cyprus.
- f) Fortify the Action Committee on Regional Food Security (CASAR) and ratify the Treaty on Regional Assistance for Food Emergencies (TAREA), taking care of each country's individual circumstances.
- g) Support efforts by the governments of the Isthmus of Central America, which together with multilateral organizations, countries and groups of countries, are engaged in promotion of financing, technical assistance and integration of balanced and equitable programs for socio-economic development. The proposal to successfully undertake the Special Program for Economic Cooperation in Central America (PEC) prepared in coordination with the Secretary General of the United Nations deserves special attention and support, as does the Program of Social Investment for Development of the Central American Isthmus (PISDIC) recently established under the auspices of the General Secretariat of the OAS, the IDB and PHO. Support for those projects to be developed and in operation to improve the standard of living of the population is fundamental.

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- h) Develop joint actions that emphasize the need for international financial and technical cooperation from developed countries, extra-regional integration organizations and international agencies to support priority projects defined by the countries of the Region for overcoming poverty.
  - 1) Contribute to the project for gathering, analyzing and publishing on a regular basis, a set of basic social development indicators and preparing a periodical report on the social situation of Latin America and the Caribbean within the framework of actions recently initiated by UNDP and ECLAC, and that will involve other agencies of the United Nations system.
15. Encourage studies for the development of the following possibilities within the framework of regional and sub-regional integration organizations: creation of multinational production, marketing and trade enterprises for basic products; adoption of a preferential regional system for food products; creation of an exchange system for food surpluses and opening of regional markets for goods produced by the people. Likewise, impetus should be given to programs for services and basic products along border zones, favoring regional integration.
16. Request the Latin American Council of SELA to instruct the Permanent Secretariat to include in its annual report to the Council, social aspects and global and sectorial results from regional and sub-regional agency reports on overcoming poverty, as indicated at the Economic Conference in Quito.

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IV. INTERNATIONAL CONDITIONS HINDERING EFFORTS TO OVERCOME  
POVERTY IN LATIN AMERICA AND THE CARIBBEAN

17. It becomes difficult to progress in the task of overcoming poverty in the region if, in the short and medium term, present international economic relations that limit growth and development capacity are not modified.
18. The commitment of all the governments of Latin America and the Caribbean within present reaffirmation of democratic processes is a search for development that can lend vitality to economic growth and social welfare on a just basis.
19. The impact caused on the region by the crisis is evident in the fall of basic product prices, proliferation of protectionism in developed countries, current application of high interest rates, both real and nominal, instability of exchange markets and shortage of new financial resources. Elimination of these factors, among other things, is essential. In some countries of the region, assumptions underlying adjustment programs and policies derived from many negotiated external debt agreements have become unrealistic.

Such programs included short and medium term conditions that have jeopardized development and, consequently, the elimination of poverty. External debt cannot be paid under present conditions and in the absence of sustained economic development.

20. Latin American and Caribbean countries are not responsible for the deterioration of the international milieu, nor can they modify it in any substantial way. Overcoming the crisis requires removal of numerous internal and external restrictions that are also derived from the international context and present day modus operandi of Latin American economies, thereby making establishment of the New International Economic Order an immediate need.

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21. In order to achieve this, it is essential to enter into Global Negotiations, within the context of North-South dialogue, at which developed countries should assume their responsibility for managing imbalances in international relations, aid in overcoming them and act in a solidary manner to benefit developing countries.
22. With respect to this point, the interrelationship between trade, debt and finance is crucial. The starting point is found to be a solution to the external debt problem, together with actions oriented toward restructuring of the international finance and monetary system and in greater dynamism in world trade. Within this context, peace and development are closely bound; the achievement of both is indispensable.

Furthermore, the following additional agreements were approved:

- A. Countries participating in the Conference would like to request that the President of the Republic of Colombia, Dr. Virgilio Barco present the results and report on these talks to the Secretary General of the United Nations, so that they may be made public at the next General Assembly.
- B. In support of the statements made by President Barco in his opening speech at the Conference, in regards to initiating a worldwide process to overcome poverty, the Representatives pointed out the importance of the fact that this problem of overcoming such a plight be taken into account in the negotiations to establish the Fourth Development Decade within the framework of the United Nations.

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- C. Agreement on pointing out the importance of establishing political and technical follow-up procedures for understandings adopted at the Conference in Cartagena. In this matter, the Regional Project to Overcome Poverty of the UNDP is given the task of carrying out the necessary technical work with support from the specialized agencies of the United Nations System.

The countries will stimulate talks through their chancelleries on the political follow-up for understandings established, and the possibility of another meeting. In relation to the latter aspect, the Conference warmly welcomed the offer made by the Ecuadorian government to host a new meeting, in the event that the countries decide on the convenience to convene a new encounter.

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