

# Towards the Fifth Summit of the Americas

## Regional Challenges

## Executive Summary



Joint Summit  
Working Group



**OAS**

Organization of  
American States



**IDB**

Inter-American  
Development Bank



**ICA**

Institute for  
Connectivity in  
the Americas



**ECLAC**

Economic  
Commission for  
Latin America and  
the Caribbean



**PAHO**

Pan American  
Health  
Organization



**ILO**

International  
Labour  
Organization



**WB**

World Bank



**IICA**

Inter-American  
Institute for  
Cooperation on  
Agriculture

**CAF**

Andean  
Development  
Corporation



**CABEI**

Central American  
Bank for Economic  
Integration



**CDB**

Caribbean  
Development  
Bank



**IOM**

International  
Organization  
for Migration



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## **Regional Challenges**

### Executive Summary

In the framework of the Summits of the Americas, the heads of States and the institutions of the inter-American system have coordinated their efforts to build a modern State in a global economy in order to satisfy the needs and demands of the citizens of the Americas. The Summit Process is a reflection of the importance given to regional governance and the need to find collective answers to the problems and challenges facing the Hemisphere. To this end, the OAS General Secretariat, through the Summits of the Americas Secretariat, has produced the publication, “Towards the Fifth Summit of the Americas: Regional Challenges”, which comprises an inter-institutional inventory by the twelve members of Joint Summit Working Group (JSWG) on regional challenges facing the hemisphere as we look towards the next Summit to be held in Trinidad & Tobago in 2009. The purpose of this book is to facilitate and foster a political-technical dialogue between the main actors of the Summit Process, including member states, institutions, and civil society, in favor of the consensual work that will be carried out in the framework of the Fifth Summit. This publication also sends an unequivocal sign of the levels of dedication and responsibility of the JSWG institutions regarding the Summit of the Americas Process.



### **Guarded Optimism**

The Latin America and Caribbean (LAC) region finds itself in a favorable international environment and in 2006 enjoyed its fourth consecutive year of rising per capita growth; however, despite an overall decline in poverty and indigence, improvements in economic performance, and the advancement of democracy, the LAC region still faces formidable challenges. These positive yet cautious perceptions regarding recent trends are noted by the member institutions of the Joint Summit Working Group in their descriptions of the challenges that lay ahead and the need to address them in a multidimensional, holistic manner. The fundamental challenge noted by many of the institutions is how to make the most of these recent political and economic opportunities so that they can best benefit the peoples of the region for a more equitable,

inclusive and secure society. That challenge confronts us with the need to overcome the huge obstacles that afflict our continent. Notwithstanding, three major challenges stand out: sustaining growth, diminishing inequality, and promoting good governance.

### **The Challenge of Growth**

As we head towards the Fifth Summit of the Americas, the IDB emphasizes that in order for the region to take advantage of current economic expansion, it is indispensable to initiate the reforms and adjustments needed to further bolster growth, to make it sustainable, and to take it inclusive and rewarding for the poor. It is necessary to have a vision in which the region acts on the strategic importance of the social agenda. Indeed, growth without the promotion of a greater equality and inclusion is counterproductive. In this respect, the World



Bank reminds us that it seems unlikely that the LAC region as a whole will meet the extreme poverty targets for 2015 set forth by the Millennium Development Goals.

To confront growth challenges, CABEI emphasizes the Regional integration and the competitive insertion of Central American countries into the global economy as a means of combating poverty a priority. Along these same lines, the CDB underscores the diversification of the Caribbean economies and their competitiveness in the marketplace as a way to tackle the issues set before us.

### **The Challenge of Inequality**

The consolidation of social cohesion is viewed by ECLAC as a main factor for maintaining stability, particularly in view of the high levels of social inequality in Latin America and the

Caribbean – the highest in the world in many aspects. In this way, ECLAC joins the IDB in its assertion that it is fundamental to reduce poverty, inequity and social exclusion. In the same vein PAHO underscores the importance of approaching health as an expression of the problems of poverty and inequity, as an exercise in citizenship and law, and as a contribution not only to the well-being, but also to the economic growth of the hemisphere's societies--a subject rarely analyzed or addressed in political agendas. The CAF eyes the social arena with great concern and notes that inequities as well as growing internal gaps in the development of countries are among the region's major challenges. Furthermore, they recommend that social policy be directed towards constructing a fuller form of economic and social citizenship, thus helping to limit crime and enhance the guiding principles of good governance.

The high levels of inequality in the region have forced, according to the IOM, about 20 million nationals of LAC states to live outside their countries of origin. According to recent studies, remittances from these migrants reached over US\$ 66 billion in 2006. This increase has made the LAC region the largest recipient of remittances, accounting for over 40% of the volume of remittances in the developing world, thus helping to reduce poverty of recipients and supplement their income.

### **Good Governance**

The institutions of the JSWG remind us that effective democracy is not possible if important issues of economic and social organization are left off the public agenda. ECLAC notes that one of the political system's fundamental tasks is to act as a catalyst for discussion. In so doing, this system should offer citizens an array of options that will provide space for an institutional learning process and, above all, for the exercise of democracy. Although the countries of the hemisphere have progressed toward democratically elected governments, IICA acknowledges that this does not guarantee their democratic governance. For the World Bank governance is reinforced by

institutional strengthening, building inclusive institutions, improving accountability and increasing transparency through innovative lending mechanisms, risk management services and customized implementation support. Good governance, according to the CDB, is also a requisite for the creation of an enabling environment in which countries can make the transition to competitive social and economic structures that allow the private sector to develop and flourish, thereby increasing overall national wealth. The ILO notes that this fact means that decent work should be recognized as central to fighting poverty and strengthening democratic governance in the Americas. An analogous vision is set forth by ICA regarding the possibilities that Information and Communication Technologies have in promoting entrepreneurship and decent employment and strengthening democratic governance in order to promote more equitable socio-economic conditions.

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