REPORT AND MAIN CONCLUSIONS

Brasília, August – 2005
I. PRESENTATION

The International Seminar on Economic Development and Social Equity of the India, Brazil and South Africa Dialogue Forum was held in Rio de Janeiro on August 3 and 4. The Seminar contributed to strengthening the IBSA Dialogue Forum in matters such as a lasting South-South partnership and combined agendas among its members. In the occasion, India, Brazil and South Africa presented their strategies and policies for poverty alleviation among vulnerable groups, in particular children and the elderly. Brazil chaired the group on Economic Development, which handled micro-credit, renewable sources of energy, small and medium enterprises, as well as the informal sector, as topics of discussion. The Social Equity working group was chaired by South Africa and dealt with topics such as the situation of children, youth and the elderly, in addition to gender and race issues. The third group, Science and Technology, was chaired by India and brought up discussions over indigenous knowledge systems, biotechnology and information society.

Ambassador Celso Amorim, the Brazilian Minister of External Relations; Dr Z. S. T. Skweyiya, the South African Minister of Social Development; Dr Rajeeva Ratna Shah, Member-Secretary of the Planning Commission of India; and Mr. Patrus Ananias, the Brazilian Minister of Social Development and the Fight Against Hunger, addressed the audience of the opening day.

Ambassador Celso Amorim highlighted the importance of IBSA. As a forum for co-operation it has been pragmatic and already displays good outcomes in many fields, such as transportation, biotechnology and informatics. Minister Amorim finished his presentation reaffirming the importance of the Forum for the three countries, since IBSA allows thinking about development and social equity not only within national boundaries but also with international extent.

After that, Minister Z. S. T. Skweyiya pointed out that he was confident that IBSA could foster co-operation and consolidate partnerships in the fields of science and technology. Minister Skweyiya stressed that the majority of Sub-Saharan countries are making little progress towards achieving the Millennium Development Goals, even though the Outlook Report of the International Monetary Fund (IMF) has pointed out that the region showed some economic growth. Minister Skweyiya concluded his speech
hoping that in the short run every country will be able to seek economic development with social equity.

Dr. Rajeeva Ratna Shah, Member-Secretary of the Planning Commission of India, claimed that IBSA represents a great opportunity to strength South-South relations. The three member countries must play a historical role due to their development levels. It is worthwhile identifying best development strategies in order to help other developing countries. He reaffirmed his confidence in the common future of the IBSA Dialogue Forum.

The United Nations Development Programme (UNDP) representative, Mr. Carlos Lopes, stressed the importance of initiatives of co-operation between developing countries. In this regard, he stressed that IBSA is a concrete example of such initiatives in practice. Lopes highlighted that initiatives, like that undertaken by the three countries of IBSA, aimed at fostering development, have been so successful that, nowadays, there is widespread research about their impact. As examples, there are the initiatives in the informatics field, fight against poverty and AIDS. The title of the Forum, according to Carlos Lopes, brought the two essential pillars of the discussion together because equity is a condition for growth. He also mentioned common challenges among IBSA countries, which make co-operation even more important. He stressed that the IBSA Forum is recognised by international organisations as an initiative that will influence the international debate on aid for development. The IBSA Dialogue Forum, according to him, also contributes to new initiatives within regional blocks in which IBSA countries take part.

Dr. Glauco Arbix, President of the Brazilian Institute of Applied Economic Research (IPEA), claimed that the core issue of the IBSA Forum for co-operation and interchange is the improvement of the possibilities for negotiation between developed and developing countries.

II. SOUTH-SOUTH DIALOGUE, A NEW PARADIGM:

Professor Joseph Stiglitz, Economics Nobel Prize Laureate from Columbia University, contributed to the IBSA dialogue focusing his presentation on the need to examine new possibilities of thinking beyond the Washington Consensus. He argued that
the Washington Consensus did not succeed in producing sufficient growth and that where
growth was produced, it was not equitably shared.

Professor Stiglitz emphasised the importance of equity, which should be considered
as an end in itself. Modern economic theories show that equity and efficiency cannot be
separated. In this regard, equity is directly linked to the promotion of growth for it yields
a better use of human resources. Equity also contributes to stability and this is conducive
to foreign direct investment.

He stressed that market failures explain why market forces do not necessarily lead to
social justice. In his view, macro-economic policy, including monetary policy, must be
used to tackle social inequality. Less inequality could lead to virtuous circles, through
higher participation rates in education.

A post Washington Consensus consensus would be comprised of elements such as
the importance of equity, employment and a balanced role of government and market.
Governments should promote and regulate markets; provide institutional and physical
infrastructure; and promote education, innovation, and technology. Countries can suffer
form having too little government as well as too much. The real focus should not be on
the size of government but on what it does and how it does it

Concerning the international system of trade, Dr. Stiglitz stressed the unbalanced
results of the Uruguay Round because the North, for the North, set the agenda.
Developing countries were forced to give up subsidies, while developed countries have
kept theirs. Developing countries’ subsidies impose almost no harm on developed ones,
although the converse is not true, which consists in a great asymmetry. In this context, he
highlighted that the TRIPS agreement at the WTO was not favourable to developing
countries, as it impairs access to knowledge. Moreover, the increasing imposition of non-
tariff barriers is also another disadvantage factor against developing countries.

Dr. Stiglitz stressed that developing countries must build a common agenda. Despite
being a heterogeneous group with different interests, they should recognise that, in the
end, they will be better off if they bargain together. South-South agreements are more
likely to yield benefits than North-South ones. Professor Stiglitz upholds it’s important to
reject unfair bilateral agreements, especially those built on the “dream” that a flow of
investments will follow the signature. Developing countries should insist in labour
liberalisation and, doing so, they would be helping the world economy. Labour liberalisation is more important for global efficiency than capital mobility and is as important for developing countries as foreign direct investment.

Another important point raised was the fact that developing countries are presently providing considerable environmental services to developed countries for which they are not being compensated. Were developed countries to pay for services related to biodiversity and carbon sinking, the fair market value of compensation would be enormous. The Rainforest Coalition represents a good example of South-South co-operative effort.

As a conclusion, Professor Stiglitz claimed that IBSA represents an enormous opportunity for sharing knowledge and developing co-operative programs. IBSA can help articulate a new framework for equitable growth and to build a new global agenda.

III. STRATEGIES FOR POVERTY ALLEVIATION

Discussions about Strategies for Poverty Alleviation were chaired by Mr Patrus Ananias, Minister of Social Development and the Fight Against Hunger of Brazil; by Dr. Shrawan Nigam, Consultant of the Planning Commission of India; and by the Director-General of the South African Social Development Department, Vusi Mandosela; as well as by Dr. Rômulo Paes de Sousa, Member-Secretary of Evaluation and Information Management of the Ministry of Social Development and Fight Against Hunger in Brazil.

Minister Patrus Ananias explained that some Brazilian social policies, especially the Zero Hunger Programme and the “Family Allowance” (Bolsa Família), which is one of the largest programs to ever transfer wealth, have the goal to assist by 2006 all Brazilian families that are in or below the poverty line.

Dr. Shrawan Nigam, from India, presented the strategies that are being used in India to reduce poverty. Among them, he mentioned the promotion of gender equality, universal basic education, decrease in child mortality, fight against HIV/AIDS and other endemic diseases, as well as to guarantee environmental sustainability.

Mr. Madonsela, from South Africa, explained that in his country there is a dual economy, with a prosperous side and another of extreme poverty. Therefore, poverty has gender, race, type, family and spatial dimensions. Since 1994 the fight against poverty
has become a national priority. The South African Government has started a programme to guarantee food, medical assistance, education and housing for the poor people. The South African government considers eradication of poverty and respect of human rights directly related.

Dr. Rômulo de Sousa, representing the Brazilian Government, outlined the strategies implemented by Brazil in its attempt to eradicate poverty. He focused that the “Family Allowance” (Bolsa Família) and “Unified Programme for Social Assistance” (Sistema Único de Assistência Social – SUAS) programmes have the objective to breach the vicious cycle of poverty through educational and health measures and not only to serve during emergency situations. It was stressed that the main goal is to integrate both programmes with policies of food security. Finally, Dr Rômulo de Sousa explained that the main objective is fighting poverty as a whole and not only extreme poverty cases.
IV. CHALLENGES AND RECOMMENDATIONS FOR IBSA

Group 1: Economic Development

a) Access to Finance: Micro-Credit

Chairperson:
Dr. Paulo Levy, Director for Macroeconomic Studies, Institute of Applied Economic Research (IPEA), Brazil

Presenters:
Dr. Paulo Levy & Armando Castelar Pinheiro; Senior Economist (IPEA), Brazil
Mrs. Wezi Ximiya – APEX fund, Department of Trade and Industry of South Africa
Shri J. Satayanaranyana, CEO National Institute of Smart Government of India

Focus of presentations

The presentations from India and South Africa focused on case studies of interventions in micro-finance. The case of SEWA – Self Employed Women's Association – in India, sets the example of holistic approaches to delivering production finance to “ultra poor” communities, which involved both social services, housing and credit. This has evolved into a major institution with banking services, social services, an entrepreneurship academy and a marketing trust. It has 700,000 members. The ultimate goal of the initiative is to provide food, income and work security. The presentation then gave a specific case study of the Salt Farmers of Gujarat, where the initiative enabled the workers to bypass exploitations they suffered from intermediaries.

The case of Motswedi village credit co-operative, in South Africa, focused on community based solutions to savings schemes: this recognised that even very poor communities do have approaches to saving and that we need to learn from these approaches. The South African presenter noted that those poor communities are not necessarily looking for credit, but rather a trusted vehicle for saving. Moreover, it is too costly to go to towns where formal bank branches are located for the purpose of making deposits. The Motswedi Village Credit Coop groups the earnings from wages, small
business and social security grant recipients, deposits this money in a formal bank, and pays interests out to members twice a year.

The presentation from Brazil focused on the macro-picture of micro-finance. As credit is very expensive in Brazil (at an average of about 35% per annum for firms, but up to 75% p.a. for small firms), Government and organised groups in society, such as Non Governmental Organisations, have sought to find a way of reducing the cost of productive finance for micro-entrepreneurs. While this is aligned to overarching financial policies and regulation, it is recognised that only 2% of all credit extended goes to micro-finance (and only 6% of all credit goes to 75% of borrowers). Although this is quite low, it does represent a major growth since the Central Bank began introducing micro-credit policies in 1999. These policies recognise that there are 4.1 million micro and small firms in the formal sector, and a further 40 million informal sector firms.

Main problems identified by presenters

There is insufficient micro-credit available in Brazil and South Africa. In Brazil, the generally high cost of capital makes borrowing difficult. In both countries, small entrepreneurs feel intimidated by formal financial institutions, which are institutions that are not part of their everyday life. Moreover, they generally don’t have collateral suited to formal financial institutions.

Except for India, the countries lack a history of micro-credit schemes. For example, SEWA, which is an NGO in India, was established in 1972. By comparison, the Motswedi village based credit co-operative, in South Africa, was only created in 1996. The Brazilian Central Bank began to introduce policies for micro-credit from 1999.

One problem identified by Motswedi is that those micro credit schemes had difficulty drawing in younger people who would like to be able to draw money when they are away from the village. Therefore, there is a need to integrate it into national banking networks.

In Brazil the financial sector needs more capillarity and presence in the most remote regions.
Areas of commonality

There is a call for integrated financial services that recognise the need for sensitivity to local conditions, both economic and social. Brazil and South Africa have recognised that ideal policies should enable an alignment to the financial system.

Suggestions on policy implications

The South Africa government is looking to draw micro-enterprise into a wider financial sector, much as Brazil has sought to do. It has therefore set up an “Apex” fund. This will draw in on-lenders such as Motswedi into a national network. Currently, Motswedi savers do not want to lend their money, due to a conservative approach to savings. However, the introduction of the Apex fund will hopefully change that attitude.

Brazil has strengthened its commitment to micro-finance by earmarking 2% of bank sight deposits to micro-finance in 2003. Brazil has found that it is still mainly the public banks that participate in micro-finance and that subsidies continue to be an important component of these schemes. Bank guarantees have made a major impact: for example, the interest rate charged to lenders from institutions taking advantage of guarantees pay 40%, as opposed to 75% in situations where guarantee is not available.

It is worth noting that South Africa did offer loan guarantees through a wholesale finance institution, namely, Khula, but few banks actually made use of this. Perhaps the existence of public banks has made a major difference to the efficacy of micro-finance policy in Brazil.

The Brazilian case shows the importance of recognising diversity in institutions providing micro-finance. The critical aim is to encourage innovation in financial instruments for different types of firms. Also in the case of Brazil, the presentation underlined the need to develop macroeconomic policies that help to cut spending with national debt and inflation control.

The Indian case study shows the importance of integrated services, including those that promote innovation and quality improvements. It is a kind of “holistic” approach. In this case, salt farmers were able to increase their earnings by raising the quality of salt from edible to industrial grade.
Micro credit policies may play a very important role for the first Millennium Goal of halving world poverty by 2015, as a relevant tool for social economy.

b) Small, Medium and Micro-Enterprises (SMME)/Informal Sector

Chairperson:
Mr Lauro Ramos, Co-ordinator for of Labour Market Studies, Institute for Applied Economic Research (IPEA), Brazil

Presenters:
Mr. Lionel October, Deputy Director-General of the Department of Trade and Industry of South Africa
Mr Lauro Ramos, IPEA - Brazil

Focus of presentations
The presentation from South Africa focused on business in the informal sector as well as social implications of informality, whereas the Brazilian expert focused on the situation of workers in the informal sector.

Main problems identified by the presenters
Concerning South Africa, 45% of GDP is locked in the informal sector. Hence, two questions were raised: what contribution to SMMEs could solve the dual economy problem for IBSA partners? And what policies should be adopted in order to transform informal economy into formal one?

Concerning Brazil, which has also a great share of its economy in the informal sector, “negative incentives” keep economy with high presence of informality. Dissemination of a “culture of informality” is considered a problem. Deficiencies in education system lead to workers going to informal sector, which is viewed as a solution to the unemployment problem by absorbing workers unemployed from formal sector. Important issues were raised, such as how to break the vicious circle of unemployment and high taxes caused by the contraction of the formal section (narrow tax base)?
Suggestions on how to deal with problems raised

For South Africa it was highlighted a need to promote entrepreneurship in order to transform business in the informal sector into formal economy. Features also included to improve the regulatory environment and to increase the level of public support, that is, financial support, creation of national business banks to finance Small, Medium and Micro-enterprises (SMMEs). It is of paramount importance to develop a strategy for inclusion, e.g. Black Economic Empowerment (BEE) to be a ladder between formal and informal economy.

As for Brazil, a need to review legislation on the informal sector was suggested as well as a need to improve education, in order to endow workforce with competitiveness.

Areas of agreement

Areas of agreement include negative impact of informal economy for society; negative impact of informal economy on government's revenues; and a need for legislation to effectively tackle the problem.

Suggested common approaches and areas in need of clarification

Many issues that were raised could comprise common approaches: establish a common definition of informality as well as combat the present trend of big companies to retrench permanently employed workers and to reemploy them as casual workers (cheap labour).

In implementing policies, governments should recognise initiatives taken by people and support such initiatives (people involvement). Civil society and Non Governmental Organisations (NGOs) should be considered as critical role players.

Proposed way forward

IBSA partners should develop a common agenda/approach to address issues of informal sector, as well as develop frameworks/mechanisms to transform informal sector into formal sector so that it would lead to economic growth and social inclusion.
c) **Renewable Energy Sources**

Presenters:
Prof. P. J. Kurien, Member of the Parliament of India
Mr Richard Holden, Manager of Sci-Tech Impact of the Department of Science and Technology (South Africa)
Professor Rogério Cezar de Cerqueira Leite, President of the Brazilian Association for the Sincroton Light Technology (Brazil)

Focus of presentations

Presentations described the existing capacity and potential of development of renewable energy sources. The presentation from India discussed the next stage of specific targets that the country is seeking as well as indicated the relevance of adopting alternative energy solutions to rural areas needs. Since energy resources are limited, the Indian representative considers renewable energy a very important matter. The South African presenter focused mainly on the poverty context that characterises energy in general in the country. Key challenges around availability and access to energy were mentioned. The presentation from Brazil described the challenge of energy impact on climate change and forecasted an energy crisis for the next decades.

Main problems identified by the presenters

Many problems were raised, such as the high cost of renewable energy; negative impact of low quality energy sources (like paraffin & low grade coal) on health, quality of life and other cost areas (like personal property losses due to paraffin fires); demographic challenges – the need for access to information and services (like banking) where travel costs and energy expenditure is incurred by those who were forced to live far away from business centres; the global warming problem; massive increase in future energy demand (100 to 200% by 2050); increased pressure from growing world population (6 to 9 billion by 2050); problems associated with the low energy density of renewable energy sources; contributions from alternatives will be negligible in the context of 2050 demand.
How to deal with problems

Many suggestions were given to deal with the problems raised. The use of subsidies was mentioned to alleviate the high cost of renewable energy. Renewable energy would profit from investment stimulation by creating supporting institutions like IREDA - Indian Renewable Energy Development Agency Ltd. Another suggestion was to convert to renewable energy sources to reduce reliance on disposable resources like fossil fuels.

It was recognised of paramount importance to provide safer, cleaner fuels like bio-ethanol gel. Other alternatives involve providing space-heating needs with improved housing design (making use of passive heating and thermal efficiency designs), or foster the use of Solar Water Heating (SWH) for water heating needs (to off-set use of other fuels and/or electricity). Providing services (like banking) and information connectivity would reduce the need for people to travel to business centres for these needs (this prevents unnecessary transport energy consumption). Also important is to consider carbon-sequestration to help mitigate climate change. A massive increase in taxes was also mentioned in order to help to reduce energy demand.

Areas of agreement/overlaps

There is a need to use renewable energy; to address climate change; and to foster an appropriate use of renewable energy in rural settings.

Differences in approach

The presentation from Brazil emphasised that a long term energy crisis will require a massive reduction in energy demand and that renewable energy sources will not play a leading role; whereas the presentation from India focused on keep implementing renewable energy in a set-wise targeted approach.

Clarifications required

There may be a need for a more comprehensive and logical representation of the facts that indicate that there is no realistic long-term energy solution.
**Recommendations**

A more detailed focus group of relevant experts is needed to consider the collaborative potential between IBSA members to focus on the social context of RE as a research area. IBSA members should consider a fact-finding trip between the three countries. A wider base of experiences and best practices needs to be shared.
Group 2: Social Equity

a) Situation of Vulnerable Groups: Children/Youth

Chairperson:
Mr. Vusi Madonsela, Department of Social Development of South Africa

Presenters:
Ms. Enid Rocha, Brazilian Institute of Applied Economic Research (IPEA)
Ms. Vuyelwa Nhlapo, Department of Social Development of South Africa

Focus of presentations

Presentations from Brazil and South Africa focused on the current situation of children and adolescents in each country. In Brazil, the working definition of children applies to persons of ages 0 – 12 yrs; a 13 – 18 year old is considered an adolescent. The population of Brazil is 170 million and children/adolescents make up 36% of the population (61 million). Brazil considers itself to have a good legal and institutional framework to ensure the survival, protection, and development of the child. The national Constitution and the comprehensive national Statute for the Rights of Children and Adolescents underpins children’s rights framework.

The South African Constitution defines the child as a person of ages 0 – 18 years, and children constitute 44% of the South African population. South Africa succeeded – in the first decade of democracy – to establish a good legislative and institutional framework for the advancement and co-ordination of children’s rights. Children’s Rights are enshrined in Section 28 of the Bill of Rights in the South African national Constitution.

Main issues identified by presenters

Even though South Africa and Brazil benefit from comprehensive and advanced legislative frameworks for the protection of children, implementation of legislation and law enforcement is a cause of concern in both countries. In the Brazilian case, a special fund (FUNDEF) has been designed to improve the structure of funding for public primary education so as to redress regional inequalities and increase high levels of attendance in the first 8 years of schooling. Data from 2003 (PNAD) suggest that Brazil has achieved
nearly universal access to primary education (8 years) – 93.8%, but that the achievements at this level do not translate into improved levels of access to secondary education, with an average of 40% of attendance. There is need for improvement in the quality of public basic education as well as the implementation of social policies to tackle children living in the streets, child abuse and violence, as well as gender, social and racial inequality. As for adolescents, special policies are needed to address the high incidence of teenage pregnancies, drug abuse and high youth death rate due to firearms and traffic accidents. There is a consensus that programmes and institutions for rehabilitation of child offenders have to ensure that the adolescent in conflict with the law is rehabilitated and reintegrated into their family and community.

In South Africa, continued violation of children’s rights at family, community, and society levels reflect poor co-ordination of integrated policy implementation, as well as inadequate technical capacity for delivery of policies at all spheres of Government and inefficient Monitoring and Evaluation systems. Significant numbers of children still live in the streets, experience violence, are not on the national birth register, have no access to health services, and live in poverty. Public ignorance regarding existing national policy and legislation is alleged to play a role in this scenario, along with the lack of operational resources for joint partnership of civil society with governmental institutions.

**Suggestions on policy implications**

Brazil has succeeded in implementing policies to reduce levels of malnutrition and child mortality rate; improved maternal health systems, as well as pre-natal care system. Effective and efficient HIV/AIDS management systems and partnerships with institutions from civil society represent key mechanisms to deal with health issues, both in a preventative and curative approach.

**Areas of commonality**

Both countries face serious challenges represented by high levels of poverty and school evasion. Also common is a lack of reliable data, baseline data and statistics on vulnerable children to inform policy development, planning and programming.
Areas of difference

Both in Brazil and in South Africa, HIV/AIDS is a significant public health issue that is exacerbated by poverty and lack of access to adequate health care. However, in South Africa, contamination rates are increasing among young people despite the campaigns entertained by governmental bodies. In this country, there is need to improve legislation pertaining to cross-border adoption (due to the high incidence of orphans of parents who were affected by HIV) and for child trafficking.

Major questions raised by audience

Interest was shown on the details on the successful Brazilian Programme of AIDS control, based on media campaigns, universal access to anti-retroviral drugs and breaking of drug patents. Some questions were raised on the initiatives of the Brazilian government to contain the mentioned high children and adolescent mortality due to fire-arms in Brazil, which relies on campaigns and partnership with civil society, as well as direct campaigns of disarmament, including a forthcoming popular referendum on the issue in the country.

Way forward

Building databases of statistical information on the situation of children and adolescents with a view to gathering information that enable governments from IBSA countries to better diagnose regional and social particularities within the groups of children and adolescents and facilitate their access to essential services.
b) Safety Nets Mechanisms: Aged

Chairperson:
Mr. Vusi Madonsela, Department of Social Development of South Africa

Presenters:
Mr. Satyanaryana Jatvia, Member of the Parliament of India
Ms. Amelia Camarano, Brazilian Institute of Applied Economic Research (IPEA)
Ms. Sadi Luka, Department of Social Development of South Africa

Focus of presentations

The presenter from India focused on his country’s Pension System, with special schemes on the agricultural level for some Indian states, with flexibility and choice in the implementations of schemes through the National Social Assistance Plan (NSAP). Total Coverage Health Service is available in public hospitals.

In Brazil, there are 14 million people over 65 years old; they make up an heterogeneous group, with a majority of women (54%). Many individuals rely on family for support, evincing a high level of dependency to perform daily activities. Pension system is an important source of income.

South Africa’s presentation dealt with both the situation of elderly and disabled people. Their case shows an increased advocacy for rights of disabled and elderly people. Programmes for reduction of inequality are focused on improving access to public and private services, as well as on provision of social grants, celebration of National and International Day for people with disability.

Main issues identified by presenters

In Brazil, ageing is perceived as a problem (views that stem from neomalthusian and neoliberal perceptions). There is no tradition of long-term care institutions for elderly people – care is usually provided by families. The Brazilian Pension System is structured upon a non-sustainable formula, which has led to a deficit. Elderly people retire and yet continue working, occupying employment positions that could otherwise be filled by youngsters – this puts pressure on unemployment rates. There’s also a lack of statistical data on elderly people living in long-term care institutions.
In South Africa, Social Security Net is growing and there is lack of people with adequate training to provide care to elderly people. There is a widespread system of social grant but eligibility tests for grant concession are not effective, mainly because reference values of income used to assess people are low and do not correspond to reality. Added to the lack of specific public policies for elderly people is the fact that Elderly people have limited knowledge of their rights.

In India, action is concentrated on fostering partnership between young and old so as to promote a change in the concept of ageing (awareness generation), as well as promoting the empowerment of aged people so that they can find solutions for their problems. A group of experts has been assigned to help people employed in the informal economy to assist them in developing strategies to save for their retirement in the future.

**Suggestions on policy implication**

India has put a National Policy on Older Persons (1999) in place to promote financial security and affirmative action for elderly people. In Brazil, the Federal Constitution (1988) with special provisions for elderly people has resulted in an increased volume of payments made by Pension System, especially to rural population and to women. As a consequence, there has been a reduction of elderly people, from 1983 to 2003, without an income.

In South Africa, the Older Persons Bill is currently under debate in Parliament. There is an increased number of payments of pension grants up to 2005. The different types of grants (Old Age; Disability; War Veterans; Care Dependency; Foster; Social Relief Grants, as well as temporary social grants.) reduce poverty, facilitate social inclusion, promote economic growth and lead to labour market participation. The Social Security Agency (SASSA) has reduced corruption and fraud, ensured direction of resources by means of electronic payments and monitoring of programmes. South Africa has envisaged a plan to focus on the aged person as a social and human resource.

**Areas of difference**

In Brazil, there is no tradition of long-term care institutions for elderly people, family care is the primary option for aged and retired individuals, whereas in South
Africa there is a concern of family disruption due to migration and poverty, and there is a greater reliance on institutions to provide intensive care to aged persons.

**Major questions raised by audience**

Reform in pension systems so as to incorporate information from the evolution and changes in labour market

**Way forward**

Holistic approach for addressing issues – proactive (preventative and developmental) and reactive (curative and rehabilitational), taking advantage of technological innovations to change the current perceptions about ageing and elderly people, such as the connection between ageing and poverty. A new cadre of practitioners should be fostered to provide rehabilitation services, day care and other specific services to elderly people.

c) **Gender and Race**

Chairperson:
Mr. Vusi Madonsela, Department of Social Development of South Africa

Presenters:
Dr. Ivor Saravinsky – Africa Institute of South Africa
Ms. Ângela Fontes – Special Secretary for Women Policies, Brazil
Mr. João Carlos Nogueira – Special Secretary for Promoting Racial Equity, Brazil

**Focus of presentations**

The South African presentation focused on race as an overarching phenomenon, intersecting with gender. In South Africa, the legacy of Apartheid has resulted in racial and gender inequalities. The current government is committed to redressing inequalities and abolishing racial discrimination. On this matter, important interventions have been taken by the South African government, since 1994, through remedial action, formulation of gender policy and implementation of the national policy framework for achievement of gender equality.
Redressing gender and racial imbalances is as daunting task for Brazil as it is for South Africa. The formation of the Brazilian State promoted exclusion and underdevelopment of black communities – especially women. Economic development and social inclusion are necessary to redress the wrongs of the past.

**Main issues identified by presenters**

In South Africa, there is shortage of managerial skills, particularly with regard to women. Statistics indicate that black South African women as compared to white, are the majority but still face severe challenges such as high rates of unemployment and maternal mortality. Infant mortality, which has a racial dimension, is high amongst the African than other racial groups.

In fact, discrimination is still a reality for African women. African females are mostly employed in lower grades and there is an inconsistent correlation between education qualifications, levels of employment, and remuneration. Thus, achievement in education does not always translate to creation of occupational opportunities in terms of gender. The decline in black women managers in both the public and private sectors is related to an absence of support systems to ensure retention of women managers and to assist them to be able to cope with multiple roles.

Mainstreaming gender issues is necessary in governance processes, particularly translation of policy into action. Notion of gender should not be treated as a separate issue, since this compromises the progress despite acceptance of the principle of gender mainstreaming.

In Brazil, women’s rate of participation in the workplace is higher than that in developing countries but still lower that that in the developed ones. Black women endure more inequality challenges and discrimination is still their reality. Women should not be defined as a vulnerable group but rather as a population cluster with different needs, towards which gender policies should be aligned aiming the aspiration of social equity. Black women are underrepresented in educational institutions and they have worse jobs compared to their counterparts in other racial groups. A National survey (IBGE, 2003) shows that 53% of women were employed in the informal economy.
Suggestions on policy implications

In South Africa, there has been a significant improvement of legislative, policy and institutional framework for Black Economic Empowerment (BEE). BEE and Affirmative Action (AA) legislation ensure economic enterprising by the previously disadvantaged groups and represent a serious attempt by government for their participation in the mainstream economy. Such measure has resulted in increased business ownership by blacks and successful transfer of part of the economy to blacks. A progressive gender promotion legislation has been passed – including the National Policy Framework for Gender Equality and Equity. In this context, access to school is increasing, as well as the creation of opportunities for women.

In Brazil, the issue of gender has been accepted as an opportunity for accessing resources and as an important factor for transformation and development. This includes technological opportunities for gender promotion; recognition that gender equality is a development issue; commitment to the Beijing Platform for Gender Equality; recognition that poverty of women is not limited to financial resources; and acknowledgement that elimination of gender inequality is an ideal that has not yet been fully achieved by any society in the world.

The creation of the Special Secretariat for Women Affairs and the National Council for Women’s Rights are some examples of the Brazilian initiatives towards better results concerning gender and race. There is significant civil society participation in Brazil, in particular with respect to the national process for women empowerment, as well as partnerships with international gender promotion initiatives, which have resulted in improvements on the protection of women.

Way forward

Provision of adequate operational resources e.g. gender budgets.
Emerging issues for urgent attention

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<td>ECONOMY</td>
<td>Equitable Economic Growth</td>
<td>IBSA Countries must to intensify measures to ensure economic growth with equitable sharing of national wealth</td>
<td>Seek to ensure that economic indicators measure equitable economic growth. (The current GDP and GNP measures do not address this issue)</td>
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<td>GLOBAL AGENDA ON ECONOMIC DEVELOPMENT AND POVERTY ERADICATION</td>
<td>Ideological differences</td>
<td>Countries should focus the Common Good for all, which is especially important for South Africa in relation to countries on the continent.</td>
<td>Focus on commonalities to strengthen the impact the Dialogue Forum</td>
</tr>
<tr>
<td>UNEMPLOYMENT</td>
<td>The danger of unemployment</td>
<td>Governments ought to explore creative options for the advancement of employment opportunities.</td>
<td>Consider that no economic agreement is better than an unfair agreement. IBSA countries should outline conditions for economic agreements with developed countries</td>
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</table>
Group 3: Science and Technology

a) Indigenous Knowledge Systems

Presenters:
Mr. Rajendra Sengh, Chairman of the NGO Tarun Bharat Sangh, Rajasthan
Ambassador Antonino Marques Porto, Head of the Department of Science and Technology – Ministry of External Relations of Brazil
Dr. Mogege Mosimege, Manager of Indigenous Knowledge Systems, Department of Science and Technology of South Africa

Focus of the presentations

Ambassador Porto, from Brazil, focused traditional knowledge and intellectual property rights. Specifically, he stressed issues on WIPO concerned with the patent system and the necessity of reforms in the TRIPS Agreement in order to contemplate the demands of the developing countries. Mr. Mosimege, from South Africa, focused on the Indigenous Knowledge System Policy in South Africa and its contribution to economic development and social equity. He also highlighted the key drivers, namely: affirmation of cultural values in the face of globalisation, development of services provided by traditional healers, contributions of Indigenous Knowledge to the economy and interfacing it with other knowledge systems. After these two addresses, Mr. Sengh, from India, presented the mobilisation of communities towards sustainable resources management and economic growth, especially water-harvesting projects in northern India.

Main issues identified by presenters

Ambassador Marques Porto pointed out some deficiencies of international agreements. He claimed that TRIPS agreement is not sufficient to prevent bio-piracy and therefore the Convention on Biological Diversity should be used as a complement. It was stressed that developed countries stall discussions on WIPO since they resist discussions around traditional knowledge as related to disclosure of the origin of the genetic resources and equitable benefit sharing. One serious problem that developing countries have to deal
with refers to assignment of patents without proper information, especially when it involves genetic resources and/or traditional knowledge.

Mr. Mosimege claimed that about one hundred languages disappear every year and that this is a problem that the world has to tackle. Others challenges that he pointed out were related to documentation and databases, research ethics and protocol, support for indigenous knowledge system activities, knowledge of the entire scope of indigenous knowledge system and not just few fields of it.

The main problem presented by Mr. Sengh was that some traditional knowledge has eroded in India and they have to be strengthened.

**Suggestions on how to deal with problems raised**

One effective way to tackle the problem of the patent system is to ensure compatibility between the TRIPS Agreement and the Convention on Biological Diversity. Moreover, Brazil, India and South Africa should strongly support the developmental agenda in WIPO. In order to reduce problems related with indigenous knowledge, Mr. Mosimege suggested curricula development and also the creation of Indigenous Knowledge Systems digital libraries.

**Suggested common approaches**

IBSA countries should develop mechanisms or frameworks to formulate common positions in international fora such as WTO-TRIPS and WIPO in order to make their demands stronger and so more likely to be included in the international agenda.

**b) Biotechnology**

Presenters:
Dr. Rajeeva Ratna Shah, Member-Secretary of the Planning Commission of India.
Dr. Paulo Pèret, Co-ordinator for Health and Biotechnology of the Ministry of Science and Technology of Brazil
Dr. Antonio Llobell, PlantBio National Innovation Centre for Plant Biotechnology – Department of Science and Technology of South Africa
Focus of the presentations

Dr. Shah, Dr. Pèret and Dr. Llobell explained some applications and developments of biotechnology, nanotechnology and information technology (bioinformatics) in Brazil, India and South Africa.

Dr. Lopes focused on the Brazilian experience especially with large agrobiodiversity, which has the potential for further development.

India, according to Dr. Shah, is trying to develop technologies that are relevant, high impact, pervasive, cutting edge, cost–effective, replicable and scalable. Dr. Llobell demonstrated how South Africa is bridging the gap between R&D and the market through innovation centres. These centres are also struggling to build competitive advantage, to become sustainable through additional funds, re-invest proceeds, and to create social improvement by capacity building and employment directed to previously disadvantaged groups, support projects with positive impact on food security and poverty alleviation.

Main issues identified by presenters

Dr. Shah, Dr. Pèret and Dr. Llobell identified some problems related to biotechnology in the three countries like economic and social barriers, as well as those related to natural resource management and the sustainable exploitation of biodiversity.

Dr. Lopes pointed out that Brazil should invest more in bioinformatics, since there is a gap between this field and genomic advances obtained by the country.

In South Africa, according to Dr. Llobell, one of the big challenges is to help small rural producers to join a more competitive economy.

Areas of commonality

Dr. Shah, Dr. Pèret, Dr. Lopes and Dr. Llobell pointed out some fields where Brazil, India and South Africa should improve co-operation, such as gene mining from animal, plant and microbial biodiversity; drug design and vaccine production; biofuel and biodiesel; crop improvement (plant breeding and GM); plant transformation and biofarming; biosafety and regulatory process for GM crops; food quality and safety; metabolic engineering; biotic and abiotic stress; sustainable energy; and co-ordination in legal scenarios: FAO, TRIPS, CBD.
Suggestions on how to deal with problems raised and way forward

It was suggested that Brazil, India and South Africa should co-operate in e-governance, bridging the digital divide and cyber security.

In the Biotechnology field, the three countries have already engaged in active discussions to establish collaboration in priority areas. IBSA workshops on specific aspects of genomics and bioinformatics, plant biotechnology and human health will be held in the near future.

c) Information Society

Presenters:
Dr. Shri J. Satyanarayana, C.E.O of the National Institute of Smart Government of India
Mr. Rogério Santanna, Responsible for Electronic Government of the Ministry of Planning Budget and Management & Mrs. Helena Vasconcelos, Co-ordinator of Information Society of the ministry of Science and Technology – Brazil
Dr. Nondwakazi Gumede, Deputy Director of the Department of Science and Technology of South Africa

Focus of the presentations

Ms. Helena Vasconcelos claimed that Brazil chose a road to information society that is characterised by digital inclusion, Internet governance and digital TV. The three speakers agreed that Brazil, India and South Africa should choose what kind of information society is desirable: the democratic one or the government-controlled. Mr. Satyanarayana focused on the pillars of the e-government plan of India, which focuses on people, process, technology and resources. In India, e-government represents the transformation of the government to provide efficient, convenient and transparent services.
Main issues identified by presenters

Ms. Vasconcelos and Mr. Santanna emphasised that the current rules of Internet are not fair to developing countries and that there is no international regulatory frameworks governing Internet usage.

The main problems faced by the three countries are: limited access to electronic servers by a majority of people; accessibility; e-illiteracy; lack of a national understandable language for the computer programs, especially in India where there are many constitutional languages; e-awareness; high costs of ICT services; precarious integration of ICT services; lack of local content, especially in South Africa.

Suggestions on how to deal with problems raised

Ms. Vasconcelos suggested that three principles should guide Internet governance: multilateralism, democracy and transparency. It was also mentioned some Brazilian programmes destined to facilitate digital access to the entire population. One of them is the implementation of community centres for free Internet access and the other is financing to shorten digital divide. Ms. Gumede stressed that the IBSA platform is an efficient way to tackle the problems raised because solutions will be seek in South-South grounds.

Mr. Satyanarayana, Ms. Vasconcelos, Ms. Gumede and Mr. Santanna agreed that universal access could foster social economic development.

General conclusion

IBSA can help articulate a new framework for equitable growth and develop a new global agenda that contemplates the demands of the South.