

# Economic Commission for Latin America and the Carribean

Report to the Economic Commission for Latin America and the Carribean on the inefficiency of inequality

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## 1 1 Executive Summary

At the 2022 session, held from the 19th to 22nd of November, the Economic Commission for Latin America and the Caribbean (ECLAC) engaged Member States in dialogue and deliberation regarding the inefficiency of inequality.

As a body we have come to the consensus that inequality as it exists in Latin America and the Caribbean can be broadly divided into three categories: social inequality, internal economic inequality, and external economic inequality. These categories are intended to recognize the variety of unequal systems that continue to create barriers for the population of the aforementioned regions. The Commission determined that monetary as well as material aid could play a critical role in addressing inequality and achieving greater cooperation between the countries that compose Latin America and the Caribbean.

The first chapter compiles the resolutions recommended by the body to the Economic and Social Council (ECOSOC).

The second chapter summarizes the deliberations conducted by the ECLAC seeking to address the topic. Past commitments to sustainable development and human and environmental rights were re-examined. These conversations led to the identification of shared concerns and roadblocks experienced by nations in Latin America and the Caribbean, as well as valuable input from nations of the Global North. Paths forward have been proposed, including education, gender equality, racial and ethnic equality, healthcare, distribution of foreign aid, rights within the workplace, sustainable development, and international trade.

The last chapter details the acceptance of this report for ECOSOC consideration.

## 2 Matters calling for action

### 2.1 ECLAC II/1

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Acknowledging the inefficiencies caused natural disasters and climate change which lead to the exacerbation of inequalities experienced in the Latin America and the Caribbean Member States,

Deeply concerned with changes to global climate and how their effects on global environment and South development might exacerbate existing inequalities,

- 1. Noting the importance of biodiversity in the environment to fight climate change;
- 2. Reaffirming commitment to the 2030 Sustainable Development Goals (SDG), particularly:
  - (a) Affordable and clean energy (SDG 7);
  - (b) Reduced Inequalities (SDG 10);
  - (c) Climate action (SDG 13);
  - (d) Life on land (SDG 14);
  - (e) Life on water (SDG 15);
  - (f) Partnerships for goals (SDG 17);
- 3. Recognizing that achievement of the SDG is dependant upon national and regional equitable implementation of policy;
  - 4. Stressing the risk of natural disasters and devastation caused by significant changes to the global climate and the pressing nature of collaborative action towards the mitigation of this threat specifically within the region of Latin America and the Caribbean:
  - 5. Acknowledging the environmental implications of traditional tourism, Member States must seek to develop sustainable measures for this practice, such that promote the importance of ecotourism and equitable access to the tourism economy;
  - 6. Fully alarmed of the possibility of the increased number of climate migrants in Latin America and the Caribbean that could result from ongoing climate changes and how this displacement might exacerbate inequalities;
  - 7. Recognizing historically, the Global North had the ability to industrialize without regulations or concerns of the environment and this has strengthened inequalities between the Global North and the Global South;
    - 8. Stressing the risk of natural disasters and devastation caused by significant changes to the global climate;
- 9. Recognizing that the exploitation of natural resources continues to fuel inequality in Latin America and the Caribbean;
- 10. *Posits* a need to address rising sea levels, currently at unprecedented levels that will threaten areas near sea level, as well as any land that has been reclaimed from the sea;
- 51 11. *Emphasizes* the importance of biodiversity in sustaining a healthy environment, including but not limited 52 to:
  - (a) Protection of endangered wildlife;
  - (b) Prevention of releasing invasive species;
  - (c) Keeping protected lands maintained;
- 56 12. Encourages distribution of information for collaboration and advisement to face the global threat of 57 climate change,;
- 13. Recommends Member States use of renewable energy for cleaner, more equitable and more sustainable environmental practices, including but not limited to:
  - (a) Wind;
- 61 (b) Solar;

62	(c) Geothermal;
63	(d) Hydroelectric;
64	(e) Biomass;
65	(f) Oceanic;
66 67	14. <i>Urges</i> Latin American and Caribbean countries to consider decreasing carbon dioxide emissions, including but not limited to, the use of:
68	(a) Sustainable mining practices;
69	(b) Increased efficiency of public transit methods to reduce car emissions;
70	(c) Improved farming techniques;
71	(d) Working to shift industrialization practices and current industries to sustainable practices;
72 73	15. Strongly encourages regulatory legislation of the exportation of a country's natural resources by limiting actions such as, but not limited to, deforestation and mining;
74	16. Recognizes the importance of the Global South's environmental well being;
75	17. Regrets economic dependency on exportation and exploitation of natural resources;
76	18. Acknowledges the magnitude of tourism related revenue;
77 78	19. Urges Member States to consider implementing ecotourism as a sustainable alternative to traditional tourism, which would minimize the disruption of local ecosystems and promote eco-friendly practices;
79 80	20. Draws attention to solutions regarding the prevention of climate migration, consisting of but not restricted to:
81	(a) Diversification of crops which are more adapted to local soil;
82	(b) The planting of trees so as to avoid potential climate-caused landslides;
83	(c) The provision of housing that can withstand increasingly volatile environmental conditions;
84	(d) The education of people on safer cattling practices;
85	21. Further recommends advanced protections and aid for climate refugees and displaced persons;
86	22. Further urges promoting environmental awareness and global citizenship;
87 88 89	23. Encourages the application of policies regarding the natural disaster resilience and resilient infrastructure for countries that are already suffering from the consequences of global warming which further exacerbate inequalities experienced by Latin American and Caribbean Member States;
90 91	24. Calls upon Latin American and Caribbean Member States to implement sustainable forestry practices, such as, but not limited to:
92	(a) Forest conservation;
93	(b) Small-scale harvesting;
94	(c) Reclamation;
95	(d) Reforestation;
96 97	25. <i>Endorses</i> the strengthening of natural resource governance to combat inequalities caused by resource exploitation.

## 2.2 ECLAC II/2

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Guided by The Inefficiency of Inequality (2018),

Believing that social gaps are a result of a diverse range of factors including, but not limited to, local and global economics, infrastructure, geography and cultural relations,

Recalling the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escaz) which emphasizes the right of every person to a healthy environment.

Recognizing and respecting the independence and sovereignty of Member States in the Global South,

Aware of the fact that the current austerity measures and neocolonialism have produced negative effects on the economies in the Global South,

Concerned that the Latin American and Caribbean region are among the most unequal countries in the world with a GINI coefficient of the Latin America and Caribbean region averaging at .5,

Fully believing that more prudent foreign direct investment could directly tackle inequality in the region,

Reaffirming that education can provide a path to minimize inequality by increasing professional opportunities within a country, in accordance with Sustainable Development Goals 4 Quality Education,

Noting the concern over the disparities within Latin America and the Caribbean within the healthcare system,

Recognizing disparities of economic and infrastructural recovery following natural disasters. global economic downturns, including but not limited to: COVID19, extreme weather events, and the worsening effects of global warming,

Acknowledging internal disparities within Latin American and Caribbean countries, including but not limited to:

- 1. Income inequalities between different groups and communities, varying by,
- (a) Gender,
  - (b) Race and Ethnicity,
- (c) Religion,

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- (d) Economic Status,
  - (e) Geographical Location and Regions,
- 126 2. Lack of resources that have hindered lower socioeconomic communities' access to sustainable 127 internal infrastructure.

Emphasizing the internal disparities experienced by Indigenous communities and those native to the lands of Latin American and Caribbean countries,

Desiring developed countries, both within and outside of the Latin American and Caribbean regions, to participate in open and equitable trade partnerships with developing countries in Latin America and the Caribbean,

Reaffirming the stated objectives of the Sustainable Development Goals (SDG) pertaining to this body,

Seeking to alleviate some of the many social inequalities affecting Latin America and the Caribbean,

- 1. Encourages efforts to minimize inequality in education such as:
  - (a) Increased access to public primary and secondary education to increase literacy and numeracy;
- (b) Investments in educational technologies to promote quality learning in the classrooms of Latin
  America and the Caribbean;
- (c) The creation of trade and professional programs in higher education to prepare individuals with technical and vocational skills required for the workforce;
- (d) Increasing the supply of qualified teachers through international cooperation for specialized training;
  - (e) Providing full efforts to improve education for lower-income and indigenous communities;
  - 2. Emphasizes the need for reductions in gender inequalities by:
    - (a) Ensuring that women have equal access to education in the regions of the Global South;

- (b) Urging Member States to enforce protections against violence against women; 145 (i) Through the adoption and enforcement of international agreements like Convention on the Elim-146 ination of all Forms of Discrimination Against Women (CEDAW); 147 (ii) By collaborating towards internal legislation that protects the rights of women; 148 149 (iii) Through the collaboration of the government and citizens on social awareness programs and advocacy; 150 (c) Emphasizing that women and children should have the same opportunity to access healthcare; 151 152 (d) Promoting women in positions of power; (e) Reiterating goal five of the SDG to tackle gender income inequality; 153 3. Further emphasizes the economic impact of historical and ongoing discrimination on racial and ethnic 154 lines by promoting: 155 156 (a) Domestic policies to combat income inequalities; (b) Recommendations that Member States submit regular reports on domestic policy changes to dis-157 mantling racial and ethnic boundaries to socio-economic mobility in order to promote transparency and a coincidence 158 of goals; 159 (c) Multilateral efforts through cooperation and financial markets among countries of Latin America 160 and the Caribbean to combat income inequalities; 161 (d) The increase of access to international financial markets in order to promote economic opportu-162 nities for all countries of Latin America and the Caribbean specifically for the benefit of historically disadvantaged 163 groups; 164 (e) The acknowledgement of the existing disparities of political representation and disenfranchise-165 ment within the populations of people of varying ethnic backgrounds with the hope of achieving proportional political 166 representation; 167 4. Recommends the following to decrease global inequality in healthcare, especially during times of global 168 medical crises such as COVID-19: 169 170 (a) Encouraging fair distribution of medical supplies such as vaccines, medicines and medical technology to Global South countries from Global North countries as well as resource-sharing among Latin American 171and Caribbean countries; 172 (b) Emphasizing the need for Non-Governmental Organizations (NGOs) and Global North Member 173 States to provide medical supplies and professionals; 174 (i) By utilizing monetary funds from Global North Member States; 175 A. While ensuring all the Latin American and Caribbean Member States are able to maintain full 176 sovereignty and thus have the ability to make decisions on accepting aid on a case-by-case basis 177 based on what is readily available; 178 B. Without political interference; 179
- 5. *Invites* Member States to discuss changes to the International Monetary Fund that would allow for more equitable distribution of funds with fairness at its core;

(c) Providing aid from NGOs and other willing parties to increase healthcare access to rural popu-

- 6. Urges the continuation of relationships between the Global North and South with recognition of limits of direct investment and working towards more equitable economic ties that aim to:
  - (a) Encourage investments through governmental bodies;

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lations:

- (b) Emphasize that investments should not be focused solely on profit;
- 7. Strongly encourages any and all entities to recognize unionization as a right not to be infringed;

- 8. Looks poorly upon attempts by governmental and nongovernmental organizations to subvert fair compensation for labor;
  - 9. Calls for the enforcement of workplace safety regulations by all Member States;

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- 192 10. Affirms the importance of providing adequate and sustainable infrastructure for purposes of trade and 193 general prosperity in an equitable manner such as: constructing efficient transportation; increasing access to internet 194 and electricity; developing apt housing;
  - 11. Promotes a trade market that is truly open and free to all countries;
  - 12. Discourages unwarranted embargos on states based on political or economic differences;
  - 13. Creates mechanisms for countries to bring up grievances against international companies violating labor laws and regulations through third party entities that would monitor and inspect working conditions at international companies operating within ECLAC's jurisdiction;
    - 14. Suggests conducting expert reports on vital areas in developing countries' infrastructure to be addressed;
- 201 15. Supports the fight against corruption by promoting transparency within governments to decrease dis-202 paraging trends in migration.

### 3 Consideration of the status

#### 3.1 Introduction

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 After concluding its discussion of Topic I: South-South Cooperation, the Economic Commission for Latin America and the Caribbean (ECLAC) turned its focus towards Topic II: The Inefficiency of Inequality. Using the previous intra-commission discussions on South-South Cooperation as a basis for continued discussion on the second topic area, the body was able to find common ground on many of the issues that compose the Inefficiency of Inequality. Three issues in particular were discussed at length: social inequalities, internal economic inequality and external economic inequality.

#### 3.2 Social Inequalities

Bahamas and Belize focused on elaborating on education access and quality. Belize addressed the importance of increasing access to public primary education. Bahamas added an emphasis on increasing access to technology to provide a greater quality of learning for classrooms in Latin America and the Caribbean. Ecuador emphasizes targeting aid towards improving overall quality of education in addition to access to education. In addition to primary education, Belize expanded on the idea of education to include higher and lifelong education and learning. This would include trade and professional programs that would provide a greater skill set for individuals as they enter the workforce. Lastly, Belize discussed the addition of a clause to talk about the supply of trained teachers.

Bahamas also actively worked on the economic impacts of racial and ethnic discrimination and working towards reducing these ongoing disparities within Latin America and the Caribbean. Bahamas has taken into account the economic impact historical and ongoing discrimination has had on the Global South and has worked towards including both domestic and multilateral efforts through which these inequalities can be combatted. In order to promote initiatives like these, the group discussed domestic government policies, expanding economic opportunities and political representation. When this issue was brought to the attention of the body, Brazil remarked the need to clarify the importance of ongoing discrimination and not just historical discrimination.

Peru and Ecuador discussed gender-based violence. Ecuador expressed concerns over increased gender-based violence post-pandemic and the need for additional measures to reduce violence against women. Ecuador also began a conversation on putting women in positions of power in government. Peru and Ecuador also discussed healthcare for women and children. Peru emphasized it is crucial for people to have equal opportunity to access healthcare in Latin America and the Caribbean. Peru mentioned its country is offering free or low-cost checkups. Peru proposed integrating health equity considerations into policy and programs.

#### 3.3 Internal and External Inequalities

In the discussion of Topic II: The Inefficiency of Inequality, the delegations representing Uruguay, Venezuela, Trinidad and Tobago, Puerto Rico, Honduras, Jamaica, Japan and Spain placed special emphasis on addressing the interplay between internal and external inequalities in ECLAC discussions and report writing. Additionally, the delegation of Portugal raised the importance of the safe and humane treatment of refugees in other countries and further emphasized the importance of safe and efficient international travel. The delegation of Puerto Rico indicated during discussions that, given that trade law was discussed at length in Topic I, the issue of immigration should be at the forefront of Topic II. The delegation of Trinidad and Tobago stated that while this is true, international trade should still be mentioned, given that it is relevant to Topic 2. The countries involved in deliberation reemphasized direct funding as a critical way of developing the economies of Latin America and the Caribbean.

The Agenda for Sustainable Development, also known as the 2030 Sustainable Development Goals, was a critical part of these discussions. Labor laws were also a key point of discussion during the body's formal and informal sessions in regards to internal as well as external inequalities. Standards for corporations and the right to collective bargaining were a major concern for all of the delegations involved in the discussion and played a large role in the Commission's deliberations. Differences between urban and rural areas, unequal access to resources and the problems driven by disparities in geographic position as factors of income inequality were all discussed. Internal inequality driven by lack of access to infrastructural elements like running water, sanitation services, electricity and transportation infrastructure were all further concerns raised in the course of the body's discussions.

#### 3.4 Discussion Over the Draft Resolution

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During the Commission's deliberations, issues concerning the inefficiency of inequality were brought to the attention of the body, specifically: that social gaps have determinants that are rooted in issues of macroeconomics, the issue of inequality production and institutions, territory, culture and gender relations. The body emphasized that equality is an ethical and moral obligation and that equal rights is an intrinsic value of citizenship and modern humanism. Furthermore, for the protection of human rights across the world, these values must be consolidated in institutions, structures and policies that help to close gaps between and within states. In addition, it was presented that the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escaz) emphasizes the right of every person to a healthy environment. As systemic and social inequalities detract from these efforts, the need to address them was also mentioned.

Honduras wanted to encourage the dismantling of military bases in Latin America. The United States of America spoke with the delegate from Honduras, relaying its strong disagreements with the removal of and dismantling of military bases in Latin America. The delegates from the United States of America believed this mutual presence leads to stability, security and economic growth through the creation of jobs and industry.

Norway emphasized women's rights and the importance of accessible healthcare, while Brazil addressed the issue of more non-governmental organizations (NGOs) assisting with issues like education. The Bahamas raised concerns about income inequality, in the view that past colonial and imperial ties have made the country vastly unequal. The white minority within the Bahamas is far wealthier than the majority of citizens. Aruba additionally drew attention to disparities within political representation of ethnic groups, noting that these disparities can often be connected with historical influences in the regions of Latin America and the Caribbean which have had lasting effects on the local political and social structures.

Mexico did not want specific NGOs mentioned and preferred a more open statement, while Germany and Cuba voiced the same issues with NGOs. Compromise was achieved by agreeing to remove the specific language about NGOs.

With the context of providing social and economic aid the body addressed concerns of possible political leverage of NGOs interfering with the sovereignty of Latin American and Caribbean Member States. This was clarified by Mexico, Costa Rica and Japan with removal of specific NGOs and the agreement of the body to have this represent an opt-in system of aid with no infringement of sovereignty.

The United States of America recommended a change of the operative concerning unionization, and agreed to remove the phrase "human right to unionize" because the United States of America does not believe that the lack of said right would lead to a true violation of human rights.

The United States of America and Jamaica discussed the importance of aid pertaining to education, as well as an understanding of how the increase of education affects the community as a whole. Furthermore, the two delegates spoke of the importance of how aid directly affects the local communities as a whole and how to use said statistics as a building block for future aid prescription.

During the discussion of a merger of several different draft resolutions there was concern of loss of strong language with the merger of some of the concurrent draft resolutions from Italy. Italy had stated they had strong language they wanted to keep in the final version of the draft resolution acknowledging the mistakes of colonization. Honduras, Cuba and Peru stated that acknowledging the mistakes made during colonization was acceptable and that other Member States were unlikely to have a problem with that being in the preambulatory clauses. Trinidad & Tobago, Italy, Chile, Honduras, Cuba and Peru also stressed the need to clarify language regarding accountability of past neocolonialism in the merged resolutions. The delegations of Japan and Brazil suggested the rewording of the operative clause concerning direct investment to recognize past limitations to emphasize the importance of modifications towards more equitable economic ties between members of the Global North and Global South.

## <sup>294</sup> 4 Adoption of the Report of the Commission

At its meeting on 22 November 2022, the draft report of the Commission was made available for consideration.
The Commission considered the report, and with no amendments was adopted by consensus.

Passed by consensus, with 0 abstentions