<table>
<thead>
<tr>
<th>2001 Hemispheric Social Inclusion Index (HSII)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Human Services Deficit and What Can Be Done About It: Benchmarking Human Services in the Hemisphere</td>
</tr>
<tr>
<td>By Daniel Drache and Malcolm J. Stewart, PhD.</td>
</tr>
<tr>
<td>A Project of The Robarts Centre for Canadian Studies York University</td>
</tr>
<tr>
<td>Daniel Drache, Executive Director</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Human Services are the glue that reinforces our rights and obligations to each other. They are the connectors linking civil society to public authority. They strengthen the social bond, broaden points of entry into society, and remove structural obstacles to inclusion. Human services are an implicit social contract between public authority and its citizens and represent an ethical commitment to reducing social inequality. Increasingly, the responsibility for provision of human services does not rest solely with governments. When public authority does not do enough, or when it withdraws from primary responsibility for providing an adequate supply of collective goods, markets and civil society will try to fill the gaps.

This report examines the provision of human services in six countries – Argentina, Brazil, Canada, Chile, Mexico and the US – in four key areas: income security, healthcare, housing and education. As this report demonstrates, the patience of civil society has been taxed to the limit by the unwillingness of governments to maintain an adequate supply of human services and to build socially inclusive societies in the hemisphere.

To address the shortfall in human services requires that the largest number of people possible, if not everyone, in any society, have access to income security, health care, housing and education. However good this principle is in practice, it has always fallen short of transforming the life circumstances of those suffering urban poverty, the chronically unemployed, indigenous peoples and persons with disabilities. The fact remains that the future of the excluded, the most vulnerable and marginalized is tied to a renewed commitment to reinvesting in human service systems for everyone.

Benchmarking Social Inclusion

Social inclusion requires benchmarks to improve the basic necessities of life that are essential for full participation in social, political and economic processes. The most important
areas examined in this report are income security, health care, housing and education. The major findings of the report are that:

- **Urban poverty**

  Income disparity and falling incomes have emerged as one of the most intractable problems in NAFTA and MERCOSUR countries due to deteriorating labour markets and lack of affordable housing.

- **Retirement Income**

  In many jurisdictions, public pensions are inadequate for ageing populations and this has become a key issue for public authorities. The absence of retirement income continues to be a major and growing problem in the middle income countries of Latin America.

- **Public Health Standards**

  In the area of population health, there is an acute shortage of resources and a lack of high quality and comprehensive health care services for all citizens. We also found a growing recognition among public authorities that deteriorating social conditions are responsible for poor population health and urban poverty. Local governments and charities have been unable to adequately fund emergency shelters for homeless persons.

  A disturbing trend is that many large cities in the North and South are surrounded by densely populated shantytowns where large numbers live in unsafe and unsanitary conditions. The United Nations has asserted that affordable, adequate housing is a basic human right. Yet as this report demonstrates, rent costs in several Latin American countries are soaring dramatically. Permanent solutions to the need for affordable housing for low income and other special needs groups have not been addressed. Human services in many cities in Brazil and Mexico are non-existent or incapable of responding to the demands placed on them.
• **Educational Attainment**

Education is one of the primary areas of human services. Many more children attend school now than three decades ago, but the quality and level of resources have failed to provide for higher standards of teaching and learning. For many students, the promise of improved human capital through public education has been broken, because they are not acquiring the skills needed for the information age. Despite recognition by all public authorities of the importance of education, the costs of providing fully accessible education from primary through secondary level constitutes a considerable burden on the resources of middle income countries such as Brazil, Mexico and Argentina. Increasingly these jurisdictions rely on the private provision of general and specialized education services that parallel and supplement public education at all levels. However, these alternatives are primarily only available to high-income families and individuals.

• **The Decline of the Public Education System**

While some of the countries examined have made efforts to enhance government funding of their public education systems, others have reduced government support. Many existing public education systems are not filling their mandate. Teachers and parents lament the lack of skill transmission and low educational standards. Low-income groups as well and those with special needs are particularly vulnerable to budgetary cuts. Consequently, public education is often in a great deal of turmoil and for many citizens in the hemisphere, the perception is that public education is under-resourced and inadequately supported as a public good. The average school-leaving age among Aboriginal peoples throughout the hemisphere is far below the norm. While other groups have made impressive gains, this has not been the case for Aboriginal peoples. They are dramatically under-represented in higher education.
The Challenge of Social Inclusion

For the informed public social inclusion is not a new idea, but we are employing it here for a specific reason. It is a powerful concept that helps to focus attention on the plight of those who are at risk of being left farther behind by economic globalization’s relentless drive for efficiency and labour market demands for increasingly sophisticated knowledge and skills.

Despite the persistent efforts of governments to combat illiteracy, provide public housing, maintain and improve population health, and ensure minimum economic security, there continues to be a very large deficit to address. Throughout the hemisphere, the reasons for this are many but, at the core, two elements more than any other stand out – a shortage of political will and a shortfall of resources.

Despite the fact that over the last 50 years, the standard of living has doubled for many in the hemisphere, too many are still dispossessed. Too many children are growing up disadvantaged due to race, class, gender, preventable illness and disability. Many do not have access to basic education, much less to training in the skills demanded by the burgeoning knowledge economy. Too many elderly lack sufficient resources to support themselves in old age. Too many adults of working age are un- or under-employed. In urban centres, too many poor individuals and families live on the streets or in shantytowns because they cannot afford housing. Thus, at a time of unprecedented hemispheric integration, there is a need for all governments to re-examine the adequacy of human services from a social inclusion perspective. The key question is will greater hemispheric integration support improved human services and social inclusion?

The answer to this question is complex but, as we will see, social inclusion is a ‘soft’ but nonetheless compelling concept. It allows governments to gauge their capacity to create societies
in which even the most disadvantaged can participate and share in the benefits society generates to fullest possible extent. Many of the barriers standing in the way of achieving this goal are economic, but without doubt, the most challenging ones to overcome are the deeper-rooted attitudinal barriers, which are fundamentally social in nature. Improving access to human services is one of most effective ways to tear down the walls of prejudice and indifference that have appeared in recent times. It is also the case that when human services are in short supply or non-existent, the under supply of collective goods supports an environment of intolerance and collective indifference to growing exclusion in all its many forms.

When societies of the hemisphere fail to provide sufficient human services to meet needs, the shortfall that results can be called a human services deficit. It can be defined theoretically as a sharp imbalance of resources that disadvantages the most vulnerable and needy in society. Some examples are in order. Persons who lose secure jobs or fall seriously ill can experience first hand what it means to live in a society where there is a deficit of human services. In such circumstances, single mothers who live in makeshift housing have no opportunity to obtain health care for their children or develop skills that will enable them to rise out of their impoverished condition. They are excluded from the benefits of their society. They have no human capital; but know only human misery.

At the present time, it is difficult to gauge with precision the actual extent of the human services deficit in the hemisphere. In almost all situations, it is wrong to think that modern societies are either 100% inclusive or 100% exclusive. Rather inclusion and exclusion exist in continual tension with each other in the same way that various ideologies and political agendas compete for dominance and control of the centres of power.
Measuring the balance between exclusion and inclusion is critical. It requires focusing on the net effects of these two competing forces and this is the unique perspective that is adopted here. What our model tells us is that public authority has to be proactive, taking initiative to allocate resources to strengthen inclusive practices. Building more inclusive societies is not solely the responsibility of public authority, it also requires the support of public opinion and civil society actors. Democracy is the front line institution in this ongoing dynamic; a weak democracy leads to exclusionary processes and attitudes.

The burden of this report reveals that human services are grossly under supplied throughout the hemisphere. Within the two major trading blocs, NAFTA and MERCOSUR, this shortfall ranges from acute to grave. Human services represent the largest single expenditure, other than debt servicing, for many countries. The reality is that neither civil society nor the private sector has sufficient capacity and resources to meet the pressing need for income security, health care, housing and education. Adequate provision of these vital services requires new governmental policies and practices, and immediate action.

One of the findings of this report is that more work has to be done to develop definitive data on the state of human services and inclusiveness. Nonetheless, our preliminary results indicate that human services development remains a primary, if under-resourced, concern for both governments and civil society. The aim of this report is to stimulate and engage governments and civil society actors in addressing the hemisphere’s human services deficit. An index is an objective benchmark that allows governments, civil society and social movements to measure progress towards or away from inclusion.

The report is part of an ongoing research project of the Robarts Centre to monitor access and analyze the complex but pressing issue of social inclusion in the hemisphere. Malcolm
Stewart provided the working draft and its innovative technical methods. The research itself received the collective input and wisdom of the research team. Special thanks to Thomas Legler, for tracking down Spanish data sources, and Fernando Aloise, for researching data in Portuguese. Fernando also made all the difference in the final sprint. The report is intended to be a prototype for a larger study and is illustrative of the complexity of human services provision in the hemisphere. It is not intended to be definitive or authoritative. Because of the information it contains, it is an important vehicle for stimulating debate and discussion around these issues.

We welcome commentary, suggestions and feedback. Please e-mail them to drache@yorku.ca. The other studies in the Hemispheric Social Inclusion Index are available on our web site at www.robarts.yorku.ca.

Daniel Drache, Executive Director

*Hemispheric Social Inclusion Index*

January 3, 2002
The Human Services Deficit and What Can Be Done About It:

Benchmarking Human Services in the Hemisphere

By Daniel Drache and Malcolm J. Stewart, PhD.
THE HUMAN SERVICES / SOCIAL INCLUSION NEXUS

Throughout the Western Hemisphere human services, which comprise the core of goods and services provided by public authority, vary enormously. Some services provide only the basic necessities of life for the most disadvantaged members of society. In more advanced countries such as Canada, social programs are designed to enhance social equality through redistribution of resources and by providing high quality health and education services to entire population. Some of the programs are universal while others are directly targeted to specific populations including indigenous peoples, the young, the elderly, people with disabilities and the poor. In all of the countries under study, these populations constitute significant communities whose needs have not been met, or have been ignored and neglected in recent times.

Three Models of Welfare Provision

What accounts for such contrasting approaches? It appears that a good deal of difference can be accounted for by the fact that there are three models of human services provisions, in the hemisphere each with sharply contrasting views of public responsibility and authority.

Southern Model

In many Latin American countries, there is what might be called the ‘southern’ model of human services, with particular characteristics and practices. The southern model consists of a combination of under-resourced governmental programs augmented by charitable programs provided by private organizations, particularly in the area of health, education and housing. This model supports a human services system with large gaps and a chronic inability to meet large-scale human need. What is noteworthy is that the imbalance between public and private reflects a serious shortage of public resources and a lack of political will on the part of national elites to do better.
Governments in a number of middle income countries, including Mexico and to a lesser extent Brazil have developed a ‘web’ of services, including hospitals, some income support and public education. The provision of public services to targeted constituencies is one way the ruling party in power holds office. It is often unclear what are citizen entitlements under this system. Benefits are given for political loyalty and can be denied for what is deemed to be partisan or oppositional activity. The idea of universal entitlement is weak in such systems since not only do governments lack the resources to mount large-scale programs, but they also tend to use the benefits from existing programs to get re-elected. The idea of a robust and independent public sector is not well developed for political and historical reasons.

However, it should be noted that our data might not reflect the existence of other kinds of support systems. For instance, in Mexico and Brazil, where per capita income is only a fraction of Canada’s, those who fall ill or lose their job frequently turn to the family, not the state for support. It is the resiliency of the social bond, which is important and in many situations protects individuals where there is no safety net. Where the social bond is strong, it is assumed that individuals have strong family ties and will be looked after by relatives and friends. Increasingly though, in large urban centres a resilient social bond, which is dependant on extended family relations, is under considerable pressure. Many who face economic hardships in large urban settings have no family support and cannot depend on neighbours who are often no better off themselves.

**American Model**

The ‘American’ model of human services provision constitutes a second approach. It has undergone dramatic changes in recent times. Under the Clinton administration, many ‘New Deal’ social programs, which provided a safety net for low-income families, were replaced by
workfare. In this model, for-profit organizations and voluntary, non-profit agencies play a very large role in the development of health, education and social services. Unlike most other advanced, industrial economies, the American model minimizes human services benefits as an entitlement available to all in need. Rather, human services are considered a privilege, which can be denied to those who are deemed undeserving, if they run afoul of the complex rules and regulations surrounding public assistance. Caseworkers regularly remove recipients from the welfare rolls for infractions of the rules. Many studies have shown that in the absence of publicly provided universal programs members of ethnic and racial minorities as well as single parent families suffer exclusion disproportionately.

**Northern Model**

Canada has evolved its own model of human services provision. Social programs are primarily delivered by public authority with non-profit agencies playing a supportive role and for-profit organizations playing a limited role. For example, in the health care sector there are very few private hospitals; medical services are purchased from physicians by Canadians and are paid for out of public funds on a fee-for-service basis. In the education sector, services are overwhelmingly public at all levels. To this point there are no private universities, although some privately owned colleges operate in areas such as business and information technologies. Income security benefits, such as Employment Insurance benefits and social assistance, are available to virtually all residents of Canada, including landed immigrants and political refugees. Employment Insurance benefits are less accessible than they once were due to longer waiting times for qualification and penalties for quitting one’s job. Citizenship entitlements for landed immigrants and refugees are quite generous by OECD standards. On the other hand, governments have largely abandoned responsibility for the direct provision of affordable housing
to the private market. No public housing has been built in Canada since the early 1980s and it is estimated that there are approximately 60,000 individuals across the country without access to affordable shelter.

There is little agreement in the hemisphere regarding what constitutes core human services that all public authorities should deliver to their citizens. Nor is there any agreement about the standard to be met. Some public agencies are sensitive and responsible, while others are indifferent to the very real needs of the economically vulnerable or those with special needs. Even with respect to unemployment benefits, an area that has long been part of policy-making, governments have very different ideas about what unemployment support is necessary and what retraining goals should be met.

**BOTH CONVERGENCE AND DIVERGENCE AT THE SAME TIME: SOME DETAILED FINDINGS**

**Employment**

The real unemployment rates in Mexico and Brazil are on average between 20 to 30% of the workforce, depending on region, sector, gender, age and qualifications. While unemployment in all countries is below the historic highs of the 1980s and 1990s, for Mexico, Brazil and Argentina unemployment benefits are meagre or non-existent for most of the population.

**Inequality**

The World Bank has developed one of the most important measures devised to date to measure inequality – the Growth in National Inequality Index (GINI). This benchmark enables governments and civil society to track their progress towards becoming more equitable societies.

Canada has the lowest GINI ranking and therefore the greatest equality of incomes of the six countries included in this study, and its GINI has fallen in each 5-year period. In contrast,
Argentina’s GINI has risen in each 5-year period in tandem with that of the US. Brazil’s GINI has been and continues to be the highest in the group, but it has fallen in each 5-year period. Inequality continues to be very high in both Chile and Mexico.

**Population Health**

Population health needs are not being adequately met in most jurisdictions. Many health experts believe that countries such as Argentina, Brazil and Mexico need to spend a great deal more if they want to increase population health in their societies. Currently, Argentina spends more than the other Latin American countries in the group, followed by Chile and Brazil. Mexico spends the least. Typically, middle and upper class individuals and families rely on private doctors, hospitals and insurance to provide top quality health care while much of the population goes without. By contrast, the US spends by far the most per capita, almost twice as much as Canada, the second highest spender. Significantly, even with these levels of spending, neither country has achieved population health goals to the degree desired.

**Teen Births**

Reducing the numbers of teen births and unwanted pregnancies is an important measure of social inclusion. Loving care for children is one of the primary ways in which societies create a strong and resilient social bond. A high rate of teenage births demands the full attention of public authority.

Brazil has the highest birth rate among teenage mothers of all six countries, followed by Mexico and Argentina. This may be a reflection of less access to publicly supported sex education and birth control information and materials in these predominantly Roman Catholic countries. The United States has the next highest rate, followed by Chile. Canada’s rate of births to teen mothers is considerably lower than the rest. The rising number of births to teenage
mothers indicates the absence of readily available birth control and counselling services for adolescent males and females. In many countries, there are few facilities for teenage mothers. If their families are not in a position to support them the only option is to give their children up for adoption. The fact that teenage pregnancy continues to be surrounded by stigma has made many government authorities unwilling to address the issue and the cuts in spending to services for teenage pregnancies are not considered to be a priority.

**Owner-occupied housing**

From a social inclusion perspective, the failure of public authority to provide an adequate stock of housing is troubling. While the reasons vary, the fact is the private sector has only limited means to build housing that is of good quality and affordability. In large capital cities throughout the hemisphere, the price of land has skyrocketed presenting additional difficulties. In Mexico City, São Paulo and Buenos Aries, shanty-dwellers and those living in barrios have few services. Sanitation, roads, electricity and gas are often non-existent.

**Rent Index.**

The rent index is one of the most sensitive measures for capturing the social costs of unregulated market practices in urban settings. Rent paid to landlords soared in Argentina, Mexico and Brazil from 1995 to 2000. In Chile, the increases were less pronounced and more gradual, but still significant. The Rent Index in Canada and the US shows relatively moderate increases in the cost of rent over the past 15 years, due to the fact that existing tenants often have some form of rent protection, but this varies from jurisdiction to jurisdiction. Recently in both Canada and the US, rent controls, which have offered effective protection for both existing and future tenants, have been weakened considerably.
Public Education Spending

An open, inclusive society requires major investment and on-going support for a public education system. It is unacceptable that many countries lack first-class public education systems for their citizens. Over the past 100 years, both Canada and the US have acquired excellent public education systems but in recent times have allowed them to deteriorate. What used to be a universal system in the US no longer is. In Mexico and MERCOSUR countries, spending on public education remains significant but inadequate. Mexico devoted over 20% of total public spending to education in 1995 and 2000 but its educational system remains in crisis. The story is similar in other Latin American countries.

Adult Illiteracy

Surprisingly, widespread illiteracy survives in the age of the Internet because poverty forces many young people to leave school prematurely in order to work. Women, especially, are often forced to leave school to provide for their families. Among First Nation’s communities, school dropout rates are four- to five- times the national average. Significantly, countries such as Canada and the US that believed themselves to be illiteracy-free have discovered they are not. Although statistics regarding illiteracy are difficult to interpret because the definition of illiteracy covers a wide range of issues, it is estimated that up to 15% of the population in those countries does not possess full literacy skills. It is indisputable that one of the primary causes of exclusion today is the inability to participate fully in society. Those without literacy skills not only have trouble finding jobs but also cannot function freely and with confidence in their daily lives. In Mexico, Brazil and Chile, the failure to end adult illiteracy is a primary cause of inadequate social and economic progress in those countries.
So far there is very little evidence of general convergence in the area of human services provision in the six countries included in this study. In fact there is much tension and misunderstanding regarding how the agendas of integration and inclusion are related to each other. What is not in doubt is that public authority is failing to meet human need where it matters most. Public authority has not been able to reinforce the civic values of collective engagements of responsibility that people have for each other.

**POLITICAL WILL**

In the modern, mixed economies of NAFTA and MERCOSUR, responsibility for the provision of human services does not rest solely with governments. In the recent period, we have seen that when governments do not do enough, or when they withdraw from primary responsibility, markets and civil society try to fill the gaps. So far the private sector and civil society have been overwhelmed by the challenge. Neither has the resources, expertise or knowledge to deliver human services of sufficient quality or quantity.

While it is often repeated that the provision of human services is one of the main functions of modern societies, the importance of these services for maintaining the necessary conditions for market functioning is often overlooked. The importance of political will for the adequate provision of human services is also underestimated.

Political will is an elusive notion, but its significance is undeniable. When there is consensus among political actors about the role of government in promoting fairness and equality more human services are provided. The provision of human services has been much commented upon by academic experts, but it is still often forgotten how vital government action has been to the promotion of fairness, equality and inclusiveness. Given the contemporary belief in ‘small government’ and the trend toward privatization of many government responsibilities,
countries in the Western Hemisphere have grown careless in downplaying the importance of a well-funded, independent public sector. In the present period, ring-circling markets in order to establish basic needs for all has made the difference between inclusion and exclusion for many.

The snapshot that follows touches on some of the highlights that the modern state has accomplished when it was encouraged to be proactive. It used to be conventional wisdom that every society required a strong and dynamic public authority. Even in Mexico, Brazil and Argentina, with their own traditions and political cultures, this was a goal to be attained. From an inclusionary perspective, public authority was charged with developing institutions, values and practices that created public sanctuaries, areas where the price mechanism could not reach.

If one were to construct a history of social inclusion in the hemisphere, the growth of the public domain in all its different aspects – services, space, place- would figure predominantly. The events in Canada are typical of the modernization of the state that occurred in all jurisdictions in the second half of the twentieth century.

In order to protect Canadians against the worst consequences of unemployment and old age, the Government of Canada was required to introduce the Unemployment Insurance Act Amendments (1941) and the Old Age Pension Act and Old Age Assistance Act (1927). Parallel measures including the Family Allowances Act (1944) assisted families with the costs of raising children. Other legislation followed to broaden and enhance public authority. The National Housing Act (1945) assisted young families to purchase their first homes; Old Age Security (1952) provided a guaranteed base of income to all Canadians age 70 and over (later reduced to age 65 and over). The Canada and Quebec Pension Plans (1966) provided replacement income to retired labour force participants and supported families in the event of the disability or premature death of a breadwinner. The Guaranteed Income Supplement (1967) and Spouse’s Allowance
(1975) supported low-income elderly. The Medical Services Act (1967), later reinforced by the Canada Health Act (1984) provided a comprehensive range of publicly administered accessible health services to all Canadians. Major strides were taken to stabilize federal-provincial cost-sharing for human services through the Canada Assistance Plan (1967) and the Established Programs Financing Act. If this short history proves anything it is that removing structural barriers to inclusion requires effective social regulation. Broadening points of access for those who are left out of society requires constant institutional innovation and legal protection.

In this respect, of course, Canada is not unique. Similar stories of a growing sense of the public, reflecting new pressures, hopes and expectations may be found in other member countries of NAFTA and MERCOSUR as well. However, it is significant that among the members of both trading blocs public authority has been under attack, with the claim that ‘less state, less taxes’ is a preferable alternative. So far Canada has rejected the US model outright, but in recent years has questioned its somewhat higher tax burden compared to the US and adopted a much smaller welfare state. With fewer resources to spend on human services, marginalization has become a prominent feature of Canadian society. Urban poverty, homelessness and the number homeless street kids have increased markedly in major urban centres.

A narrow focus on social programs overlooks the fact that there is a large degree of social exclusion present in all three models. The excluded are those without adequate resources – the poor, and the isolated – those who do not share in the benefits of society. Reducing exclusion requires that governments design programs that differ from the traditional ones. Sometimes the strategy of broadening entry points through income support and day care facilities is the most important measure to remove obstacles to inclusion, as in the case of single mothers. For others, such as Aboriginal people, increased intervention by public authority is not what is needed.
Rather, along with more resources, new kinds of programs are needed, which recognize Native right to self-determination and special status. The lesson to be learned is that if countries want to tackle exclusion they must give public authorities the tools necessary to do so. The contemporary era is more complex than the world of the past. Now, more than ever, the achievement of an inclusive society requires not just money but also political will.

THE POLARITIES OF EXCLUSION AND INCLUSION

Public debate in many countries conceives of social inclusion and social exclusion as mutually exclusive categories. Our alternative conception is that social inclusion and social exclusion are opposite poles of a continuum. At one pole are forms of absolute exclusion such as genocide and apartheid. Historically, indigenous peoples throughout the hemisphere were subjected to mass extermination, and in recent times, during periods of dictatorship in Latin America, many lives were lost through state-sanctioned ‘disappearances’. In North America, indigenous peoples and peoples of African origin were subjected to enforced segregation until the mid-twentieth century. At the other pole is absolute inclusion, which entails complete acceptance of all persons as equals, with full access to and equal sharing of all of a society’s resources and benefits. Only a few examples approaching such utopian, unconditional inclusiveness have existed in the hemisphere. They include some pre-colonial tribal societies and a few immigrant religious communities. In between ‘shades of grey’ are found in most societies. Why grey? In almost all situations, it is wrong to think that modern society is either 100% inclusive or 100% exclusive. Rather, inclusion and exclusion exist in continual tension in much the same way as various ideologies and political agendas compete for dominance and control over the centres of power. Measuring the balance between exclusion and inclusion requires
focus on the net effects of these two competing forces and it is this unique perspective which is adopted here.

IN SEARCH OF THE OPTIMAL MODEL: DEVELOPMENT OF THE HUMAN SERVICES INDEX

The Human Services Index was designed to generate a global measure of social inclusion according to an optimal model of human services provision in which the inclusiveness of the four service sectors is influenced by three optimal conditions. As represented in Figure 1.1, the first optimal condition is political will. This is measured using indicators of prioritization and resource allocation. Proxies for political will include the existence of official plans and goals related to specific services or social needs, and the allocation of significant resources to the provision of services. The second optimal condition, which is also tied to political will, is measured by the presence of policies and processes that mandate access to and distribution of services. The third optimal condition is the actual achievement of service consumption and consumer participation. Proxy measures of this condition are outputs such as the quantity of services consumed and level of participation by consumers in service provision and delivery decisions.
Figure 1.1
MEASURING THE HUMAN SERVICES -- SOCIAL EXCLUSION NEXUS

INPUT INDICATOR

OUTPUT INDICATOR

PROCESS INDICATOR

PRECONDITIONS FOR INCLUSIVE SERVICES
To the extent possible, key indicators of inputs, processes and outputs were selected within each of the human services sectors of income security, health care, housing and education to construct the Human Services Index (Sharpe 1999). In addition, to capture the ‘negative’ or exclusionary trends within each sector, outcome indicators or ‘benchmarks’ were selected. These included rates of urban poverty, income inequality, pathological behaviours, contagious or fatal diseases, rent escalation and adult illiteracy. As the optimal conditions are approached, and the balance shifts in favour of inclusiveness, the values of these ‘negative’ benchmark indicators will decline.

Other sources of exclusion are tied to political culture, business cycles, bureaucratic failure, stereotyping of and insensitivity to the excluded, all of which change very slowly. Hence, what our model tells us is that public authority has to be proactive, taking initiative to allocate resources to strengthen inclusive practices. Building more inclusive societies is not the sole responsibility of public authority but requires the support of public opinion and civil society actors. Democracy is the front line institution in this process; a weak democracy leads to exclusionary processes and attitudes.

**WHAT HAPPENS WHEN THE HUMAN SERVICES DEFICIT GETS TOO LARGE?**

When societies fail to provide sufficient human services so that needs are not met, the shortfall can be called a human services deficit. It can be defined theoretically as a sharp imbalance of resources that disadvantage the most vulnerable and needy in society. Persons who lose secure jobs or fall seriously ill can experience first hand what it means to live in a society where there is a deficit of human services. In such circumstances, single mothers who live in makeshift housing have no opportunity to obtain health care for their children or develop the
skills that will enable them to rise out of their impoverished condition. They are excluded from the benefits of their society. With no access to human capital, they experience only human misery. This downward spiral is illustrated in Figure 1.2.
**Figure 1.2**

THE DOWNWARD SPIRAL OF SOCIAL EXCLUSION

1. Local and global competitive pressures
2. New political consensus: "less state, less taxes" framework of macro management
3. Human services funding cuts to meet zero inflation targets
4. Entry points narrowed and redistribution much diminished
5. Increased poverty, disease, homelessness and illiteracy
6. Growth of social exclusion and the human services deficit

Source: Robarts Centre for Canadian Studies 2002
SELECTION AND WEIGHTING OF INDICATORS

For each human services sector, two or more indicators were selected to measure inclusion on one hand and exclusion on the other. The ‘inclusion’ indicators were considered positive measures of political will, while the ‘exclusion’ indicators were considered negative benchmarks. Although it is difficult to judge the relative importance of each sector to social inclusion, weights were assigned as follows: Income Security, 30%; Health, 25%; Housing, 25%; and Education, 20%.

Figure 1.3 shows the relationships among the four Human Services sectors and their respective political will indicators and benchmarks of exclusion.¹

¹ The ideal Index would include at least one of each type of indicator. However, for reasons of parsimony and data insufficiency, in this construction of the Index, measures of process (access and distribution) are not included as such.
The formula for calculation of the Human Services Index (HSSI) is given as

\[ \text{HSSI} = [(ER + PC) - (UPR + GINI)] + [PHS - (SD + HCD + TB) + (OOH - RI) + [PES - (GER - AIR)] ] \]

\(^2\) See Appendix II for a detailed description of indicators including definitions, rationales for selection, sources and calculation formulae.
As indicated by Figure 1.3, the net exclusion-inclusion effect (net effect) of income security services is the sum of the (positive) national employment rate and pension coverage minus the (negative) urban poverty rate and the Growth in National Inequality Index (GINI). The first of these indicators is a broad measure of income security through labour markets and the second is a measure of the extent of income security for the retired elderly, one of the largest groups of labour market non-participants. The GINI is widely used and accepted as an indicator of relative income equality in a country, and as such is thought to be an appropriate measure of change in overall income security.

The net effect of health care services is the sum of (positive) total public spending on health care minus the (negative) sum of suicides, heart disease and cancer deaths, and births to teen mothers. Public spending on health care is a gross measure of a state’s commitment to population health. Suicides, heart disease and cancer deaths are broad measures of overall mental and physical health, while births to teenage mothers is a proxy for unwanted births, an important public education and health indicator.

The net effect of housing services is the sum of (positive) owner-occupied housing and (negative) rent index. Owner-occupied housing is a gross measure of population capacity to participate in primarily private housing markets, while the rent index tracks the escalating cost of rental accommodation in urban centres.

Finally, the net effect of education services is the sum of (positive) total public spending on education and the gross primary-secondary enrolment ratio, minus the (negative) adult illiteracy rate. Public spending on education as a proportion of GDP is a measure of political will — a state’s commitment to universal education, while the gross primary-secondary enrolment ratio is an indicator of continuity from primary to secondary levels of education. The adult
illiteracy rate is a measure of the proportion of the population age 15 and over unable to make minimal use of written and spoken language.

A summary of the definitions of the selected indicators, their weighting and positive or negative valuation, the rationale for their inclusion to measure the sector, their relevance to the Index and sources of data are shown in Table 1.1.
# Table 1.1

## SUMMARY OVERVIEW OF HUMAN SERVICES INDICATORS

<table>
<thead>
<tr>
<th>Human Services Sector</th>
<th>Indicator</th>
<th>Weight</th>
<th>Valuation</th>
<th>Rationale</th>
<th>Relevance</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Security</strong></td>
<td>Average Annual Employment Rate</td>
<td>0.30</td>
<td>Positive (+)</td>
<td>This is a broad measure of the extent to which the population is able to support itself through paid employment.</td>
<td>Political Will indicator of commitment to facilitate Human Services</td>
<td>International Labour Organization, LABSTAT database</td>
</tr>
<tr>
<td></td>
<td>Old-Age pensioners as a % of Pop. 65 and Over</td>
<td></td>
<td>Positive (+)</td>
<td>Pension coverage is a proxy for the level of development of a country’s income security system.</td>
<td>Political Will indicator of commitment to facilitate Human Services</td>
<td>World Labor Review 2000. Geneva:</td>
</tr>
<tr>
<td></td>
<td>Urban Poverty Rate</td>
<td></td>
<td>Negative (-)</td>
<td>Urban poverty is recognized as a source of serious population health problems, and is also a potential cause of civil and political instability.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>Statistical Abstract of Latin America, vol. 36, Table 1428.</td>
</tr>
<tr>
<td></td>
<td>GINI</td>
<td></td>
<td>Negative (-)</td>
<td>GINI is well established as a measure of income inequality in international comparative studies.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>Statistical Abstract of Latin America, vol. 36, Table 1428 (hard copy).</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>Annual Govt Health Spending per capita (Int'l dollars)</td>
<td>0.25</td>
<td>Positive (+)</td>
<td>This indicator captures the level of state commitment to achieving population health goals through spending.</td>
<td>Political Will indicator of commitment to facilitate Human Services</td>
<td>World Health Organization Statistical Information System</td>
</tr>
<tr>
<td></td>
<td>Annual Suicides per 100k People</td>
<td></td>
<td>Negative (-)</td>
<td>Suicide is a proxy for lack of access to human services, particularly mental health services.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>World Health Organization.</td>
</tr>
<tr>
<td></td>
<td>Heart Attack and Cancer Deaths per 100k Pop.</td>
<td></td>
<td>Negative (-)</td>
<td>Heart disease and cancer death rates are thought to be tied to lifestyle factors.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>World Health Organization.</td>
</tr>
<tr>
<td></td>
<td>Births per 1000 Women Age 15-19</td>
<td></td>
<td>Negative (-)</td>
<td>This indicator is a proxy for unwanted teen pregnancy. It may also indicate lack of access to contraception and related services.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>World Development Indicators 2000. Geneva: World Bank (hard copy)</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>Percentage of Owner-Occupied Housing</td>
<td>0.25</td>
<td>Positive (+)</td>
<td>Home ownership is an important indicator of economic well-being and social stability.</td>
<td>Political Will indicator of commitment to facilitate Human Services</td>
<td>United Nations Centre for Human Settlement (Habitat)</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Public Education Spending as % of Gov’t GDP</td>
<td>0.20</td>
<td>Positive (+)</td>
<td>It reflects the level of commitment of a government to devote financial resources to the development of its educational system.</td>
<td>Political Will indicator of commitment to facilitate Human Services</td>
<td>United Nations Development Program Human Development Report 2001.</td>
</tr>
<tr>
<td></td>
<td>Gross Primary &amp; Secondary Enrolment Ratio</td>
<td></td>
<td>Positive (+)</td>
<td>It indicates the capacity of the education system to enroll students at both primary and secondary levels.</td>
<td>Political Will indicator of continuity between the two levels of education</td>
<td>United Nations Educational, Scientific and Culture Organization (UNESCO).</td>
</tr>
<tr>
<td></td>
<td>Adult Illiteracy Rate</td>
<td></td>
<td>Negative (-)</td>
<td>It is an indicator of limited access to formal education services, and of exclusion from the labour market and economic opportunities.</td>
<td>Negative Outcome Benchmark indicator to denote structural barriers to inclusion</td>
<td>CIA World Factbook 2000</td>
</tr>
</tbody>
</table>

Source: Robarts Centre for Canadian Studies 2002
SOME DISAGGREGATED FINDINGS FOR THE HEMISPHERE AND TRADE BLOCS

As governments have wrestled over the past 15 years with the competing imperatives of economic stimulation, fiscal balance and social protection, human services have been under tremendous pressure, even in high-income countries such as Canada and the United States. Although starting at radically different levels of economic development and political commitment to social provision, all countries in the hemisphere have trimmed back their social safety nets. While some have made efforts to maintain inclusiveness by re-organizing delivery systems, re-defining eligibility requirements and re-priorizing objectives, all countries have fallen farther behind over the past 15 years.

This is illustrated by Figure 1.3, which summarizes the net effects of trends toward less social inclusion in the Western Hemisphere. Although the NAFTA partners increased inclusionary processes from 1990 to 1995, they have since fallen back to near the level of the early 1990’s. The more detailed picture for individual countries allows us to further disaggregate the findings.

Table 1.2 shows the raw scores, net and mean scores, and standard deviations for the Human Services Index for each country and data year by human services sector. The standard deviation is included because it gives us an indication of how much variation there has been in each country’s human services indicators over the fifteen year period relative to the others. To better understand the crisis affecting human services in the hemisphere, it is important to develop a comparative perspective.
Figure 1.3

NET EXCLUSION-INCLUSION EFFECTS IN THE HEMISPHERE AND TRADING BLOCS, 1985-2000

Source: Robarts Centre for Canadian Studies, 2002
### Table 1.2

<table>
<thead>
<tr>
<th>Human Services NET EFFECTS OF INCLUSION-EXCLUSION Sub-Index</th>
<th>Income</th>
<th>Health</th>
<th>Housing</th>
<th>Education</th>
<th>Total NET Score</th>
<th>Mean Score</th>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td>1985</td>
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<td>4.7</td>
<td>-3.6</td>
<td>13.4</td>
<td>12.1</td>
<td>26.6</td>
<td>Standard</td>
</tr>
<tr>
<td>1995</td>
<td>3.2</td>
<td>-3.6</td>
<td>-4.8</td>
<td>14.8</td>
<td>9.6</td>
<td>Deviation</td>
</tr>
<tr>
<td>2000</td>
<td>3.5</td>
<td>-3.6</td>
<td>-3.8</td>
<td>17.0</td>
<td>13.2</td>
<td>8.32</td>
</tr>
<tr>
<td><strong>BRAZIL</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>1985</td>
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<tr>
<td>1990</td>
<td>-1.7</td>
<td>-3.2</td>
<td>12.3</td>
<td>18.7</td>
<td>26.1</td>
<td>Standard</td>
</tr>
<tr>
<td>1995</td>
<td>-1.9</td>
<td>-3.1</td>
<td>8.4</td>
<td>20.0</td>
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<td>Deviation</td>
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<tr>
<td>2000</td>
<td>-2.3</td>
<td>-3.1</td>
<td>1.8</td>
<td>21.1</td>
<td>17.5</td>
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<tr>
<td><strong>CANADA</strong></td>
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<tr>
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<td>12.0</td>
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<td>-4.3</td>
<td>12.0</td>
<td>17.0</td>
<td>33.5</td>
<td>Standard</td>
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<tr>
<td>1995</td>
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<td>-4.3</td>
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<td>Deviation</td>
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<td>2000</td>
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<td>11.6</td>
<td>15.6</td>
<td>31.6</td>
<td>3.65</td>
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<tr>
<td><strong>CHILE</strong></td>
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<td></td>
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<td>1985</td>
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<td>17.6</td>
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<td>16.7</td>
</tr>
<tr>
<td>1990</td>
<td>-0.7</td>
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<td>17.5</td>
<td>17.3</td>
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</tr>
<tr>
<td>1995</td>
<td>2.1</td>
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<td>10.4</td>
<td>17.3</td>
<td>17.5</td>
<td>Deviation</td>
</tr>
<tr>
<td>2000</td>
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<td>9.0</td>
<td>17.8</td>
<td>17.2</td>
<td>1.19</td>
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<td><strong>MEXICO</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>1985</td>
<td>-0.5</td>
<td>-15.0</td>
<td>12.2</td>
<td>14.7</td>
<td>11.4</td>
<td>11.3</td>
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<tr>
<td>1990</td>
<td>3.8</td>
<td>-14.9</td>
<td>12.9</td>
<td>13.2</td>
<td>7.3</td>
<td>Standard</td>
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<tr>
<td>1995</td>
<td>2.7</td>
<td>-14.9</td>
<td>8.5</td>
<td>26.4</td>
<td>17.3</td>
<td>Deviation</td>
</tr>
<tr>
<td>2000</td>
<td>3.1</td>
<td>-14.9</td>
<td>0.1</td>
<td>27.0</td>
<td>9.1</td>
<td>4.34</td>
</tr>
<tr>
<td><strong>UNITED STATES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>7.4</td>
<td>-0.9</td>
<td>12.5</td>
<td>14.6</td>
<td>33.6</td>
<td>45.1</td>
</tr>
<tr>
<td>1990</td>
<td>6.8</td>
<td>-0.8</td>
<td>12.5</td>
<td>15.3</td>
<td>33.8</td>
<td>Standard</td>
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<tr>
<td>1995</td>
<td>6.1</td>
<td>-0.8</td>
<td>12.0</td>
<td>17.7</td>
<td>35.0</td>
<td>Deviation</td>
</tr>
<tr>
<td>2000</td>
<td>19.6</td>
<td>22.3</td>
<td>16.1</td>
<td>19.9</td>
<td>77.8</td>
<td>21.87</td>
</tr>
</tbody>
</table>

Source: Robarts Centre for Canadian Studies 2002
- **Canada**

In 1990, Canada had the highest level of human services in the hemisphere and its position remained flat throughout the 1990s in the wake of deep cutbacks in social spending. These cuts, introduced as part of a strategy aimed at reducing the national government’s operating deficit, coincided with massive economic restructuring following the inauguration of the 1989 Free Trade Agreement with the United States. The prolonged recession of the early 1990s took a heavy toll on social spending; but by the end of the decade the most painful adjustments of free trade has passed, in large part due to severe spending restraints. By the new century, the national deficit had become a significant surplus. As concerns about the country’s fiscal health receded somewhat in the late 1990s, the national government reinvested modestly in health and Employment Insurance, but not to previous levels. Resources in health care and education continue to be stretched to the limits due to lack of adequate funding and forward planning.

- **United States**

Since 1985, the overall level of human services has been declining steadily under successive administrations with the notable exception of re-investment in education. This has had predictable consequences for social inclusion. While still well ahead of the four Latin American countries in our study, the enhancement of inclusiveness through human services in the US is trending towards that of its neighbours to the south. Indeed many US social programs are under-funded and stretched to the limits.

The contemporary challenge for these two high income countries is to restore and improve human services, in the case of Canada, and in the case of the US, to hold the line on further deterioration of human services and reverse downward spending practices. For the middle-income Latin American countries of Brazil, Mexico, Argentina and Chile, inclusiveness
as a goal and practice has had a rough ride as the provision of human services continues to be under-resourced and therefore under-supplied. (See Figure 1.4).

- **Brazil**

  Brazil, which began with the most developed human services programs among the four Latin American countries included in our comparison, maintained a fairly constant level of human services from 1985 to 1995. Since then however, although still the highest in the group, its human service indicators have slipped badly along with those of the other Latin American countries in the sample.

  Spending on health care, education and social services remains inadequate and expenditures have not kept pace with the demands placed on them. In major urban areas, such as São Paulo social services are also supplied by the city; but an inadequate tax base has limited the growth of social service provision for the most needy. Forty-two percent of Brazil’s federal government budget is spent on debt services. Social spending accounts for a mere 14%, health spending only 4.4% and education an inadequate 2.7%. Revenue sharing for state and cities is budgeted at 8.9% of total expenditures. Brazil is not a country short of funds. The 2002 budget projects a huge primary surplus of 3.25% of GDP with an inflation rate of 3.5%. With so much surplus money in hand, Brazil has the resources to invest in human services.

- **Argentina**

  Argentina’s human services have suffered a dramatic decline over the past 15 years. After a period of modest improvement from 1985 to 1990, its indicators have fallen sharply between 1990 and 2000, and are now at the lowest level of all six countries.

  Argentina’s current economic troubles have led to massive state cuts in education and health spending. At one time, Argentina had many social programs, which were modern and
progressive but with the deepening fiscal crisis, debt payments have ballooned and have become the single most important expenditure for the government. Investment in social capital expenditures has dropped precipitously. Those on pensions have seen their retirement benefits slashed and funds that should be used for future pension benefits have been directed towards paying down the national debt.

The number of unemployed without benefits of any kind is now estimated to be in excess of 20% of the work force. The collapse of both middle- and working class incomes has plunged the country into an unprecedented crisis. The under-supply of human services has reached its nadir in what was one of the wealthiest countries on the continent.

- **Chile**

Chile’s overall trend in human services, while improving slightly between 1985 and 1990, has since remained flat. Health and education are services for the privileged as schools and hospitals are privately owned and operated.

The Pinochet administration invested significantly in housing and other human services. Even though military expenditures on a per capita basis were among the highest in Latin America, social spending also rose. Despite the provision of many public services, Chile has adopted a hybrid American model where Catholic organizations and other secular groups play a growing role in the provision of education and health care at the community level. The new left-leaning administration has made commitments to increase spending in public services, particularly health and education and if it does the trend line for Chile could be expected to plane upwards.

- **Mexico**

Mexico had the least developed human services index in 1985 and remains in that position despite significantly increasing spending in education and population health in the early 1990s.
After a period of limited catch-up, Mexico risks falling behind again. This trend coincides with the North American Free Trade Agreement inaugurated in 1992. Greater economic integration has not improved human services and social inclusion in Mexico. Of course there are many reasons for this but what is clear is that there is no automatic link between integration and inclusion.

Another way to test the balance between inclusion and exclusion is to look at trend lines in major areas in which human services can make a difference. Since the signing of NAFTA the human services deficit has grown rather than shrunk as many had predicted. While it is difficult to demonstrate the chain of causality between NAFTA and domestic policies, integration effects have not been neutral but have favoured stringent fiscal measures in all jurisdictions.

Even when there is no intent, human services have often been the casualties of an atmosphere of increasing competitiveness. For instance, the president of Mexico presented a bill to congress to raise revenue for his cash-strapped government. The primary means, with no commitment to radically overhauling Mexico’s inadequate social programs, was to impose a goods and services tax on education, medicare and food. The bill faces strong opposition, and it is unlikely it will pass, with all its provisions in tact. However it is a bold example of how the balance between inclusionary policy and exclusionary practices has been tilted towards the marginalization and inequality end of the spectrum.

CONCLUSION

After debt servicing, human service programs are the biggest single expenditure for governments in the hemisphere. For more than a decade, as much by stealth as intent, human
service provision has been downgraded and as a result income security measures, health needs, educational standards and housing targets have not been met. Too often governments have focussed on the potential benefits of trade without a sufficient understanding that open economies bring new risks and not just new opportunities.

Improved human services require the adequate provision of the basic necessities of life for all people in the society so that all can share fairly in the social, political and economic benefits. Even Canada and the US, rich societies that have the means and resources to combat illiteracy, provide public housing, improve population health and ensure minimum economic security for the most vulnerable and needy have failed to do so. In Brazil, Mexico, Argentina and Chile, societies that have experienced rapid growth and increasing standards of living, there are too many children growing up disadvantaged. Many do not have access to basic education, adequate housing and health care, or pensions when they retire. This is why high standard human services are so essential to every society. They strengthen the social bond, broaden points of entry into society, and remove structural obstacles to inclusion. Human services are an implicit social contract between public authority and its citizens and an ethical commitment to reducing social inequality.

Benchmarking public authority requires establishing a different way of understanding the importance of political will, the kinds of policies which would put human services back on track and result in policy outcomes that would make a difference. For the better part of a decade, the human services deficit has grown in many countries and there has been deterioration in quality of life, increases in crime, disease, illiteracy and homelessness. As we have seen in this report, social inclusion and exclusion are not mutually exclusive categories but are opposite poles of a single continuum.
It would be fanciful to think that any society will accept all persons as equal with full access and equal sharing of all resources and benefits. Reality is much different, exclusion and inclusion are processes and outcomes that are always in continual tension as they compete for dominance and control over the levers of power. To shift the balance of power towards the inclusion end of the continuum requires that the largest number of people possible, if not everyone, in any society, have access to income security, health care, housing and education.

However good this principle is, in practice societies have always fallen short of transforming the life circumstances of those suffering from urban poverty, the chronically unemployed, indigenous peoples and persons with disabilities. The fact remains that the future of the excluded, – the worst-off, the most vulnerable and the marginalized – is tied to a renewed commitment to reinvesting in human service systems for everyone.

**POLICY RECOMMENDATIONS**

While it is always possible to put in place special programs for the excluded, these efforts will always be only welcome first-steps. Rebuilding human services to the degree needed involves rethinking the fundamentals that are inescapably the domain of public authority:

- Access to market income to reduce poverty and inequality for the most marginalized and economically vulnerable.
- Access to retirement income for those who do not have sufficient resources to support themselves in old age.
- A rededication of public authority’s responsibility to promote the civic value of participation, as well as making the skills for social capital available to all.
- A commitment to increasing the supply of public housing and enforcing rent security measures to ensure universal availability of good quality and affordable housing.
The provision of basic health care and hospital services to enable all countries to achieve significant progress in improving population health goals.

**Access to market income:** Those who are poor are often so because they do not have adequate income from full-time employment. All experts are in agreement that higher incomes are dependent upon creating an adequate supply of better paying jobs. In the most recent period, many studies have demonstrated that a number of better paying jobs were eliminated when corporations restructured, were taken over or merged with others in the pursuit of efficiency gains. The downward pressure on wages resulting from high levels of unemployment has been marked in the hemisphere. For those living in poverty, even in wealthy countries, transfer payments from governments are never adequate to replace market income. When the economically vulnerable have to rely on government transfer payments, they often find themselves marginalized and lacking the skills to function effectively in the labour market. It is significant that in both Canada and the US poverty and inequality have risen dramatically in the last two decades, especially for single mothers and those without the skills to function in the information economy. It is estimated that over 30% of the urban poor are women with families. In MERCOSUR countries, where GDP growth is weak and unemployment levels unacceptably high, poverty levels increased dramatically in the last decade. Many who had full-time jobs no longer do. The creation of employment remains the most effective way out of a world of poverty and despair for those at the margins of society. It is not enough that some individuals are given opportunities to acquire computer and other types of skills. More importantly, macroeconomic policy has to conform to the more basic goal of job creation. It has to ensure a steady stream of new employment opportunities in economies that need to be growing between five and eight percent per annum.
Providing access to retirement income poses an enormous challenge, particularly in MERCOSUR countries. Too many poor individuals and families in urban centres do not have access to affordable housing let alone adequate resources once they retire. The issue of retirement benefits is one of the most important measures that governments need to address as adequate pensions are one of the most effective ways out of marginality and isolation for the elderly and their families. For those unable to obtain all or part of their income from formal or informal labour markets, state provided income security, in the form of public disability and retirement pensions, is the only alternative.

Protecting access to education is not only a means of acquiring social and human capital skills but is also essential for building socially inclusive societies as well. When the public education system fails to provide literacy and numeracy skills, many will face a life of marginality and low incomes, and will become dependent on the state and private charities for income support in times of need. While all countries in the hemisphere fund public education at a relatively high quality at the primary and secondary levels, public post-secondary education is in a state of chronic disrepair without the needed resources to provide high quality post-secondary education for all who seek it. Public authority has to rededicate itself to the goals and values inherent in maintaining a strong public education system for all. Governments have to accept their responsibility for a high-standard public education system rather than favouring private institutions and devolution of their responsibility to lower levels of government.

Broadening access to health care is a policy fundamental without equal. There is no other policy area more primarily essential for building social inclusion than providing adequate health care for all. Removing the financial burden of illness from the wage packet is one of the most important instruments that a society has to increase discretionary spending for families and
meet population health goals. When families no longer have to pay doctors out of their pockets and can afford to take their children to the hospital when they are ill, money no longer functions as a barrier to good health.

Universal health care, when health insurance is obligatory and on a sufficient scale to satisfy the health needs of the entire population remains a visionary idea. Only universal health care is able to recognize the diverse social situations and the needs of those outside the labour market, including stay-at-home parents, the young and the aged. When universal health care is embedded as a right of citizenship for all classes, it relieves the pressures placed on over-taxed public facilities and private caregivers. The belief that the risks inherent in modern society will be born collectively is one of the foundations of the modern notion of inclusion.

Guaranteed access to housing is a basic right that needs to become a reality. Throughout the hemisphere, most public authorities recognize that the private sector has limited capacity to build sufficient amounts of affordable, good quality housing. In large capital cities, the price of available land for single family dwellings has skyrocketed, creating new pressures on urban authorities.

In Mexico City, São Paulo and Buenos Aries, thousands of shanty dwellers live in barrios without sanitation, roads, electricity or education. Exclusion always has a strong economic base for those at the margins of society. For low-income families, rent protection in the form of rent controls can offer an interim measure of stability. This is never enough though, because a safe and secure environment depends on resilient neighbourhoods in which a high proportion of families own the dwelling in which they live. Without adequate supplies of affordable, accessible housing, millions of people in the hemisphere will continue to be deprived of their basic rights to a safe and secure habitat.
A FINAL WORD

Responsibility for the provision of human services does not rest solely with governments. When public authority withdraws from primary responsibility for providing an adequate supply of public goods, markets and civil society attempt to fill the gaps. Community involvement is required and human security is one of the principle pillars supporting a civic infrastructure. Social networks and norms of reciprocity are important facilitators of co-operation for mutual benefit. Robert Putnam advocates that individuals need to be well connected in a society built around networks of trust, reciprocity and engagements of responsibility. Investment in social capital is critical to this process and human services are one of the primary ingredients that enable people from diverse social backgrounds to mobilize for collective ends. Human services create real ties among real people. Strong and open societies have always depended on the strength and resiliency of social bonds of civic engagement and inclusion.
REFERENCES


APPENDIX I:

HUMAN SERVICES CHARTS

Chart 1- Employment Rate
Hemispheric Social Inclusion Index (HSII) Human Services

Chart 2- Urban Poverty Rate

Source: Robarts Centre for Canadian Studies 2002

Chart 3- GINI

Source: Robarts Centre for Canadian Studies 2002
Source: Robarts Centre for Canadian Studies 2002

Chart 4- Suicides

Source: Robarts Centre for Canadian Studies 2002

Chart 5- Owner Occupied Housing
Chart 6- Rent Index

Source: Robarts Centre for Canadian Studies 2002

Chart 7- Public Education Spending

Source: Robarts Centre for Canadian Studies 2002
Source: Robarts Centre for Canadian Studies 2002
APPENDIX II:

HUMAN SERVICES INDICATORS

HUMAN SERVICES INDICATORS
Human Service Variable: Income Security

**Political Will Indicator (+): "Employment Rate"
**
*Definition:* Average annual national employment rate, determined by subtracting the National Unemployment Rate from 100.

*Rationale:* This is a broad measure of the extent to which the population is able to support itself through paid employment. Lower levels of employment over a sustained period or falling levels of employment are indicative of social and economic exclusion.

*Data Source:* International Labour Organization, LABSTAT database

*Limitations:* Availability of comparable data was limited for some Latin American countries.

*Inferential Procedures:* N/A

*Calculation of Score:* N/A

**Political Will Indicator (+): "Old-Age Pension Rate"
**
*Definition:* Old-age pension recipients as a percent of the national population aged 65 and over.

*Rationale:* Pension coverage is a proxy for the level of development of a country’s income security system, whether employer or state-sponsored.


(http://laborsta.ilo.org/cgi-bin/brokerv8.exe)

*Limitations:* These data were complete for all countries and time intervals.

*Inferential Procedures:* N/A

*Calculation of Score:* Since high-income countries tend to allow pension receipt before age 65, their percentage rates may exceed 100. Therefore, a maximum score of 110 was set for this indicator. The formula applied was: (raw score / 110) x 30

**Negative Outcome Indicator (-): "Urban Poverty"
**
*Definition:* Poverty rate in the country’s most populous city, based on national criteria.

*Rationale:* In middle-income countries, poverty tends to concentrate in urban areas, placing increased pressure on governments to introduce social security policies. Urban poverty is recognized as a source of serious population health problems, including reduced life expectancy and is also a potential cause of civil unrest and political instability.

*Data Source:* Statistical Abstract of Latin America, vol. 36, Table 1428.

*Limitations:* N/A

*Inferential Procedures:* Missing data were inferred from mean increases and decreases in adjacent 5-year intervals.

*Calculation of Score:* Base score: 60. The sum of the raw scores for this and the following two indicators (UR and GINI) were divided by 150 (the sum of the base scores for the
three indicators, then multiplied by 20 (the collective percentage weight of this sector):

\[(\text{raw scores UP + UR + GINI / 150}) \times 20\]

**Negative Outcome Indicator (-): "Growth In National Inequality Index"**

**Definition:** The Growth In National Inequality Index (GINI) measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal distribution. A value of 0 represents perfect equality, a value of 100 perfect inequality.

**Rationale:** GINI is well established as a measure of income inequality in international comparative studies. It is sensitive to incremental changes toward greater or lesser equality.

**Data Source:** Statistical Abstract of Latin America, vol. 36, Table 1428 (hard copy).

**Limitations:** Data years were not consistent across all 6 countries, nor were the phenomena measured. For 4 countries – Canada, Chile, Mexico and the U.S., the most recent and complete data was for ‘gross monetary income of households.’ The most recent data for Argentina were for ‘income of households’, and for Brazil, ‘gross earnings of households’. Therefore, the data are not exactly comparable, although the trends are probably not strongly affected by these differences in types of income measured.

**Inferential Procedures:** Missing data were inferred from mean increases and decreases in adjacent 5-year intervals.

**Calculation of Score:** Base score: 75. See ‘Urban Poverty Rate’ for calculation formula.

**Human Service Variable:** Health Care  
**Sector Weighting:** 25%

**Political Will Indicator (+): "Annual Government Health Spending per Capita"**

**Definition:** State health spending per capita, in international dollars.

**Rationale:** This indicator captures the level of state commitment to achieving population health goals through spending.

**Data Source:** World Health Organization Statistical Information System

**Limitations:** State health spending per capita varies widely, depending on national income, efficiency, demography etc., and is not necessarily tied to population health outcomes. The relative emphasis on spending in areas such as community health, acute care, mental health and long-term care may be a better indicator, but this data is not readily available for all of the target countries.

**Inferential Procedures:** Data was only available for the most recent year to 2000, which varies for the target countries. Therefore, data for previous 5 year intervals were inferred, proportionate to population growth in each interval.

**Calculation of Score:** The wide range in raw scores for this indicator, from 421 (MX) to 3724 (USA), suggested a maximum base score of 5000.

The formula applied was: \[(\text{raw score / 5000}) \times 25\]
Negative Outcome Indicator (-): "Annual Suicides Per 100k Population"

**Definition:** Suicides per 100,000 population.

**Rationale:** Suicide is a proxy for lack of access to human services, particularly mental health services, and lack of attention to strategies for early intervention and prevention of this problem.

**Data Source:** World Health Organization.

[http://www.who.int/mental_health/Topic_Suicide/suicide1.html](http://www.who.int/mental_health/Topic_Suicide/suicide1.html)

**Limitations:** Estimates of suicide rates are necessarily imprecise because of stigma and inconsistent reporting.

**Inferential Procedures:** N/A.

**Calculation of Score:** Base score: 15.

The sum of the raw scores for this and the following two indicators (HCD and TB) were divided by 400 (the sum of the base scores for the three indicators, then multiplied by their collective percentage weight of 25:

\[
\text{Calculation of Score} = \frac{\text{raw scores SD} + \text{HCD} + \text{TB}}{400} \times 25
\]

Negative Outcome Indicator (-): "Heart Disease and Cancer Deaths per 100k Pop."

**Definition:** Deaths caused by cardiac disease and malignant tumours per 100,000 population.

**Rationale:** Heart disease and cancer death rates are thought to be tied to lifestyle factors, and to increase with national income. They may also reflect lack of access to health services, especially acute care.

**Data Source:** World Health Organization


**Limitations:** Although very complete for the other countries, no data were available for Chile and Mexico.

**Inferential Procedures:** N/A.

**Calculation of Score:** Base score: 300. See ‘Suicide’ for calculation formula.
**Negative Outcome Indicator (-): "Teen Births"**

**Definition:** Births per 1000 women between the ages of 15 and 19

**Rationale:** This indicator is a proxy for unwanted teen pregnancy. It may also indicate lack of access to contraception and related services; exposure to infant and maternal health risks; and low levels of income.

**Data Source:** World Development Indicators 2000. Geneva: World Bank (hard copy)

**Limitations:** The data were quite complete for all 6 countries and 5-year intervals.

**Inferential Procedures:** N/A.

**Calculation of Score:** Base score: 85. See ‘Suicide’ for calculation formula.

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**Human Service Variable:** Housing  
**Sector Weighting:** 25%

**Political Will Indicator (+): "Owner-Occupied Housing"**

**Definition:** National percentage of housing units occupied by owners.

**Rationale:** Home ownership is an important indicator of economic well-being and social stability.

**Data Source:** United Nations Centre for Human Settlement (Habitat)  
http://www.unchs.org/habrdd/Statannex_A-4.pdf

**Limitations:** While some data was available for all 6 target countries, it was for varying years, necessitating considerable inference.

**Inferential Procedures:** Where two or more data points were available, data were inferred from mean differences; otherwise rates were assumed to remain constant for all 5-year intervals.

**Calculation of Score:** Base score: 80  
The formula applied was: \((\text{raw score} / 80) \times 25\)

**Negative Outcome Indicator (-): "Rent Index"**

**Definition:** Change in rent index from base year 1990 = 100.0 in the most populous metropolitan area of each target country*. For Canada and the United States, data are averages for all metropolitan areas.

**Rationale:** Increases in the cost of rental housing are a major cause of housing instability and homelessness in low-income populations.


**Limitations:** Few, if any.

**Inferential Procedures:** N/A.

**Calculation of Score:** Base score: 700  
The formula applied was: \((\text{raw score} / 700) \times 25\)

* Buenos Aires, Argentina; Sao Paulo, Brazil; Santiago, Chile; Mexico City, Mexico.
Human Service Variable: Education  

Sector Weighting: 20%

Political Will Indicator (+): "Public Education Spending"

Definition: Total public expenditure on education (current and capital) expressed as a percentage of total government expenditure in a given financial year.

Rationale: “This indicator shows the proportion of a government's total expenditure for a given financial year that has been spent on education. It reflects the level of commitment of a government to devote financial resources to the development of its educational system.” – UNESCO Institute for Statistics.


Limitations: None apparent.

Inferential Procedures: Data for 2000 were inferred from the mean changes in values from 1985-1990 and 1990-1995.

Calculation of Score: Base score: 40
The formula applied was: (raw score / 40) x 25

Negative Outcome Indicator (-): "Gross Primary-Secondary Enrolment Ratio"

Definition: Total non-enrolment in primary and secondary levels of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education in give school-year.

Rationale: Gross Enrolment Ratio is widely used to show the general level of participation in a given level of education. It indicates the capacity of the education system to enrol students of a particular age group.


http://unescostat.unesco.org/en/stats/stats0.htm

Limitations: These data were fairly complete.

Inferential Procedures: Inferences for 2000 were based on mean changes in values from 1985-1990 and 1990-1995.

Calculation of Score: Base score: 20
The sum of the raw scores for this and the following indicator (AIR) were divided by 50 (the sum of the base scores for the two indicators, then multiplied by their collective percentage weight of 20:

(raw scores GER + AIR / 50) x 20.

Negative Outcome Indicator (-): "Adult Illiteracy Rate"

Definition: Percentage of the population age 15 and over who are unable to read and write.

57
**Rationale:** “Information on literacy, while not a perfect measure of educational results, is probably the most easily available and valid for international comparisons. Low levels of literacy, and education in general, can impede the economic development of a country in the current rapidly changing, technology-driven world.” – CIA World Factbook. The rate of adult illiteracy is an indicator of limited access to and distribution of formal education services, and of exclusion from the labour market and economic opportunities of all kinds.

**Data Source:** CIA World Factbook 2000


**Limitations:** Data are fairly complete for the 6 target countries.

**Inferential Procedures:** Data for 1985 were inferred from mean changes in values from 1995-2000 and 1990-1995.

**Calculation of Score:** Base score: 30. See ‘Gross Primar-Secondary Enrolment Ratio’ for calculation of formula.
APPENDIX III:

HUMAN SERVICES DATA SHEET
<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>SOURCE</th>
<th>YEAR</th>
<th>ARGENTINA</th>
<th>BRAZIL</th>
<th>CANADA</th>
<th>CHILE</th>
<th>MEXICO</th>
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<td>38.0</td>
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Source: Robarts Centre for Canadian Studies 2002