



Inter-American Sustainable Social
Development Development Development
Bank Department Division

From the Division Chief

The work of the Bank that seeks to foster social development is varied and wide-ranging. The topics of this newsletter are only a partial example of the areas the Bank and its borrowers tackle. A way to group this work is into program- and process-oriented strategies. Program strategies, according to their time frame, can be divided into those that seek to *promote* social and economic well-being (or individual capabilities and opportunities); those that seek to *prevent* or stem the occurrence of social ills before they arise; and *remedial* programs that seek to correct or alleviate social and economic disadvantages. The first two are long-term investments, with delayed returns, the third is more short-term. While the traditional work in social development, and still the bulk of the work at the IDB, is on the promotion of social development, programs that focus on remedial action and prevention are rising in importance, the first in response to short-term natural or man made shocks, the second in response to disturbing social trends and the need for cost-effective interventions — an ounce of prevention is worth a pound of cure. Process strategies are also increasing in importance and seek to change the style of development to include consultation in policy formulation (social dialogues), consultation and participation in project design, and decentralization and the promotion of local initiatives, among others. This newsletter includes examples of these different strategies. We wish to share them with you, and look forward to hearing from you.

Mayra Buvinić

PHOTO: MARCOS DA CRUZ/CCS



Mayors, violence prevention experts, and IDB officials participated in a roundtable on municipal-level strategies for violence prevention last July in Rio de Janeiro. L-R: Mayra Buvinić, Chief, Social Development Division; Waldemar Wirsig, Manager, Sustainable Development Department; IDB President Enrique Iglesias; Luiz Paulo Conde, Mayor of Rio de Janeiro; Renato Villela, then Secretariat of Foreign Affairs, Municipality of Rio de Janeiro.

Mayors Meet in Rio to Discuss Initiatives for the Prevention and Treatment of Violence

BY LORETO BIEHL

Over 30 mayors and experts in violence prevention met in Rio de Janeiro on July 29 and 30 to analyze strategies to reduce the growing incidence of violence in the region through municipal programs. Among the topics discussed were the experiences of Bogotá, Boston, Buenos Aires, Cali, Lima, Medellín, Mexico City, Montevideo, Quito, Rio de Janeiro, San Juan, San Salvador, Santiago, and Tegucigalpa. The mayors affirmed the need to share information and initiate dialogue between local governments in the region. They also stressed the need to identify, compile, and disseminate information on successful municipal initiatives to prevent and control violence. The Bank will provide support by identifying promising violence prevention programs in the region and

posting summaries of these programs on the Bank's website.

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For related articles, see
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It Pays to Improve Health

By WILLIAM D. SAVEDOFF

There is a great deal of common sense to the notion that healthier people are more productive and that healthier people can obtain things that make them healthier. Indeed, case studies from four Latin American countries (Colombia, Mexico, Nicaragua, and Peru) show that health status does have a significant, if modest,

impact on earnings. But measuring this impact requires finding useful ways to separate the two-way causal relationship between income and health.

Using household survey data, six studies financed by the IDB's Latin American Research Network and supervised by the Social Development Division analyze the relationships between efforts to improve health and health status on the one hand, and the potential impact of health status on earnings on the other. Earnings are generally lower for people who reported being ill, and they are systematically lower for those who reported being ill longer. In most cases, an additional day of illness corresponded to a 1-4% drop in hourly earnings. Yet, some population groups seem more vulnerable than others. For example, elderly Mexican men (over age 65) appear to suffer the largest impact, with a 58% decline in earnings for each additional day of illness. Although this figure may be overestimated, it does suggest that health status may have a stronger effect on productivity and earnings potential as individuals age.

Two of the studies used indicators of an individual's health condition from childhood to evaluate the relationship

See *HEALTH*, page 12



DAVID MANGUBIRANI, IDB



Inter-American
Development Bank

Sustainable Development
Department

Social Development
Division

Mission Statement

The Sustainable Development Department's Social Development Division (SDS/SOC) assists the IDB by providing technical support to operations and by helping to identify and promote new opportunities for Bank action in social development that will accelerate growth and improve the well-being of people in Latin America and the Caribbean.

The Division provides technical and conceptual support on priority issues for women and indigenous groups through the Women in Development Unit and the Indigenous Peoples and Community Development Unit. It also provides such support on early childhood development, health, labor markets, urban development, violence prevention and control, and the formulation of social policy.

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New Opportunities for Health Planning in 2000 and Beyond

By ALFREDO SOLARI

Planning in Latin America has long been controversial, especially state planning of social policy. In this context, the Pan-American Health Organization (PAHO) and the Latin American Center of Demography (LACD) developed a health planning methodology in the 1960s that attempted to link needs, resources, activities, and results. In 1972, the Ministers of Health of Latin America and the Caribbean (LAC) approved the "Ten Year Health Plan of the Americas," which aimed to improve health services using the LACD/PAHO method.

However, this method had its limitations, including a lack of information on the relationship between health service consumption and the ensuing gains in health status. In addition, planning required general agreement on standards to pursue and a rational allocation of resources — difficult achievements in the Latin American context. As a result, most LAC countries have not seen comprehensive and systematic planning efforts in the last 25 years.

In July 1979, the United States Ministry of Health, Education and Welfare initiated the program proposed in "Healthy People: The Surgeon General's Report on Health Promotion and Disease Prevention." This initiative aimed to identify health priorities and strategies, long-term (10-year) goals, and activities to achieve those goals. It became the first effective attempt in the Americas to plan health goals and activities that was scientific (evidence based), participatory (involving private and public health agencies), and assessable (including evaluation and reprogramming).

Toward the end of the 1980s, the Healthy People initiative was positively evaluated, the planning exercise was repeated, with some changes based on lessons learned, and new goals were established for the year 2000. In January 2000, the USA will launch the third iteration of this plan-

ning project, officially adopting goals and strategies for 2010. This collaborative, multi-agency approach has been accepted thanks to its participatory approach and the positive results obtained in addressing intractable social and sanitary problems.

With the appropriate cultural and methodological adaptations, LAC countries could start a similar program. They could undertake such an effort jointly in order to share in methodological breakthroughs, strengthen efforts, and ensure sustainable results. Many LAC countries have already experienced the advantages of concerted international health ventures, including vaccination purchases, the successful eradication of Chagas disease, and the adoption of subregional policies on food fortification. Strengthening existing (but timid) planning efforts and linking them to health reform appears to be the most effective way of re-launching — 25 years later — health planning in LAC. The IDB welcomes the opportunity to further this development.

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SARAH HOWDEN

Children at a learning center in Tarija, Bolivia show their work to Alfredo Solari, Senior Health Advisor in the Social Development Division.

Food Laboratories Network Driven by Trade and Health Needs

By GWEN O'DONNELL

Food production standards — for both international and domestic consumption — have become an important economic and political issue in the Americas. Based on concern for such standards, representatives from the Ministries of Health and Agriculture of 24 Latin American and Caribbean countries decided in December 1997 to establish a network of food laboratories. The result is the Inter-American Network of Food Analysis (INFAL).

INFAL's purpose is to harmonize food analysis in the region through

the development and implementation of quality control systems, the implementation of equivalent methodologies, and the strengthening of technical cooperation between its member countries. The creation of such a network will reinforce and facilitate trade between countries in the region, as well as possibly improve the safety of domestically consumed foods.

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Getting the Incentives Right for Local Development

BY EDUARDO ROJAS

One of the most remarkable features in the recent evolution of Latin America and the Caribbean has been the decentralization of political and fiscal decisions. Local governments are becoming increasingly more democratic, and they are assuming more responsibilities for service provision.

Democratization of local governments has progressed rapidly. In 1980, mayors were directly elected in only 3 countries in the region. In 1997, this was the case in 17 of the Bank's 26 borrowing member countries, and in 6 more countries, mayors were designated by elected municipal councils. Progress has also been made in the decentralization of public expenditures. Countries like Argentina, Brazil, and Colombia have achieved relatively high levels of decentralization, and Bolivia, Mexico, and Venezuela have made significant progress. However, there is still much room for improvement. While 35% of government expenditures is in the hands of local authorities in industrialized countries, only 15% is controlled locally in Latin America and the Caribbean.

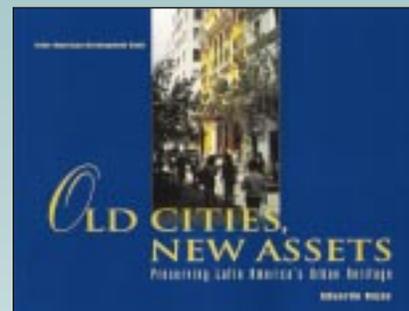
The transfer of responsibilities from central to local governments seeks important benefits for the populace, such as a better match between public services offered and community needs, and higher levels of community participation and ownership in local development programs. Decentralization also can lead to greater accountability and better governance, as decisions are adopted closer to the local community's scrutiny. However, these developments often outpace the institutional capacity of local governments or

clash with outdated legislation on intergovernmental relationships. Further, the devolution of responsibilities is not always supported with the corresponding allocation of resources or the right incentives for local governments to raise sufficient revenue on their own.

Traditionally, Bank contributions to decentralization have centered on increasing local government capacity to provide services efficiently, particularly to low-income populations. Bank operations in support of local development have focused on infrastructure projects or the development of local governments' institutional and fiscal capacity, the latter mainly to ensure the efficient use of Bank financing.

A study led by the Social Development Division suggests that this traditional approach has limitations. Early results indicate the need to change the focus of Bank operations to place priority on developing institutional capacity in local governments. They also suggest a need to direct Bank operations toward the urgent institutional reforms required to overcome the limitations of obsolete legislation and practices regarding intergovernmental relationships. The results of the study, undertaken as background for the Bank Strategy on Local Development, will be available in early 2000. Topics to be addressed include the pervasive mismatch of responsibility and resources, the limitations of the organizational structure and human resources base of most local governments, and governance issues affecting still imperfect local democracies.

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Case Studies Offer Insights on Involving New Actors in Urban Heritage Preservation

Traditionally, governments have been responsible for preserving Latin America's rich urban heritage, which is still a source of cultural identity and a valuable asset for socioeconomic development. That is no longer the case. In a new book from the Sustainable Development Department, *Old Cities, New Assets: Preserving Latin America's Urban Heritage*, author Eduardo Rojas asserts that private involvement is the key to furthering heritage preservation in the region and explores ways of involving new stakeholders, such as private investors, developers, and urban residents, in the preservation process. Case studies of three cities — Cartagena, Colombia; Quito, Ecuador; and Recife, Brazil — offer insights into the conditions that attract private investor involvement in preservation and show why that participation is necessary.

Old Cities, New Assets is published by the IDB and is available from the IDB bookstore (202 623 1753) or through the Johns Hopkins University Press (1 800 537 5487). (US \$24.95)

Revitalizing Urban Neighborhoods for Low-Income Communities

BY T. LUKE YOUNG AND
EMMANUEL JOUSSELLIN

More than 4 million hectares (10 million acres) of urbanized land in Latin America and the Caribbean contain valuable housing, public service networks, and other urban infrastructure. Yet, as much as 30% of the most centrally located assets is underutilized and severely deteriorated. There are good economic reasons for promoting the rehabilitation of these inner-city areas, including putting the capital investment they contain back into full use and promoting the redevelopment of urban centers.

However, rather than helping low-income communities, urban rehabilitation programs often displace the very households they should benefit. There is, therefore, a growing need to design and implement effective strategies that help upgrade low-income neighborhoods without marginalizing their inhabitants. Based on an analysis of urban rehabilitation projects in Europe and the United States, the Social Development Division is working to identify key elements of urban revitalization projects that successfully benefit low-income communities. Research underway analyzes strategies such as public-private partnerships, the role of public financing in development projects, and the importance of strong political leadership. The challenge ahead lies in finding solutions that are transferable to the Latin American context.

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Did You Know?

- In Latin America and the Caribbean, 23% of children do not reach grade 5. In Guatemala, the figure is 50%. In Nicaragua, it is 46% and in Honduras, 40%.
- In El Salvador, 60% of prisoners are under 30 years old, and 45% have not completed primary school.
- Between 1979 and 1994, the homicide rate of 10-14 year olds in Colombia more than doubled, from 1.2 per 100,000 to 2.8 per 100,000.
- Among developing countries, Latin America and the Caribbean is the only region where cigarette consumption per adult fell from 1970-72 to 1990-92 (by 9%). Industrialized countries are the only other group that saw a fall in cigarette consumption per adult during that period (12%). Worldwide, cigarette consumption per adult increased 15%.
- Tuberculosis kills more people each year than lung cancer, the most prevalent cancer. 96% of one-year olds in Latin America and the Caribbean are fully immunized against tuberculosis.
- The infant mortality rate in Latin America and the Caribbean fell from 86 per 1,000 in 1970 to 33 per 1,000 in 1997. The under-five mortality rate fell from 124 per 1,000 to 41 per 1,000 in the same period.
- Three out of four Latin Americans live in cities.
- An historic five of Honduras' 16 Ministers, as well as the President of the Central Bank, are women: the Ministers of Finance, Labor, National Security, Natural Resources and the Environment, and the Social Investment Fund.
- Nine Latin American countries have adopted quota laws to advance women's participation in politics. (Argentina, Bolivia, Brazil, Costa Rica, Dominican Republic, Ecuador, Mexico, Panama, and Peru)
- Chile has more indigenous people than Brazil, Nicaragua, or Paraguay.
- Only 30% of television programming in Latin America originates in the region. 62% originates in the United States.

SOURCES: Cruz, José and Luis E. Romano, 1998. *La violencia en El Salvador en los noventa: magnitud, costos y factores*. Instituto Universitario de Opinión Pública. San Salvador: Universidad Centroamericana José Simón Cañas • *The Economist* • Franco, Saul, 1999. *El Quinto: No Matar. Conceptos y Explicativos de la violencia en Colombia*. IEPRI, Universidad Nacional. Bogotá: Tercer Mundo Editores • Honduran Embassy, Washington, DC • Social Development Division • *UNDP Human Development Report*, 1999.

The Anatomy of Violence

By MAYRA BUVINIĆ AND ANDY MORRISON

Violence is complex and multifaceted. There are many types of violence, which can be categorized according to various factors, such as the victim, the perpetrator, the nature of the act, the intent, and the relationship between victim and perpetrator. There are criminal and non-criminal acts of violence. It is important to talk about violence, and not just criminal violence, because a violent act, such as domestic physical abuse, may be considered against the law in some countries, but not in others.

Violence is largely learned, and the first place it is learned is in the home. Experiencing or being exposed to chronic abuse in childhood is a common precursor of adult violence, and childhood violence is a strong indicator of adult violence ahead.

In large Latin American cities, homicides tend to occur in the most deprived areas, marked by economic and cultural exclusion, underscoring the role that poverty and inequality play in generating violence. For women, the home is more dangerous than the streets. Children are exposed to violence at home, in the streets, and at school. Adolescents and youth are often both victims and perpetrators of violence.

The Need for a Multidisciplinary Approach

The great challenge in the struggle against violence lies in the need to adopt a multidisciplinary approach. To this end, several disciplines have contributed different perspectives that enrich our understanding of the causes and costs of violence and offer possible solutions to the problem.

Factors that can contribute to violence include environmental condi-

tions, such as high population density or deprivation of maternal love, which cause violent behavior in the animal kingdom (ethology); preventable neurobiological abnormalities, inadequate prenatal care, and exposure to neurotoxins (biology); exposure to violent behavior in the home or the media (psychology); poverty, inequality, and cultural standards (sociology); rapid economic change and the resulting “frustrated expectations” (political science); and economic incentives that make crime more attractive than work, such as high returns to criminal activity and the low likelihood of being apprehended (economics). Various disciplines also help identify the consequences of violence, including assessing the costs of violence (economics) and healthy life years lost (public health).

Analysis from different disciplines has also helped identify possible solutions to the violence problem, such as training parents in child care (ethology and biology), providing education in conflict resolution (psychology), identifying the causes of crime and possible solutions (criminology), devising a methodology for designing violence prevention programs (public health), and endeavoring to reduce impunity (economics and criminology).

This is the first in a series of summaries of the Technical Notes on Violence produced by the IDB.

To obtain a full set of the Technical Notes, contact Socorro Nuñez: socorron@iadb.org or 202 623 1976.



IDB President Enrique Iglesias and Rio de Janeiro Mayor Luis Paulo Conde moderate the discussion at the Mayors Meeting on Violence Prevention held in Rio de Janeiro in July.

MARCOS DA CRUZ/JCS



Technical Notes on Violence Prevention

The Social Development Division published a series of six technical notes in July that describe the nature and magnitude of violence in the region, its causes and effects, and how it can be prevented and controlled. The notes provide useful information on designing programs and policies to prevent and deal with violence. They will be modified and updated regularly. A summary of the first note appears in this newsletter (p. 6). All of the notes are available on the Internet at <http://www.iadb.org/sds/utility.cfm/9/22/spanish/publication>. (English forthcoming).

New Video on Violence

The new IDB video, *From Rage to Recovery: Societies Search for Peace*, is part of a Bank campaign to raise awareness among communities, the private sector, non-governmental organizations, and governments in the region about the importance of dealing with the deeply-rooted problem of violence. The 13-minute program is designed to encourage debate and stimulate investments in preventive activities, especially at the municipal and community levels.

To obtain a copy of the video, contact Socorro Nuñez: socorron@iadb.org or 202 623 1976.

■ Violence Prevention



Central American experts in domestic violence traveled to Finland (shown above), Iceland, Norway, and Sweden in June to learn about programs for the treatment of men who batter.

Treating Domestic Violence: Lessons Learned in the Treatment of Men who Batter

BY PAZ CASTILLO-RUIZ

As part of a domestic violence prevention project financed by the Government of Finland, a group of Central American experts traveled to several Nordic countries in June to learn about programs for the treatment of men who batter. Lessons learned from the trip include the following:

- Through psychotherapy, it is possible to prevent men from physically abusing their spouses or partners.
- Different methods of treating men who batter have proven the effectiveness of group therapy for the repeater aggressor.
- Therapy teaches aggressors to identify the phases that lead to an escalation in violence and how to stop them.

- Therapy deconstructs the aggressor's stages of denial, minimization, and rationalization of domestic violence and helps him accept responsibility for his actions, examine the consequences of violent behavior, and consider personal and family alternatives for a life free of domestic violence.
- For treatment to be effective, institutional mechanisms must be in place that allow for communication with the aggressor, especially, if possible, during crisis periods.

For more information, contact Paz Castillo-Ruiz: pazcr@iadb.org or 202 623 3406.

When Disaster Strikes: Gender Lessons from Hurricane Mitch

BY GABRIELA VEGA

Hurricane Mitch hit Central America last year with ruthless destruction, killing nearly 10,000 people and leaving over 1-million homeless. Like other natural disasters, Mitch struck indiscriminately, but with unequal impact. Disasters hit poor communities hardest, and within these communities, disasters affect men and women differently. Men and women also contribute to mitigation and reconstruction efforts in different ways.

A recent report by the Women in Development Unit (WID), *Hurricane Mitch: Women's Needs and Contributions*, examines evidence from post-

Mitch Central America and disasters in other parts of the world and highlights the ways disasters affect women and women's participation in prevention, relief, rehabilitation, and reconstruction efforts.

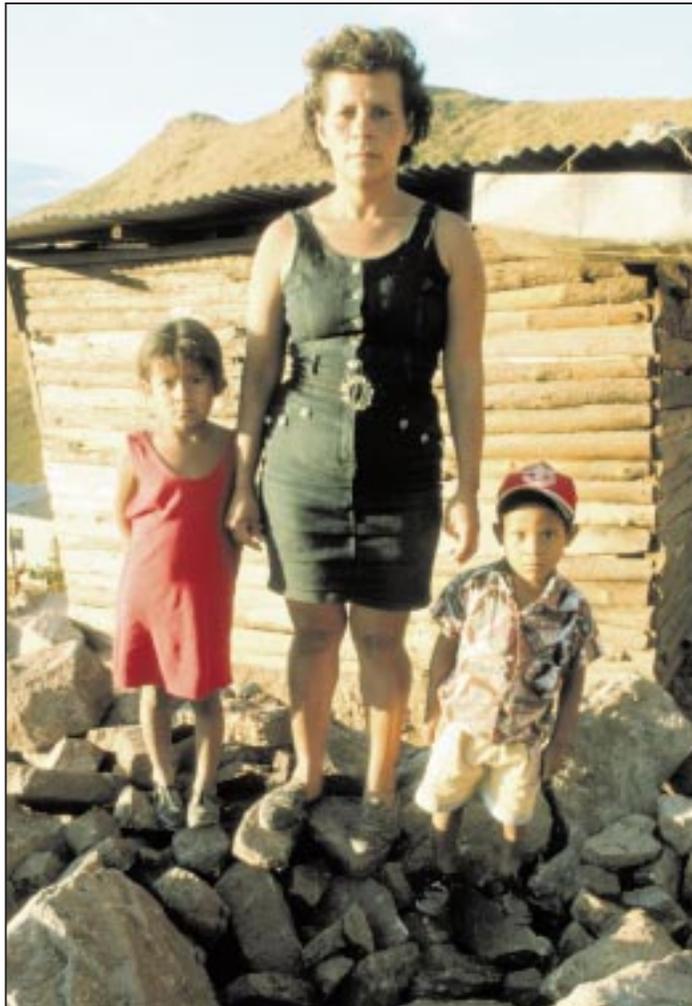
The report shows that disasters intensify existing vulnerabilities unless specific measures are taken to mitigate them. For example, poor, female-headed households are more vulnerable to crisis and slower to recover from it. Targeted assistance programs, such as housing programs in El Salvador and Nicaragua that identify women, with or without partners, as beneficiaries, can help.

Disasters can also exacerbate gender differences. Although Mitch put both women and men out of work, female employment may face a more sluggish recovery. Not only does infrastructure reconstruction create more "male" jobs, but men's jobs also receive preferential protection under the misguided premise that women's income is secondary to men's.

Conversely, post-disaster situations can offer fertile ground for positive changes for women. Disasters bring to light particular areas of women's — and men's — capabilities and vulnerabilities that need to be addressed in the context of development. They highlight the need to support strong institutional responses, community involvement, and women's participation as powerful prevention measures. In addition, the political environment after a disaster favors a much higher rate of economic and social change in areas critical to the well-being of women and their children, such as property titling, job training, neighborhood improvements, and community participation.

Full community involvement, including women's active participation, improves the efficacy of prevention, relief, reconstruction, and transformation efforts. This, among other lessons from Hurricane Mitch, indicates a clear need to keep a gender perspective in mind both before and after disaster strikes. The first institutional responses to Hurricane Mitch do not appear to have taken women's capabilities and vulnerabilities into account. The report draws lessons from this oversight and provides general guidelines for integrating such a perspective into effective disaster management.

To obtain a copy of the report, contact María Bolaños: mariab@iadb.org or 202 623 3533.



DAVID MANGUNIAN, IADB



CEMOPLAF

Representatives from the Ministries of Health of Bolivia, Colombia, Ecuador, and Peru, international institutions, and NGOs participated in a sub-regional meeting on reproductive health and health sector reform in Quito, Ecuador in July.

Links Between Reproductive Health Agenda and Health Sector Reform Need Strengthening

BY INGVILD BELLE

In one of the first efforts in the region to discuss how best to incorporate reproductive health concerns into health sector reform initiatives, the WID Unit, in collaboration with the Population Council in Mexico, organized three sub-regional consultations in Brazil, Ecuador, and Mexico in June and July. These meetings brought together experts from 12 countries on both reproductive health and health sector reforms and demonstrated a great need — and potential — for increased dialogue and collaboration among sectors and countries.

Despite almost 20 years of experience in health sector reform in the region, little is known about the

impact of these reforms on coverage, equity, and use of services. In this context, there is a need for indicators that measure the impact of reforms on reproductive health services, particularly in decentralized systems. The consultations revealed that health sector reforms and implementation of the reproductive health agenda adopted in Cairo in 1994 are largely separate processes and that the conceptual links between the two sectors are weak and need to be further developed. Another lesson revealed was the need to find mechanisms that ensure NGO participation in the overall reform process. NGOs are important providers of reproductive

health services in many countries, but in most cases they have not been involved in health sector reforms. Finally, all of the countries involved in the consultations demonstrated a great demand for human resource development in reproductive health, particularly at the local level.

The consultations constitute important inputs to the ongoing development of a Bank strategy on reproductive health and assure that the strategy will reflect regional needs and realities.

For more information, contact Ingvild Belle: ingvildb@iadb.org or 202 623 2869.

Gender Analysis Training Reaches IDB Project Planners and Executors

BY ANNE-MARIE URBAN

The WID Unit conducted its 18th gender analysis training workshop August 25-26 in Haiti. The workshop benefited 25 professionals from the IDB country office, key government agencies, and non-governmental organizations. It was the first of these courses to be offered in French. (Course materials are available in Spanish, English, and French).

Initiated as a pilot project in 1994, the training program, *Incorporating Gender Considerations into IDB Projects*, aims to increase participants' capacity to integrate a gender perspective into Bank projects and raise awareness about gender issues. Workshops have been conducted in 14 countries to date, benefiting approximately 650 professionals from IDB country offices and headquarters, local government agencies, and NGOs.

For more information, contact Clotilde Charlot: clotildec@iadb.org or 202 623 3843, or Anne-Marie Urban: anneu@iadb.org or 202 623 2705.

Proposals show Progress — and Gaps — in Women's Leadership

BY VIVIAN ROZA

In recent years, diverse strategies have been used to promote women's leadership in Latin America and the Caribbean. To learn more about these strategies and the different issues now facing women in the region, PROLEAD — the IDB's program to promote women's leadership — studied the proposals it received during the 1998 funding cycle. The study indicated a focus on women's leadership in three main areas — politics, business, and civil society — and a lack of attention to non-traditional areas. Some findings are highlighted below.

Politics: The Quota System

Despite quota laws in nine Latin American countries, few women run for office. Proposals received suggest that this is due to various factors, such as the lack of resources needed to campaign, limited time due to family responsibilities, political party resistance to advance women candidates, and male and female reluctance to vote for women. Proposed strategies to improve quota implementation include training women in campaigning skills, pressuring political parties to advance women candidates, and conducting public education campaigns to overcome resistance to voting for women.

Business: Breaking the Glass Ceiling

The "glass ceiling" problem prevents women from reaching the highest levels of business leadership, but causes and effects vary in important ways from country to country. Some proposals suggested developing country-specific studies and strategies that reflect national historic, economic, and social realities.



DAVID MANGURAN/IDB

Civil Society: Grassroots Leaders

Civil society organizations (CSOs) continue to be the main vehicle for women's participation. In both urban and rural settings, women participate alongside men in community organizations, but they hold fewer leadership positions. Proposals indicated a need to promote women's leadership within CSOs and to strengthen the impact of women's organizations at the national and community levels.

Challenges: The Road Ahead

Despite significant progress, the study also shows that there are still many gaps in women's leadership, most of them in "non-traditional" spheres, such as foreign affairs and the growing field of technology. There is a need to increase attention to such fields and to develop innovative strategies that go beyond research, education, and training to ensure that women are promoted to the top levels of all types of organizations — private and public.

For more information on the program or to obtain a copy of the study, contact PROLEAD: prolead@iadb.org or 202 623 2571 or visit the Program's new website at www.iadb.org/sds/prolead.

Education Reform in Honduras: A Collective Initiative

By CHRISTINA MACCULLOCH

Schools were converted into shelters after Hurricane Mitch struck Honduras in October 1998. This meant disruptions in school activity and structural damages to already inadequate infrastructure. However, the natural disaster also provided an opportunity to overhaul the education system and help improve social conditions in one of Latin America's most disadvantaged countries: over half the population lives in poverty and almost 30% is illiterate.

According to former Chilean President Patricio Aylwin, who leads the *Social Policy Dialogue*, an IDB initiative to promote dialogue on social policy in Latin America, a broad and spontaneous consensus arose in Honduran society identifying education reform as a fundamental aspect of the national transformation process. All sectors of Honduran society agree on the need to modernize teaching and improve the system's

efficiency: only about 40% of enrolled students finish primary school, one-third of them having repeated grades. The challenge lies in the fact that there are as many proposals for education reform as there are sectors of Honduran society.

All sectors of Honduran society agree on the need to modernize teaching and improve the system's efficiency: only about 40% of enrolled students finish primary school, and one-third of those have repeated grades.

"The key is to overcome differences and reach basic agreement about what the country wants to do, and then determine what can feasibly be done," said Aylwin. "The most stable countries and those that develop most efficiently are those with national consensus on important issues," he added.

To support the consensus-building process, a meeting was held in Washington, DC in April. Participants repre-

sented all sectors of Honduran society established guidelines for action and identified concrete steps to launch education reform in Honduras. They agreed that the core issues surrounding education are quality, efficiency, and coverage, especially in rural areas where social spending is low. Their reform strategy seeks to devise appropriate solutions.

There was full agreement in some areas, such as promoting administrative autonomy and educational independence of schools, and fostering greater parent and community participation. In other areas, the debate continues. For example, while everyone agreed on transferring some resources to districts and schools, significant differences persist about decentralization of the system and modernization of the Ministry of Education.

As a result of the April meeting, the IDB Manager for Central America, Miguel Martínez, pledged the Bank's support for a strict schedule of consultations on "the education we want" to validate, broaden, and deepen the proposals for change. The consultation process was carried out in late October at four levels: community (municipalities and departments), specialized (experts), institutional (ministries and other government agencies), and open (media). The findings will be compiled and presented to Honduran citizens and national authorities at a National Conference on Education.

For more information about the program, contact Ada PiazzemcMahon: adam@iadb.org or 202 623 2049.

DAVID MANGRIAN, IDB



The Social Policy Dialogue is supporting a consensus-building process in Honduras to achieve quality, efficiency, and enhanced coverage in a new education system.

Involuntary Resettlement Policy

BY CARLOS PERAFÁN

After several years of discussions, the Bank approved a new operational policy on involuntary resettlement in July 1998. Involuntary resettlement is an important issue for Bank operations due to the number of projects involved and the number of persons displaced. Between 1970 and 1997, at least 120 Bank projects involved or were expected to involve involuntary resettlement, affecting more than 653,000 people. In general, low-income groups are most affected by involuntary resettlement. These groups are especially vulnerable because they generally lack property titles and work in marginal or subsistence level conditions.

The Operational Policy on Involuntary Resettlement prepared by the Indigenous Peoples and Community Development Unit seeks to avoid the negative effects of involuntary resettlement that Bank-financed infrastructure projects can cause and to increase the likelihood that the people directly affected share in project benefits. The policy emphasizes the need to present resettlement plans during project preparation and the approval process. It also stresses the importance of adequate institutional and regulatory frameworks to carry out these complex social processes.

The policy is based on the following principles:

- avoid resettlement or minimize its scope;
- accord the right to resettlement to all involuntarily displaced persons, not just those with property titles;
- avoid at all costs the impoverishment of the resettled population;

- formulate and implement the resettlement plan within a broad framework that includes the participation of the affected population; and
- keep in mind gender issues and special considerations for indigenous communities.

Once the need to prepare a resettlement plan has been established, the policy looks at the following aspects in terms of rehabilitation and compensation:

- establish clear eligibility requirements;
- consider tangible and intangible components of the affected population's way of life;
- provide compensation for asset loss;
- restore, replace, or provide substitutes to at least pre-resettlement levels for assets (including housing), services, and employment and income opportunities for those affected; and
- ease transitional hardships.

To accomplish the policy's objectives, there is a need to provide the necessary resources, perform high-quality analyses of socio-cultural factors, and establish appropriate mechanisms for monitoring, evaluation, and coordination.

To obtain a copy of the Policy, the background paper, or the operational guidelines on involuntary resettlement, contact Lina Uribe: linau@iadb.org or 202 623 1256.

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between health status and income. For example, girls who are better-nourished and healthier in childhood tend to begin menstruation earlier and to suffer fewer illnesses in adulthood. Evidence from Mexico showed that, after controlling for other factors, women who began to menstruate a year earlier than their peers ended up earning an average 26% more in adulthood. Adult height, which is a good indicator of childhood health conditions and adult morbidity, is also associated with higher earnings. In Colombia, one more centimeter of height for adults translated into an increase in earnings among urban workers of about 7% for women and 8% for men.

In addition to the health and income relationship, the studies examine how public policies and other factors affect individual health status. Environmental conditions such as housing and sanitation have significant impacts on health status, while the presence of health services and public health facilities has relatively little influence on health conditions.

The case studies have helped to publicize the link between health and income and to strengthen applied research on this topic in the region. The studies have also led researchers and policymakers closer to identifying useful and reliable health indicators that can guide public health policy in the future.

For more information on the Latin American Research Network or to download copies of the case studies, visit the Network website at <http://www.iadb.org/oce/44i.cfm>. For hardcopy versions, contact Graciela Thomen: gracielath@iadb.org or 202 623 2574.

Each of the IDB's Regional Operations Departments has a Social Programs Division that works on projects related to the focal areas of the Social Development Division. A selection of these projects is highlighted below.

Region One (Argentina, Bolivia, Brazil, Chile, Paraguay, Uruguay)

Reforming Primary Health Care in Argentina

By ANDRÉ MEDICI

Early adult mortality, high rates of maternal and infant mortality in the poorest provinces, inefficiency, high costs, and poor coverage outside of Buenos Aires are some of the problems afflicting the Argentine health care system. To help resolve these problems, the Bank approved a project in August 1999 designed to reorganize the health care system and the delivery of health services in the provinces through a public information and prevention initiative. In this program, primary care units serve as

the point of entry into the system, and a hierarchy based on network complexity determines access and referrals to specialized health units and hospitals. The purpose is to achieve a more rational and efficient use of health care infrastructure and human resources in each province.

Today, individuals who can afford to pay for health care are major users of the public system, adversely affecting the system's ability to provide services for the neediest population. The program will identify low-income populations in order to target government subsidies toward them and improve their access to the primary health care system. The costs incurred by beneficiaries of *obras sociales* (employee ben-

efit plans) and prepaid health care plans will be recovered by billing these institutions directly.

The new model will ensure proper distribution of responsibilities in the health sector. Provincial governments will be in charge of regulating the system and financing services for the poor; the *obras sociales* and prepaid health plans will be responsible for organizing and financing covered groups; and independent public and private health care units will provide services.

To achieve its objectives, the program involves training or retraining staff for primary health care in the provinces; modifying training procedures; applying in the provinces the federal government standard that defines primary health care as the point of entry into the health system; establishing new hiring practices based on training, productivity incentives, and management contracts to ensure greater system efficiency; modernizing infrastructure; designing and implementing public information campaigns; and strengthening the institutional capacity of both federal and provincial ministries of health in terms of regulation, evaluation, and oversight of the new system.

In addition to providing for more equitable and rational access to services, the program will improve maternal and child health care, especially in the poorest provinces. It includes funds for the preparation of other primary health care projects in the provinces, which may be financed by future Bank operations in order to extend the model throughout the country.

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Region Two (Central America, Dominican Republic, Haiti, Mexico)

Honduras Family Allowance Program Builds on Lessons Learned

BY JENNIFER HAEFELI

The Honduras Family Allowance Program (PRAF) aims to break the poverty cycle by increasing human capital formation among the country's poorest families, especially among their children. The program is currently in a transition stage from its original design as a compensatory program to a new model that focuses on human capital development.

PRAF began in 1990 as a cash transfer mechanism to compensate the poor for income losses during an economic adjustment program. Based on the idea that demand for social services declines as income falls, the program was essentially aimed at stimulating demand among the poor for health, nutrition, and education services. However, evidence suggests that the program was not reaching the poorest households and services supplied were generally of poor quality.

Based on lessons learned from the first phase of this project, the new PRAF program is designed to target the poorest households and to provide financial incentives from both the demand and supply sides in the areas of education and maternal-infant health and nutrition. On the demand side, the program will provide a Nutritional Bonus of \$48 per person per year, for up to two beneficiaries per family. The aim is to increase the nutritional intake of mothers and infants and increase the use of maternal-infant health services among the poor. It will also provide a School Bonus of \$38 per child per year (the calculated opportunity cost to poor, rural families of sending a child to school) for up to three children per family. Eligible children

must be under age 13 and attending first through fourth grades.

On the supply side, PRAF will provide a subsidy to rural health centers and will contract local NGOs to provide training in nutrition and hygiene for mothers and mothers-to-be. In the area of education, the program will finance an Incentive for Learning Development Bonus (ILD) to improve the quality of education services available. Local NGOs will transfer resources to parent associations responsible for administering the ILD.

In order to effectively measure the impact of the new PRAF's different components, activities will be carried out among four different populations, grouped according to the incentives they receive: demand side only, supply side only, supply and demand sides, or no interventions.

The new PRAF also includes a component for institutional strengthening to aid in designing and implementing a targeting system, improving monitoring and evaluation practices, including a longitudinal study, and enhancing the program's managerial capacity. After an initial one-year transition period, the project will be carried out over three years and is expected to benefit nearly 70,000 of Honduras' poorest population each year.

For more information on this project, contact Carola Alvarez: carolaf@iadb.org or 202 623 3109.



Region Three (Colombia, Ecuador, English Caribbean, Peru, Venezuela)

Occupational Safety and Health is Focus of IDB Conference

BY ROBERTO IUNES

People spend one-third or more of each day at work. Consequently, occupational safety and health (OSH) conditions are a primary determinant of general health conditions. But OSH concerns extend well beyond the obvious health consequences of work-generated illnesses, accidents, and deaths. OSH is a key element in the process of social and economic development, with direct and indirect impacts on such areas as the labor market, labor productivity, household income, poverty, social security systems, international trade, and the environment.

In Latin America and the Caribbean (LAC), OSH has a direct impact on approximately 210-million workers and their families. But the OSH situation in the region is far from adequate. This is largely due to three main factors. First, there is a general lack of awareness regarding the importance of a safe and healthy work environment. Second, data on occupational accidents, illnesses, and deaths tend to underestimate the magnitude of the problem. Finally, the region lacks the institutional capacity and infrastructure needed to develop and sustain a safe and healthy working environment. The region's failure to implement or enforce appropriate safety-related laws translates into lost production, lost wages, medical expenses, disability, and even death. The International Labor Organization estimates the annual costs from occupational injuries and deaths in LAC at US\$76 billion.

To discuss new solutions to these problems, the IDB, with funding from the Government of Sweden, is organizing an international conference on OSH next May in Washington, DC. Recognizing the multidisciplinary nature of OSH, the conference will examine the subject from a broad perspective, addressing health, social security, labor, trade, gender, and youth issues, and should serve as a catalyst for more interventions in this area. Participants will include representatives from governments, the private sector, academia, and NGOS.

The Social Programs Division of Regional Operations Department 3 (RE3/SO3) is organizing the conference in coordination with the Vice President for Planning and Administration (VPO). It will also receive support from the Social Development Division (SDS/SOC), the two other regional Social Programs Divisions (SO1 and SO2), the Research Department (RES), the Multilateral Investment Fund (MIF), the Regional Technical Cooperation Division of the Integration and Regional Programs Department (INT/RTC), and the Office of Learning (LRN).

For more information on the OSH conference, contact Roberto Iunes: robertoi@iadb.org or 202 623 2456.

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Notas Técnicas sobre Salud Reproductiva. Ingvild Belle, Amanda Glassman, and Isabel Nieves. SDS/WID: October 1999. (Spanish only).

* Part of a 3-paper series in support of Urban Housing Development.

Documents can be obtained by contacting Carolina Hernández: carolinah@iadb.org or 202 623 2937.

Today's Babies, Tomorrow's Jobs: Dark Clouds in the Crystal Ball

BY RICARDO MORÁN

When Latin Americans born in 1999 begin looking for jobs in the 2010s, those with well-developed skills should find ample opportunities for interesting work with good pay, thanks to the technology revolution. The rest will have to choose between poorly compensated, dead-end jobs or better-paid, illicit activities.

Schooling largely determines these future job options and earnings. As the technology and information revolution sweeps through Latin America and the Caribbean (LAC), the gap in earnings according to schooling, and corresponding skill levels, has widened rapidly. Between 1988 and 1997, the ratio between office workers' and manual laborers' earnings in the region increased 30%, from 1.3 to 1.7. This trend is sure to continue well into the future.

Which of today's newborns will grow up to face the grim dilemma between bad jobs and a crooked life? Ongoing research at the IDB allows

us to tell: overwhelmingly, they are those born to parents with little or no schooling; they are the children of poverty. The odds are further stacked against them if the mother is a teenager, unmarried, or not receiving reproductive health care. Similarly, their life chances are hurt if they are born in rural areas, have indigenous heritage, are malnourished, have two or more siblings, grow up in a violent household, or do not participate in an early child development program. Any of these factors alone decreases their chances of completing the secondary school increasingly necessary to compete for good jobs. In combination, the effect is compounded.

Approximately 45-million children in LAC under age nine live in poverty. The persistent disadvantages that affect them impair their ability to acquire advanced skills. This will predictably push them to the basement of the labor market, or possibly drive

them to a life of crime. The implications for the region's future social and political order are worrisome, yet few countries are tackling the problem.

The good news is that the know-how and the means exist for greatly improving the eventual job prospects — and life chances — of these children. Programs such as reproductive health services or developmentally-oriented childcare are no more costly or technically complex than the ambitious infrastructure projects most LAC countries have successfully undertaken. The greatest obstacle to fighting the polarizing inequality of opportunities at birth seems to be neither technical nor economic, but rather one of insufficient political thrust. This may be due to inadequate awareness of the causes, remedies, and foreseeable consequences of the problem over the coming years. The Social Development Division is thus working to shed light on the dynamics of the poverty cycle and to promote effective early interventions to help break it.

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