



Fifth Plenary Meeting

Bogotá, Colombia, November 19–21, 2006

FINAL REPORT

Working Group No. 2: Poverty Reduction

The work group held its first session on November 19, 2006 during the 5th Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA). It convened in the Boyacá Room of the Colombian Congress in Bogotá D.C. (Colombia) with Members of Parliament and Senators from Brazil, Canada, Chile, Colombia, Cuba, Dominica, the Dominican Republic, El Salvador, Haiti, Mexico, Suriname, Trinidad and Tobago, Uruguay, and Venezuela. All are FIPA member countries.

Chilean Congressman Iván Alejandro Moreira Barros, Member of the FIPA Executive Committee, presided over the work group. Presentations were given by Ana Lucía Muñoz, of the Colombian Inter-American Development Bank Country Office (IDB), and Amelita Armit, Vice-President, Programs, of the Parliamentary Centre.

Congressman Moreira noted that the fight against poverty must begin with awareness aimed at providing more equal opportunities for development and at giving people what they need to emerge from poverty. The Economic Commission for Latin America and the Caribbean (ECLAC) forecasts a drop in poverty in Latin America thanks to good economic performance. However, along with this growth, there is also increased inequality. Proposals on the following topics should be implemented:

- i) Strengthen and improve cooperation
- ii) More effective distribution policies
- iii) Tax incentives to avoid tax evasion through the informal market
- iv) Avoiding capital flight and the lack of domestic investment
- v) Promotion of national output
- vi) Globalisation
- vii) Cultural convergence

“Let us not merely continue to give people food, but teach them how to achieve a better life through their own efforts,” stressed the congressman.

In her presentation entitled “Poverty and Inequality in Latin America and the Caribbean”, Dr. Muñoz indicated that joint FIPA and IDB action provides technical input that gives the

region's parliamentarians analytical resources to fight poverty and inequality. Poverty is greatest in countries with low per-capita income, which are also the ones most in debt. Abject urban poverty is rising, and teenage pregnancy among the poor is a factor in the inter-generational transmission of poverty. Indigenous people comprise 10% of the total population, and 25% of them are poor. Access to education, health and job markets is unequal, and this leads to violence.

Mrs. Armit, of the Parliamentary Centre, gave a presentation on "Strengthening Parliamentary Involvement in the Poverty Reduction Strategy Process". The Parliamentary Centre is a Canadian organization devoted to improving the effectiveness of representative assemblies and governance mechanisms worldwide, and which supports democratic institutions in Africa, Asia, the Americas, Eastern Europe and the Middle East. Tools offered by the Centre to assist parliaments in the fight against poverty include: holding legislative hearings, working with parliamentary groups with specific interests in different areas, improving legislative relations with the executive and civil society, and promoting the sharing of expertise and experience among parliaments.

DEBATE

During their discussions participants addressed the sensitive issue of poverty and applied it to the situation in each country. The fight against poverty is an issue of concern to FIPA member countries and to developing countries in general.

Representatives participated actively in the work session and agreed, among other points, on the need for social policies that respond to economic crises, as well as a genuine social architecture.

The following points emerged:

- In Latin America, those who live below the poverty line are indigenous or female household heads. Poverty must be fought through national programmes or NGOs. Latin American countries must coordinate their efforts, rather than having each country work independently.
- Poverty has declined, but there has been no improvement in income distribution.
- The economy grows and poverty increases.
- Poverty in Latin America is growing less than in Africa, but it has not declined. A radical shift in social strategy is needed. The employment issue has not been resolved, even though increased employment is the best social policy.
- There is no equality of opportunity in Latin America; eight million people in Latin America live in extreme poverty.
- The rule of law must be reinforced.

Special mention was made of the situation in Haiti. All member countries expressed a political willingness for their governments to intercede in the fight against poverty and corruption.

Senator Nancy Patricia Gutiérrez of Colombia posed two open questions for the work group session on November 20, 2006:

- Growth in and of itself does not eliminate poverty. Jobs must be created. What is the connection between the two in the fight against poverty?
- The tax burden counters private investment that creates jobs. Taxes should be paid by those with more resources.

RECOMMENDATIONS

Adopted by the Plenary Assembly of FIPA on November 21, 2006

The Plenary Assembly recommends the following:

1. Consolidate growth strategies.
2. Make social spending more effective (by determining who should be given priority).
3. Favour international cooperation among member countries.
4. Work on a political component to poverty reduction. There also needs to be an economic component involving higher taxes for individuals with higher incomes. Economic policies must also have a social component. Employment must be a priority if social transformation is to be achieved.
5. Promote universal education and eliminate illiteracy.
6. Reduce infant morbidity.
7. Assure a healthy environment.
8. Provide training in new job areas.
9. Exchange information on programmes that have proven successful in some countries.
10. Invest in science and technology.
11. Reduce the phenomenon of migration.
12. As lawmakers, find a way to implement the resolutions and initiatives presented by the work groups in our own countries in such a way that they become a binding force.
13. As an ethical imperative for the region, ensure State resources fulfill their mission by fighting corruption and encouraging parliamentarians to propose transparency laws in their countries.
14. Create a work group devoted exclusively to studying how the tax burden affects socio-economic development in the economies of the member countries. The group's mission would be to conduct a study to establish principles and find alternatives that provide a fair and impartial tax system to ensure social development and create jobs by increasing the production and wealth of each member State.

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Chair of Working Group No. 2

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