

reserve). tin (Bolivia is the highest producer on the continent), iron, silver, and gold. Brazil, Colombia, and Peru have important sources of precious and semi-precious minerals. Finally, the oil reserves of the Region are only surpassed by those of the Middle East.

The natural resources of the Caribbean islands are more limited. The Dominican Republic, Guyana, Haiti, and Jamaica, mine bauxite; Trinidad and Tobago export oil and natural gas. Small deposits of manganese, lead, copper, and zinc are found on most of the islands. Agricultural production is on the decline, but the sugar and banana industries continue to provide employment for most of the work force in Barbados, Cuba, Dominica, the Dominican Republic, Jamaica, Saint Kitts and Nevis, and Saint Lucia.

Light industry contributes to many Caribbean economies, but industrialization has not provided sufficient employment to compensate for the reduction in agricultural production. Tourism is increasingly seen as the classic solution for providing economic diversification and development, particularly in the Lesser Antilles.

Unfortunately, in spite of their enormous potential for development, the economies of Latin America and the Caribbean are fragile, mainly due to their dependency on the export of a limited number of agricultural or mineral products (such as cotton, coffee, sugar, and copper) that are subject to price fluctuations in the international market. However, there have been significant gains toward industrialization in recent decades, especially in Brazil, Chile, Mexico, and Venezuela. The economic liberalization that is beginning to take hold in the Region and that favors market integration through the formation of trading

blocks, will lead to the strengthening of the productive sectors of the countries. One example of this process is the North American Free Trade Agreement (NAFTA) signed by Canada, Mexico and the United States.

SOCIOECONOMIC ASPECTS

The World Bank has adopted the gross national product (GNP) as a criterion in classifying the economies of countries and in distinguishing different levels of economic development. Using GNP figures alone, however, can give an erroneous picture of economic conditions in Latin America and the Caribbean, since they conceal the fundamental problem of these countries: the unbalanced distribution of wealth. In certain countries of the Region wealth and political power continue to be shared by the very few and capital is invested abroad rather than in the national economies.

By the end of the 1970s, the economies of most of the countries of the Region had reached a sustained level of growth. But this growth was not always translated into socioeconomic improvement. For example Brazil, the strongest economy of Latin America, doubled its GNP per capita between 1961 and 1979. However, its gains in reducing illiteracy and infant mortality were much less than those achieved by such countries as Chile, Cuba, Jamaica, and Uruguay, which were experiencing slow economic growth. Table 2.1 shows socioeconomic indicators and the "human development index" rankings, prepared by the United Nations Development Program (UNDP) to indicate levels of income, life expectancy, and education. This index shows that while countries may have similar income levels, they can have very different levels of

Table 2.1**Socioeconomic indicators for the countries of Latin America and the Caribbean**

	GNP PER CAPITA		Life expectancy at birth	Rate of child mortality (1-5 years) x 1000 births (1991)	Mean years of schooling (1990)	Illiteracy rate (%) (1990)	Human development index ranking ^a
	US\$ (1992)	Real growth rate (%) (1985-92)					
Antigua and Barbuda	4,870	1.1	74	23	4.6	4	60
Argentina	6,050	0.5	71	34	8.7	5	46
Bahamas	12,020	-1.2	69	29	6.2	1	32
Barbados	6,530	0.6	75	13	8.9	1	20
Belize	2,210	6.3	68	51	4.6	5	82
Bolivia	680	1.0	60	115	4.0	23	122
Brazil	2,770	-0.7	67	66	3.9	19	70
Chile	2,730	6.1	72	20	7.5	7	36
Colombia	1,290	2.4	69	43	7.1	13	61
Costa Rica	2,000	2.6	75	20	5.7	7	42
Cuba	^b	^c	76	14	7.6	6	75
Dominica	2,520	5.1	75	^c	4.7	3	51
Dominican Republic	1,040	0.3	67	69	4.3	17	97
Ecuador	1,070	0.6	66	64	5.6	14	89
El Salvador	1,170	0.9	64	67	4.1	27	110
Grenada	2,310	4.4	70	36	4.7	4	59
Guatemala	980	0.6	64	81	4.1	45	113
Guyana	330	-5.4	65	65	5.1	4	105
Haiti	370	-2.9	54	134	1.7	47	137
Honduras	580	0.5	65	75	3.9	27	116
Jamaica	1,340	2.9	73	19	5.3	2	69
Mexico	3,470	1.1	70	45	4.7	13	53
Nicaragua	410	-7.8	65	70	4.3	19	111
Panama	2,440	-1.2	73	24	6.7	12	68
Paraguay	1,340	1.0	67	38	4.9	10	90
Peru	950	-4.3	63	82	6.4	15	95
St. Kitts and Nevis	3,990	5.3	70	41	6.0	8	79
Saint Lucia	2,900	5.2	72	22	4.6	16	76
Saint Vincent and the Grenadines	1,990	4.7	71	25	3.9	7	72
Suriname	3,700	-3.2	68	47	4.2	5	65
Trinidad and Tobago	3,940	-3.0	71	29	8.0	4	31
Uruguay	3,340	2.9	73	24	7.8	4	30
Venezuela	2,900	1.1	70	40	6.3	12	50

Sources: The World Bank 1994, United Nations Development Program, 1993

^a United Nations Development Program (UNDP) calculates the human development index (HDI) for 173 countries. The index considers the real purchasing power of the gross national product of each country, life expectancy, literacy levels for adults, and median number of years of schooling. For each indicator, the HDI estimates the degree of relative progress of each country with regard to the minimum and maximum values reached by the set of countries under study. According to UNDP calculations, the countries with an HDI ranking between 1 and 55 have a "high" index of human development; countries between 56 and 111 have a "medium" level of human development; the countries ranked between 112 and 173 have a "low" index.

^b Figure not available, estimated between US\$676-US\$2,695

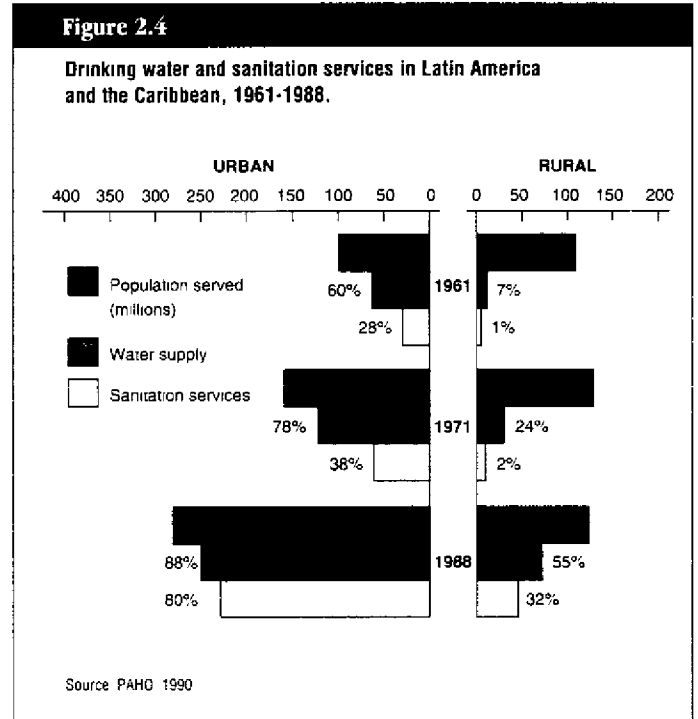
^c Figure not available

human development, an indicator of the level of investment being made in the education and health of a population.

During the worldwide recession of the 1980s, most of the countries of the Region underwent crises in their economies and political systems that reduced their share in international markets and in productive investments. The policies of structural adjustment have been applied at an enormous social cost and have heightened social and economic inequality, having the greatest effects on the poorer sectors of the population as well as worsening living conditions of the middle class. An important characteristic of this crisis has been the deterioration of public services, particularly in the health and education sectors, and in the quality of life of the least protected populations

HEALTH, SANITATION, AND EDUCATION

While they continue to have serious health problems, people in Latin America and the Caribbean have the longest life expectancy and lowest child mortality of any developing region in the world. Major advances in reducing child mortality have been made in all regions worldwide; figures have dropped by one-third in developing countries in the last 30 years. But millions of children continue to die from diseases that are preventable with vaccines, or with access to safe drinking water and with adequate nutrition. In Africa, approximately 175 of every 1,000 children die before reaching age five; in Latin America this figure is 60 deaths per 1,000 children, in the English-speaking Caribbean it is less than 30 per 1,000. In the industrialized nations this figure is estimated at 15 deaths per 1,000 children under age five.



The reduction in infant and child mortality in Latin America and the Caribbean is due, for the most part, to achievements in primary health care. While these advances have been striking, there are still many hurdles to overcome. In urban areas there are high concentrations of hospitals and of health personnel, but many of these facilities are outdated and poorly maintained. This is also the case for water and sanitation services, power, and transportation systems which are increasingly overburdened. This deteriorating infrastructure is progressively more vulnerable to the effects of natural disasters.

Data available in 1988 showed that an average of 88% of the urban population of Latin America and the Caribbean had access to safe drinking water, and 80% were served by sewerage and sanitary



Photo Gaggero, PAHO/WHO

One-fourth of the work force in Latin America is employed in the agriculture sector. However, many of these people barely produce enough to earn at a subsistence level.

installations. In rural areas, these figures were 55% and 32% respectively. Coverage varies considerably from country to country, however, and in the least developed nations, overall access to safe drinking water was below 50%; less than 30% of the population had sanitation services.

While considerable gains have been made in 30 years (see Figure 2.4) maintenance of the water and sanitation services has suffered along with other services as a result of the scarcity of capital to invest in infrastructure. Studies carried out in Peru, for example, have shown that 30% of the rural water supply systems were partially or totally damaged within five years of having been built. The present economic situation and the worsening of the basic services constitute ideal conditions for the spread of cholera in the Region.

Education levels vary widely by country and economic group, but in general, the Region is at the same level as or has surpassed international benchmarks. In the last 30 years, important advances have been made in many countries. For example, Uruguay doubled secondary school enrollments between 1960 and 1986, and in Mexico there was a 12-fold increase in secondary school enrollment in the same period. However, despite rapid growth in education, inequities in income and social mobility—problems that education should correct—continue to grow. The opportunities to receive an education are still determined largely by social and economic class. Illiteracy is still above 40% in the poorer countries, and the indigenous population in particular suffers disproportionately in lacking access to education.

While some countries have focused most of their resources in education to eradicate illiteracy, others have given a great deal of importance to improving university education, resulting in a large number of well-trained professionals. Unfortunately though, in many countries, not enough jobs are available for these graduating professionals.

This excess of professionals has been felt particularly in the health sector. To cope with the need for primary care physicians, many governments promoted increased enrollments in medical schools. As a result, Latin America and the Caribbean have the highest physician-to-patient ratio of all developing regions in the world, but the lowest of nurses and midwives per physician. In Mexico, for example, between 1970 and 1980 the enrollment in medical schools increased from 29,000 to 93,000. A study of levels of physician employment in the most important Mexican cities showed that 7% were unemployed, 11% were working at jobs not related to medicine, and 11% had very low paying medical related jobs or were serving very few patients.

THE POLITICAL PROCESS

The democratic process in the Region was strengthened in the 1990s, and most authoritarian political systems were replaced, particularly in Argentina, Brazil, Chile, Paraguay, and Uruguay. The removal of the democratically elected president in Haiti in September 1991, the disbanding of the Peruvian congress in March 1992, and the military insurgencies in Venezuela during the same year, have raised fears that the authoritarian regimes of the past will make a comeback. Caribbean countries have also had their share of political violence, such as

the civil unrest in Trinidad in 1990, and during elections in Saint Vincent and the Grenadines and Saint Kitts and Nevis. However, the way in which serious political conflicts were faced in Brazil, Guatemala, and Venezuela, strengthens the hope that future crises will be resolved through the exercise of democratic principles.

The 1980s were violent and turbulent years in Central America, when hundreds of thousands of people died or were displaced because of armed conflicts in El Salvador and Nicaragua, and because of serious civil disturbances in Guatemala. Even though the situation in these countries is still fragile, a certain level of political stability has been attained, and some progress has been made in recovering the economic level that was lost during the decade. The peace accords signed in January 1992 between the government of El Salvador and the Farabundo Martí Front for National Liberation, and the conclusion of the armed conflict in Nicaragua were the results of a long peace process that began in 1983 with the work of the Contadora Group, formed by the governments of Colombia, Mexico, Panama, and Venezuela.

The Process of Subregional Integration

The processes of political and economic integration that have been seen in other regions of the world, particularly in Europe, have encouraged countries of Latin America and the Caribbean to promote subregional organizations that are based on economic cooperation (see Box 2.2). These organizations have had varying degrees of success largely due to the varying fortunes and development of the participating members. Commerce between member countries represents

ORGANIZATIONS PROMOTING SUBREGIONAL INTEGRATION

Amazon Pact. Signed in 1978, member countries: Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela. This treaty provides for cooperation among members in the development of the Amazon Basin, rational use of its resources, and protection of its ecology. Each member has established a national commission to implement joint decisions.

Andean Group (Andean Pact) Founded in 1969; member countries: Bolivia, Colombia, Ecuador, Peru, and Venezuela. It was established to improve the position of the member countries within the Latin American Free Trade Association and to increase the trade and development of the countries. Various complementary agreements exist, including the Hipólito Unánue Agreement, created in December 1971, which promotes, coordinates, and supports efforts to improve health, disaster preparedness is one of its priority programs.

Caribbean Community and Common Market (CARICOM) Founded in 1973; member countries: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. Its objectives are economic integration based on a regional common market; cooperation in areas of culture, education, health, labor relations, tourism, and transportation; and coordination of foreign relations and defense policies. In 1991, CARICOM established the Caribbean Disaster Emergency Response Agency (CDERA) in Barbados to coordinate emergency response for disasters occurring in member countries.

Central American Common Market. Founded in 1960; member countries: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. It was established to increase industrialization and specialization by liberalizing intraregional trade. The Secretariat of Central American Economic Integration (SIECA) gives technical and administrative support to the organization.

Central American Integration System (SICA). Founded in 1991; member countries: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Its main objectives are, among others, the consolidation of a new model of regional security based on corrective action in the social and economic areas, and the promotion of sustained economic, social, and political development of its Member States.

Central American Parliament (PARLACEN) Founded in 1987, member countries: El Salvador, Guatemala, Honduras, and Nicaragua. A political forum, it aims to surmount the national interests which harm regional and economic integration. Together with SICA, it has played an important role in promoting future legislation with reference to disaster reduction measures.

Latin American Economic System (SELA). Founded in 1975, 27 Latin American member countries. It aims to accelerate intraregional cooperation particularly in the areas of selling primary commodities on the world market and providing a permanent system of consultation and coordination in economic and social matters.

Latin American Integration Association (ALADI). Founded in 1980; member countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela. This organization replaced the Latin American Free Trade Association, established originally to create an area of free trade forming the basis for a Latin American Common Market.

Organization of Eastern Caribbean States (OECS). Founded in 1981; member countries: Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Because of concern that benefits derived from integration would benefit the larger CARICOM States, these smaller islands created this entity in association with CARICOM. The OECS coordinates development strategies between its members and provides cooperation in economic, foreign policy, and defense matters.

Southern Common Market (MERCOSUR). Founded in 1991; member countries: Argentina, Brazil, Paraguay, and Uruguay. It aims to abolish barriers to trade between Member States, establish a common external tariff, and harmonize economic policies.

only a small portion of the Region's foreign trade, and the global recession has had repercussions on intraregional trade.

Integration is relevant in the Region because of the cultural proximity of the countries, and because, in the context of natural disasters, neighboring countries share similar patterns of hazards and vulnerability. The objectives of these organizations have been to promote economic growth while strengthening the political identity of the members, generating financial cooperation; supporting exchanges in technical, scientific, and cultural development; and, in certain instances, by promoting support in disaster reduction between participating countries.

CONCLUSIONS

The serious economic crisis, armed civil conflicts, and the absence of democracy in many countries in the Region during the last decade magnified the endemic problems of poverty and unequal access to wealth and basic services. In such an environment, planners and lawmakers have struggled not to lose ground, and have had more urgent matters on their minds than long-term development plans for, or investment in disaster reduction.

The Inter-American Development Bank (IDB) in its 1993 report presents an encouraging outlook concerning the economies of the Region. According to the IDB, the challenge is now to initiate a "second generation" of socioeconomic reforms that would combine social equity with long-term growth.

The countries of Latin America and the Caribbean have an enormous economic potential and an excellent and growing capacity of professionals. By focusing human and material resources on socioeconomic improvements, countries can reduce the vulnerability of their people to natural disasters and achieve genuine reforms in disaster preparedness. ♦

