

Synthesis of thematic reports on the situation in Latin America and the BRIC in the 2000-2010 decade

Guilherme C. Delgado

I – Introduction

The purpose of this paper is to somehow summarize and interpret the various texts (13) that address the situation in Latin America and BRIC countries (Brazil, Russia, India and China) over the past decade on various aspects of the economy, society, environment and development.

Given the abundance of approaches about the broad spectrum of the analyzed phenomena, we divided the 13 papers into two groups that typify two thematic approaches found in these texts: 1) predominantly empirical and analytical and aimed to diagnose comparative situations; and 2) predominantly critical and interpretative and oriented to political action.

The two approach groups contain many elements in common – dealing with the same countries in the same historical period and formally of common phenomena, such as health and social conditions of the countries analyzed – but under different epistemic approaches. This allows us, from the analysis of a given situation, to reach very different conclusions according to the interpretation of results and/or comparison of relationships of observed phenomena.

The synthesis and interpretation of this set of studies allows, in turn, to gather the common elements and to interpret the differences in focus. It's a rich vein of knowledge uncovered in the texts, in public debate (during the seminar *Latin American Panorama on human capability under the development perspective*, held in Brasilia on the 12th and 13th of March 2013) and later in the publication of papers, but also in this hermeneutic exercise that we now elaborate.

II – Empirical and analytical approach

Of the 13 papers, six explicitly have an empirical and analytical approach, with the tacit aim of raising comparative diagnoses of social conditions at the beginning and end of the decade – 2000. A seventh paper also performs this comparative exercise – about the pension situation in Latin America (LA), emphasizing the legal reforms that influenced it –, therefore, is assigned to the second group, though it does not possess a critical and interpretive approach.

The six papers to which we refer are as follows:

- 1) *The employment situation in Latin America in the first decade of the 2000s*, by José Celso Cardoso Jr. and André Gambier Campos (IPEA);
- 2) *Analysis of the evolution of global and partial (health, education and income) HDI from 2000 to 2011 and inequality-adjusted HDI in 2011 for Latin America (12 countries) and BRIC (Brazil, Russia, India and China)*, by Ronaldo Herrlein Jr. (UFRGS);
- 3) *Welfare, inequality and poverty in 12 Latin American countries*, by Rafael Guerreiro Osório (IPEA);
- 4) *Situation and trends of education in selected Latin American countries – 2000/2010*, by Paulo Roberto Corbucci (IPEA);
- 5) *Health financing in selected Latin American countries*, by Sérgio Francisco Piola (ObservaRH/UnB); and
- 6) *Demographics and health in selected Latin American countries*, by Solon Magalhães Vianna (ObservaRH/UnB).

The papers, as their own titles point out, address comparative situations in time (2000-2010) and in geographic delimited space, sometimes for several Latin American countries, and sometimes in the BRIC countries (Brazil, Russia, India and China). The indicators or variables used are of international standard statistics for: a) labor market (PNADs); b) HDI (Human Development Index) for Latin America and the BRIC (UNDP); c) percentiles of income inequality and the Gini income index of LA countries (PNADs); d) education indicators for LA (population census and PNADs); and e) demographic indicators (WHO/PAHO and population census) and health financing indicators for LA (WHO).

The comparative conditions of all these texts – between 2000 and 2010 – show significant qualitative changes:

- 1) In the labor market, occupations and wages grow (unemployment decreases) and informality indicators fall for almost all countries. Mexico and some Central American countries are the most notable exception, because unemployment and informality grows. In Chile, unemployment is constant;
- 2) All Latin American countries show absolute improvement in HDI and most improved their relative position on the global HDI, a situation also common to the BRIC countries (better relative and absolute improvements in the period);
- 3) Poverty and income inequality indicators in Latin America fall for all countries, although the Gini index of the biggest nation, Brazil, is still considered high in absolute terms – 0.55 in 2010;
- 4) Under the focus of education indicators, taking into consideration the economic indicators – public spending/GDP and per capita expenditure for different levels of education (primary, secondary, tertiary) – and the direct indicators of education – literacy rates, average number of years of study, attendance, etc. –, the general conclusion is that the educational advances are unquestionable in the 12 countries analyzed;
- 5) Demographic indicators – birth, mortality and fecundity rates – drop, implying low population growth around 1 to 1.5% per year for almost all countries, with extreme exceptions for less and more, respectively, in Uruguay and Bolivia. Indicators increase in a general way – proportion of elderly and life expectancy at birth. The epidemiological profile changes – from infectious and parasitic diseases to chronic degenerative ones and those due to external causes; and
- 6) Health spending – public and private – rises in relation to the GDP proportion and also in per capita terms. The first group of countries with higher health spending – Argentina, Brazil, Chile and Uruguay – also reveals the best indicators.

The description and analysis of socioeconomic and especially public health indicators show an improvement of the social, economic and demographic conditions, synthetically assembled in the Human Development Index. But in the first part of this analysis the questions of causality and

meaning of the changes detected are not answered, something that is more clearly addressed in the second part.

III – Critical and interpretive approach

There is another approach – which we call critical and interpretive – to the changes which have taken place in the economic and social conditions of Latin American countries and the BRIC during this decade. It adopts the theory of human development as a paradigm and proposes public action as a condition of the possibility for achieving development.

- 1) In the first paper of this second group – *Human capabilities, development and public policies* –, the author Roberto Passos Nogueira highlights the need for the state to act on three fronts of the development, according to the conception of human development: 1) in the relationships with market agents; 2) along participating channels for civil society; and 3) in the enhancement of human capabilities;
- 2) Further, the author, in another text – *Critical perspectives on the relationship between health and development with a focus on BRIC countries* –,
 - criticizes the concept of development based strictly on economic and industrial growth and its association with the improvement of well-being indicators in health;
 - proposes the Amartya Sen's approach of human capabilities as the most appropriate guide to the approach of advances in development conditions and especially health conditions; and
 - draws attention to certain limitations of Amartya Sen's approach for not taking into account specifically the emergence of new social risks arising from economic expansion.
- 3) The work of Eduardo Costa Pinto – *Development and human capabilities: challenges for the BRIC* – applies the indicators of human development based on the theory of Amartya Sen. He notes obvious improvements in some of the indicators of freedom (or human capabilities) – education, health and per capita income –, but points out

restrictions on political freedom (China) and embargoes on social equality (India's caste culture) that remain intact.

Development challenges according to the aspects indicated and the pressure on natural resources are suggested, but are not central in this work, which focuses more on the effects of the economic chain (China effect).

In another study, the same author – Eduardo Costa Pinto – deals specifically with Latin American countries – *Latin America in the first decade of the XXI century: the "China effect" and growth with inclusion*.

Here the author establishes a typology of effects of the Chinese economic growth on Latin American countries.

1) Commodities exporters without industrial base (Chile and Uruguay)	<ul style="list-style-type: none">- Net economic growth driven by commodities exports;- Improved external and reserves situation; and- Improved distribution depending on the orientation of governments.
2) Commodities exporters with industrial base (Brazil, Argentina and Colombia)	<ul style="list-style-type: none">- Economic growth with primary expertise of foreign trade;- Relative deindustrialization;- Increased external vulnerability in the medium term (current account deficit); and- Income distribution is a partially independent chapter of external insertion and the improvement starts still in the 90s.
3) Countries with industrial base that don't export commodities (mainly Mexico)	Loss of external competitiveness and potential growth with well-being indicators worsened.

The more explicit theoretical critique, regarding the environmental bias of the economic growth achieved in LA and the BRIC countries and

their specific relationship with the unequal distribution of costs and benefits of this style of growth, is shown in the following works:

- a) *Environmental conflicts, health and a model of economic development in Latin America* (Marcelo Firpo Porto); and
- b) *Environment and health situation in Latin America* (Fernando Ferreira Carneiro).

Marcelo Firpo Porto highlights the environmental conflict in the experiences of economic growth based on intensive and extensive exploitation of natural resources, converted to the expansion of commodities, process mainly associated with environmental damage.

- Defines environmental conflict in terms of social invisible costs, filled with damage, risks and/or contamination of natural resources, distributed with inequality and social injustice.

Specify damages

Pollution, soil and water degradation, loss of biodiversity, generation of new epidemiological risks and accidents.

Specify the phases of impact

- In primary production;
 - In mineral extraction;
 - In transportation; and
 - In tailings (waste).
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- Criticize the green sanctuary and green economy approaches, which aim, by pricing environmental commodified risks, to “solve” the conflict.

Identifies the productive sectors and territorial spaces typical of conflicts promotion:

- a. Agricultural production of commodities on a large scale;
- b. Mineral extraction;
- c. Energy production and major infrastructure construction works; and
- d. Urban conflicts and “natural disasters” associated with housing in natural spaces highly damaged and under growing accident risk.

Proposes specific actions to public health:

1. Epidemiological studies and social, health and environmental indicators;
2. Inducement to participatory methodologies;
3. Construction of a social vulnerability map – education program and training on the subject of the previous topic; and
4. Risk assessments and scenario building for environmental licensing.

Intersectoral actions:

1. Rights defense;
2. Affirmative action for ethnic character; and
3. Restructurings within public policies in urban, rural, environmental and interface sectors.

Finally, the work of Fernando Ferreira Carneiro – *Environment and health situation in Latin America* – discusses LA's economic growth in the last decade, characterized by: 1) expertise in the foreign trade of commodities; 2) significant increase in the use of pesticides; 3) unbalanced urbanization under the aspect of growing risks to the life of the urban population subject to accidents, contamination and other vulnerabilities derived of environmental risks; 4) decline of the rural population; 5) emergence of new climate risks due to the rise of carbon dioxide emissions; 6) elevation of the ecological footprint (amount of natural resources needed for human consumption); and 7) increased deforestation.

In addition to these 12 papers, categorized into the empirical and analytical and the critical and interpretive approaches, there is the work of Leonardo Rangel – *Social Security in Latin America* – which does not fit into the typology proposed:

- The author defines the pension system in order to “provide public insurance against some of life's contingencies, such as illness, disability and death”;
- Assigns to specific demographic variables – proportion of elderly in the population and dependency ratio – a key role in the reforms of pension systems, but does not identify the importance of the ideological and doctrinal argument in the context; and

- Lists a generation of neoliberal pension reforms in the 80s and 90s as a response to demographic and labor market challenges. But does not mention two other generations of welfare or hybrid character reforms and counter-reforms, generally used to correct the 80s and 90s reforms – Argentina, Chile, Bolivia and Brazil (late 90s and the decade of 2000).

The macroeconomic and social consequences of the different styles of pension reforms, according to the author himself, when orally presenting his work, deserve further clarification and a more didactic classification.

IV – Overall interpretation and thesis confrontation

From the standpoint of socioeconomic indicators of development, the first decade of the 2000s is considered positive for almost all Latin American countries. Data show improvements in economic growth, income distribution, human capabilities indicators, with advances also in political freedoms (LA), although this aspect has not been considered in the empirical and analytical analysis. These approaches neither reveal differences concerning the future, because they do not speculate in that direction.

However, when one inquires about the causal factors of this movement (improvement of indicators), questions that are specific to the second group of papers, problems concerning development arise, something that apparently had been equated according to the strictly empirical analysis.

Considering the theme of development, which invariably is treated from the perspective of economic growth with improvements in equality, the presentation of the critical and interpretive papers will reveal basic differences in three senses:

1. The meaning and continuity of socioeconomic improvements observed in the decade would probably continue in the near future, given that its main causal factor – the expansion of the Chinese economy, and with it, a new primary exporting insertion of LA – would go on for at least another decade, if the economic conditions are maintained – favorable terms of trade between commodities and manufactured goods, which enable a certain boom in Latin America and the BRIC countries (Brazil, Russia, India and China itself). This is the main argument of the works of

- Eduardo Costa Pinto (UFRJ). The author also sees risks in deepening this insertion, but does not see how to overcome them in the short term;
2. This thesis is strongly problematized in the works of Marcelo Firpo Porto (*Environmental conflicts, health and a model of economic development in Latin America*) and Fernando Ferreira Carneiro (*Environment and health situation in Latin America*). Admitting the China effect, these *papers* highlight the consequences of the primary export insertion as to the exacerbation of the environmental damages, invisible as private economic costs. They also highlight the inherent inequalities that such economic expansion pattern causes: intensification of greenhouse effect, overuse of pesticides and loss of biodiversity, with the promotion of higher health risks. The authors emphasize the need for policy arrangements of various paths to development, which in theory involve the articulation of a counter-hegemonic project to be built in interaction with the social movements most directly affected (negatively) by environmental conflicts; and
 3. A third line of approach, present in both works published by Roberto Passos Nogueira (*Human capabilities, development and public policies and Critical perspectives on the relationship between health and development with a focus on BRIC countries*), does a theoretical critique of the Latin American neo-developmentalism, highlighting its contradiction with the thesis of development as freedom, in the perspective of Amartya Sen's human capabilities.

While there are contradictions in these three theses presented, there is consensus about the environmental risks and invisible social costs associated to the hegemonic model – primary expansion driven by the external sector.

There is no consensus as to the durability of such process, but not as to the economic risks of the specialization of such model. There is also no consensus as to the distributional effects of such expansion – in the perspective of socioeconomic equality –; and yet they diverge on whether the China effect could help improve the external economic dependence, here synthetically represented by a deficit in external transactions.

There is no disagreement on the fact that the deepening of the primary export model would be fatal to economic development and social equality in the medium term. Even in the short term, it is assumed that once interrupted the flow and pace of the demand for commodities there would be negative effects on economic growth.

The future prospect calls for another political economy construction, which apparently is not feasible in the short term, but it is increasingly visible due to the external crisis.

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