

Foreword

The articles in this volume of the Ibero-America Institute's Göttinger Studien series are the revised versions of papers presented at the first Summer School on "Social Justice in a Market Economy" held in September 1999 in Göttingen. Participants were 25 young economists and political scientists from eleven Latin American countries. The main idea behind this event was to demonstrate that reforms can have a rather different shape, especially with respect to their social component. There is an increasing understanding that market-oriented reforms along the lines of the Washington Consensus need to be supplemented by a number of social policies to achieve a more equitable society. While there has been considerable progress in enhancing the economic efficiency, much less progress has been made with regard to improving the social situation. However, any market-oriented reform will be sustainable only when combining the objectives of efficiency and equality. Germany has a long and successful tradition of a social market economy. However, developments in recent years have shown various pitfalls in the current economic and social security systems and the need for appropriate adjustments. Therefore, Germany as well as most Latin American countries have to look for new solutions to combine social justice with economic efficiency.

The objective of the summer school was to discuss the need and potential for reforms that seek to reconcile efficiency with equity. The German type of a market economy served as a guideline. Two main questions evolved: Can the German experience with market economies help to re-design reform policies in Latin America and can the Latin American experience help to overcome the stagnation of Germany's reform process.

The summer school was realized in cooperation with the Konrad Adenauer Foundation whose financial and administrative support is greatly acknowledged. Further, we want to thank the scientific staff of the institute. Felicitas Nowak-Lehmann, Matthias Blum and Susanne Hesselbarth provided invaluable help in the preparation of the summer school and in leading the discussions during the working group sessions. Our special thanks go to Mrs. Margret von Schierstaedt who re-formatted the papers according to the recommendations of our new publisher Peter Lang and to Mrs. Weiss from the Konrad Adenauer Foundation who was responsible of the local travel arrangements. Her secretarial help is greatly acknowledged. Editorial assistance has been provided by Matthias Blum.

Göttingen, August 2000

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