

Letter to Mr. Eduardo Aninat on the occasion of the *Forum on Social Equity*, sponsored by The World Bank, the International Monetary Fund and the InterAmerican Development Bank.

Mr. Aninat, of the IMF, presided the Forum that was held in March, 2000, in New Orleans, Louisiana.

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Mr. Eduardo Aninat
President
Forum on Social Equity
InterAmerican Development Bank
New Orleans, Louisiana

Dear friend,

At the beginning of a new century and a new millennium it is indispensable to have a view of the future, a concrete utopia, unreachable but one that all the members of the Latin American and Caribbean community should aspire to. This utopia is probably social equity. How can it be achieved? First of all one must accept that “in order to predict the future, it has to be invented”.

Following are some reflections on the aspects necessary for a society with social equity.

We aspire to a productive society because the element with the highest priority in social equity is employment. Beyond our daily bread – which is vital – is the fact that every man and every woman needs a place under the sun to feel like an integrated part of the human family. That’s why economic growth is necessary, if not sufficient, for social equity.

In the future our societies must be decentralized and participative. The State and government need to reach the people, allowing them to participate directly in the solution of the problems that affect their daily lives. We must accept that those who suffer the problems probably have the solutions. The delegation of authority and responsibility to local governments and community organizations is the only way to achieve efficiency and honesty in the management of public policy. Furthermore, it is difficult for a society to face the cost of public administration if the specialized bureaucracy is not accompanied by a volunteered commitment to the public good.

The society that we aspire to should be redistributive. One of the characteristics of developing societies is the unjust distribution of wealth. In many countries, the income of one fifth of the most wealthy is more than 60 times greater than the income of one fifth of the population with the lowest income. The only effective way to close the gap is through equality in the distribution of opportunities. This occurs when education and health are made accessible to all levels of society. People instinctively know that the only way to rid themselves of poverty is through education and health and every day it is more evident that education and health are the elements that will take us to levels of competitiveness that will allow us to reach our goal of becoming the productive society that we aspire to. The key to equality of opportunity are women, who not only are 50% of the population and the mothers of the other 50%, but are also the class that really does

the work. One dollar invested in the education of a woman is equivalent to more than two dollars invested in public health. As mothers and workers, women can radically influence the process of making opportunities more accessible to the population as a whole. It is significant to underscore that poverty is concentrated in the rural female population and in the ethnic and racial groups that are left on the fringe of society because of lack of access to education and health. In health and education we find the most important elements of hope for reaching social equity.

The society of the future has to be a regulated society. A free and democratic society, with freedom of speech, competitiveness among people and ideas, under a macroeconomic market model, in order to be successful, needs administrative regulation and justice that are both suitable and independent. People understand perfectly well that there is no sport that can function without clear and precise rules and impartial referees who are capable of applying them. Every day it is more acceptable for regulation and justice to be inseparable components of competitiveness and social equity.

Finally, a society of the future must be compatible with the environment. Extreme poverty is greatly due to the ravaging of the world's natural resources. At the same time, poverty contributes to the accelerated deterioration of the environment, creating a vicious cycle that sooner or later will lead us to a human catastrophe comparable to a nuclear war. We should always bear in mind the comment of an Andean Indian who when faced with a landslide that buried his town said: "God always forgives, man sometimes and nature never". The doctrine of sustainable development is, first and foremost, that there is no economic or social development, nor political stability, nor equality if a society does not live in harmony with the environment. After basic nutrition, there is probably no other inalienable right more important than the right of an environment that is compatible with the human condition.

These reflections lead us to the conclusion that social equity is an integral problem of all the political, economic, social and environmental aspects. Major emphasis must be put on equal opportunities and the possibility to participate in the solution of the problems that affect the quality of life of the individual.

The importance I give to the Forum on Social Equity is obvious and I very much regret not being able to participate personally on this occasion. But I hope that these notes will contribute to the fruitful dialogue that you will have. In the end, a button serves as a sample.

Good luck and thank you.

Gonzalo Sánchez de Lozada