

A resource allocation that will not meet the MDGs



Increased social expenditure has not been accompanied by an improvement in coverage or service quality. The Colombia Plan, partly funded by the USA and international cooperation, allocates 74% of its resources to military build-up and only 26% for social purposes. Assistance for people displaced by the armed conflict is very limited.

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More than a decade after the World Summit for Social Development (1995) and the international commitment to “the goal of eradicating poverty in the world, through decisive national actions and international cooperation, as an ethical, social, political and economic imperative of humankind”, the situation of the poor in the world is not encouraging and Colombia is no exception to this. In 2005, 66% of the population were in a state of poverty,¹ of which more than 18% were in extreme poverty (Garay, 2002, XXIV).

The Government has a strategy for poverty and inequality reduction² with the goal of reducing the incidence of poverty to 41.1% by 2010 through “social expenditure compatible with fiscal balance, high and sustained growth that is not over-sensitive to the economic cycle, greater access to basic and higher education, a dynamic work market and a rural development strategy”. This programme is ambitious in its goals but insufficient if the reality of the country is compared to the Millennium Development Goals (MDG).

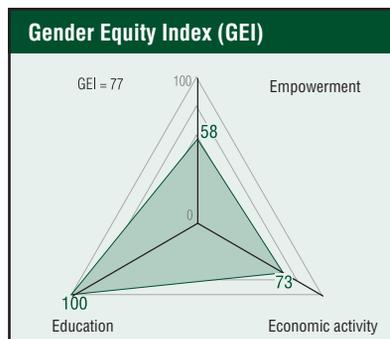
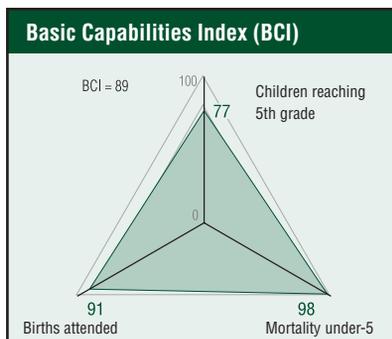
More expenditure but less coverage or less quality

Tax income represented 10.7% of the Gross Domestic Product (GDP) in 1990 and 13.6% in 2003. In terms of the 2003 peso (COP), it doubled from COP 15 billion in 1990 to COP 30.97 billion (USD 11.26 million) in 2003 (Ossa, 2004). Expenditure has also increased: in 1990 it represented 9.6% of GDP and in 2003, 20.9% of GDP.

Economic growth has been cyclic and unstable (Sarmiento, 2006). Without solving structural problems, social expenditure has partly compensated for a development model that has generated exclusion and polarisation. However this trend of increasing social expenditure has not produced a proportional growth in the coverage, quality and relevance of social services (Garay and Rodríguez, 2005, p. 22). The justice and defence

1 Comptroller General of the Republic and Development Research Centre. The National Planning Department's figure is 52%, equivalent to 21,953 million people living in poverty.

2 See <www.dnp.gov.co/paginas_detalle.aspx?idp=623>.



item is an important element of the “Towards a Community State” Plan and is allocated resources equivalent to a 4.9% of GDP, mainly destined for the army and the police. The main item of social expenditure is the General Participation System, which in 2005 represented 5.6% of GDP, comprising 58.5% for education, 24.5% for health and 17% for general purposes.

The planned social objectives have not been met partly because of the privatisation of basic services and the fact that increased investment (in terms of a percentage of GDP) has been overwhelmed by growing social demand.

The Colombia Plan

After more than three years of implementation the Colombia Plan, mostly funded by Colombian public resources and assistance from the USA, has focused on the military sector, leaving social investment projects in the background. With 74% allocated to military (60%) and police (14%) build-up, only 26% is channelled to social investment. Currently the Colombia Plan is associated with the armed conflict, the war budget, illegal cultivation substitution and the strengthening of military structure and the Defence Ministry. Of the Plan's total cost, 61% is financed with national debt (internal 22% and

TABLE 1

Budget items as a percentage of GDP (2002-2005)				
	2002	2003	2004	2005
I. OPERATIONS	16	15.2	16.9	17.1
Personnel	3.6	3.4	3.4	3.2
General Expenditure	1.1	1.1	1.1	1.1
Transfers	11.1	10.5	12.2	12.5
Commercial operations	0.2	0.3	0.2	0.3
II. DEBT SERVICING	11.2	11.9	10.1	10.9
External Debt	4.6	5.8	3.3	4.5
Amortizations	2.8	3.4	1.6	3.0
Interest	1.9	2.4	1.7	1.6
Internal Debt	6.5	6.1	6.8	6.4
Amortizations	4.0	3.1	3.8	3.3
Interest	2.6	3.0	3.0	3.0
III. INVESTMENT	4.5	3.8	4.2	4.2
TOTAL	31.6	30.9	31.2	31.2

Source: National Public Budget General Department (Sarmiento, 2006).

external 39%), 35% with assistance from the USA and 4% with international cooperation (Comptroller General of the Republic, 2002).

Investment in economic, social and cultural rights

Health

According to the Ombudsperson (Defensoría del Pueblo, 2003), in order to guarantee health rights four guiding principles have to be observed: availability, accessibility, acceptability and quality, for which the State has specific obligations. This is about the right to a healthy life in a broad sense, which implies a guarantee of minimum essential levels of access to services and medicines, nutritive food, a basic domestic sewerage and drinking water service, appropriate work conditions, public health programmes and a healthy environment.

The legal framework establishes two objectives, service efficiency and universal coverage of an adequate quality. To achieve them two strategies were proposed: an endeavour to make health insurance coverage universal and the introduction of regulated competition to guarantee efficiency in the General System of Health Social Security. The latter however utilised the application of macroeconomic principles that ended up turning the health sector into a market.

In 2003, ten years after the System began operating, health insurance coverage reached 62%. Total affiliation increased by 33.5% between 1993 and 1997 and by only 4.6% between 1997 and 2003, which reflected the limitations of the system for achieving universal coverage. (Garay and Rodríguez, 2005, p. 119).

Health rights are not guaranteed by affiliation to the system. Administrative obstacles result in a systematic denial of service provision by Health Service Provider Companies and Health Risk Administrators, both of which work with a profit rationale rather than with social service provision criteria³ (Defensoría del Pueblo, 2004).

Education

Fulfilling the education provision obligations established by international human rights doctrine and jurisprudence involves guaranteeing the right to availability, access, permanence and quality.

Between 2003 and 2006 General Participation System funds for education grew by 15.2% from COP 364.6 million (USD 143,600) to COP 420.1 million (USD 165,460).⁴ However the quality policy has turned into one of using measurements to evaluate students and teachers reducing the concept of education quality to the mere attainment of certain standards. Also, the rapid rise in the cost of matriculation in recent years induced the sacrificing of

quality for coverage and prompted the creation of finance schemes for primary, secondary and higher education so that the population could have access to education, which according to the Constitution should be free.

Indicators show that advances are difficult and slow and "when they do occur, they demonstrate how precarious the right to education is due to both the significant ongoing shortfalls and the disillusionment that is engendered... It could be said that the denial of expectations is a regressive factor because it separates people more and more from the effective exercise of their full right to a quality education" (Pinilla, 2006, p. 18). An education that is comprehensive but lacks quality contributes to increasing the divide between social groups and producing social exclusion.

State contributions to education continue to be allocated almost exclusively to covering teachers' pay. Investment in quality has for the most part been completely ignored and the allocation of resources is decreasing.

Secure food supply

The objectives set in the 2002-2006 Development Plan for the agricultural sector had a regional focus, especially on rural conflict zones and productive zones where security is deteriorating. However, the implementation of policies that guarantee land rights has been increasingly difficult since the merging in 2003 of four bodies to form the Colombian Institute for Rural Development, which has resulted in greater hindrances to rural economic development and to production in small family agricultural units (Garay and Rodríguez, 2005, p. 260). Added to this, are the strong interests that parties to the armed conflict have in land. Also, according to the Ministry of Agriculture, in 2003 the resources budgeted for the sector were 29.9% less than in 2002.

According to Economist Luis Jorge Garay, agricultural sector public policies were designed to allow the market to be the distributor of resources and as a result less and less resources were provided from the national budget. Policies that were adopted focused on productivity and prices through the use of subsidies and on protection for the interests of a small minority, without solving structural problems that affect the entire rural population (Salgado, 2004).

There is no public policy that guarantees the right to food. In Colombia poverty is the direct cause of the hunger of millions of people who, without a minimum and regular income, cannot have access to basic food requirements. There are 2.318 million children aged 5 to 17 who will be working in the streets in 2006.⁵

Displaced population

Among the most perverse consequences of the armed conflict is forced displacement, which has made Colombia one of the countries with the greatest inci-

dence of this phenomenon. More than three million people, 7% of the national population, have been victims of forced internal migration (CODHES, 2006).

The Comptroller General of the Republic (2005) estimates that COP 4 billion (USD 1.58 million) is needed to meet the displaced population's needs. This sum is almost nine times the amount allocated for this purpose between 2000 and 2003. The government has only been able to provide assistance for 31% (360,830 people) of the total number of victims of forced displacement, who on average receive only 42% of the resources that they need.

Although the displaced population budget allocation increased significantly in 2004 due to a decision of the Constitutional Court, resources continue to be directed principally to the democratic security policy and specifically to the demobilisation and reinsertion of members of armed groups operating outside the law. Between 2000 and 2003 each demobilised member of these groups received COP 19.5 million (USD 7,680), while an entire displaced family received only COP 5.5 million (USD 2,167).

Displacement deprives people of their means of survival and it is extremely difficult for them to re-establish these in the place where they arrive. Being displaced from their lands and having great difficulty in gaining access to work opportunities, health services, education, recreation and property, they become a highly vulnerable population that can easily fall into poverty or destitution. ■

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3 Between 1999 and 2003, the Constitutional Court received almost 145,000 writs of injunction, 25% of them invoking the right to health, with an average of 7.8 tutelage actions per 10,000 inhabitants during that period. 71% of them were based on medical attention rights violations.

4 National Education Ministry. Planning and Finance Consultation Department. Executive summary. March 2006.

5 *El Colombiano*. "Ya son 2.000.000 de niños los que trabajan en el país" (There are already two million children working in the country). 12 June 2006, p. 1A, 3A and 11A.