

**A UN READING OF BRAZIL'S
CHALLENGES AND POTENTIAL**

**COMMON COUNTRY ASSESSMENT
BY BRAZIL'S UNCT
*August, 2005***

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Executive Summary

1. This Common Country Assessment by the UN Country Team (UNCT) provides a synthetic view of Brazil's main potentialities in the social, economic, environmental and political domains, as well as of the critical challenges to their fulfillment. Based on an extended interagency collaborative effort, it aims to help generate a vision of how the UNCT in Brazil can assist the country in overcoming its development obstacles and in providing its people with access to human rights. The analysis is integrated into the context of ongoing efforts to promote the Millennium Development Goals (MDGs).

2. Brazil has enormous potential, but it also faces severe challenges. With the world's fifth largest population and fourteenth largest GDP, it ranks only 63rd on the Human Development Index. Having done much innovative work in promoting human rights, it nevertheless contains a dismayingly large number of people who continue to encounter major difficulties in exercising their citizenship. It is not a poor country but one that is extremely unjust and unequal, and that contains a very large number of poor people. The absolute majority of poor people live in urban areas, as befits an eminently urban country; however, the proportion of people who are poor is more than twice as large in rural areas. The majority of rural poor, as well as the poorest of the poor, are predominantly found in the Northeast, where also the highest levels of inequality are to be found. Poverty is also considerably higher among the black population. These differentials are consistent across the board and are reflected in lower levels of income and education, poorer health, worse employment conditions and higher malnutrition levels among Northeasterners, blacks and rural people.

3. Progressive advances in the education of women resulted in the inversion of that gender gap in Brazil during the 1980s. Gender discrimination is more obvious with respect to the participation of women in the labour market wherein occupational segregation, salary discrimination and higher levels of unemployment and underemployment prevail. Women's movements have made notable inroads into Brazilian national policy through activism for human rights of various orders. In the formal political arena, however, women have been less successful. Despite specific laws establishing quotas for female participation in politics, Brazilian gender inequality in parliamentary seats is the largest in South America and is even greater than the average for Africa. Violence against women continues to be widespread, affecting women from all segments of the population, resulting in enormous personal and aggregate costs.

4. Brazilian society is among the most culturally and racially diverse in the world. Data sources by race are improving; they clearly show that discriminatory attitudes towards the indigenous and black populations persist within Brazilian society. These are apparent at a number of levels in the political, economic and social life of the country. The majority of poor people are black; blacks have a lower education and perform worse than whites in translating education into social mobility; the majority of people targeted by the police are black; moreover, black people have higher infant mortality rates, higher rates of unemployment, and earn less for the same work. They are also significantly under-represented in all positions of power in the State. Thus, they are locked within a vicious circle, wherein voicelessness further feeds poverty, racism and powerlessness.

5. The situation of indigenous people is, in some ways, more complex. There are some 215 different indigenous groups speaking 180 different languages in Brazil today.

For the most part, these are very small societies, with the majority having less than one thousand people. Brazilian policy has centered on the demarcation of land rights for indigenous people on a scale unprecedented anywhere in the world, although their lands are still susceptible to invasion of miners, farmers, loggers and others. In addition, the government has focused on improving the health and educational situation of indigenous populations. The fact that many of these territories include rich biological regions has made the indigenous peoples a chess piece in complex ethno-environmental politics.

6. Brazil is now close to achieving universal education at the lower levels. Within primary schools, the problem for Brazil is now more one of quality than universality, since one fifth of the children who complete the fourth grade still do not have adequate reading or mathematical skills. Repetition and dropout are common. Teachers are often insufficiently qualified and their wages are generally quite low by comparison to the importance of the work they carry out. Illiteracy is still high (12%) in the adult population. Three additional challenges merit special consideration at this time: increasing access to pre-school education, addressing inequalities in access to education, and improving performance of the educational system at the secondary and university level. A greater commitment to quality and to the permanence of children in school, as well as to equity at all schooling levels, are paramount. Given the current ongoing transition in the age composition of the population (the demographic bonus), it is critical that larger and better investments in education, in better schools and better learning, be made now.

7. The implementation of the Single Health System (SUS), in 1988 made health support a basic right of all citizens. Nevertheless, serious health issues remain. Despite recent rapid drops, infant and maternal mortality are still high. Other main health sector problems include increasing levels of mortality from non-infectious diseases, and growing death rates due to automobiles accidents and violence. Thanks largely to the dynamism of women's movements, the exercise of sexual and reproductive health rights has made significant progress in Brazil. Nevertheless, there are still important challenges in that area. Improvements in socio-economic conditions and in the efficacy of health sector treatment have generally reduced the occurrence of transmissible and parasitic diseases, yet some transmissible diseases, such as HIV/AIDS, tuberculosis, dengue and malaria still require urgent public attention. Brazil has received widespread international acclaim because of its efforts in combating HIV/AIDS and of its success in stabilizing the number of new cases. Conversely, non-contagious diseases, such as cancer and cardiovascular diseases, are beginning to increase significantly. Overall, large disparities in health care funding by region and in utilization rates by social groups remain. Many poor households lack regular access to basic services while richer households enjoy access to costly services at public expense.

8. Since 1990, the rate of increase of the labour force has been higher than the number of jobs created. The economically active population in 2003 amounted to 88 million people, of which 8.5 million were unemployed. The current employment problems faced by Brazil are: unemployment, informality, decrease in real wages, gender and racial inequalities at work. Unemployment is particularly high in the largest cities and is linked to the relatively slow growth of the economy, to the low labour component in observed economic growth, to the restriction of credit that accompanies high interest rates, and to the sheer elimination of jobs caused by deregulation and by the restructuring of productive processes in the larger industries, as they reorganized themselves to better compete on the national and international market. Young people,

women and blacks are the most affected by the current labour market problems. Reducing the huge informal sector in Brazil is not a straightforward task, nor one which generates consensus.

9. Equity and human rights are systematically undermined by violence and insecurity. Crime and violence have increased dramatically in recent decades, particularly in large urban areas. Homicides have become the third leading cause of death among men, and the leading cause among young males aged 15-39. Black men have particularly high mortality rates from violent causes. A significant proportion of all deaths stem from interpersonal conflicts and confrontations not linked to other forms of criminality. The incidence of thefts, robberies and aggressions of various types is on the rise. Organized crime, especially drug traffic is on the rise and engenders various types of violence. These gangs cause enormous social and economic damage, through assassinations, arms traffic, terror, fomenting addiction among children and adolescents, and by compromising the legitimacy and viability of Brazilian public institutions. Of particular concern is how the prevailing climate of violence and insecurity will impact on the future of youths, and thus of the country itself

10. Blessed with a strong industrial sector, large agricultural production and rich natural resources, Brazil's economy has undergone structural reforms in recent years, yet has continued to grow slowly in the first years of the 21st century. Social inequality and macroeconomic restrictions, as well as rigidities in respect to productivity, competitiveness and technological development are at the root of this sluggish performance. Substantial foreign and domestic public debts weigh on the country's balance of payments and its public finances. All this has led to persistent unemployment, to declines in real wages and to sluggish improvements in social conditions.

11. Building a dynamic and modern society, creating jobs, establishing social justice and realizing human rights entails vigorous and sustainable economic growth. To this purpose, it is imperative that Brazil moves towards a more inclusive society, in which the rights to food, health, education, housing, employment and security are assured to all citizens. The implementation of a realistic policy of technological development to induce R&D within the productive sectors, and to promote the absorption and dissemination of technologies is also critical. On the other hand, the structural public deficit, accompanied by a costly and large public debt, not only affects the ability of the public sector to invest, and to implement social policies, but is crowding out investment. A consistent reform of the public sector would enable it to effectively focus on its intrinsic missions. Other important government actions are necessary, such as in the recovery and new investment in basic infrastructure, especially in the areas of transportation and energy. In order to improve the environment in which business is being conducted, basic pieces of legislation – such as labour laws – need to be revised. Moreover, a reform of the judiciary is also urgently needed. A more ambitious social security reform would have far-reaching fiscal and equity benefits; some of the savings could bolster social programs and the rest channeled into public investment aimed at the elimination of infrastructure bottlenecks. Promoting the expansion of external markets is also a permanent concern in this context.

12. Improving quality of life and the exercise of human rights by today's citizens is insufficient if the rights of future generations to equal or better conditions are not respected. Brazil has enormous comparative advantages in natural assets and is extraordinarily rich in biodiversity. Environmental legislation in Brazil is now among the

most advanced in the world, however the practical difficulties in its implementation are enormous. There is increasing recognition of the need for better policies and stronger institutions to manage Brazil's natural resources. The Amazon Region, for instance, has already lost 15% of its original forest cover while the Atlantic Rainforest is threatened with total extinction.

13. Some four-fifths of all Brazilians live in towns and cities. Demographic concentration favors the provision of basic services to the population since per capita costs are much lower than in sparsely settled or rural areas. However, past chaotic patterns of city growth in Brazil, wherein urban expansion was unwanted, unplanned and undirected, now present serious obstacles for the improvement of poor people's lives. Brazil's main housing problems relate to the disparity between the income of the majority of the population and the price of rented or own housing, the spatial segregation of poor people in *favelas*, the proliferation of informal settlements, crowding, and the large deficits in the provision of urban infrastructure. The current administration is directing investments in the housing sector to the most needy.

14. Meeting the multiple social, economic and environmental challenges highlighted above, and thus attending to the basic rights of people in each of these domains, requires effective governance at the federal, state and local levels. Many of the major political and fiscal impediments to good governance have been successfully addressed during the last two decades. Nevertheless, the vulnerability of the system to political turbulence and institutionally based turmoil periodically surfaces, emphasizing the continuing need for adjustments and reform. The current political and electoral structures favor distortion. These types of problems greatly reduce the capacity of the executive and legislative bodies to effectively address critical national problems and to attend human rights. It particularly affects the capacity to address the huge inequalities between the rich and the poor since policies addressing extreme poverty and exclusion have a fragmented political support base and decision-making locus. Several measures are being adopted to improve the quality of policy implementation.

15. The role of the judiciary, particularly in creating juridical security through the fair and transparent application of laws, is critical for attracting investment and guaranteeing citizens' rights for all. However, at the present time, Brazil's judicial system is still a major constraint to the furtherance of a democratic and just society. Recent analytical work shows low efficiency of the judicial system in resolving conflicts. A large number of processes of equal content concentrated in the higher courts suffocate decision-making. The low conviction rates and the common perception of areas of impunity indicate that the criminal justice system needs a serious makeover. Confronting these several and interrelated impediments to good governance and to the exercise of full citizenship is one of the greatest challenges that faces Brazil in the future.

16. The government is committed to making drastic improvements in the well-being of its people and is aware that compensatory social programs, by themselves, are insufficient for this purpose. Interlinked and complementary initiatives in the social, economic, political and environmental domains are essential in order to take the next step towards sustained and equitable development. Demographic conditioning factors, in terms of growth, age composition and spatial distribution are favorable to such efforts but the window of opportunity is limited.

17. Overall, the complex challenges of increasing income, reducing disparities, eradicating poverty and hunger ultimately require a concerted effort in various spheres. In the economic domain, it is essential to promote a model of development that combines growth with the generation of decent employment and income – not an easy task in today's context of globalized competition. At the core of this transformation are policies capable of generating quantum advances in education, technological development, personal security and governance – through political and judicial reform. Social policies to help eliminate diverse forms of inequalities, such as more vigorous policies against racism and all forms of discrimination, the extension of social security to workers in the informal economy, the elimination of subsidies to higher income retirees, as well as changes to the indirect tax system, would also be critical.

18. Helping Brazil tackle the challenges of developing a more inclusive, competitive, democratic and sustainable society is itself a formidable task. On the plus side, the current historical moment is highly propitious for international cooperation to help Brazil overcome its negative heritage, and to move towards the enactment of human rights through social and economic progress for all. The UNCT's next step will now be to define how best to assist the most vulnerable populations, whose rights are most often violated, to strengthen the capacity of right holders to claim their rights, and to enhance the capacities of the Duty Bearers to respond to these demands. A division of labour based on the identification of common causes and the formulation of shared strategies to address the social, economic environmental and political issues outlined herein will be established through the UNDAF process.

INTRODUCTION

1. Long touted as the country of the future, Brazil undoubtedly has enormous potential, but it also faces severe challenges. The political crisis it is confronting at this very moment is symptomatic of the country's promises and pitfalls. Depending on the road it takes to overcome this predicament, it could emerge with a stronger organization and a greater capacity to realize the basic rights of its population; or, it could end up with weakened governance and prospects of an enduring institutional imbroglio that would inevitably accentuate existing inequalities.

2. This Common Country Assessment provides a synthetic view of Brazil's main potentialities in the social, economic, environmental and political domains, as well as of the critical challenges to their fulfillment. The discussion of potentialities and challenges is delivered in the context of ongoing efforts to promote the Millennium Development Goals (MDGs); specific attention is thus centered on Brazil's progress in achieving the MDGs' targets. Moreover, concern with enhancing the exercise of human rights serves as the over-arching framework for the discussion. The analysis of development challenges in the CCA focuses on the main structural causes for the non-realization of human rights – poverty, social, racial and gender inequality, and insecurity – within the comprehensive legal framework established by the Brazilian State and ratified in international treaties (cf. [Annex 1](#)). It examines some of the main initiatives undertaken by Brazilian society to overcome challenges and addresses the critical gaps that still need to be bridged by Duty Bearers in order to realize the human rights of the Brazilian population. Suggestions and recommendations are also aimed at supporting institutional efforts in this direction.

3. As part of the common country programming process, this CCA also aims to help generate a vision of how the United Nations Country Team (UNCT) in Brazil, by taking into account national priorities and evolving cooperation needs, can assist the country in overcoming its development obstacles and providing its people with access to human rights. The CCA process in Brazil has clearly demonstrated (as will the subsequent preparation of UNDAF - United Nations Development Assistance Framework) the need to rethink the strategic loci of intervention of the UN System in light of changing roles, national execution, different funding arrangements (cf. [Box 1](#)), and new government demands, if it is to continue playing a clear and substantive role in the country.

4. Since late 2004, when an ad hoc working group was set up to undertake an institutional qualitative diagnosis of the UN system, much discussion has taken place in Brazil in an effort to understand the role and potentialities for improving the contribution of UN agencies and advance the construction of the CCA and UNDAF. A theme group formed by members of 14 agencies (including heads of agencies who took part in the UNCT Orientation Workshop in Panama, January 2005) was established and has met regularly, having held 9 meetings and a Human Rights Based Approach Workshop¹ since April 2005. Given the daunting task of assessing Brazil's development progress and of covering the wide array of existing information sources, two consultants were hired to help craft the CCA; they received guidance from theme group members and heads of agencies at all stages. Main references recommended and used in this document include not only UN agencies reports but, to a large degree, government-led materials and reports (see list of references in [Annex 4](#)). This, plus the

¹ Although carried out at a late stage in the preparation of the CCA, in mid August, the Human Rights Based Approach Workshop provided useful guidelines that will be incorporated in the UNDAF process.

involvement of government representatives since the beginning of the process, will certainly contribute to the national buy-in and towards a more effective programming process.

5. The suggestions that this CCA put forward to inspire the preparation of the UNDAF are, perforce, preliminary. Clearer identification of the areas in which UN agencies shall ultimately concentrate their efforts remains a challenge, given the variety of compelling issues and the need to redefine structures of international cooperation. Indeed, overcoming these difficulties will require further dialogue within the UN System as well as with national partners: the forthcoming steps in the UNDAF preparation process will offer ample opportunity for such interaction.

Box 1 – Recent changes in development cooperation in Brazil

Over the 80's and 90's, Latin America was one of the regions most affected by the reductions in core-resources from the UN system. Consequently, countries in the region led a process of operating under new execution modalities and funding arrangements, such as national execution and cost-sharing.

National execution (NEX) can be characterized as the culmination of a lengthy process of translating the desires of recipient countries of technical co-operation for increased involvement in UN programmes. Although it entails providing more responsibility to national executing agencies (and local personnel) as well as reducing the UN system's capacity to substantially contribute to project implementation, it can be argued that the NEX model in Brazil has led to more efficient project implementation and ownership of programmes on the part of the Government.

It is believed that much of the success of the NEX in Brazil is due to the fact that it is intrinsically related to another feature of the Brazilian model, the cost-sharing/co-funding modality, through which a programme country government allocates its own funds (including the proceeds of a loan from an IFI) as a contribution to a programme or project supported by a UN organization. During the 90's, cost-sharing arrangements grew exponentially and the proportion of core to non-core resources became more uneven to the majority of UN system organizations.

However, the major risks in cost-sharing arrangements and national execution are that, in addition to losing leverage, more emphasis is sometimes placed on guaranteeing programme funds than on contributing substantively to project implementation.

In spite of criticism, NEX has enabled programmes to be executed more efficiently and in line with the Brazilian Government's main policy goals and priorities. This has increased a sense of ownership while at the same time has built capacity in the country. Likewise, co-financing arrangements have enabled the implementation of an important development agenda in the country.

In the last three years, the Brazilian Federal government has modified regulations and procedures for cost-sharing and national execution projects. It has strived to concentrate these funds in projects with activities that bring more direct contribution from international organizations. More permanent components of the former cost-sharing projects have been transferred to national institutions' staff and their regular budgets. These changes challenge how current international technical cooperation is to be carried out with federal government institutions, while the agencies are encouraged to seek new partnerships with state and local governments as well as with private organizations.

THE CONTEXT²

6. Brazil has the world's fifth largest population and fourteenth largest GDP, but it ranks only 63rd on the Human Development Index. A country which has done much innovative work in promoting human rights (cf. [Box 2](#)) and in bringing the law to life, it

² Differences between regions, in terms of economic activity, income, demography, environment, social and political issues are obviously enormous in a country the size and heterogeneity of Brazil; such disparities are, unfortunately, not amenable to analysis in a synthetic overview analysis such as this.

nevertheless contains a dismayingly large number of people who continue to encounter major difficulties in exercising their citizenship. A staunch defender of international efforts in the eradication of hunger and poverty, as well as in the enhancement of human rights, Brazil still has huge contingents of poor, hungry and oppressed people. Despite profound political, economic and social reforms, inequality remains a central national characteristic. The vision of a more equitable, inclusive, competitive and sustainable country, such as proposed by recent administrations, has encountered structural impediments and deeply-ingrained historical impasses. Civil society in defense of human rights is exceptionally strong, yet governance issues continue to be paramount. At this very moment, charges of multifaceted corruption at the federal level are under investigation. These inevitably affect the country's image and potential for competitiveness, but they also present an unparalleled opportunity for structural reform that will enable the country to fulfill its potential.

Box 2 – Brazilian policies for refugees

Despite its huge social problems, the Brazilian Government has displayed an outstanding solidarity towards refugees. The national law 9474, promulgated in 1997, regulating the rights of refugees and asylum seekers, provides for access to basic services (education and health) as well as the right to work, to all refugees and asylum seekers on Brazilian soil. Furthermore, Brazil introduced the concept of Solidarity Resettlement in the regional agenda, whereby 154 refugees facing threats to their physical safety in the first asylum countries (mostly Colombian refugees in Ecuador, many of whom are women at risk) have already resettled to Brazil, where they were able to benefit from the protection of the Brazilian Government and restart a new life. Brazil presently hosts some 3,000 refugees, of whom 80% are from Africa and 66% are from Angola.

7. Brazil's population is reaching the 180 million mark and its demographic structure presents several positive facets, as shown in [Box 3](#). With a strong industrial sector, large agricultural production, and rich natural resources, Brazil's economy far outweighs that of other South American countries: its GDP is more than three times larger than the combined GDP of its three Mercosul partners. Brazil is expanding its presence in world markets and can be expected to generate an increasingly substantial impact on the world economy. The country's GDP has swelled from US\$282 billions in 1982 to 604 billions in 2004. Meanwhile, the structure of economic activity has been drastically altered: the proportion of the GDP generated by agriculture decreased from 9 to 6%, industry went from 46 to 21%, while services increased its proportion from 45 to 73%, during the 1982-2002 period. GNI per capita was calculated at US\$2,720, and PPPGNI at \$7,510 in 2003³.

Box 3 – Brazil's Demographic Realities and Potentialities

Brazil's population was only 17 million at the beginning of the 20th century. However, after several decades of immigration, followed by a half-century of rapid natural increase, the country reached 170 million at the beginning of the 21st century, and it is expected to surpass the 200 million mark by 2015. Nevertheless, it is important to note that the period of rapid population growth has passed. The country's fertility rates will, in the foreseeable future, be lower than the replacement level and the country's population will only continue to grow during coming decades -- at a much slower rate -- due to demographic inertia.

During the last fifty years, Brazil accomplished both an extraordinarily rapid fertility transition and an equally rapid urban transition. As a result, current patterns of age composition and population distribution have important and positive implications for Brazil's development perspectives. Due to its recent rapid

³ From *World Bank Development Indicators, 2005*. • GNI per capita is gross national income divided by midyear population. GNI per capita in U.S. dollars is converted using the World Bank Atlas method. • PPP GNI is gross national income converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States.

fertility decline, Brazil is currently undergoing important changes in its age composition. It is now at a stage wherein the dependency ratio is low and labour force growth is high. The proportion of the population under the age of 15 is decreasing year by year, while the number of persons aged 60 or more is starting to increase gradually; life expectancy has slowly been raised from 50 years in 1960 to almost 70 at the present time.

Meanwhile, the proportion of the population living in towns and cities has shifted from 36.2% in 1950 to 81.2% in 2000, making Brazil an eminently urban nation. This transformation was produced by policies that concentrated land, as well as by rapid demographic growth and modernization, especially between 1950 and 1980; the combination of these factors prompted many migrants to search for a better life in the cities. Today, 45% of the Brazilian population lives in a city of over 500 thousand people. Given the fact that cities are the driving force in development today, an advanced urban network and a high level of urban concentration are important trumps for Brazil in the globalized economic competition.

Brazil has some 35 million youths aged 15 to 24 years old, making up more than 20% of the country's population. These young people are undergoing a transition from childhood to adult life and experimenting critical biological, psychological, social and cultural changes. Young people are in an extremely vulnerable situation, as expressed in headlines on the statistics of violence, unemployment, undesired and precocious pregnancy, lack of access to good quality schools or to cultural and leisure opportunities.

8. Despite such advantages, economic reforms, and despite trade liberalization, privatization, the reduction of chronic high inflation and the adoption of new behavior patterns by government, entrepreneurs, and workers, growth has continued to be slow in the first years of the 21st century. Social inequality and macroeconomic restrictions, as well as rigidities in respect to productivity, competitiveness and technological development are at the root of this sluggish performance. Substantial foreign and domestic public debts weigh on the country's balance of payments and its public finances. All this has led to persistent unemployment as well as to declines in real wages over six of the last seven years.

9. In social and political terms, the advent of the New Republic in 1985, ending a 21-year military regime, marked the beginning of the current era. Social movements, including women's rights and pro-democracy movements had already sprouted under the military dictatorship but the scope of democracy was broadened considerably thereafter. The emergence of new social actors, the revitalization of electoral competition, and the attempts to redeem the country's accumulated social debt amplified popular demands. The 1988 Constitution consolidated the principles of universalization and decentralization, enhanced partnerships between government and social movements, promoted greater autonomy of federal entities, broadened social rights and improved the exercise of human rights. Nevertheless, the social reformism of the post-Constitution period was less successful in the implementation of social programs, coming up against both economic restrictions and corporative distortions. Persistent high levels of inequality – between men and women, between white and black people, and between regions – still constitute a formidable obstacle to the exercise of human rights. Meanwhile, current events highlight the need for further political reform, in addition to tributary, judiciary and other amendments. This is the background against which the UNCT must define its future path in Brazil.

TOWARDS A MORE INCLUSIVE AND EQUALITARIAN BRAZIL

10. Brazil is committed to making drastic improvements in the well-being of its people. It is aware of the fact that this will require more equitable growth and more

rapid social progress. The country has expanded the coverage, quality and efficiency of its education and health systems, and strengthened its safety net. High priority social initiatives, such as efforts to eradicate hunger, eliminate child and forced labour, combat gender and racial discrimination, promote youth employment and unify social transfer programs for greater effectiveness in reducing poverty (such as Bolsa Familia – cf. [Box 5](#)) have been adopted. The country's commitment to comprehensive anti-poverty measures survived two recent bouts of international economic turbulence and domestic energy crisis. Yet, in spite of considerable efforts, inequality remains among the world's highest, and best epitomizes the continuing social challenges facing the country.

Eradicating Extreme Poverty and Hunger

11. Quality of life in a market economy is undoubtedly tied to income. It has often been repeated that Brazil is not a poor country but one that is extremely unjust and unequal, and that contains a very large number of poor people. Its per capita income is that of a middle range country, but the proportion, and number, of poor people is unacceptably high. Nevertheless, the MDGs' first target, of halving the proportion of people whose income is less than \$1 PPP a day, between 1990 and 2015, is well within reach: this proportion has already fallen from 11.6% in 1992 to 7.3% in 2002. Another positive sign is that the share of national income appropriated by the poorest 20% of the population rose from 3% to 4.2% between 1992 and 2002. The increases in income were greatest in the poorest section of the country, the Northeast region. Economic stabilization under the *Plano Real* in 1994, the increase in the real value of the minimum wage since 1995, and the steady expansion of social programs were major factors in these improvements. Income transfers, particularly through the Social Security and Social Assistance Programs, have also been critical.

12. Nevertheless, the number of Brazilians living in conditions of extreme poverty (defined as the population having a household income of less than one-quarter of the minimum wage per capita) was estimated in 2003 to be over 20 million – more than twice the size of Portugal's population. The total number of poor people in the country (defined as the population having a household income of less than one-half of the minimum wage) was estimated at 54 million people in 2003, larger than the combined total population of the three other Mercosul countries (Argentina, Paraguay and Uruguay). Moreover, the distance between the very poor and the rich in Brazil has not changed: the richest 20% have an income that is 30 times larger than that of the poorest 20%. The Gini index remains at 0.56, which makes Brazil one of the five most unequal societies in the world. The proportion of poor people is highest among rural people, blacks and residents of the Northeastern region, as explained in [Box 4](#).

13. Brazil's efforts at achieving Target 2 of the MDGs – halving the proportion of people who suffer from hunger - has to be set within the context of the important advances that had already been made against malnutrition in the country, prior to the MDGs' benchmark year. Between 1975 and 1996, for instance, child malnutrition fell by 70%, thus placing Brazil at the same level on that indicator as countries that traditionally have had a better nutrition performance.

Box 4 – The Concentration of Poverty

The absolute majority of poor people live in urban areas, as befits an eminently urban country; however, the proportion of people who are poor is more than twice as large in rural areas (57%) as in urban areas (27%). The majority of rural poor, as well as the poorest of the poor, are predominantly found in the Northeast, where also the highest levels of inequality are to be found. Many lack basic services such as electricity, access to paved roads or sufficient water for human consumption and crop irrigation. On the other hand, rural areas are somewhat sheltered from fluctuations in economic growth rates and have benefited from improvements in social policy and program delivery. In particular, the extension of social security benefits to rural people had a huge impact on the reduction of rural poverty. Brazil has made progress in improving the distribution of land ownership and securing property rights for rural landowners. Land reform programs, community-based approaches to increase access to land and increase productivity, as well as low-cost basic services, have all played a role. Nevertheless, the landless movement is placing pressure on the government to take more vigorous action.

Poverty is also considerably higher among the black population. Some 86% of the richest 1% of Brazil's population are white, while 65% of those in the lowest 10% are black. Overall, the probability of a black person being in the poorest income strata (i.e. - households with less than half a minimum wage per capita) is twice that of a white person; moreover, there are indications that this gap is widening. Black people in the richest regions (South and Southeast) are better off than those in the poorest regions, but their income inferiority by comparison to whites within the richest regions is larger.

Although harder to measure, gender differences and child/adult differentials in access to resources within households are widely accepted to be significant. High unemployment among youths also is linked to higher poverty levels at the younger ages. Higher fertility in poorer households also leads to a higher proportion of the poor among the lowest age groups than in the overall population.

The higher fertility of poor people contributes to the reproduction of the poverty cycle. Although aggregate fertility is now low, pockets of high fertility are still found among the lower income and least educated women in Brazil. The lowest income group, made up of 6.5 million women, had an average fertility of 4.6 children in 2000, compared to 2.4 for all women. Lack of access to reproductive health services and rights, rather than large family preferences, are at the root of this pattern. The result is the faster growth of the poor than non-poor groups, thus putting greater pressure on social programs, and a relatively lower capacity of poorer people to invest in their offspring's health and education.

14. An important part of this decline can be explained by the process of urbanization and by the policies enacted in the areas of health, sanitation and food distribution that were implemented during that period. Brazil adopted a battery of high-visibility policies and programs during the 1990s to face the problem of food insecurity. (Cf. [Box 5](#)) These also included solidarity campaigns, agrarian reform, support to small-scale agriculture, income-generation programs, and food distribution programs, such as school meal programs.

Box 5 – Flagship Social Programs under the Present Administration

The Zero Hunger Program is directed to strengthening and improving the assortment of actions that attempt to guarantee the right to adequate food intakes and to help reduce poverty. The Program aims its interventions at the level of the root causes of hunger, with complementary programs in the areas of mobilization of civil society, income and employment generation, access to food, and emergency programs for the more vulnerable groups.

Within this context, the Bolsa Família Program is at the heart of the country's current efforts to reduce poverty and hunger. It associates the transfer of financial benefits with access and fulfillment of basic social rights in health, education, and social assistance, and intends to provide 11.2 million poor families with monetary benefits by 2006.

Also part of the Zero Hunger Program, the Food and Nutritional Security Program has developed actions that range from purchase of goods produced by small farmers, setting up of restaurants with accessible prices for the poor and improvement of lunch provided at public schools. Zero Hunger also includes initiatives for construction of water tanks, ensuring provision of water in poor communities in the Northeast, and support to family agriculture.

A similar program provides benefits to families for withdrawing children and adolescents from the worst forms of child labour and inserting them at school. The Program for the Eradication of Child Labour (PETI) provides assistance to approximately 980 thousand children.

15. Despite these advances, hunger is still prevalent in Brazil, as evidenced by the existence of one million underweight children and the fact that more than 10% of all children suffer from stunted growth. Malnutrition leaves schoolchildren unable to concentrate at school and adults unable to work. Malnutrition levels are significantly higher on all indicators in rural areas, especially in the North and Northeast regions. What is most frustrating is that hunger in this country is, above all, a question of inequality in access to food: Brazil produces considerably more food than is necessary to attend the nutritional needs of its population. Indeed, overeating and inadequate diets have resulted in the fact that 41% of the population are considered overweight and 27% are obese. A significant part of the obesity problems are evidently linked to poverty and the consumption of cheaper flour-based foods.

16. The complex challenges of increasing income, reducing disparities, eradicating poverty and hunger ultimately require a concerted effort in the economic, political and social spheres. In the economic domain, it is essential to promote a model of development that combines growth with the generation of decent employment and income – not an easy task in today's context of globalized competition. Social policies, such as the ones being implemented now in Brazil, are essential to help eliminate diverse forms of inequalities and to provide poor people with better realization of their rights to education, health, jobs and income. Other policies, such as the extension of social security to workers in the informal economy and reforms that eliminate subsidies or privileges to higher income retirees, as well as changes to the indirect tax system, would be critical. Moreover, more vigorous policies in favor of education for all, as well as against racism and all forms of discrimination, would cut inequity significantly. Finally, at the political level, enhanced social participation leading to the empowerment of poor people, through the effective exercise of their human rights and their ability to choose, monitor and evaluate the actions of the duty bearers is critical. Capacity building of civil society (workers' and employer' organizations, NGOs, municipal council members, etc) to ensure the full implementation of human rights agreements is also crucial.

Promoting gender equality and the empowerment of women

17. Progressive advances in the education of women resulted in the inversion of the educational gender gap in Brazil during the 1980s. Thus, the MDGs' fourth target – of eliminating gender disparity in all levels of education – has already been clearly surpassed in this country. Evidently, lack of educational achievement is not the primary obstacle to gender equality here since young men – especially if they are poor and/or black - are much more likely to abandon school earlier in order to look for work. Nevertheless, niches persist in higher education where women are more highly concentrated in the social sciences and men in the exact sciences.

18. Discrimination is more obvious with respect to the participation of women in the labour market. Women's participation in the labour force has been increasing since 1970, such that, by the year 2000, the rate exceeded 60% among women aged 20 to 50. Nevertheless, rates of female participation are still 20 points lower than for males.

Even more importantly, occupational segregation and salary discrimination reflect marked gender differences in the structure of the labour market. Although the range of jobs occupied by women has been growing, there are still occupational niches of low prestige, power and salary that concentrate much of the female labour force. Chief among these are domestic services, where 95% of the sector is made up of females. In turn, gender prejudices (as well as gender differences) reduce women's access to managerial positions and dictate lower salaries for women in the same jobs; moreover, the higher the educational level, the larger the gap. Women are also much more likely to be found in the informal sector, in home-based activities and in unstable jobs. Moreover, women also face higher unemployment and underemployment rates.

19. The participation of women in the political arena is particularly limited. Women's movements have made notable inroads into Brazilian national policy through activism for human rights of various orders, particularly at the time of the 1988 Constitutional reform. Their impact has been particularly remarkable in the health domain, and especially in reproductive health, wherein activists have been responsible for the adoption of a rights-based approach to sexual and reproductive health, and have also acted as a permanent regulator of their implementation.

20. In the formal political arena, however, women have been less successful. Despite specific laws establishing quotas for female participation in politics, Brazilian gender inequality in parliamentary seats is the largest in South America and is even greater than the average for Africa. Only four women have ever governed a state in the history of Brazil. Moreover, women constitute less than 10% of all elected representatives at the federal level, and 6% of all municipal mayors. As of July 2004, none of the 20 Permanent Commissions in the Chamber of Deputies was presided by a woman, and only one of eight Senate Commissions had a female president. The proportion of women among federal civil servants is high but diminishes drastically in the higher positions of power.

21. Altogether, the magnitude and complexity of persistent gender inequalities witnessed in Brazilian society demand that this issue be mainstreamed into public policies related to poverty reduction, employment generation, access to health and education, housing, etc. The ratification of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the creation of a Special Secretariat for Women's Policies (SPM) in 2003, with ministerial status, the National Conference of Women held in 2004 and the formulation of a national plan are undeniably advances in the promotion of gender equity. The establishment of the Tripartite Committee to Combat Gender and Race Discrimination in Employment is an important instrument for fostering equality in the labour market.

Box 6 – Violence Against Women

Violence against women continues to be widespread, resulting in enormous personal and aggregate costs. Nevertheless, gender violence is still condoned in some segments of Brazilian culture, particularly if it involves marital infidelity. The most common form of violence against women is that practiced by a marital partner and involves both physical and psychological violence, as well as sexual abuse. Non-domestic forms of violence against women are also common, but the complete picture is still not clear since the majority of abuse cases are never formally denounced to the authorities.

Special law enforcement units have been created to attend the needs of women, but these still cover only 10% of the national territory. Even geographically limited studies suggest that gender-based domestic violence affects women from all segments of the population. While those from poorer groups are more likely to make use of these special facilities, more educated women tend to seek support from lawyers and/or therapists. The fact that women are seeking help for gender-based violence reflects a growing acquaintance with their rights and a self-empowerment to face society's prejudice and stand up against this still largely

accepted cultural practice. An additional complicating factor stems from the lack of understanding and adequate training for the people who attend the victims of domestic violence, whether in the law enforcement or health sectors. Several NGOs have had an important role in supporting work against domestic violence. However, legislation in this domain has shown little progress in recent years, despite the creation of national programs against domestic violence. Various federal entities and programs, notably the Special Secretariat for Women's Policies, have been created at the Federal level to promote the equality of women.

One of the worst forms of violence and human rights violation is the trafficking of women and children for commercial purposes of sexual exploitation. The ratification of the Palermo Protocol by Brazil will lead to integrated actions to combat it.

Racial and Ethnic Discrimination: Reducing Exclusion and Vulnerability

22. Brazilian society is among the most culturally and racially diverse in the world; this represents a potentially decisive factor in national development efforts and has been given recognition as a common heritage of humanity. Such diversity was achieved through the blending of various ethnic groups stemming from very different social circumstances: the native Indigenous people, European colonizers, Africans brought to Brazil as slaves, and later, waves of immigrant workers from such diverse origins as Europe, North America, Japan and Latin America.

23. Despite this blending, Brazilian society has developed specific discrimination practices and racism. The historical conditions governing the integration of colonizers, natives and slaves were characterized by structurally determined patterns of dominance and subservience, as well as steep differentials in access to basic rights. Remnants of these differences persist in the form of multifaceted discrimination to this day.

24. Such differences are often reflected in flagrant abuses of human rights, particularly as to equality, nondiscrimination, and the right to dignity. Outside Africa, no other country has such a large black population. Close to half of Brazil's 170 million population are black people (i.e. - Afro-descendants, a category which, in this text, following Brazilian practice, includes black and mestizo populations), yet these groups are almost totally absent from positions of power - at all levels of government, from congress, the senate, the judiciary, the higher ranks of the civil service and the armed forces.

25. Data sources by race are improving; they clearly show that discriminatory attitudes towards the indigenous and black populations persist within Brazilian society. These are apparent at a number of levels in the political, economic and social life of the country. Such discriminatory attitudes concern, inter alia, the right to life and security of person, political participation, access to education and employment, access to basic public services, the right to health, to decent housing, land ownership, land use and law enforcement. The most excluded and vulnerable groups in the country are black, as confirmed by sectoral data presented in the different chapters of this report. The majority of poor people are black; blacks have a lower education and perform worse than whites in translating education into social mobility; the majority of people targeted by the police are black; moreover, black people have higher infant mortality rates, higher rates of unemployment, and earn less for the same work. They are also significantly under-represented in all positions of power in the State. Thus, they are locked within a vicious circle, wherein voicelessness further feeds poverty, racism and powerlessness.

Box 7 – Slow Progress Towards Racial Equality

Part of the underlying problem with race in Brazil lies in the unwillingness of established elites to recognize race as an issue and the enduring fantasy that Brazil is a racial paradise. Proof that there is a basic stigma involved is the fact that black people are still reluctant to define themselves as such. Nevertheless, in the last 30 years, the black movement has made important progress towards the defense of the rights of black people in Brazil. Some programs and policies currently being implemented by the federal government, such as the creation of the Special Secretariat for the Promotion of Racial Equality Policies (SEPPIR), the realization of the National Conference on Racial Equality held on 2005, and the implementation of affirmative action, are the result of proposals made by the black movements. Efforts to ensure that development resources reach the most disadvantaged are, however, still hampered by the lack of indicators disaggregated by race.

Legislative provisions in Brazil's constitution, and the country's ratification of the International Convention on the Elimination of All Forms of Racial Discrimination, make racism a punishable crime in Brazil. However, too few among police, prosecutors and judges recognize the seriousness of racial discrimination in the criminal justice system, and little attention has been paid to the possibility of finding civil remedies for racial discrimination. Few black people have the education or economic resources to pursue their rights in the face of such discrimination. Consequently, few racial discrimination cases actually come to court, and fewer offenders are actually punished. Such historically accumulated disadvantages of the black population will only be dispersed if society makes eradication of racism a central priority.

26. The situation of indigenous people is, in some ways, more complex. There are some 215 different indigenous groups speaking 180 different languages in Brazil today. For the most part, these are very small societies, with more than two thirds of the groups having less than one thousand people. They are the remnants of populations numbering in the millions who inhabited large portions of land before the arrival of Europeans, and who were decimated by attacks on their territories, by slavery, by deportation and assimilation schemes, by European-borne disease, and by wholesale massacres.

27. The interaction between indigenous societies and the "white world" has become increasingly complex during the last three decades. Altogether, it is estimated that there are some 410,000 indigenous people living in demarcated areas today. Their rate of growth is superior to that of any other ethnic/racial group. Around two-thirds of this population is concentrated in the Amazon region. The indigenous people that have survived in other regions are generally separate units living in very small territories. Another 30,000 or so are living in urban areas, often in conditions of extreme poverty.

28. Official Brazilian policy has centered on the demarcation of land rights for indigenous people. Unprecedented anywhere in the world, this policy has demarcated one million km², amounting to 12.5% of the national territory for indigenous populations, particularly in the Amazon region. Many of the territories classified as of rich biological importance are located within these areas. This has made the indigenous peoples a chess piece in complex ethno-environmental politics and in the discussions of the appropriate model of economic-environmental stewardship of their lands' natural resources.

29. There has been a prolific increase in the number of "civil organizations" who are developing all sorts of projects on indigenous territories. These lands have also been coveted by miners, farmers, loggers and others who periodically invade them with the intent of putting them to more "productive" uses. Although Brazil ratified the ILO Convention concerning Indigenous and Tribal Peoples in Independent Countries, indigenous societies face not only the traditional problems of territorial control and full citizenship rights, but also new challenges of ensuring access to financial resources for social, health and education programs adjusted to their cultural reality.

30. Since the indigenous groups are much less numerous and more culturally/physically distant, and since civil organizations are their main interlocutors, their plight only comes to public attention during times of crisis. Given their current situation, the issue may be less about discrimination per se, in the sense that the latter affects black people, and more about ethno-environmental causes and tutelage: how to organize effective but non-paternalistic social protection for indigenous peoples.

31. The Brazilian government recognizes the problems faced by indigenous groups. In fact, infant mortality among indigenous children in average are as high as 60 per 1,000 live births and 21,46% of indigenous school-age children are not enrolled in primary school. In addition to land grants, the government has focused on improving their health and educational situation. The National Health Foundation (Funasa) has focused on improving drinking water, vaccination campaigns and medical assistance. The government is also promoting affirmative actions to provide university access to indigenous people and is advocating the approval of The Universal Declaration of the Rights of Indigenous People within the UN, and The American Declaration of the Rights of Indigenous People within the OAS.

Improving Educational Performance

32. Education has proven to be a decisive pre-requisite to social, political and economic development and to the effective exercise of human rights. Investments in education have extraordinarily high rates of social return and increase employability. At the aggregate level, an educated population is essential for a society to participate effectively within the framework of globalized economic competition. Countries that have invested most in education over the long term are generally among the most competitive. At the individual level, education is itself a basic right and a fundamental asset for successful insertion into society. Moreover, it is essentially through education that people can acquire and exercise their economic, social and political rights. Effective participation in a democratic society requires an increased capacity to absorb and process information. Thus, investment in youth fundamentally determines the future course of society.

33. Within this mindset, it is encouraging that Brazil has made great strides and is now close to achieving universal education at the lower levels. Thus, if focus is placed on the 700,000 children who are currently not going to school and are the most difficult to reach, it will have no difficulty in meeting the MDG's third target of ensuring that, by 2015, all children will be able to complete a full course of primary schooling. There has been a massive expansion in enrollment at the lower levels; as of 1980, some 80% of children between the ages of 7 and 10 were in school; this increased to 97% in 2002. Such gains, achieved despite modest levels of economic growth during the period, resulted from several factors: policy changes aimed at decentralization that led to increases in the supply of public schooling; an absolute yearly decline in the number of children entering school ages due to past rapid reductions in fertility, and; strong federal initiatives to boost enrollment, including programs guaranteeing funding per child, such as Bolsa Família. More children are now in school, parents and communities have more influence in the education system, more resources are being

made available to disadvantaged groups and more adults are able to acquire new skills.

34. Within the primary schools, the problem for Brazil is now more one of quality than universality, since an expressive segment (19%) of the children who complete the fourth grade still do not have adequate reading or mathematical skills. This attests to the irregular quality of primary school education, for which local municipalities - whose resources vary considerably across the country - are responsible. High enrollment rates also conceal the fact that there are still over 700,000 school-age children who are not going to school because they live in distant rural areas, are victims of sexual exploitation or child labour, or are disabled. Repetition and dropout are common; in 2003, some 2.8 million children dropped out of school before the end of the year. Teachers are often insufficiently qualified and their wages are generally quite low by comparison to the importance of the work they carry out.

35. Hence, despite increases in enrollment, as well as in school grade promotion rates, and despite a reduction in regional differences on access and quality of education, there is still much to be done in terms of ensuring the right to quality schooling, given the huge social and regional inequalities prevailing in Brazil. Despite huge drops in illiteracy over the last few decades, it is still high (12%) in the adult population, particularly in rural areas, in the Northeast and in the black population. On the positive side, 96% of youths aged 15-24 were deemed to be functionally literate, as compared to only 84% for the entire population aged 15 and over. On the downside, there are still one million Brazilian youths aged 15-24 who are considered to be illiterate.

Box 8 - Remaining Challenges in education

Guaranteeing universal primary schooling can be considered as a first step in preparing future citizens for the full exercise of their human rights. Three additional challenges merit special consideration at this time: increasing access to pre-school education, addressing inequalities in access to education, and improving performance of the educational system at the secondary and university level.

Investment in education should start even before primary education. Studies on human development, personality and intelligence construction, as well as on learning capacities show the vital importance of education during the first life cycle of the child. Only 37.7% of children aged 0 to 6 in Brazil have access to day-care centers or pre-school institutions. This situation has a negative impact on the development of the child, as well as on the life of the mothers who need to participate in the labour force.

Illiteracy in urban areas is more than twice as prevalent among blacks as among whites, and reaches high levels in most Northeastern states. Moreover, for the workforce to be globally competitive, Brazil needs more secondary school and university graduates. The average number of years spent in school by the white urban population is 8, compared to 6.2 for urban blacks. The average number of years of schooling for the entire Brazilian population is low (6.4 years) and further minimized by repetition; only 9% of youths aged 18 to 24 are in school. Altogether, only 9.8% of the population attend university. Yet, the situation is much worse for the black population: only 3.8% attend a university, compared to 15.5% for whites.

The long term key to reducing inequity and increasing low worker productivity is improvement of the secondary school system. Studies show that repetition is a bigger problem than access; this is linked to issues of quality and equity. To improve this situation, municipalities need to strengthen weaker schools. This requires developing set standards to help monitor and improve equity across schools, directing capital spending and teacher training to struggling schools and improving the salaries of teachers. Federal incentives to municipalities for the purpose of expanding preschool programs for poor areas are warranted. Greater educational access for poor rural students and for urban students in grades 9 to 11 will have to be promoted. To achieve this expansion in coverage and quality of schooling, other approaches such as night-time schooling, distance learning and collaboration with private schools should be encouraged. Mobilization of installed capacity in communication (TV, radio and the Internet) will be essential for widening coverage and improving the quality of teaching/learning materials. In short, a greater commitment to quality and to the permanence of children in school, as well as to equity at all schooling levels, are paramount.

36. Given the current ongoing transition in the age composition of the population (the demographic bonus, cf [Box 10](#)), it is critical that larger and better investments in education, in better schools and better learning be made now. Appropriate goals, content balance, good use of time, adequate teaching methods, first language instruction, systematic reliable and timely learning assessment, national provision of textbooks, safe and welcoming learning environments, and investing in teachers' recruitment, training and conditions of service with limited means, are all key policy areas that should be addressed to achieve quality education for all in Brazil. Critical policy reforms underway include: the expansion of funding for secondary education; improvement of teacher skills; measurement of school quality in order to improve equity across schools; expanding subsidized pre-school programs targeted to low-income families; improved access for rural students and urban secondary school students, and; adaptation of curricula to social and regional specificities. Government concerns with issues of inequality, diversity and citizenship have also motivated explicit policies directed to specific social segments such as Afro-Brazilians and indigenous populations and poorer regions.

A Healthier Population

37. In accordance with the modern human rights perspective, Brazil's Constitution defines access to health as a basic right of the individual and an obligation of the State. In this vein, health issues have taken on a broad dimension that reflects society's advances in the achievement of social justice. Since 1966, with the creation of INAMPS, Brazil has been aiming at universal access to public health services. However, it was only after the enactment of the Constitution in 1988, with the implementation of the Single Health System (SUS), that the system became effectively national, with a conception founded on the universal human right to health.

38. Considerable progress in the health domain has been made, since the advent of Brazil's current Constitution, through better public policies and implementation. Thus, infant mortality has fallen from 48 per 1,000 live births in 1991, to 28 in 2002 (MDG 4). This reflects both demographic changes (reduction in the Total Fertility Rate from 2.9 to 2.3 children) as well as changes in social conditions (increased education, greater coverage of vaccines and other basic health measures, in addition to improvements in basic sanitation). However, mortality reduction was concentrated in the 1 to 12 month-old group, not being significant among infants under one month of age. Meanwhile, as concerns MDG5, maternal mortality declined from 120 per 100,000 live births in 1990 to 75 in 2002, as pre-natal care improved along with training of health professionals attending to complications of childbirth; in addition, life expectancy at birth increased by three years from 66 to 69. Moreover, the huge disparities between regions have diminished. Few countries have equaled this progress in such a short time.

39. These notable advances, however, also reflect the low starting points and the deplorable health indicators which prevailed as late as 1990. Indeed, Brazilian health indicators today are still unfavorable by comparison to those of most other Latin American countries, and still fall far behind acceptable international standards in many areas. Vital statistics information is unfortunately still precarious in Brazil, particularly

as concerns mortality and morbidity. Good statistics would be a sine qua non for the formulation of more effective public health policies. Even without them, three main health sector problems have been clearly underlined: persisting high levels of infant and maternal mortality, increasing levels of mortality from non-infectious diseases, and growing death rates due to automobiles accidents and violence.

40. Despite recent improvements, Brazilian infant, child and maternal mortality rates are considerably higher than those of countries with lesser levels of economic development, and are generally conceded to be unacceptable. Moreover, regional disparities are still significant, with the Northeastern region having infant mortality levels twice the size of those in the South. High infant, child and maternal mortality rates result from a combination of poverty conditions coupled with the difficulties in getting access to good quality health and sanitation services. Such conditions are also linked to nutritional deficiencies; they increase the risk of infection from transmissible diseases and, in turn, fuel various health problems that can affect the health of the child and/or cause the death of the mother during pregnancy, during and immediately after delivery or lactation. Main causes of maternal deaths, here as elsewhere, include hypertension, hemorrhages, post-partum infections and complications from unsafe abortions.

41. Data on racial differences with respect to morbidity or mortality are generally hard to find, but where available show that health situations are worse among black people. For instance, a recent study in the state of São Paulo showed that twice as many black women as white had not had any pre-natal attention. At the national level, it is estimated that 66% of black women and 74% of indigenous women had less than 6 pre-natal consultations, compared to 45% for white women. Such findings argue for greater efforts to ensure that the least privileged populations, such as black and indigenous people and the poorest segments of the population have improved access to health rights.

42. Thanks largely to the dynamism of women's movements, the exercise of sexual and reproductive health rights has made significant progress in Brazil. Nevertheless, there are still important challenges. Estimates from the Ministry of Health suggest that 260 thousand women are hospitalized every year in the public health system (SUS), due to complications from unsafe abortions. These figures would indicate continuing problems in getting access to modern reproductive health services. Altogether, one quarter of all cases of hospitalization are linked to pregnancy, childbirth and puerperium care. Higher fertility levels, which are inversely related to income and educational level, are associated with both infant and maternal mortality. Abusive practices, related to the indiscriminate use of Caesarian sections in both the public and private health system, can increase maternal mortality by as much as a factor of seven. Conditions of pre and post-natal care, as well as intervention of skilled birth attendants with basic midwifery training (which is one of the most effective measures), also affect both maternal and child mortality.

43. Improvements in socio-economic conditions and in the efficacy of health sector treatment have generally reduced the occurrence of transmissible and parasitic diseases. Nevertheless, some transmissible diseases, such as HIV/AIDS, tuberculosis, dengue and malaria still require urgent public attention. Brazil has received widespread international acclaim because of its efforts in combating HIV/AIDS and of its success in stabilizing the number of new cases, as recommended by Target 7 of the MDGs. Nevertheless, heterosexual transmission of HIV/AIDS is associated with increasing

incidence of the syndrome amongst women, especially among adolescents and young women. Moreover, incidence is also increasing among the poorest and least-educated segments of the population and spreading to small villages and rural areas.

44. With respect to the HIV/AIDS epidemic, Brazil's approach has been to integrate prevention and treatment. It provides universal free access to ARV; it has established continuous partnerships with NGOs and it strives to promote the human rights of infected people and combat discrimination. Moreover, it has promoted sexual and reproductive health and the adoption of safe sex practices. The country's malaria reduction campaign in the Amazon region and its efforts to control tuberculosis have been more successful than in the case of hanseniasis.

Box 9 – The Resurgence of Forgotten Diseases

Malaria, object of Target 8 of the MDGs, is also on the decline in Brazil, largely as the result of a successful campaign instituted in 2000. Nevertheless, its incidence periodically flares up as the urban peripheries of large cities in the Amazon region undergo disordered expansion, while intensive migrations increase social contact and the re-transmission of the disease. Meanwhile, Brazil is among the 22 countries most affected by tuberculosis, a disease which typically affects poor people in peripheral urban areas. Here too, incidence has been reduced and the rate of cure is high. Moreover, Brazil has one of the highest prevalence rate of Hanseniasis in the world, and the number of new cases is significant, particularly in the Northeast region. Together with other "forgotten diseases" such as Leishmaniasis, Filariasis, Geohelminthiasis, and Leptospirosis, they are found in the more marginal regions where public services are scarce and sickness contributes to the vicious circle of poverty. More effective public sector interventions in health, education and basic sanitation in such communities would significantly reduce the burden of disease and contribute to the realization of human rights.

45. Conversely, non-contagious diseases, such as cancer and cardiovascular diseases, are beginning to increase significantly, though at much lower levels than in countries such as Cuba that have overcome most transmissible and parasitic diseases, and that have achieved higher standards of life expectancy. External causes (accidents, suicides and homicides) answered for 15% of all Brazilian deaths in 2002; these are highly concentrated in the male population, and particularly in the 20-39 age group, where 50% of all such deaths are located. (Cf. [section "Reducing Violence and Enhancing Personal Security"](#), below)

46. Overall, large disparities in health care funding by region and in utilization rates by social groups remain. Many poor households lack regular access to basic services while richer households enjoy access to costly services at public expense. Resources should be concentrated on poorer, sicker populations and on the improvement of services. Expansion of the Family Health Program has been uneven, covering a small percentage of households in large urban municipalities. Further decentralization combined with performance-based management and financing could raise the efficiency of the SUS, whose financing is not linked to results, which in turn are not sufficiently evaluated. Many current health costs could be avoided through more effective prevention. Given the inevitably rapid expansion of the older age groups in the future, and the more complex and expensive nature of care to the elderly, early planning for the profile of future health care needs is critical.

47. What is being done to improve access to the right to a healthy life? Key elements of the government's health reform program include: changes in resource allocations and provider payment mechanisms to improve equity and efficiency; expansion of the Family Health Program to poor urban areas; further decentralization combined with performance-based management and financing to raise the efficiency of

the SUS; and health promotion and social interventions to reduce non-communicable diseases. Universal provision of adequate water and sanitation services is also key to improved health outcomes. At the present, however, it is clear that many of the poorest still lack access to basic services while poor quality and inefficiency hamper the health system. Moreover, the increase in life expectancy has required structural changes in the availability of services, with emphasis on more complex and more expensive treatment.

More and Better Jobs

48. A decent job is a fundamental right. A decent job represents, for the individual, a key channel to personal realization and social integration, as well as a primary source of income. At the societal level, increasing stable and well-remunerated employment is an essential component of development and poverty reduction efforts. Since the early nineties, the Brazilian labour market has been characterized by high unemployment rates, expansion of the informal economy and an expressive loss of real wages, as a consequence of low economic growth, restrictions to credit that accompanied high interest rates, the adoption of new technologies and the new forms of production systems and work organization that were not labour-intensive.

49. Target 16 of the MDGs deals specifically with the employment of youths: it recommends that – “In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.” In Brazil, youths currently represent 47% of the total unemployed population and a majority of those employed are found in informal and precarious jobs. Moreover, the country is currently going through a stage of demographic transition commonly called “the demographic bonus” – a unique period which presents unusual potentialities but also important challenges in providing full employment. (cf [Box 10](#))

50. The trends in the Brazilian labour market over the past few years are not auspicious for the productive absorption of large numbers of new entrants. The economically active population amounts to 88 million, or 63% of the total population above the age of 10, of which 43% are women and 45% black. In 2003, a total of 8.5 million people were unemployed all over the country. Since 1990, the rate of increase of the labour force has been higher than the number of jobs created. The current employment problems faced by Brazil are: unemployment, informality, decrease in real wages, gender and racial inequalities at work.

51. Unemployment in Brazil (10.2%) is currently higher than the average for Latin America or for the world as a whole. It is particularly high in the largest cities and is linked to the relatively slow growth of the economy, to the low labour component in observed economic growth, to the restriction of credit that accompanies high interest rates, and to the sheer elimination of jobs caused by deregulation and by the restructuring of productive processes in the larger industries, as they reorganized themselves to better compete on the national and international market.

Box 10 – A Window of Opportunity: the Demographic Bonus

A direct consequence of the fertility reductions witnessed over the past 40 years, the demographic bonus consists of a significant reduction in the proportion of the total population under age 15, while the number of people over age 65 remains relatively small. The result is a temporary concentration of the population in the economically active age group of 15-64 and a significant reduction in the dependency ratio. This elevates the country's capacity to increase savings, and thus potentially enhances its investment capacity. This temporary

phenomenon will disappear as more people gradually enter the highest age groups. Thus, it is expected that the working age groups will compose almost 70% of the total Brazilian during the next decade, before their participation tapers off again.

In the past, the “Asian Tiger” countries proved adept at exploiting this historic period. In addition to greater investments in education, new information and communication technologies were effectively integrated into curricula. Brazil still has the opportunity to take advantage of this unique moment to increase economic growth and reduce poverty. These benefits, however, are not automatic, and without complementary investments in health and education, as well as in the creation of jobs, the bonus could actually turn into a severe handicap. Having a larger adult population with fewer years of schooling than did the “Asian Tiger” countries, Brazil would need to ensure that its adult population is familiar with the new information and communication technologies within and outside the school system. Digital inclusion is the basis for better jobs and other initiatives for a more inclusive and equalitarian Brazil.

52. It is estimated that the real average monthly wage of workers fell from R\$754 in 1996 to R\$590 in 2002, and increased again to R\$639 in 2003. These figures vary greatly by region, with Northeastern workers again showing the lowest levels of income. It is estimated that women receive 21% less than men in terms of hourly earnings; the differences increase with education, reaching a 39% difference among those with 15 or more years of education. Black people receive 50% less than whites in terms of hourly earnings and in average 30% less with the same level of education. The situation of black women is even more dramatic, receiving less than 50% of what is paid to white men with the same level of schooling.

53. Young people, women and blacks are the most affected by the current labour market problems. The participation of young people in the labour market has fallen most, in part because they are staying in school longer than before. However, contrary to the intent of MDG Target 16, those youths who are looking for work, even after they complete a university education, are having a harder time finding a job. The least educated seem to find a job more easily but these tend to be poorly-paid and precarious. Women and blacks frequently face discriminatory practices, both in terms of their difficulties in finding a job and of the relatively lower salaries they receive for the same jobs. The rate of unemployment for women is more than 50% higher than for men. Unemployment is higher for both women and blacks than white men, at the same educational levels.

54. Finally, child labour has decreased but still involved 1.7 million children aged 10-14 in 2002, down from 3.3 million in 1995. The Northeastern region again has the highest child labour rates. On the positive side, the proportion of working children who attend school has increased from 77% in 1995 to 92% in 2003. Combating child labour is a major social priority to which the government at all levels has committed itself. The Program for the Eradication of Child Labour (PETI) provides assistance to approximately 980 thousand children whose families receive benefits for withdrawing their offspring from child labour and putting them in school.

Box 11 - The Persistence of Forced Labour

One of the most negative aspects of the current labour situation in Brazil is the persistence of forced labour. Thousand of Brazilians are forced to work in sub-human conditions, for subsistence or no wages, and are deprived of their right to freedom and dignity. Farmers and other entrepreneurs contract intermediaries (“gatos”) to hire large numbers of unsuspecting labourers with false promises. After arrival at the work site, they are forced to remain in a regime whereby their expenses for food and lodging are continuously higher than their wages and their freedom of movement is violently restricted. In 2004, Brazil acknowledged the existence of 24,000 people in such regimes; this number can be considered as optimistic.

In spite of the difficulties that still persist to eliminate such practices, a major effort has been made by Brazil in recent years in this direction. Amongst the successful actions taken, it is worth mentioning the creation of

the National Commission on the Eradication of Forced Labour (CONATRAE), responsible for monitoring the implementation of the National Plan for the Eradication of Forced Labour. Law enforcement is one of the main aspects of the Plan: the mobile inspection group was strengthened and has succeeded in rescuing a total of 10,270 forced labourers between 2003 and 2005. These efforts demonstrate the Federal Government's commitment at the highest level to abolish forced labour in Brazil.

55. The major challenges for public policy in the employment domain thus involve the creation of decent job opportunities, reduction of the informal sector, enforcement of labour laws and social dialogue and improvement of the real income of workers. Creating jobs is particularly critical under the current demographic bonus scenario. Essentially it requires sustained economic growth, but it is not sufficient. So far, the country's efforts to modernize and become more competitive have been associated with greater reliance on technology, more efficient and restrictive use of labour, and downsizing. A better educated labour force should find easier insertion in the labour force and, in turn, contribute to faster economic growth. This approach, however, has not evolved in Brazil, and the influx of large contingents of new workers is still more of a challenge than a bonus. Considering that employment is a fundamental factor to reduce poverty, social exclusion and inequalities, it is necessary to consider the creation of decent employment as a major objective of economic and social policies. Economic growth should be linked to those sectors which have the highest product/employment elasticities. Special consideration should be given to skill development of workers. Small and medium enterprises and local development initiatives also deserve special attention due to their potential for job creation.

56. Reducing the huge informal sector in Brazil is not a straightforward task, nor one which generates consensus. Higher social costs associated to formal sector employment have long been charged with reducing the country's ability to compete on the international market. This has led to pressure for deregulation and for simpler taxation models. Moreover, it is argued that informal sector activities are more flexible, better able to provide more rapid responses and thus essential to competitiveness. However, others argue that a more inclusive labour legislation constitutes a basic right of workers, particularly in a situation where workers' wages have traditionally been very low in comparison to profit margins. The recent increase of formal jobs is a trend that must be supported in order to enlarge the social security protection to workers, including those who are inserted in the informal economy. Evidently, treading the line between the need to expand jobs and social protection, to increase the productivity of workers as well as the competitiveness of firms, while also giving due respect to workers' rights, constitutes a huge challenge. To this end, it is fundamental to strengthen the process of collective bargaining to build and extend the capacity of dialogue between workers and employers.

57. In addition to these larger problems, there is a need to devise workable policies for the integration of young people into the labour market and to reduce discrimination against women and blacks. The present administration's *Primeiro Emprego* program aims to insert youths into the labour market by providing incentives for firms to hire youths, by providing incentives for entrepreneurship and self-employment, and by facilitating the creation of small and middle size businesses through microcredit and loans with lower interest rates. It also focuses on job readiness - including actions to promote apprenticeships, internships and community work - as well as on social participation, including the promotion of partnerships between government and the private sector, and between government and civil society. Investments in nurseries and pre-school educational services would help relieve some of the barriers that women face in obtaining more and better jobs, especially in the formal economy. As concerns the black population, as highlighted

earlier, public policies must do a better job of eliminating their education gap and promoting affirmative action with respect to occupation.

Reducing Violence and Enhancing Personal Security

58. Personal security is a citizen's fundamental right and an obligation of the State. Having security means living without fearing the risk of violation to one's life, liberty, physical integrity or property. Security means not only to be free from actual risks, but also to be able to enjoy the feeling of security. The individual, social and economic costs of insecurity are high; inclusion, equity and competitiveness are all threatened by insecurity.

59. In this respect, there currently seem to be few bright lights on Brazil's horizon. Equity and human rights are systematically undermined by violence and insecurity. Crime and violence have increased dramatically in recent decades, particularly in large urban areas, leading to more intense public debate on causes and solutions. The following paragraphs describe some of the main problems in this domain, as well as some of the approaches being proposed

60. The right to life is the most fundamental of all rights. Although life expectancy at birth has improved, the growing incidence of intentional homicides, particularly in large cities, increasingly negates this most basic right. The homicide rate has increased severely from 11.4 per 100 thousand inhabitants in 1980, to 29.1 in 2003. Homicides have become the third leading cause of death among men, and the leading cause among young males aged 15-39. Black men have particularly high mortality rates from violent causes. The state of Rio de Janeiro has the highest rates of violent deaths; therein, the population aged 20-29 has the highest death rates from violent causes.

61. More recently, homicide rates have also increased significantly among males in the 15-19 age group. Although women are much less subject to violent deaths, the rates for young girls aged 10-14 have increased. Some 90% of all forms of aggression suffered by children and adolescents occur in the home. On the other hand, one source indicates that as many as 10% of all crimes are committed by youths aged 18 or less. Public assistance to children and adolescents who commit crimes is limited and generally leads to institutionalization – despite recommendations to the contrary by national legislation. Correctional institutions are overcrowded, intermingle various categories of delinquent youths, and often end up as schools of criminality. Penal institutions for adults are in even worse condition.

62. Causality is determined in only half of the cases of police statistics on homicide and other sources of data are similarly deficient. Nevertheless, it is clear that a significant proportion of all deaths stem from interpersonal conflicts and confrontations not linked to other forms of criminality. This observation has altered the axis of discussions on security. Common sense has traditionally attributed the roots of violence to deprivation: that is, people who don't have access to minimal necessities would turn to crime to attend their needs. However, available data show that the great majority of poor people are not involved in any criminal activity, that rich people practice various sorts of crime, and that a large number of homicides are not related to theft, extortion or other criminal endeavor.

63. Non-violent theft is still the most common form of criminality. Again the existing sources of data are inadequate, largely because the majority of people do not report these incidents. Non-violent thefts and kidnappings are more common in higher-income neighborhoods having better access to public services, while domestic violence, victimization by the police and other more violent crimes are more prevalent in poorer regions. Residents of smaller peripheral *favelas* are exposed to the highest rates of homicide. Much of the violence is related to the drug trade, particularly in urban slums where the police have been forced to relinquish control to organized gangs.

64. The incidence of thefts, robberies and aggressions of various types is on the rise. A survey in four cities showed that an astounding 35% of the population had been victim to some sort of crime in the past year. Not surprisingly, a large proportion of the population felt insecure, a fact which is conducive to psychological disturbances, reduction of social contacts, backing of simplistic and populist solutions, as well as to the justification of police abuse and extermination groups.

Box 12 – The Rise of Organized Crime

Organized crime, involving kidnapping, drug traffic, cargo thefts, bank robberies, embezzlement and piracy, among others – is difficult to measure but definitely on the rise. The illegality and risk of these “businesses” engender various types of violence. Drug traffic is a particularly pernicious area. Brazil is a producer, distributor and consumer of drugs. Narcotics-based networks and gangs are operating in most cities of all sizes throughout the country. These gangs cause enormous social and economic damage, not only through numerous assassinations, but also by promoting arms traffic, spreading terror, fomenting addiction among children and adolescents, dominating the social and economic fabric of whole sections of a city, corrupting police, penitentiary staff, lawyers, promoters, judges and politicians – all of which compromises the legitimacy and viability of Brazilian public institutions. Fearing retaliation, the general population is often an unwilling accomplice to organized crime.

65. Through it all, the security and criminal justice systems are themselves in a severe crisis. Criminals have a low probability of being apprehended and convicted. Bribery, impunity, bureaucratic delays, and a growing culture of violence are all corrupting society’s social fabric. Private security companies are blooming as a result of increasing violence and mistrust of the official system. The impunity of offenders not only has become a flagrant insult to the judiciary system, but also emboldens further crime. The number of acts of violence committed by police, prison guards and death squads serves to increase the lack of trust in police institutions by the citizenry. Torture is not commonly perceived as a crime against basic rights; penalties, when applied to torturers, are uncommonly light. The inability of the prison system to re-educate offenders, or even to guarantee the human rights of prisoners, helps to further flame the climate of violence in the country.

66. The social, political and economic costs of violence are extremely high. Loss of life, mental and physical incapacitation, alcoholism, depressive disorders and drug dependency are the common aftermath of violence. The spiraling of a culture of violence and the reduction in the quality of life lead to the loss of social capital and to the degeneration of democratic processes. The nation and its cities suffer enormous economic costs in attempts to prevent criminality and protect residences while also treating the consequences of violence in the medical and judiciary systems. In broader terms, governance is threatened by violence. To the extent that large metropolitan cities are subjected to uncontrollable criminality and violence, social capital is dispersed and faith in democratic processes tends to crumble. Ultimately, the country’s very competitiveness in the global framework is challenged by the prevailing climate of

insecurity; in turn, this inevitably affects the country's ability to ensure other human rights.

67. Of particular concern is how the prevailing climate of violence and insecurity will impact on the future of youths, and thus of the country itself. Young people are primary participants and victims of the climate of insecurity. Paradoxically, they often turn to gangs to reestablish some sort of order, authority and cultural reinforcement in their lives. In light of the current demographic bonus stage and the large number of youths who have dropped out of school and are unemployed, as well as the increasing levels of violence by and against youths, this group merits specific and concentrated attention in the form of visionary policies and comprehensive programs. In this connection, successful initiatives, within the country or elsewhere, should be analyzed, imitated and generalized. A Secretariat for Youth was recently created in an effort to involve youth in defining major public policy priorities for the 15-24 age group.

68. On a more general level, the present administration has designed several broad lines of action to deal with the increasing crime rates. The primary challenge for the public sector is to reduce the number of homicides. Since the majority of these are caused by gunfire, disarming the population and controlling arms traffic was the necessary first step undertaken by the current administration. However, other measures are directed to the growing climate of insecurity and violence: improvement of the data base on crime and violence at different levels; education against the use of violence in the resolution of conflicts, whether in the home or outside it; concerted action by the public sector against organized crime, including improved articulation between federal, state and local police; more agile judiciary resolution of interpersonal conflicts; facing the crisis of the judicial system by a better integration of the different institutions involved, as well as by controlling police violence and reducing corruption of the entire system, and; addressing the crisis of the penitentiary system through the application of various internationally-tested approaches.

69. Over the long term, social progress, with better civic education and improved income opportunities would help reduce crime. In the short term, community-based approaches, urban upgrading programs in slum areas and improved performance of the police and judiciary will help lower crime rates. Better accountability mechanisms for local governance will contribute to this end. On the basis of experience in Latin America and elsewhere, strengthening local community initiatives in combating crime and violence merits particular attention. Within such a perspective, responsibility lies not just with the police; multi-sectoral local partnerships also need to be engaged. Rather than traditional responses limited to control or repression, the emerging international consensus is to focus on the local community, combining elements of traditional responses with the targeting of risk factors, such as easy access to firearms, drugs, and alcohol, high levels of school dropout and unemployment, family violence and media-portrayed violence. This approach is being utilized in Brazil but, given the lack of experience, considerable capacity building and technical assistance efforts at the municipal level are required.

TOWARDS SUSTAINED ECONOMIC GROWTH

70. As clearly spelled out in the government's Multiyear Plan, building a dynamic and modern society, creating jobs and establishing social justice entails vigorous and sustainable economic growth. In today's globalized economic framework, realizing

human rights requires a society to be competitive. That is, the society must be able to sustain growth in a globalized world, while diversifying and modernizing its economy with minimal recourse to artificial trade barriers. Currently, the expansion of international trade is important, not only as a source of growth, but also to extend the country's capacity to import – especially capital goods – to attract foreign investment, to absorb technology and to improve managerial techniques. Competitiveness plays a central role in all of these.

71. To participate effectively in a globalized competitive framework, Brazil has unparalleled potential in terms of: natural resources, favorable population dynamics and distribution; a rich and diversified culture capable of generating a “creative industry”; a diversified and multipolar economy; vast agricultural resources; advanced industrial sectors; a diverse and sophisticated services industry; self-sufficiency in food and (practically) in energy; a dynamic entrepreneurial class; a substantial internal market; responsible fiscal management; a broad local technological base; an international presence, and; a growing national consensus on the need to become competitive and on how to achieve this (cf. [Box 13](#)). On the downside, the country is still hampered by macroeconomic risks and constraints to growth, as well as inequality and incomplete access to many basic rights.

72. Efforts to build on these resources to increase productivity, coupled with favorable international conditions, reforms in price stabilization and fiscal strengthening, allowed Brazil to experience a substantial boost in foreign trade. The sum of the country's exports and imports increased markedly, from US\$ 52.1 billion in 1990 to 159.2 billion in 2004. Exports also expanded from US\$ 31.4 billion in 1990 to 95.5 billion in 2004. Moreover, in spite of a recent impressive performance of agribusiness exports, the share of manufactured good exports increased, albeit slightly, from 54.1 % in 1990, to 54.9 % in 2004.

73. However, such trade statistics overstate the competitiveness of the Brazilian economy. In fact, if Brazil fared well, other countries fared much better. According to the World Trade Organization, the country's share in world's exports actually declined, from 1.31% in 1985 to 0.98 % in 2003; in contrast, for instance, China, starting from the same level as Brazil in 1985, increased its share to 5.90% in 2003.

Box 13 – Brazilian Economic Reform

During the last 15 years the country has implemented far-reaching reforms in order to enhance its competitiveness. It has, for the most part, foregone the import-substitution model that prevailed from the end of World War II to the late 1980s. That model had pursued inward-looking trade policies as a way to develop industry and reduce excessive dependence on a few commodities. Such policies fulfilled their role and generated a sizeable industrial base and economic growth. However, the 1980's witnessed a foreign debt crisis, low growth rates, near-insolvency of the State and record inflation. In light of today's context, such policies are not feasible in view of international agreements on trade barriers, fiscal limitations on subsidies and direct public investment, as well as the increasing costs of hampering competition.

In the early 1990s, incentives and subsidy schemes were curtailed, while tariffs and other trade barriers were reduced. The productive sectors were increasingly submitted to foreign competition. Gradually, improving competitiveness became fundamental to the survival, not only of industry but also of agriculture. Moreover, the Plano Real stabilization plan, introduced in 1994, brought about an initial appreciation of the Brazilian currency that further increased the exposure of productive sectors to foreign competition. Despite fears that industry and agriculture would be destroyed, and in spite of the relatively slow growth, this exposure to foreign competition in an environment of relative macroeconomic stability brought about substantial increases in productivity. In turn, these resulted in cost reductions and in the decline of oligopolistic profit margins that had thrived under excessive protection. The productive sectors weathered the growing exposure to foreign competition, and, after changes in the foreign exchange regime in 1999, accompanied by a sharp devaluation of the real, began to expand sales on foreign markets.

74. Competitiveness also involves the attraction of foreign direct investment (FDI). Traditionally, Brazil had always received relatively high levels of FDI, building up an important stock of foreign capital in its industry, but these dropped radically during the 1980s. From a low starting point, a substantial increase was registered in the 1990s, from US\$ 1.6 billion in 1992, to more than US\$ 28 billion in 1999. However, the performance of the first five years of this century was mixed; in 2000, FDI attained a record level of US\$ 32.8 billion, but it declined substantially afterwards, reaching a low of US\$ 10.1 billion in 2003 and rising somewhat to US\$ 18.2 billion in 2004. Much of this decline resulted from the end of major privatization programs, but it also had to do with the somewhat sluggish performance of the economy in 2001 and 2002.

75. There is still considerable room for improvement in productivity also. In spite of the notable gains of the 1990s, the differences between Brazilian levels and the best world practices remain large. Further gains in this area would certainly enhance the country's competitiveness. Moreover, factors beyond the realm of business units are holding back substantial productivity increases. What must be done to this effect? Two types of actions are necessary: overall measures that improve the environment in which business is conducted, and; measures geared specifically to the improvement of foreign trade.

76. As to the first, it is imperative that Brazil moves towards a more inclusive society, in which the rights to food, health, education, housing, employment and security are assured to all citizens. Without these preconditions, the competitive environment will always be tainted. In the short term, reducing urban violence, while improving health and education and generating decent employment are the most urgent. Productivity is seriously hampered by the fact that a significant proportion of the population still does not have access to security nor to quality health services. Moreover, in spite of the aforementioned gains in education during the two last decades, the average number of years of schooling in Brazil is substantially lower than that of countries in similar stages of development. Moreover, as noted earlier, the quality of education provided in various levels of formal schooling is inadequate. Sustained increases in productivity can hardly be expected without a firm national commitment to improving the performance of the health and educational systems.

77. A related strategy would involve the implementation of a realistic policy of technological development. To a considerable extent, the productivity gains of the 1990s resulted from more efficient technologies incorporated in capital goods; in other words, technology was, to some extent, imported. However, sustained increases in productivity would require a more focused system of technological development, similar to that in the area of agricultural development. A Science & Technology planning system has been in place since 2000. Unfortunately, much of the Brazilian effort in the area of knowledge creation takes place in universities, which have only weak links to the production sectors. R&D investments in firms are reduced and they have relied substantially on imported technologies. Therefore, a strategy for technical change in Brazil should induce R&D within the productive sectors, and it should also focus on the absorption and dissemination of technologies.

78. In addition, several factors external to the firms themselves hold back the rise of competitiveness in Brazil. A nagging problem is the structural public deficit, accompanied by a costly and large public debt, as shown in [Box 14](#). This not only affects the ability of the public sector to invest, and to implement social policies, but

the size, short-term nature of this debt and its indexation clauses, as well as high interest rates are crowding out investment. This explains, to a large extent, the low growth rates of most of the last decade.

79. Many of the restrictions to competitiveness can only be addressed if the problem of the public debt is resolved. This requires more than erratic increases in revenues or cutting of expenditures; a consistent reform of the public sector, to enable it to effectively focus on its intrinsic missions is necessary. Without such a fundamental reform, there is little hope of implementing effective policies in the critical areas of education and technological innovation. The current tax structure is a heavy drag on the economy and on social progress, while also favoring routine tax evasion and corruption.

Box 14 - The Weight of the External and Public Debts

Brazil's external debt amounted to US\$201 billion dollars at the end of 2004, representing 2.07 times its yearly exports, well above the 1.4 ratio observed for other countries in the region, while debt service payments in that year amounted to US\$ 46.4 billion. To rollover or pay these costs, Brazil must have access to the international credit market and generate a substantive surplus. From 1994 to 2002, it averaged a yearly current account deficit of over US\$23 billion and only in the last two years did it obtain a current account surplus of about US\$ 11 billion, due to the important growth of exports and the slower growth of imports. This change reduced Brazil's credit risk significantly (from over 2000 points in late 2002 to about 400 points in the first semester of 2005) and reduced pressures on the exchange rate, where the local currency has had an appreciating trend.

The other major macroeconomic burden is the public debt that, in net terms, reached about 50% of GDP in May of 2005. Most of this debt is in the form of internal bonds that have flexible interest rates and are of short-term duration; this serves to pressure the interest rate to be paid by the Brazilian Treasury. The Brazilian public sector also had to adjust its accounts to generate a primary surplus to cover most of the interest cost, reducing total nominal deficit. From having a near zero primary surplus in 1998, Brazil has generated growing primary surpluses since 1999, reaching over 4.5% of GDP in 2004.

To this purpose, the Brazilian public sector increased its tax burden from 28% of GDP in 1998 to 35% in 2004. Most of this came from indirect taxes on sales and on financial transactions, thus hampering both competitiveness and income redistribution. Part of this tax increase went to finance the growing deficit of the social security system and the creation of income transfer programs for extremely poor families. Major expenditures cuts have hit public investments, which have been reduced at the federal level from near 1.5% of GDP in the 1990's to 0.6% of GDP in 2003.

80. Similarly, important governmental actions are required in other areas. Among these, perhaps the most important, as far as competitiveness is concerned, are in the field of recovery and new investment in basic infrastructure, especially in the areas of transportation – a sector in a critical situation – and of energy, but also in such basic areas as the provision of water and of adequate sanitation. This does not imply that the public sector itself should undertake most of the needed investments; however, focused initiatives to induce such investments are fundamental. A marked increase in Brazil's competitiveness depends on it.

81. There is also the need to address several problem areas in order to improve the environment in which business is being conducted. Many basic pieces of legislation – such as labour laws – are antiquated and need to be revised. Moreover, a reform of the judiciary is also urgently needed. A more ambitious social security reform would have far-reaching fiscal and equity benefits; some of the savings could bolster social programs and others channeled into public investment aimed at the elimination of infrastructure bottlenecks.

82. As for measures geared specifically to the improvement of foreign trade, the driving force here should be the possibility that, through international negotiations, Brazil reaches a more dynamic international insertion, one that would expand the country's external markets. The country has given privileged treatment to the MERCOSUL in international negotiations; but now, even this free trade association is experiencing many challenges as main partners are rebuilding their growth paths. An even more critical question relates to the issues highlighted in Goal Number 8 of the MDGs. This Goal, in a somewhat partial and timid fashion, addresses some of the problems that ECLAC has referred to as the "inequalities and asymmetries of the global order". The basic point it makes is that global economic competition does not occur on a level playing field.

83. Capital and technology are highly concentrated in developed countries, which also have the power to unilaterally establish barriers, tariffs and subsidies to suit their own interests. The latter constitute a major impediment to the economic growth of developing countries. Brazil has had relative success regarding disputes within the WTO. The country has correctly insisted that a freer world trade requires the elimination of many of the non-tariff trade barriers that hamper the access of its exports to major world markets. In this domain, Brazil has begun to exercise a form of leadership that could benefit not only its own people but other developing nations as well.

TOWARDS ENVIRONMENTAL SUSTAINABILITY

84. Improving quality of life and the exercise of human rights by today's citizens is insufficient if the rights of future generations to equal or better conditions are not respected. Brazil has enormous comparative advantages in natural assets. It is extraordinarily rich in biodiversity: home to the Amazon, the largest rainforest biome in the world, it contains 30% of the world's tropical forest, which in turn harbor half of the known species of fauna and flora. Less well known are the Cerrado, the Caatinga and other biomes, which also contain enormous biological riches. In addition, the country possesses up to a fifth of the world's freshwater, although 70% of that is concentrated in the Amazon region. These and other natural treasures constitute a precious national and global heritage that has to be passed on to future generations

85. Target 9 of the MDGs, within the goal of ensuring environmental sustainability, aims to "integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources." The first part of this Target could be considered as attained. The experience of hosting the UNCED-92 Conference stimulated an enormous increase in environmental awareness. Environmental legislation in Brazil is now among the most advanced in the world.

86. However, the second part of Target 9 (reversing the loss of environmental resources) may present considerable challenges, in large part due to the practical difficulties of implementing the country's advanced environmental legislation in the field. The consequences of the inability to put this advanced set of rules and regulations into practice may be most evident with respect to the fate of its main biomes, as depicted in [Box 15](#).

87. As noted earlier, some four-fifths of all Brazilians live in towns and cities. On the one hand, this means that the great majority of the Brazilian population is subjected to the environmental pollution typical of the modern urban habitat. In this connection, Brazil has a relatively privileged situation due to the fact that it relies heavily on renewable energy. Thus, although Brazilian emissions of greenhouse gases are among the fifth largest in the world, in 1994 emissions from land use change and deforestation accounted for 75% of the total, followed by the energy sector with 23%. Nevertheless, industrial effluents and motor vehicles have a significant impact on air quality in the larger cities and thus on health, particularly of older people and young children. "Brown agenda" issues are pressing in almost all urban areas.

Box 15 – The Status of Brazil's Major Biomes

The Amazon Region has already lost 15% of its original forest cover. In the 1970s and 1980s, deforestation was largely induced by government policies aimed at occupying the Amazon. More recent patterns are linked to medium and large-scale ranching, as well as selective timber extraction and soybean cultivation. Given its poor soils, its biological diversity and the presence of numerous indigenous groups, agricultural sector activities do not spell sustainability nor productive absorption of population in the Amazon region. The economic value of the region's natural biodiversity has yet to be calculated, but it inevitably goes way beyond that of the activities currently spreading in that region. On the plus side, 441 areas reserved for the indigenous population cover almost 100 million hectares and, despite encroachment from miners, farmers, loggers and others, are in a favorable state of conservation.

The Cerrado region, in the center of the country, is Brazil's second largest ecosystem and the world's most biologically diverse savanna. Long a sparsely settled area of subsistence agriculture, the region has quickly been overcome by export-oriented monoculture and ranching. Intensive use of machinery and chemical inputs have reduced the original vegetation and depleted the region's natural resources. In-migration, urban growth and urban land uses contribute to this as well. Though less fragile than the Amazon, the Cerrados concern environmentalists on three counts: loss of biological diversity (one of the most threatened biomes on the planet); carbon sequestration (its "underground forest" makes it a major carbon sink), and; watershed protection (it is a drainage basin for three major rivers – the Amazon, the São Francisco and the Paraná).

Brazil's semi-arid region, the caatinga, is conditioned by its extremely dry climate. Its natural vegetation is resistant to drought and its biodiversity is important, though less recognized. Thousands of species have adapted to this hostile environment better than the large and poor human population of the region. Efforts to overcome the limitations of the natural environment have generated thousands of water projects. These have had questionable impact on the region's ability to productively occupy the local population and are, instead, causing severe environmental concern. Tapping into non-replenishable fossil water and reverting rivers for irrigation purposes are likely to prove both futile from a socio-economic standpoint and disastrous for the environment.

The Atlantic Rainforest is threatened with total extinction since only 7% of its original 1.36 million hectares of forest cover remain. Rich in biodiversity, the region was the object of the first conservation projects in the country. Despite these efforts, much of the region's biodiversity has been affected, while the biome's source and sink functions have been largely depleted. The original area under the Atlantic Rainforest now harbors 70% of the country's total population; this, plus the fact that the majority of its larger cities and most of the large-scale coastal tourism developments are concentrated in this biome, makes it extremely difficult to protect.

The urban network established in this region is stretching its ecosystem limits and has created environmental liabilities that will be extremely costly to revert. The recent reduction in the pace of urban population growth should, if accompanied by increased environmental awareness and political support, help the design and implementation of solutions aimed at reverting the air pollution, the degradation of waters, the contamination of soils and groundwater, as well as the saturation of local capacities for waste absorption.

88. On the other hand, demographic concentration favors the provision of basic services to the population since per capita costs are much lower than in sparsely settled or rural areas. However, past chaotic patterns of city growth in Brazil, wherein urban expansion was unwanted, unplanned and undirected, now present serious obstacles for the improvement of poor people's lives. The typical pattern of urban

growth involved sprawling industrial and commercial establishments on the periphery of cities, coupled with land developments for the poor and invasions of uninhabited land. Much of this expansion has occurred in areas that, from an environmental standpoint, were environmentally inadequate or otherwise undesirable, and thus unused: steep hills, flood lands, contaminated soils, inaccessible plots and so on. As a result of settling in these precarious locations and given the variable (and normally limited) capacities and awareness at local, state and federal levels to respond to emergencies⁴, the poor have systematically been most vulnerable to natural disasters.

89. In addition, poor people are always the worse served by public infrastructure and services. Policymakers have traditionally resisted in-migration and urban growth, leaving poor people to fend for themselves wherever they could settle. Only much later, when their settlement has become a political fait accompli, are efforts made to provide some sort of infra-structure, as well as services and amenities for the expanding poor population. However, the logistics of post-hoc attendance to the needs of poor residential areas are much more complicated, and, therefore, much more expensive.

90. The right to adequate housing has received enormous international attention because it is a critical prerequisite for exercising the right to a healthy and productive life. MDG Target 11 is aimed at improving the lives of 100 million slum dwellers by 2020. Brazil's main housing problems relate to the disparity between the income of the majority of the population and the price of rented or own housing, the spatial segregation of poor people in *favelas*, the proliferation of informal settlements, crowding, and the large deficits in the provision of urban infrastructure.

91. Some 1.7 million residences, housing 6.6 million people, are located in *favelas*. The majority of these are found in metropolitan cities, especially in the states of São Paulo and Rio de Janeiro. Some 9.8 million people live in informal housing, that is, in residences and lots to which they don't have clear title. This again is an urban phenomenon and reflects the fact that, often, the only way that poor people find housing space in cities is by invading unused land, frequently located in the most vulnerable areas. Almost 10% of the population lives in overcrowded residences, despite the reduction in family size during recent decades. Part of the problem stems from the high price of alternative residential opportunities.

92. Despite these difficulties, housing conditions have unquestionably improved during the last few years. Thus, the proportion of urban inhabitants living in adequate housing increased from 51% in 1992 to 60% in 2002. Worse off is the Northern region where only 27% of urban housing is considered adequate. Target 10 of the MDGs specifically refers to halving the proportion of people without access to safe drinking water and basic sanitation. Brazil's performance in this connection has been better with respect to water than to sanitation. In all urban areas, the proportion of the population having access to water has increased from 88% in 1992 to 91% in 2002. Meanwhile, the rural population's access to this amenity increased from 76 to 81% (including access to wells or springs). Access to sewers or cesspools increased from 66% in 1992 to 75% in 2002 in urban areas, and from 10 to 16% in rural areas. Environmental

⁴ Likewise the environmental policy as a whole, the national capacity to respond to technological and natural hazards is decentralized among federal, state and municipal bodies. The infrastructure to respond to emergencies varies all over the country and awareness and preparedness for emergencies at community level is severely limited. A National Plan for Prevention, Preparation and Rapid Response to Environment Emergencies (p2R2) was launched in 2004 but so far is progressing very slowly.

problems related to sewage are aggravated by the fact that only one-third of all collected sewage receives adequate treatment. Privatization, tariff increases, and the absence of differentiated tariffs for the poor are sometimes seen as a barrier to accessing basic services.

93. There is increasing recognition of the need for better policies and stronger institutions to manage Brazil's natural resources. A growing domestic constituency supports sound environmental policies, while an increasingly complex set of regulations attempts to establish greater order. The government has invested in zoning, in training and monitoring, and is providing incentives for the sustainable management of forests. Management of water resources is still a major issue. Conflicts of interests between agricultural and industrial users, from hydroelectric production and from urban consumers now have a modern legal and institutional framework for their integrated management, but implementation has only begun.

94. Advances in the energy sector, such as the bi-combustion motors and energy conservation programs, as well as the National Plan for the Elimination of CFCs, promise to help keep Brazil's contribution to global environmental problems at a low level. The current administration has prioritized several environmental policies and is intensifying the production of alternative energy sources. Nevertheless, overall results remain modest and implementation capacity is low in contrast with the magnitude of the challenges ahead.

95. As concerns Brazil's efforts to meet the targets of the MDGs with respect to the improvement of living conditions, especially in urban areas, significant investments made in basic sanitation during the late 90s, and later drastically curtailed for fiscal reasons, have again been prioritized. The inclusion of adequate housing as a basic right of the population, and the approval of juridical instruments to ensure property, housing and urban rights, during the first two years of this century, constitute significant advances. The current administration is also directing investments in the housing sector to the most needy – the lower income classes. Efforts to regulate informal areas, preventing chaotic occupation of environmentally fragile or contaminated areas should also help contribute to the MDG Target of improving conditions among slum residents.

TOWARDS A DEMOCRATIC BRAZIL: IMPROVING GOVERNANCE

96. Meeting the multiple social, economic and environmental challenges highlighted in previous sections, and thus attending to the basic rights of people in each of these domains, requires effective governance at the federal, state and local levels. Many of the major political and fiscal impediments to good governance in Brazil have been successfully addressed during the post-military regime of the last two decades. A modern Constitution, a dynamic democratic process, a free press and an active civil society have drawn considerable international attention. Moreover, the country enjoys advanced human rights legislation. Public support for reform has largely overcome the short-term populist approaches of the past. Brazil's public institutions and their governance fare well in regional comparisons. Nevertheless, the

vulnerability of the system to political turbulence and institutionally based turmoil periodically surfaces, emphasizing the continuing need for adjustments and reform. The following paragraphs briefly address some of the more critical issues.

97. The current democratic regime is the result of the 1988 Constitution, which consolidated pre-constitutional Congressional measures aimed at re-democratization. The Constitution promoted a progressive slate of political and social rights – including the universal right to vote -- but maintained a highly state-centered economic order. This was later addressed through a vast privatization process, in the wake of the Cold War's demise. Despite these clear advances, the Constitution is part of the problem today. It is a long, immobilizing Carta Magna, with dozens of unregulated provisions. Its 300 plus articles attempt to normatize everything, from education to bank interest rates, and yet leave many critical issues insufficiently defined, particularly in reference to inequalities and social rights.

98. The Brazilian electoral process has been admired for its regular, frequent, free and fair elections, coupled with the alternation of political parties in power. Moreover, the electorate has continued to grow: almost 120 million registered to vote in 2004. However, in spite of the gradual introduction of electronic machine voting to diminish frauds, electoral crimes -- such as abuse of economic power and vote buying -- persist. The situation is further complicated by the fact that between 15 and 30 political parties are registered at any one time, supposedly in order to attend minority interests. For the most part, however, these parties lack clear programs or ideologies, their acronyms confuse the common voter, and their agenda is often unclear.

99. More importantly, the multiplication of parties means that elected presidents have to form alliances in order to pass legislation: indeed, no single party has achieved a majority in the Chamber of Deputies in the last 15 years. Hence, presidential power depends, in fact, on attracting a coalition of political parties by targeting budgetary spending, public works projects, state enterprises, bids and contracts, and more than 20,000 politically appointed jobs. The same holds true for the governors of 26 states and the Federal District. The current federal government coalition includes conservative, center and leftist parties, but the passage of each bill has to be constructed vote by vote, by attending individual interests. In the midst of all this, the need to cater to many different parties has a serious impact on congressional functioning, as well as on the relations between the executive and the legislative for the approval of any legislative initiative.

100. Such a structure, in principle, favors distortions. Indeed, Congressional committees are currently investigating clientelistic practices, "pork barreling" physiologism and corruption. Individual votes of Congress members have often been decided through pork barrel projects or political appointments. Financing of electoral campaigns is at the genesis of much corruption in political parties. Major State contracts and public bids are subject to collusion among bidders, wherein overpricing is a common practice. Large sums are channeled to political parties to finance their activities and campaigns. The parties who receive such assistance naturally tend to vote along their sponsors' lines. Financial reports to Electoral Tribunals at the state and federal levels rarely reflect true spending. In this context, faithfulness to the party's principles and obedience to leadership direction is rare on crucial votes. This is further complicated by the fact that most of the "lower rank" federal deputies are local level politicians with a parochial view of the world who can contribute little to the resolution of national public interests. Hiring of large advisory staffs by politicians, whether at the

federal, state or municipal levels, generally attends particularistic criteria rather than technical competency.

101. These several issues require urgent political reform. Moreover, a skewed political representation system gives less economically developed states proportionally more representatives per number of voters than the urbanized, industrialized states of the Southeast. This, plus issues of party fidelity, district versus proportional vote, closed versus open lists, political parties with no ideology or programs, and financing of political campaigns - all remain unresolved electoral issues with serious political consequences. These types of problems greatly reduce the capacity of the legislative body to effectively address critical national problems and to attend human rights. Moreover, legislation must pass through both congressional houses; thus, complex or controversial bills, such as fiscal or political reforms, tend to linger on for years.

102. Legislative advances have been particularly slow in the social policy domain. Thus, a major social security reform aimed at reducing deficits, initiated in 1990, was only finalized in 2003. The generic problem in the social area is still how to address the huge inequalities between the rich and the poor. However, policies addressing extreme poverty and exclusion have a fragmented political support base and decision-making locus; moreover, poor implementation affects intended outcomes, as shown in [Box 16](#). A particular unresolved debate in this connection has centered on universalization versus focalization of social policies. The Ministry of Finances has typically insisted on the need to focus social policies on the poor and the young. Meanwhile, Congress instituted, in 2004, the right to a basic monetary income for all citizens, independently of their socioeconomic status.

103. Another issue concerns the level and efficacy of social expenditures. Brazil actually spends a larger proportion of GDP (15.5%) on the social domain than many other countries with a similar per capita income. However, the impact of these expenditures on the reduction of poverty and inequality has been limited. Part of the reason for this is that some two-thirds of government social spending goes to the area of social security. A large proportion of poor people are in the informal sector and thus do not benefit from this system. Moreover, poor people are a greater majority in the youngest population and, again, this group does not benefit from social security payments. In fact, the upper quintile of the income distribution receives two-thirds of social security transfers, resulting in a perversion of social policy's aims.

104. Constraints on education and health policies also originate in the dual delivery system of public and private organizations. Universalization of educational and health services mandated by the constitution has reached a satisfactory level, but the quality of the services is unequal. Major concerns of public safety, drug and crime control affect decision-making in most states, including international border states, in which drugs, arms trafficking, and contraband are intertwined with regional political power.

105. The role of the judiciary, particularly in creating juridical security through the fair and transparent application of laws, is critical for attracting investment and guaranteeing citizens' rights for all. However, at the present time, Brazil's judicial system is still a major constraint to the furtherance of a democratic and just society. Though generally staffed by competent professionals, its many jurisdictions and levels complicate the efficient administration of justice. The Federal Supreme Court, elsewhere considered to be the vertex of the judiciary system in interpreting the Constitution, cannot effectively carry out this role in Brazil, given the autonomy of

other specialized tribunals dealing with elections, labour or military justice. The Superior Tribunal of Justice deals with infra-constitutional issues, with Federal Regional tribunals, and the States' Justice Tribunals, but suffers from the same lack of unity. In addition, the judiciary system extends, in effect, beyond the power of the judiciary, since the Public Ministry and Police are agencies that belong to the Executive Branch.

Box 16 – Implementation of Public Policies and Decentralization

Brazil is a federation composed of the federal government, 26 states, a federal district and over 5500 municipalities. The country's federative structure has evolved through its history, alternating periods in which power was concentrated in the central government with others in which power was shared and managed by the states. The 1988 Constitution consolidated the federation by giving the same autonomous legal status to all levels of government, with no subordination between federal, state and local governments. Interventions by the federal government in states or municipalities or of the states in the municipalities are strictly limited and regulated. The Constitution stipulated specific mandates for the different levels of government and aimed at decentralized and coordinated cooperation between levels of government. However, most of this coordination was not specified and, in some areas, such as the environment, the mandates have overlapping responsibilities.

To finance the federation, a complex revenue transfer system has been established. In 2004, the federal government collected about two third of all taxes, the equivalent of 24% of GDP, and transferred 16% of that to states and municipalities, leaving a net revenue of about 21% of GDP. The states' net revenue is about 9% of GDP, after transferring part of their taxes to the municipalities. The municipalities have a minimal level of tax burden of 2% of GDP, but their final net income is almost 6% of GDP. Beside the substantive revenue transfer to municipalities, local governments receive many other resources through decentralized programs in education, health, social assistance and other voluntary transfers. This financial bondage through the revenue and program transfers explains how small municipalities (the majority of the 5500 municipalities have less than 20 thousand inhabitants) survive.

The combination of legal autonomy, weakly defined mandates and financial dependence results in very delicate relationships between levels of government. This is a challenge for major social public policies since the resources to fund them tend to exist at the federal level, while implementation should be at the local level. In some areas, expenditure earmarking was established in the Constitution to guarantee that government budgets reserve certain levels of funds in areas such as education and health. To implement social assistance and income transfer programs, the federal government has used local government structures and in some cases, other local social initiatives.

Brazil has thus advanced considerably in the process of decentralization. State Governors and municipal Mayors are powerful when compared to their counterparts in most countries. State Governors have political power and command a large state bureaucracy including tax collection systems and police forces. Municipalities elect mayors and city councils, collect taxes, implement education, health and other social policies and programs, through constitutionally established councils.

In the context of globalized economic competition, the ability to make decisions locally is a positive factor in attracting investments. Moreover, in principle, decentralized decision-making favors transparency and accountability. However, decentralization can be weakened by precarious local level management capacity and by corruption. In this sense, it is critical that most states and municipalities have serious technical and political gaps. Policy and Program Councils at the municipal level are presided by the mayors and staffed in most cases by political appointees. Thus, decisions on policies and programs at the local level often mirror the bribes, collusion and other corruption practices carried on at the federal level. Executive agencies in charge of implementing decisions at the local level are poorly staffed and their capacity for execution is feeble.

In such circumstances, a fragmented decision-making system and the lack of clear accountability can be major obstacles to the implementation of public policies. Efficiency is jeopardized by the very number of ministries and agencies at the federal and state levels dealing with public policies and programs. Decisions made in the capital are difficult to follow up since they are adapted in accordance with regional and local level interests. This is a prime reason why, in most policy areas, evaluations show poor results for policies and programs. The enhancement of social inclusion requires effective public service delivery. Some states have grouped government services together in one-stop shops. Many government agencies have adopted internet delivery and e-accountability. Participation of stakeholders in public decisions not only increases public knowledge but helps reduce the scope of fraud and inefficiency. These types of initiatives aimed at de-bureaucratization and improvement of service delivery are critical in promoting

access to basic rights of citizens.

Implementation of public policies also depends on the efficacy of the civil service. In regional comparisons, Brazilian public servants are relatively well trained and educated. Training systems for public service careers are provided in diplomacy, economic financial management, budget, public policy and program managers. Nevertheless, cumbersome bureaucracies are obstacles to efficient social service delivery. Moreover, the system is marked by high turnover during times of political change, frequently resulting in a loss of specific competencies. Basic salaries are low, but politically appointed jobs are endowed with extra remuneration. Migration to the private sector by the more capable professionals further weakens the system.

106. In spite of having an external control mechanism, the National Council of Justice, the judiciary remains an autonomous power subject to little scrutiny and oversight on the part of society. Rarely does a prior sentence inform and set the rule for similar cases: very little has been done to give similar processes the same decisions. The ample defense prerogatives of the accused guaranteed by the constitution are a lawyers' paradise and a source of impunity for the rich, who can instigate constant injunctions and reversion of decisions, in light of the several layers of tribunals and courts of appeal. This contributes to a generalized sense of impunity and to public insecurity. Recent analytical work shows low efficiency of the judicial system in resolving conflicts. A large number of processes of equal content concentrated in the higher courts suffocate decision-making. The lower courts judges have the power to interrupt due process through a highly random injunction system. Most cases take years to be judged, particularly if the accused have strong legal support. The ability of the system to clear the streets of known criminals has been poor. Altogether, the low conviction rates and the common perception of areas of impunity indicate that the criminal justice system needs a serious makeover.

107. Confronting these several and interrelated impediments to good governance and to the exercise of full citizenship is one of the greatest challenges that faces Brazil in the future. The government is well aware that the vulnerabilities of the political and judicial system constitute a permanent risk to social progress. Well-publicized ongoing congressional investigations should help pave the way for additional reforms of the electoral and legislative systems. Further progress in the generalization of the government's successful experiences with local decision-making and implementation, from participatory budgeting to involvement of community associations in policy decisions, would help complete Brazil's transition from a clientelistic to a modern, democratic government. Through better access to information, the local approach could have a ripple effect on transparency and on the fight against corruption. In this connection, the advantages of a free press and the huge influence of the media have not yet completely matured into an effective ally of democracy: this is a key area that is amenable to short-term improvement.

108. Reform of the judicial system -- involving simplified procedures, a clearer demarcation of responsibilities and more proactive case management -- would not only improve the citizenry's access to the right of justice, but also improve security and the social environment for investment and growth. Advances have been made, for instance, in making courts more accessible through small claims courts. Despite such progress, however, further improvements appear necessary for the exercise of the basic right to justice.

109. As concerns service delivery, Brazil has worked to improve the quality of policy implementation. Measures such as the National Debureaucratization Program

and a variety of e-government initiatives are making public administration more agile and predictable. A systematic approach to the evaluation of public policies and governmental programs was introduced to assess their performance in achieving objectives. Specific institutions for the evaluation of social programs were established. More public service careers have regular entrance examinations and formal training programs. Similar steps need to be introduced at the state and municipal level. These and other administrative modernization measures should be balanced with the robust internal control regimes that the country has developed to control corruption and other forms of misuse of public resources and the abuse of public authority.

TOWARDS AN AGENDA FOR THE UNCT: PRELIMINARY THOUGHTS

110. Helping Brazil tackle the challenges of developing a more inclusive, competitive, democratic and sustainable society is itself a formidable task. Brazil possesses human, technical and financial resources that obviously dwarf anything that the UNCT might be able to offer. In turn, the magnitude of the problems faced by Brazil looms gigantic in contrast to that of UNCT resources. On the plus side, the current historical moment is highly propitious for international cooperation to help Brazil overcome its negative heritage, and to move towards the enactment of human rights through social and economic progress for all. Current signs of increasing transparency in the democratic framework set the stage for the country to attack the root causes of poverty, inequality and insecurity, as well of other obstacles to the exercise of basic rights; international support and experience are seen as welcome inputs in this endeavor.

111. An appropriately modest and unassuming approach, a lucid analysis of critical development issues and a clear identification of the corresponding comparative advantages of the UN System would seem to be proper ingredients in divining the UNCT's role in the next program cycle. Some of the System's relevant comparative advantages in this context are:

- Its status as a permanent beacon and watchdog of international initiatives related to the exercise of human rights and to the reduction of poverty and inequality
- An increasing disposition among agencies to work in an integrated manner. Not only does this help avoid the duplication and turf wars of the past, but it also permits a more comprehensive approach and better division of labour
- The system works on time horizons that extend beyond those of a given administration. This favors the utilization of longer term scenarios for analysis and planning, while allowing the UN System to serve as guarantor of continuity in the defense of central principles and in the pursuit of critical goals
- The UN's political neutrality gives it the aura of being above partisan struggles and thus transform it into a trusted interlocutor for different groups, especially from civil society
- The UN System is seen as a trustworthy interlocutor with the outside world, capable of accessing information, experiences and discussion groups, as well as providing an external window that permits assessing national experiences in the light of international efforts
- The System's certification of good practices (or, conversely, criticism of human rights violations) can be critical in attracting FDI
- The different agencies are a source of financial and technical support that are seen as critical beyond their actual size, either because of their strategic targeting, and/or because of the legitimacy that they entail
- Because of their unique position, the agencies are able to marshal and channel scattered national resources, to promote and strengthen collaboration between

government and NGOs, and among NGOs from different regions of Brazil, as well as those of bilateral agencies, in support of specific national initiatives that require an additional impulse, or around South-South cooperation.

112. Within this framework and in light of the foregoing analysis of the country's potentialities and critical challenges, the role of the UN System during the next cycle might arguably be seen as focused on the following:

113. **Promoting Inclusion and Reducing Inequality:** Help identify the most vulnerable populations, whose rights are most often violated, strengthen the capacity of Right Holders to claim their rights, and strengthen the capacities of the Duty Bearers to respond to these demands. To this purpose, continue to assist the government and civil society with technical and financial support in formulating a vision, as well as in defining strategies and priorities, while helping to devise strategies for monitoring and evaluating the implementation of programs and policies directed to the various social/sectoral issues highlighted above, with emphasis on issues of poverty, inequality and insecurity with a human rights perspective. Help promote efficient monitoring systems, a better evaluation of their relative efficacy, and the improvement of accountability in all social projects and programs. Support the monitoring of international goals (MDGs, etc) and the accomplishment of international commitments made by the country (in UN Conferences, several international conventions ratified by Brazil, etc), as well as the monitoring of the public budget.

114. Center on a division of labour based on the identification of common causes and the formulation of shared strategies. Consider using either the MDG targets or a life cycle approach to divide up the critical tasks among the agencies, according to their specific expertise. Youth-centered issues - pre-school needs, education, employment, violence, gender, race, sexual and reproductive health, might constitute one such cluster of commonality. Another might be the inequality/vulnerability cluster: this could focus on the adequacy of the current social policy profile, on issues of focalization versus universalization, as well as on monitoring and evaluation of social policy implementation. Still another cluster might be linked to issues of governance and focus on the analysis of current tendencies, reform needs, evaluation of and support to decentralization, existence of parallel responsibilities, and other related aspects.

115. Promote private sector support to social programmes, utilizing the experience of the UN system in Brazil, in particular those of UNDP and UNICEF. Also, continue to stimulate social responsibility actions, such as the Global Compact Initiative, led by UNDP, UNEP, ILO, and other agencies. Those experiences could be broadened to include inter-agency projects that address different social areas, and involve private sector funding.

116. **Concerning Sustained Economic Growth:** Through technical inputs and sharing of international lessons learned, support the country in reducing macroeconomic risks and constraints to growth, in attracting foreign direct investment and improving productivity through the promotion of a more inclusive society, as well as through the formulation of a realistic policy of technological development. As concerns the country's insertion into global markets, assist Brazil in promoting commercial alliances and in reducing the current asymmetries of the international order, taking into account the recommendations of the World Commission on the Social Dimensions of Globalization presented as per the resolution of the UNGA.

117. **Concerning Environmental Sustainability:** Bring international experience to bear on ways to adapt and implement the country's excellent environmental legislation to critical environmental problems. Promote greater interaction and collaboration among civil society organizations, as well as with other government organization, in order to marshal their efforts in enhancing environmental awareness and, thus, help to promote better implementation of the country's sophisticated environmental legislation.

118. **Concerning Governance:** Provide positive reinforcement, international certification and technical assistance for much needed political and institutional reforms. Help promote a sharper focus on external accountability involving transparency mechanisms and empirically-based monitoring tools (including e*governance), as well as participatory 'voice' and incentive-driven approaches for prevention. Support the development of mechanisms to increase local level accountability and to strengthen civil society participation in existing councils and commissions, inspired by systems that have functioned in other countries or in particular Brazilian contexts. Help these to feature more prominently in providing checks and balances on traditional public institutions, in empowering non-traditional stakeholders, in leveling the playing field and in promoting social dialogue. In turn, this necessitates focusing on concrete measures to address the challenges of political contestability, political financing reform, and transparency in parliaments, the judiciary and the executive. Consider collaborating with bilateral agencies having specific experience in this domain. Focus on macroeconomic balances and establishing a more favorable investment context, as well as other issues highlighted earlier in this document.

Annex 1: HUMAN RIGHTS LEGAL FRAMEWORK IN BRAZIL

The majority of the laws in Brazil on the protection of human rights, understood as the exercise of civil, political, social, economic and cultural rights - was enacted as a consequence and under the inspiration of the 1988 Constitution. The following laws stand out:

- Law 8069 of 13 July 1990: provides for the Child and Adolescent Statute (Estatuto da Criança e do Adolescente, ECA), which is a comprehensive act on children's rights. At the time of its adoption, it represented significant advancement in the recognition of children as people with rights. ECA foresees the establishment of an institutional framework to protect children's rights. Fifteen years since its adoption, several provisions of ECA are yet to be fully implemented;
- Law 1904 of 13 May 1996: establishes the National Human Rights Programme and endows human rights with the status of public policy, as well as proposes government initiatives for the promotion and protection of civil and political rights in Brazil;
- Law 9455 of 7 April 1997: defines and punishes the crime of torture as a non-bailable crime whose perpetrator is not entitled to mercy or amnesty and whose principals, accessories, as well as those who, being in a position to prevent the crime abstain from doing so shall be held liable pursuant to article 5, XLIII, of the 1988 Constitution;
- Decree of 13 May 2002: establishes the National Human Rights Programme II and sets targets for the promotion of economic, social and cultural rights.

Since the democratization process, and particularly since the 1988 Federal Constitution, Brazil has adopted important measures to incorporate international instruments for the protection of human rights. International human rights treaties ratified by Brazil include the following:

- CAT-Convention Against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (ratified on 18 September 1989) (last report submitted 2001);
- CAT-OP Optional Protocol to the Convention Against Torture and Cruel Inhuman or Degrading Treatment or Punishment (signed on 13 October 2003);
- Inter-American Convention to Prevent and Punish Torture (ratified on 20 July 1989);
- Protocol to the American Convention on Human Rights to Abolish the Death Penalty (ratified on 13 August 1996);
- American Convention on Human Rights ("Pact of San José") (ratified on 25 September 1992);
- CCPR-International Covenant on Civil and Political Rights (Accession on 24 January 1992);
- CEDAW-Convention on the Elimination of All Forms of Discrimination against Women (ratified on 1 February 1984) (last report submitted 2002);
- CEDAW-OP-Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (ratified on 28 June 2002);
- Inter-American Convention on the Prevention, Punishment, and Eradication of Violence against Women ("Convention of Belem do Para") (ratified on 27 November 1995);

- CERD-International Convention on the Elimination of All Forms of Racial Discrimination (ratified on 27 March 1968) (last report submitted in 2003);
- CESCR-International Covenant on Economic, Social and Cultural Rights (accession on 24 January 1992);
- Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights ("Protocol of San Salvador") (ratified on 21 August 1996);
- CRC-Convention on the Rights of the Child (ratified on 24 September 1990) (last report submitted 2003);
- CRC-OP-AC-Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict (ratified on 27 January 2004);
- CRC-OP-SC-Optional Protocol to the Convention on the Rights of the Child on the sale of children child prostitution and child pornography (ratified on 27 January 2004);
- Rome Statute of the International Criminal Court (ratified on 20 June 2001);
- ILO C. 100: Equal Remuneration Convention, 1951 (concerning Equal Remuneration for Men and Women Workers for Work of Equal Value), ratified in 1957;
- ILO C. 111: Discrimination (Employment and Occupation) Convention, 1958 (concerning Discrimination in Respect of Employment and Occupation), ratified in 1965;
- ILO C. 169: Indigenous and Tribal Peoples Convention, 1989 (concerning Indigenous and Tribal Peoples in Independent Countries), ratified in 2002;
- ILO Declaration on fundamental principles and rights at work, adopted in 1998 (concerning freedom of association and collective bargaining and the elimination of child labour, forced labour and discrimination in employment and occupation).

Brazil is also committed to welcoming visits of representatives of the Commission on Human Rights Special Procedures and in 2001 extended a standing invitation to the thematic mechanisms. Special rapporteurs have visited the country to assess the incidence of torture and extrajudicial or summary executions, the enjoyment of the right to food and housing, the prevalence of sale of children, child sexual abuse and exploitation and the independence of judges and lawyers.

Overall, special rapporteurs recognize the advanced Brazilian legislation, especially the 1988 Constitution, one of the most progressive in the world in ensuring the protection of civil, political, social and cultural rights. However, significant constraints to the actual implementation of the law still remain and best practices are limited and erratic. Although much progress has been produced in recent years, public policies still need wider scope to reach the poor and fight inequality. Below are the main findings of Special Rapporteurs who visited Brazil:

- Sir Nigel Lee, Special Rapporteur on the question of torture (September 2000): In his report, Sir Nigel concludes that torture and similar ill treatment take place on a "widespread and systematic basis" in most part of the country and in all phases of detention. It reflects the social disparities and does not happen to everyone, but to poor, black common criminals involved in petty crimes, inside police stations and detention centers, normally overcrowded and in subhuman conditions.
- Mr. Jean Ziegler, Special Rapporteur on the right to food (March 2003): Mr. Ziegler points out that, in spite of innovative programs to combat poverty and hunger and although Brazil is one of the largest food exporters in the world, 22

million Brazilians are undernourished. Food and water remain being used in return for votes and as payment to forced labour. More effective punishment to violations of the right to food and more rapid agrarian reform are some of the suggestions presented in Mr. Ziegler's report.

- Ms. Asma Jahangir, Special Rapporteur on Extrajudicial, summary or arbitrary executions (October 2003): Ms. Jahangir received overwhelming information about human rights violations perpetrated by security forces, especially the military police. Evidence strongly indicated that serious human rights abuses (such as death in custody, death squads operations and numerous accounts of killings by members of the police in excessive use of force or extrajudicial executions) take place in impunity, which is caused by combined failure of a number of Brazilian institutions. Her recommendations include in particular the revision of the judicial system, as the gaps within the procedural law and delays allow escape from justice for the accused.
- Mr. Juan Miguel Petit, Special Rapporteur on the sale of children, child prostitution and child pornography (November 2003): Mr. Petit draws attention to the need for prevention, vertical and horizontal coordination and education of programs for children assistance in order to achieve actual results in fighting sexual abuse and exploitation. Detention centers for youngsters create conditions that increase their vulnerability and teachers and school professionals need training in identifying suspected cases of sexual violence. Besides, existing enforcement mechanisms are inefficient and perpetuate a sense of impunity.
- Mr. Miloon Kothari, Special Rapporteur on adequate housing as a component of the right to an adequate standard of living (June 2004). Mr. Kothari points out that the challenges in housing and land issues are overwhelming with homeless, landlessness, housing deficit and housing inequality. They mostly result from discrimination against indigenous and *quilombola* peoples as well as from the marginalization of the poor. Overcoming such challenges demands a holistic approach which should include elaborating a housing allowance scheme and enhanced land and agrarian reform.
- Mr. Leandro Despouy, Special Rapporteur on the independence of judges and lawyers (October 2004): Mr. Despouy's report indicates several shortcomings in the system of justice in Brazil, such as difficult access to justice, slowness and delays, tendency towards nepotism and non-use of competitive examinations to appoint judicial staff. Addressing such problems by promoting transparency and accessibility is particularly urgent given that, as it is, the judicial system reproduces the discrimination that more vulnerable groups, such as children, young people, indigenous and *quilombola* groups, already suffer in society.

Annex 2 – INDICATORS FRAMEWORK

CONTEXTUAL INDICATORS

Demographics	<ul style="list-style-type: none"> • Population size • Population structure • Total fertility rate • Life expectancy at birth
Economy	<ul style="list-style-type: none"> • GDP • GNI per capita • Economy structure as ratio of GDP • Country's Human Development Index ranking • Percentage of public expenditure on basic social services

MDG INDICATORS

Conference goal	Target	Indicators
<i>Income-Poverty</i>		
Eradicate extreme poverty	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 dollar a day (Millennium Declaration)	<ul style="list-style-type: none"> • Amount of the population having a household income of less than one-quarter of the minimum wage per capita • Proportion of population below \$1 (PPP) per day • Share of poorest 20% in national income • Gini index
<i>Food security and nutrition</i>		
Eradicate hunger	Halve between 1990 and 2015, the proportion of people who suffer from hunger (Millennium Declaration)	<ul style="list-style-type: none"> • Prevalence of malnutrition among children • Prevalence of underweight children • Proportion of overweight people
<i>Education</i>		
Achieve universal primary education	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling (Millennium Declaration)	<ul style="list-style-type: none"> • Net enrolment ratio in primary education • Literacy rate of 15-24 year olds • Adult literacy rate • Reading and mathematical skills of children who complete fourth grade • Incidence of repetition and dropout • Average number of years spent in school
<i>Gender equality and women's empowerment</i>		

Conference goal	Target	Indicators
Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015	
	Eliminate discriminatory practices in employment	<ul style="list-style-type: none"> • Share of women in the labour force • Range of jobs occupied by women
	Equitable access to political institutions (Fourth World Conference on Women)	<ul style="list-style-type: none"> • Proportion of seats held by women in national parliament • Percentage of women elected as representatives at federal and municipal levels • Proportion of women among civil servants

Child mortality and welfare

Reduce child mortality	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate (Millennium Declaration)	<ul style="list-style-type: none"> • Infant mortality rate • Life expectancy at birth
Reduce child labour	Elimination of child labour (WSSD)	<ul style="list-style-type: none"> • Amount of children aged 10-14 who are working • Proportion of working children who are attending school

Reproductive and maternal health

Improved reproductive health	Universal access to reproductive health services and information by 2015 (ICPD)	<ul style="list-style-type: none"> • Profile of women who had less than 6 pre-natal consultations by race
Improved maternal health and reduced maternal mortality	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio (Millennium Declaration)	<ul style="list-style-type: none"> • Maternal mortality ratio • Process indicators: Basic and Emergency Obstetric care services⁵ • Proportion births with skilled attendant⁶

⁵ For every 500,000 people there should be 1 facility providing comprehensive EOC and 4 facilities providing basic EOC (ref: Guidelines for Monitoring the Availability and Use of Obstetric Services, UNICEF, WHO and UNFPA, 1997).

⁶ Proportion of births attended by qualified professional with core skills and abilities, as defined in Making Pregnancy Safer, Dept of Reproductive Health and Research, WHO, Geneva, 2004

Conference goal	Target	Indicators
<i>HIV/AIDS, malaria and other diseases</i>		
Combat HIV/AIDS	Have halted by 2015 and begun to reverse the spread of HIV/AIDS (Millennium Declaration)	<ul style="list-style-type: none"> • HIV prevalence among women and youngsters
Combat malaria and other diseases	Have halted by 2015 and begun to reverse the incidence of malaria and other major disease (Millennium Declaration)	<ul style="list-style-type: none"> • Prevalence and death rates associated with malaria • Prevalence and death rates associated with tuberculosis
<i>Employment</i>		
Creation of full employment	Universal access to paid employment (WSSD)	<ul style="list-style-type: none"> • Employment to population of working age ratio • Unemployment rate • Informal sector employment as percentage of total employment • Real average monthly wage • Amount of people in child and forced labour regime • Earning gap disaggregated by gender and race
<i>Environment</i>		
Ensure environmental sustainability	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources (Millennium Declaration)	<ul style="list-style-type: none"> • Degree of environmental awareness • Proportion of Amazon's and Atlantic Rainforest's original forest cover • Greenhouse gases emissions
	Halve by 2015 the proportion of people without sustainable access to safe drinking water (Millennium Declaration)	<ul style="list-style-type: none"> • Proportion of population with sustainable access to an improved water source, urban and rural

Conference goal	Target	Indicators
	By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers (Millennium Declaration)	<ul style="list-style-type: none"> • Slum population • Population living in informal housing • Proportion of urban inhabitants living in adequate housing

Housing and sanitation

Adequate shelter for all	Provision of sufficient living space and avoidance of overcrowding (HABITAT II)	<ul style="list-style-type: none"> • Percentage of population living in overcrowded residences
Improved access to safe sanitation	Universal sanitary waste disposal (WCW/WCS/WSSD/UNCED)	<ul style="list-style-type: none"> • Proportion of collected sewage that receives adequate treatment

Drug control and crime prevention

Improved drug control	Measurable results in reducing cultivation, manufacture, trafficking and abuse of illicit drugs by 2008 (UNAD)	
Improved crime prevention	Eliminate/significantly reduce violence and crime (UNCPCTO)	<ul style="list-style-type: none"> • Number of intentional homicides per 100.000 inhabitants • Main causes of death among young males aged 15-39 • Homicide rates among males aged 15-19 • Violent death rates among young girls aged 10-14 • Percentage of crimes committed by youths aged 18 or less • Percentage of the population that had been victim of some sort of crime

International legal commitments for human rights

Universal ratification of international human rights instruments	Acceding to all international human rights instruments and avoiding resort to reservations, as far as possible	<ul style="list-style-type: none"> • Status of ratification of, reservations to, and reporting obligations under, international human rights instruments • Status of follow-up to concluding observations of United Nations human rights treaty bodies
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**INDICATOR USED FOR MONITORING
MILLENNIUM DECLARATION GOAL NO. 8**

Conference Goal: Develop a global partnership for development

Target	Indicators
In cooperation with developing countries, develop and implement strategies for decent and productive work for youth	Unemployment rate of 15-to-24-year-olds, each sex and total (ILO)

**CONFERENCE AND CONVENTION INDICATORS ON GOVERNANCE, DEMOCRACY,
JUSTICE ADMINISTRATION AND SECURITY OF PERSON**

Conference goal	Target	Indicators
<i>Democracy and popular participation</i>		
Strengthened democratic institutions and popular participation	Free and fair elections and democratic government (WCHR)	<ul style="list-style-type: none"> • Periodicity of free and fair elections • Existence of independent broadcasting and print media
<i>Administration of justice</i>		
Fair administration of justice	Effective legislative framework, law enforcement, prosecutions, legal profession, and fair trials in conformity with international standards (WCHR)	<ul style="list-style-type: none"> • Efficiency of legal system in solving conflicts and in applying the same decision to similar cases • Conviction rate
Improved framework of remedies	Existence of legal remedies in conformity with international standards	<ul style="list-style-type: none"> • Recognition in law of the right to seek judicial remedies against state agencies/officials
<i>Liberty and security of person</i>		
Liberty and security of person	Elimination of gross violations of human rights affecting security of person, including torture and cruel, inhuman or degrading treatment or punishment; summary and arbitrary execution; disappearances, and slavery (WCHR)	<ul style="list-style-type: none"> • Incidence of acts of violence committed by police, prison guards and death squads

Annex 3 - FOR FURTHER REFERENCE

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