

Inclusive social development

The next generation of policies for **overcoming poverty and reducing inequality** in Latin America and the Caribbean



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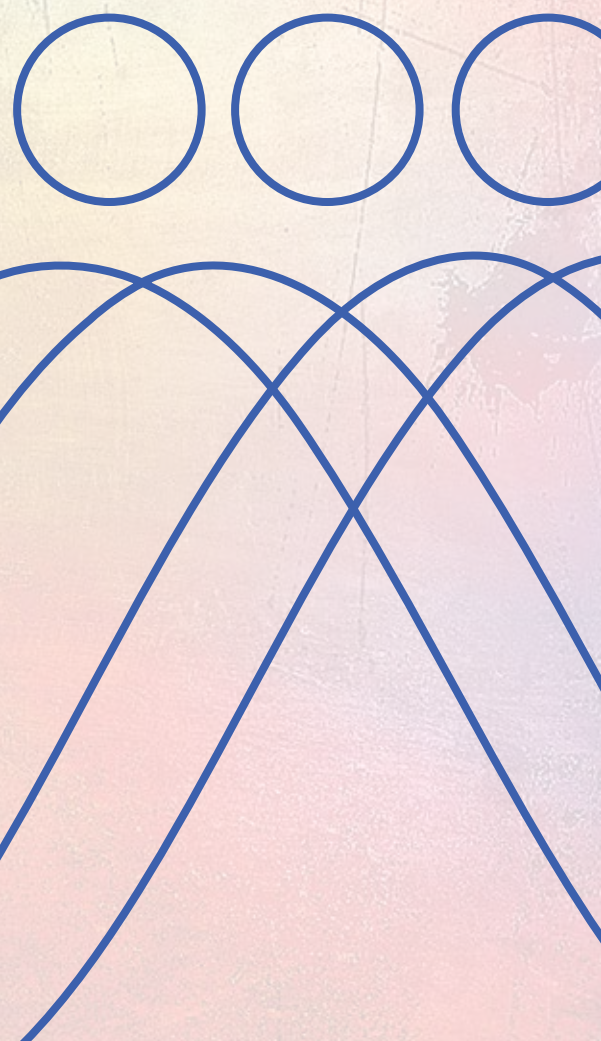
2015

Regional Conference
on Social Development
in Latin America and the Caribbean

Lima, 2-4 November 2015

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The Economic Commission for Latin America and the Caribbean (ECLAC) has prepared this document for the Regional Conference on Social Development in Latin America and the Caribbean, organized by ECLAC, the Ministry of Development and Social Inclusion of Peru and the United Nations Development Programme (UNDP), (Lima, 2-4 November 2015).

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Foreword

The Latin American and Caribbean region has achieved notable social development in the past decade. However, much remains to be done. The persisting challenges of defeating poverty once and for all and significantly reducing inequality are not only ethical imperatives but also conditions for making progress toward sustainable development consistent with the recently adopted 2030 Agenda for Sustainable Development.

A world free of poverty cannot be achieved without substantially reducing inequality. Although the global economy is more complex and uncertain now than in previous years, and prospects for the region are not—in the short term, at least—particularly bright, it is crucial to secure the progress made in social development in the past decade and lose no time in tackling unresolved issues in areas where progress has been insufficient.

Progress in combating the various forms of exclusion underlying the inequality typical of Latin American and Caribbean societies gives citizens a sense of belonging and distributive justice, as well as confidence in the future, in democracy and in institutions. Putting these issues at the heart of State policies is the best way to harmonize social progress with inclusive economic growth, by ensuring more equitable distribution of the fruits of development and thereby boosting the well-being of individuals. The wealth of experience the region's countries have built up over the past few years offers a sound basis for continuing to improve and develop the policies that will bring that horizon of equality closer.

Social issues are not played out in the social sphere alone, but also in the economy, politics and the environment. By the same token, production diversification and structural change are not achieved exclusively through the economy: economic prosperity also hinges on inclusive social development and better living standards. This view is one which weaves together the goals set forth in the 2030 Agenda for Sustainable Development, to which the countries of Latin America and the Caribbean have pledged. ECLAC, in turn, has pledged to support and accompany them in this task and the Regional Conference on Social Development in Latin America and the Caribbean represents a contribution to that end.

This document offers an analysis by ECLAC of the themes the Conference will discuss. It is intended to encourage debate, exchange of experiences and joint reflection on the challenges the region's countries face in their efforts to advance and strengthen inclusive social development.

Alicia Bárcena

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Introduction

The Latin American and Caribbean region has achieved notable social development in the past decade. However, eradicating poverty once and for all and significantly reducing inequality are not only ethical imperatives but also conditions for making progress towards sustainable development consistent with the 2030 Agenda for Sustainable Development. Against today's global and regional backdrop of volatile economic growth and new, complex challenges, putting these issues at the heart of State policies is the best way to harmonize social progress with inclusive economic growth, by ensuring more equitable distribution of the fruits of development and thereby boosting the well-being of individuals.

By virtue of resolution 682(XXXV), adopted at the thirty-fifth session of the Economic Commission for Latin America and the Caribbean (ECLAC), held in May 2014, the member States decided to establish the Regional Conference on Social Development in Latin America and the Caribbean, as a subsidiary body of ECLAC. The resolution recognized the role of ECLAC in respect of social development, "Considering that the Economic Commission for Latin America and the Caribbean has been cooperating systematically in the field of social development to facilitate inter-agency coordination among the countries of the region, international organizations and the national agencies charged with carrying out projects to promote social development". It also drew attention to "the key role played by the Commission in the region in recent years in facilitating and encouraging dialogue among representatives of the countries of the region, and thus in promoting the consolidation of institutions devoted to social development and to policies and regulatory frameworks for such activities".

Every year since 2007, the United Nations Development Programme (UNDP) has, with the support of the Spanish Agency for International Development Cooperation (AECID), held the Ministerial Forum for Development in Latin America and the Caribbean, with a view to providing ministers and decision makers with an opportunity to discuss social and human development policy issues, including social governance, youth inclusion, social responses to the global crisis, and social policy financing.

ECLAC, the Ministry of Development and Social Inclusion of Peru and UNDP have convened the Regional Conference on Social Development in Latin America and the Caribbean, which will take place in Lima, from 2 to 4 November 2015.

One of the objectives of the Conference is to promote the development of national policies on social development, which requires analysis of the social policy institutions in the countries of the region and efforts to make social policy more effective and efficient and adapt programmes to different realities. Other key objectives of the Conference are to promote and facilitate cooperation and the exchange of experiences in relation to social development; to provide technical inputs to other regional forums; and to bring the perspective of the region to bear in the discussions and proposals considered by the United Nations Commission on Sustainable Development.

Given that this is the first meeting of a new subsidiary body of the Commission, a key objective on this occasion will be to establish the Conference as a forum for dialogue between national social development agencies.

The Conference's central theme is to evaluate the region's progress towards overcoming poverty and inequality, identifying contributing factors, limitations and outstanding issues, in order to support national efforts in these areas. The importance of this assessment is threefold. First, the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly in September 2015, proposes the ambitious goal of ending poverty in all its

forms everywhere and sets the reduction of inequality clearly among its aims. Second, with the global and regional economic outlook more complex and less benign than in recent years, efforts will have to be redoubled to secure the progress made in social development between 2002 and 2012, to prevent any backsliding and to advance in areas where progress has been insufficient. Third, although social development transcends the concept of poverty, the fact that poverty remains a structural problem in the region has meant that thus far the work of government bodies responsible for promoting social development has tended to revolve largely around poverty reduction policies.

In preparation for the Conference, ECLAC has prepared this document with a view to contributing towards the achievement of those objectives.

This document reviews recent progress made in various areas of social development and outstanding challenges in the region, from a human rights perspective. It examines certain features of the institutions responsible for policies on social protection, promotion and inclusion aimed at population groups identified as priorities because of poverty, vulnerability, social exclusion or discrimination, and discusses the strengths of those policies and the challenges of ensuring a comprehensive approach to designing and implementing them. In this regard, a number of policy guidelines are posited in key areas for eradicating poverty and reducing inequality.

The Conference is being convened at a key juncture, as the period for achieving the Millennium Development Goals is drawing to a close and the process geared towards attaining the Sustainable Development Goals of the 2030 Agenda for Sustainable Development is getting under way. It is, therefore, a time of transition, during which it will be crucial to take stock of the progress made and identify the challenges ahead.

The challenge of reducing poverty and inequality in the coming years in Latin America and the Caribbean is necessarily linked to the new development agenda. In this regard, there are three key points which warrant close attention.

The first is the prominence of the social goals in the new agenda and their importance to the region. The 2030 Agenda for Sustainable Development calls for an end to all forms of poverty, establishing targets and guidelines that mark a major advance with respect to the Millennium Development Goals, which focused more narrowly on reducing income poverty. Poverty represents a critical level of deprivation that threatens survival, dignity and the effective enjoyment of rights— notions which exceed the concept of sufficient monetary income to meet basic needs. Under the 2030 Agenda, poverty reduction is linked to social protection, guaranteeing the right to basic services, mitigating the risks associated with extreme climate-related and catastrophic events, and access to employment and decent work. It affords particular attention to those more likely to suffer discrimination, deprivation, denial of rights or vulnerability, such as children, women, older persons, persons with disabilities, indigenous peoples and Afro-descendent populations.

Second, in addition to this broader understanding of poverty, the new agenda treats the reduction of inequality within and among countries as critical to sustainable development, and places an emphasis on developing instruments to combat discrimination in all its forms and to guarantee universal levels of well-being and greater social inclusion. An equality-centred approach to poverty reduction construes progress as fragile and reversible, unless it is underpinned by mechanisms to ensure inclusive and sustainable economic growth, together with job creation and decent work, social protection and sustainable development to counteract vulnerability.

Third, at least 9 of the 17 Sustainable Development Goals included in the 2030 Agenda for Sustainable Development concern priorities for social progress: Goal 1, to end poverty in all its forms everywhere; Goal 2, to end hunger, achieve food security and improved nutrition and promote sustainable agriculture; Goal 3, to ensure healthy lives and promote well-being for all at all ages; Goal 4, to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; Goal 5, to achieve gender equality and empower all women and girls; Goal 6, to ensure availability and sustainable management of water and sanitation for all; Goal 8, to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Goal 10, to reduce inequality within and among countries; and Goal 11, to make cities and human settlements inclusive, safe, resilient and sustainable. Goal 10 is particularly significant because this is the first time that reducing inequality—one of the great challenges facing the region, as many ECLAC documents have discussed— figures as a standalone Goal.

The year 2015 marks a transition between evaluating the accomplishments of the Millennium Development Goals and embarking on the more ambitious pledge enshrined in the Sustainable Development Goals. This transition

coincides symbolically with the twentieth anniversary of the World Summit for Social Development, held in Copenhagen in 1995. As reaffirmed in ECLAC resolution 682 (XXXV), the Copenhagen Declaration on Social Development, the Programme of Action of the World Summit for Social Development, together with other relevant internationally agreed instruments, constitute the basic framework for promoting social development for all at the national and international levels. It was decided at the Summit that the United Nations regional commissions would assist in implementing the outcome of the Summit and, in accordance with this mandate, ECLAC prepared two follow-up documents.¹

The provisions of the Copenhagen Declaration on Social Development are particularly pertinent today. The Declaration contains 10 commitments, which include eradicating poverty; achieving full employment; ensuring gender equality; promoting access for all to education; fostering social integration; and increasing resources allocated to and strengthening cooperation for social development. The Programme of Action of the World Summit for Social Development focuses on three main areas: the eradication of poverty; the creation of employment and social integration. The measures set out in the Programme of Action concern mainly public policies and programmes, reflecting the view that responsibility for social development lies principally with the State. Moreover, participation is treated as essential to achieving those aims. In its resolution 50/161, the General Assembly entrusted the Commission for Social Development with the primary responsibility for follow-up and review of the implementation of the Summit outcome, and requested it to monitor the implementation of the Programme of Action.

It is evident, then, that key elements of what is now termed “social development” have remained constant over time. This includes the fundamental aim of improving living standards for all in larger freedom, on which successive intergovernmental documents have agreed. There is also a broad consensus that social development encompasses a wide variety of areas that international organizations must tackle, including education, health, employment, crime, migration and human development in general.²

This document, which marks a new stage in the cooperation between ECLAC and the countries of Latin America and the Caribbean in the field of social development, is based on core elements of the development approach of ECLAC. First, as was proposed in the equality trilogy,³ Latin America and the Caribbean must shift its development paradigm if it is to achieve equality and environmental sustainability in today’s complex and ever-changing socioeconomic conditions. Equality is defined in the ECLAC approach as the overarching, long-term goal of development. Its central importance to the concept of sustainable development was acknowledged by the World Commission on Environment and Development in 1987 and reinforced over time in various international instruments, from the Rio Declaration on Environment and Development (1992) to the outcome of the United Nations Conference on Sustainable Development, entitled “The future we want” (2012). The environmental dimension of sustainable development is crucial to ensuring the well-being of future generations and therefore intergenerational equality.⁴

Second, the concept of equality is built on a rights-based approach, which is also essential to addressing and eradicating poverty. ECLAC has been developing this approach since 2000, when it presented the document, *Equity, development and citizenship*, at its twenty-eighth session, affirming that “defining the construction of more equitable societies as the essential aim of development brings to the fore the importance of upholding the population’s economic, social and cultural rights, which are based on the values of equality, solidarity and non-discrimination, and underscores the universality, indivisibility and interdependence of these rights and of civil and political rights.”⁵

The hallmarks of the Commission’s analysis and recommendations in this area are its promotion of the realization of economic, social and cultural rights; an inclusive approach to development and well-being, which is needed to create a sense of belonging in society; and social citizenship, through inclusive institutions that provide everyone with the opportunity to participate in the benefits of collective life and in decision-making processes.

¹ Economic Commission for Latin America and the Caribbean (ECLAC), *The Equity Gap: Latin America, the Caribbean and the Social Summit* (LC/G.1954/Rev.1-P), Santiago, 1997; ECLAC, *The equity gap: a second assessment* (LC/G.2096), Santiago, 2000.

² John Mathiason, “Renewing social development in the 21st century”, 2014 [online] <http://www.un.org/esa/socdev/egms/docs/2014/SessionI/MathiasonRenewingSocialDevelopment>.

³ ECLAC, *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, 2010; *Structural change for equality: an integrated approach to development* (LC/G.2524(SES.34/3)), Santiago, 2012; and *Compacts for equality: towards a sustainable future* (LC/G.2586(SES.35/3)), Santiago, 2014.

⁴ ECLAC, *Preliminary reflections on Latin America and the Caribbean in the post-2015 development agenda based on the trilogy of equality* (LC/L.3843), Santiago, 2014.

⁵ ECLAC, *Equity, development and citizenship* (LC/G.2071(SES.28/3)), Santiago, 2000, p. 12.

As Abramovich contends, under the rights-based approach, the first step towards empowering excluded sections of society is to recognize that they possess rights which are binding on the State. This concept shifts the rationale of policymaking whereby the starting point is not the existence of individuals with needs that require a response, but the existence of rights-holders entitled to particular services and treatment. Policy measures are thus not merely a means to discharge a moral or political duty, but rather deliberately chosen routes towards realizing legal obligations that are imperative and peremptory under human rights treaties. Rights call forth obligations, which, in turn, need mechanisms to make them enforceable and achievable.⁶

The concept of equality is not concerned only with the distribution of monetary income. Without denying the central importance of income distribution, the ECLAC approach broadens the concept of equality to encompass its multidimensional nature. Equality refers not only to the redistribution of income, assets and resources, but also to autonomy, recognition of individuals and dignity. In other words, all individuals must be recognized as equals in terms of rights—civil and political—and dignity. *Compacts for equality: towards a sustainable future* explores different aspects of equality, including equality of capacities and access to social protection and to public goods, such as good-quality education and information and communications technologies. Another aspect of equality is “membership of social networks, groups and spaces whose keynote is intersubjectivity, because these are powerful tools for mutual recognition”.⁷ Examples of this are efforts to overcome school and residential segregation. Another crucial dimension of equality is the autonomy and recognition of women, particularly having enough income of their own, access to political and decision-making forums and guarantees of physical autonomy and integrity. The non-discrimination, rights and equality of indigenous peoples and Afro-descendent populations are also an integral part of this approach, as is including a life-cycle perspective to take particular account of children, young people and older persons.

Another consideration is the centrality of the State in social policies. As noted in *Structural change for equality: an integrated approach to development*, policymaking in the social and labour spheres requires recognition of the State’s central role. “The State has a more active role to play in the provision of public services and the promotion of well-being, with a sustained increase in social spending, progress in building social and labour institutions that improve governance and reverse asymmetries in the world of work, income transfer systems that yield a clear redistributive impact, and integrated social protection systems with strong non-contributory solidarity-based pillars.”⁸ Attributing this role to the State also means forging a renewed fiscal covenant, whereby the proceeds from tax reforms—shifting the tax burden towards direct taxation and making it more progressive—support and enhance the impact of public policy.

Lastly, in keeping with the concept of sustainable development enshrined in the 2030 Agenda for Sustainable Development and as ECLAC has maintained on many occasions, social issues are not played out in the social sphere alone. To achieve social policy aims, structural actions are needed to create opportunities for the social and economic inclusion of vast swathes of the population. Affirming that social development is one of the pillars of sustainable development implies, on the one hand, that it depends upon production structures, greater inclusionary capacity in the labour market, economic development and political and environmental conditions; but that, on the other, it is in turn an essential condition for economic development and environmental sustainability.

Persistently high levels of inequality and poverty incur not only personal costs for the individual, but also social and economic costs for society as a whole. Improvements in social conditions are essential to bringing about structural change and sustainable economic development; hence the importance of deepening commitment to social issues in the region, despite the complex present conditions. Achieving these aims will require governments to consolidate strategies, policies and programmes, strengthen institutions and mechanisms for consultation, dialogue and participation, and secure and pledge the necessary investment and financing.

⁶ Victor Abramovich, “The rights-based approach in development policies and strategies”, *CEPAL Review*, No. 88 (LC/G.2289-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), April 2006, p. 34.

⁷ ECLAC, *Compacts for equality: towards a sustainable future*, p. 69.

⁸ ECLAC, *Structural change for equality: an integrated approach to development*, p. 274.

Recent progress and challenges in social development in Latin America and the Caribbean

Introduction

Thanks to favourable economic conditions, positive trends in labour indicators and the policies implemented by the countries in various areas, millions of people in Latin America and the Caribbean began to enjoy significantly higher levels of well-being starting in the first decade of the 2000s. However, the progress in social development remains uneven and inadequate and, most particularly, elusive for certain social groups. There is still a long way to go along the road towards societies that are free of poverty, fairer and less unequal.

Most of the countries report significant progress in certain areas of social development. Much of that progress has occurred in areas that were a priority under the Millennium Development Goals (MDGs), such as reduced poverty, expanded education coverage, greater gender equality, lower infant mortality and undernutrition and the positive evolution of labour market indicators (United Nations, 2015). The improvements in those indicators place human development in Latin America and the Caribbean, on average, at a much higher level than other regions (ECLAC, 2006).

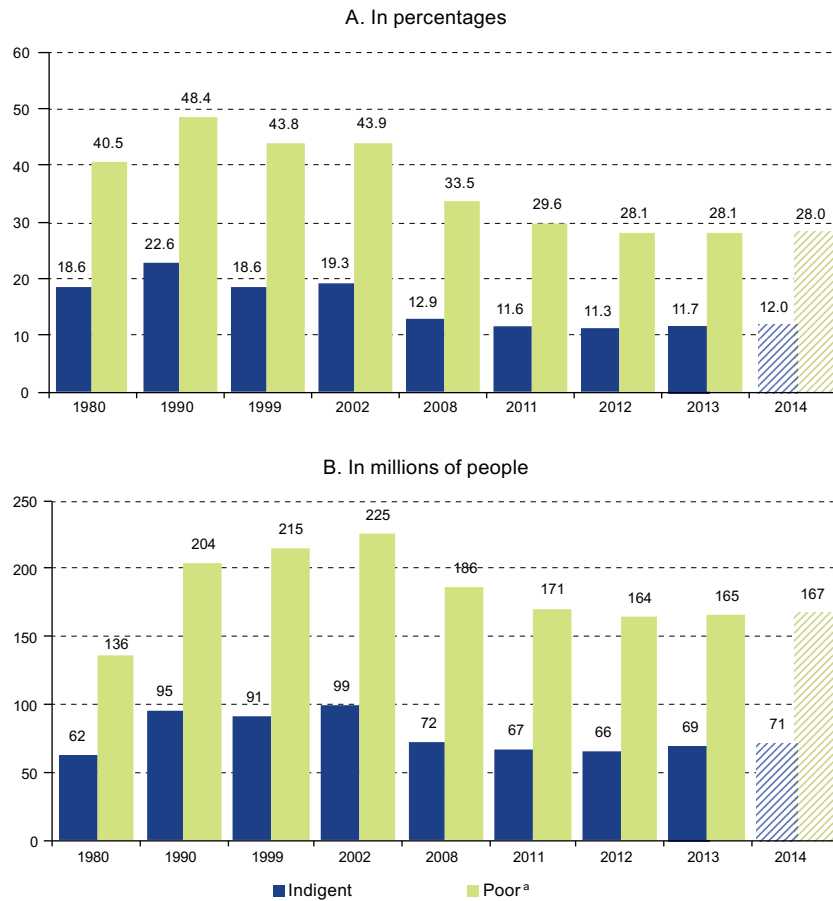
That progress is key in upholding economic, social and cultural rights. Increased life expectancy in most of the countries over recent decades represents an expansion of the right to life and, in addition, it reflects improvements in other indicators that also play a key role in terms of social rights, such as increased access to health and education. At the same time, reduced unemployment, increased formal employment and higher wages, in addition to having a major impact on reducing poverty, indicate progress in enforcing the right to work, which plays a central role in social integration and citizenship, in individuals' construction of meaning and as a privileged sphere for participation (ECLAC, 2006). Work is also the main source of household income and, consequently, the main link between economic development and social development, in that it represents the main route of access to the distribution of the benefits of development.

This chapter offers a summary of some of the indicators of the main progress and the challenges still unresolved in various areas of social development in Latin America and the Caribbean within the framework of an agenda for development with equality using a rights-based approach. Some of those topics will be addressed again in chapter IV.

A. Significant reductions in poverty and extreme poverty

In recent years, the region has made noteworthy progress in reducing poverty and extreme poverty. Following the major increase recorded during the 1980s, the proportion of poor people among the population as a whole fell over the following decade, from 48.4% in 1990 to 43.8% in 1999.¹ Similarly, the proportion of people in extreme poverty fell from 22.6% to 18.6% over the same period. In absolute terms, those figures mean that the region's extremely poor inhabitants fell from 95 million to 91 million, but that the number of poor rose from 204 million to 215 million (see figure I.1). The variations in poverty levels recorded over that period were largely the result of swings in economic growth. However, the increases in poverty caused by periods of recession, weakened labour market indicators and falls in public spending with adjustments to social policies were not entirely offset by the periods of resurgent economic growth (ECLAC, 2004a).

Figure I.1
Latin America: poverty^a and indigence, 1980-2014



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Social Panorama of Latin America (LC/G.2635-P), Santiago.

^a The figures for the poor population include the indigent population.

The reduction of poverty and extreme poverty was more pronounced over the following decade, particularly between 2002 and 2012, in both absolute and relative terms. There was a reduction in poverty that, on average, totalled an accumulated 15.7 percentage points since 2002: from 43.9% to 28.1%. Extreme poverty also reported

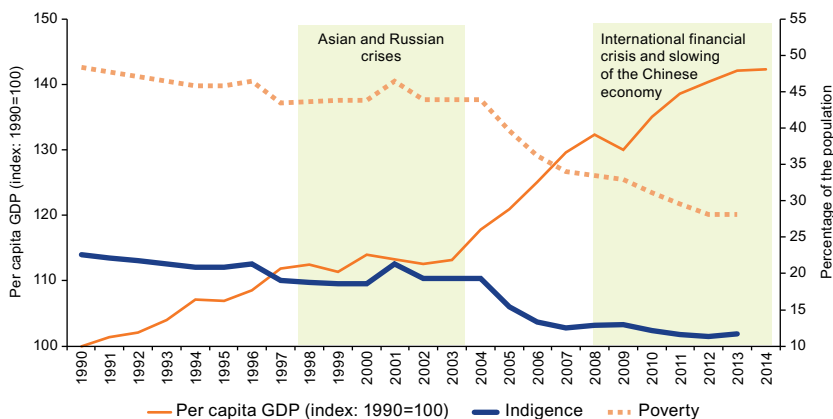
¹ Poverty rates fell in 11 countries—which are home to most of the region's poor population—, rose sharply in one country and stayed more or less the same in three countries (ECLAC, 2004).

a significant drop of 8 percentage points (from 19.3% to 11.3%); however, the rate of that reduction has fallen in recent years, chiefly because of food costs rising more rapidly than inflation in general.²

These positive results are associated with a range of factors, including a favourable economic context, notable improvements in the labour market and a string of social policy initiatives, most notably the expansion and redefinition of policies and programmes for overcoming poverty and extreme poverty and promoting social inclusion, against a political backdrop where those topics were once again at the forefront of several countries' public agendas and general development strategies.

Thus, between 2002 and the onset of the international financial crisis (2008), the region was able to return to rates of growth similar to those of the 1970s. A boom period occurred between 2003 and 2007, with high annual rates of GDP growth (around 5%) and of per capita GDP (3% for almost five years running), in a context of positive current account balances, fiscal surpluses and unprecedented international reserve levels. This favourable combination of rapid growth, in conjunction with expansionary external conditions, was without precedent in the region's recent history, and it was largely driven by the boom in commodity prices. At the same time, unemployment fell notably (from 11% to 7.4%) and the percentage of people living beneath the poverty line dropped by 10 percentage points (from 44% to 34%) (ECLAC, 2009).

Figure I.2
Latin America and the Caribbean: per capita GDP and rates of poverty and indigence, 1990-2014
 (Index: 1990=100 and percentages of the population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database; and C. Aravena, L.E. Escobar and A. Hofman, "Fuentes del crecimiento económico y la productividad en América Latina y el Caribe, 1990-2013", *Macroeconomía del Desarrollo series*, No. 164 (LC/L.4024), Santiago, ECLAC, 2015.

This process was affected by the global financial crisis of 2008 and 2009; however, compared to previous crises, this one had a lower impact on levels of poverty and extreme poverty. This was partly due to the countercyclical nature of the public social spending used to tackle the crisis and, within that, the priority placed on the social dimension. That trend was seen both in the increased public social spending over time (up to 2010, the resources available for funding social services and household transfers rose in real terms) and in the composition of public spending (greater fiscal priority placed on social spending). In contrast, up to the midpoint of the first decade of the century, the evolution of public social spending had been highly procyclical. Thus, in the second half of the decade, several countries began a process of increasing social spending to expand the coverage of different social programmes, particularly those geared towards fighting poverty, on which such countries as Brazil and Mexico had embarked in the mid-1990s (ECLAC, 2013d).

However, in 2012 and 2013, the poverty reduction process stagnated (see ECLAC, 2014a). This occurred in a context of low global economic growth, the end of the commodity boom, heightened inflationary pressure and curtailed capacity to create and formalize employment. Thus, 2012 saw a decline in the world economy, combining the European recession, particularly in the euro zone, the deceleration of China's economy and moderate growth

² According to the *Social Panorama of Latin America*, the lowest levels of poverty and extreme poverty over the past three decades were recorded in 2012 (ECLAC, 2013b).

in the United States. In that context, Latin America's output grew by 2.9%: a figure that despite being lower than those of the two previous years, represents better performance than the global average (2.2% growth), because the expansion of domestic demand helped counteract the lower contribution made by exports (ECLAC, 2012a). In 2013, the region again grew at the same rate as the previous year (ECLAC, 2015a).

In 2014, global economic growth recovered slightly (2.5% compared to 2.4% in 2013), in a context of mixed performance in the developed countries and deceleration in the emerging economies. Developing countries' growth continued to decelerate in 2014, although the average level recorded, 4.8%, was still much higher than in the developed world. Consistently with these developments, the countries of Latin America and the Caribbean have seen external aggregate demand slump owing to the lacklustre performance of developed economies and the slowing of emerging ones, especially China, which has established itself as the main trading partner for several countries in the region, particularly those that export raw materials. Prices for those materials resumed a downward trend, especially in the second half of 2014, albeit with variation from one commodity to another. The estimated average price fall for the group of raw materials steepened to 10.5% in 2014, from a 5.2% drop in 2013. This also coincided with a significant drop (-16%) in direct foreign investment (FDI) flows into Latin America and the Caribbean (ECLAC, 2015b).

Currently, estimates for 19 Latin American countries indicate that in 2014, there were 167 million people living in conditions of poverty, of whom 71 million were facing extreme poverty. In other words, in spite of having met the target of halving extreme poverty assumed as part of the Millennium Development Goals (United Nations, 2015), significant efforts are still needed. In addition, difficulties will likely be encountered in returning to the rates of growth recorded in previous years and in maintaining public spending in some countries.

Poverty and extreme poverty must begin to come down again in order to counteract the stagnation of progress, and bold steps must be taken to prevent a possible new rise in their levels. Redoubled efforts are needed for stronger and better social policies and, within those policies, for strategies to reduce poverty and extreme poverty, with assured financial sustainability and tools to ensure their effectiveness and efficacy.

B. Significant vulnerability to poverty

Within the field of social development, there is a growing recognition that the concepts of risk and vulnerability are essential for understanding the dynamics of poverty. How vulnerable individuals and households are is directly related to their degree of control over different kinds of resources and assets, the mobilization of which enables them to make use of the existing opportunity structures at a given point in time, either to enhance their well-being or to prevent it from declining when it comes under threat (Kaztman, 1999). The resources of individuals and households include all the tangible and intangible assets they control, in addition to their ability to secure medium- or high-productivity jobs, access to production resources and social and family relations (ECLAC, 2004b).

A large percentage of the people and households who managed to escape from poverty and extreme poverty in the period under review can be considered to have "recently exited" poverty. This is related, among other factors, to the size and speed of the poverty reductions recorded over the past decade, and to the fact that those results were largely not produced by deeper changes in productive structures.

Consequently, a large percentage of the population earn incomes that are only slightly above the poverty line. Those sectors are more exposed to a wide range of risk factors, such as unemployment or catastrophic health events, loss of physical capital reserves, indebtedness at very high formal or informal interest rates, loss or forced change of dwelling as a result of the inability to pay mortgage loans or rent (ECLAC, 2010a).

ECLAC has defined vulnerability by categorizing the population into four large groups in terms of their incomes expressed as multiples of the poverty line (ECLAC, 2010a): (i) the group of extremely poor, or highly vulnerable to extreme poverty comprises those who are in conditions of extreme poverty and those who are at the threshold of it and who therefore tend to oscillate in and out of that situation (incomes of up to 0.6 times the poverty line); (ii) those who are poor and those who are highly vulnerable to poverty, in other words, those whose incomes are beneath or very close to the poverty line and who move in and out of poverty conditions in normal economic cycles (incomes between 0.6 and 1.2 times the poverty line); (iii) those who are vulnerable to poverty, with incomes

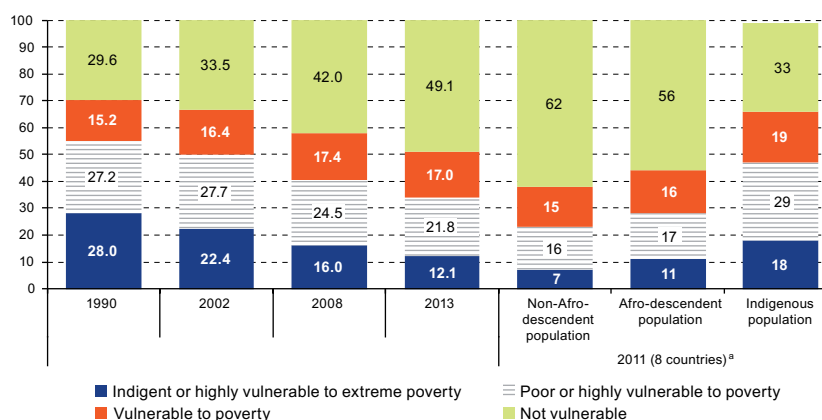
ranging from 1.2 to 1.8 times the poverty line; and (iv) those considered not vulnerable to poverty, who earn more than 1.8 times the poverty line.

The vulnerable sectors suffer from shortcomings in a long list of areas: unemployment insurance, monetary savings, health insurance, adequate pensions or retirement plans, private insurance for various eventualities and, in many cases, their own homes. They also generally report high numbers of dependants and are unable to secure access to quality employment with social protection. For that reason, anti-poverty policies must not only help people escape from poverty, but also keep them from slipping back into it.

The region's data testify to the magnitude of the problem: the exposure of large sectors of Latin America's population to the risk of returning to situations of poverty or extreme poverty, in a context of lower economic growth, slower job creation, increased levels of unemployment and informal work, and obstacles to the expansion of social spending.

Figure I.3 indicates the large proportion of the Latin American population that still lives in extreme poverty, poverty or vulnerability to poverty. Despite a major reduction during the period under review (from 70.4% in 1990 to 50.9% in 2013), less than half the region's population (49.1%) can be considered not vulnerable to poverty by ECLAC criteria.³ Figure I.3 also shows that the rates of extreme poverty, poverty and vulnerability affect more intensely those segments of the population that generally, because of a lack of appropriate and systematic information, are not covered by studies. Thus, when the population is broken down by ethnic or racial origin,⁴ it can be seen that these rates are much higher among indigenous and Afro-descendent populations, which highlights the need to focus actions on those groups.

Figure I.3
Latin America (weighted average for 18 countries and for 8 countries): profile of income vulnerability,
around 1990, 2002, 2008 and 2013, and by race or ethnic group, around 2011
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Weighted average for Brazil (2011), Chile (2011), Ecuador (2011), Mexico (2010), Paraguay (2011), Peru (2011), the Plurinational State of Bolivia (2009) and Uruguay (2011).

To cover the broad segments of the population beneath the vulnerability line, there is a need for broader opportunities for decent work and stronger social protection systems, in order to address the vulnerability to which families are exposed, particularly at times of crisis.

³ In just 6 of the 18 Latin American countries examined in figure I.3 did the non-vulnerable population represent more than half of the population (Argentina, Uruguay, Chile, Costa Rica, Brazil and Panama); in another six, those deemed not vulnerable accounted for 25% or less of the total population (Honduras, Nicaragua, Paraguay, Guatemala, El Salvador and the Plurinational State of Bolivia).

⁴ To examine the poverty levels affecting indigenous and Afro-descendent populations, this report uses information from household surveys in eight countries that in 2011 included questions identifying the population by its ethnic or racial origin: the Plurinational State of Bolivia (2009), Brazil, Chile, Ecuador, Mexico (2010), Paraguay, Peru and Uruguay. While they do not represent the entire region, the results provide a view of the dimensions of the extreme poverty, poverty and inequality affecting those groups, as well as of other social indicators that will be studied later in this chapter.

C. Income inequality

Inequality is an historic and structural characteristic of Latin American societies. It can be most clearly seen in income distribution which is, in turn, the cause and effect of other inequalities, in areas such as education and the labour market. The breakdown of social inequality in Latin America and the Caribbean is heavily determined by the productive structure, but it is also affected by gender, racial and ethnic factors, which cross-cut and cross-fertilize each other. Understanding those determining factors and their dimensions and interrelations is essential in developing policies for making progress towards equality.

As is common knowledge, Latin America and the Caribbean represent the world's most unequal region in terms of income distribution. That structural feature has remained largely unchanged over a lengthy time, even at times of high economic growth. However, in the early years of the century, most of the countries experienced processes that reduced the income inequality that can be measured with household surveys which, by their nature, underrecord higher income levels. Within those parameters, the drop in inequality reported during this period reverted the trend that had prevailed over the previous two decades at the least, which was characterized by an increase in income concentration in most of the countries (ECLAC, 2011a).

Using the 2002 figures as a reference point, the household survey data indicate that in eight countries, the share in total income of the poorest quintile (in other words, the 20% of households with the lowest incomes) grew by at least one percentage point: thus, on average, that group earned 5.5% of total income in 2013. At the same time, in nine countries, the relative share of the richest quintile fell by 5 percentage points or more. Although in seven countries this group's share still accounts for more than 50% of total nation income, in 2002 that was true in ten countries (see figure I.4).

The changes visible in the total income shares of the richest and poorest quintiles can also be seen in variations in the inequality coefficients. Of the 15 countries for which information is available, 12 reported reductions equal to a simple average of 1% per year in their Gini coefficients between 2008 and 2012. The rate of the reduction in inequality was in excess of 1% per year in ten countries and was at least 0.5% per year in another two.

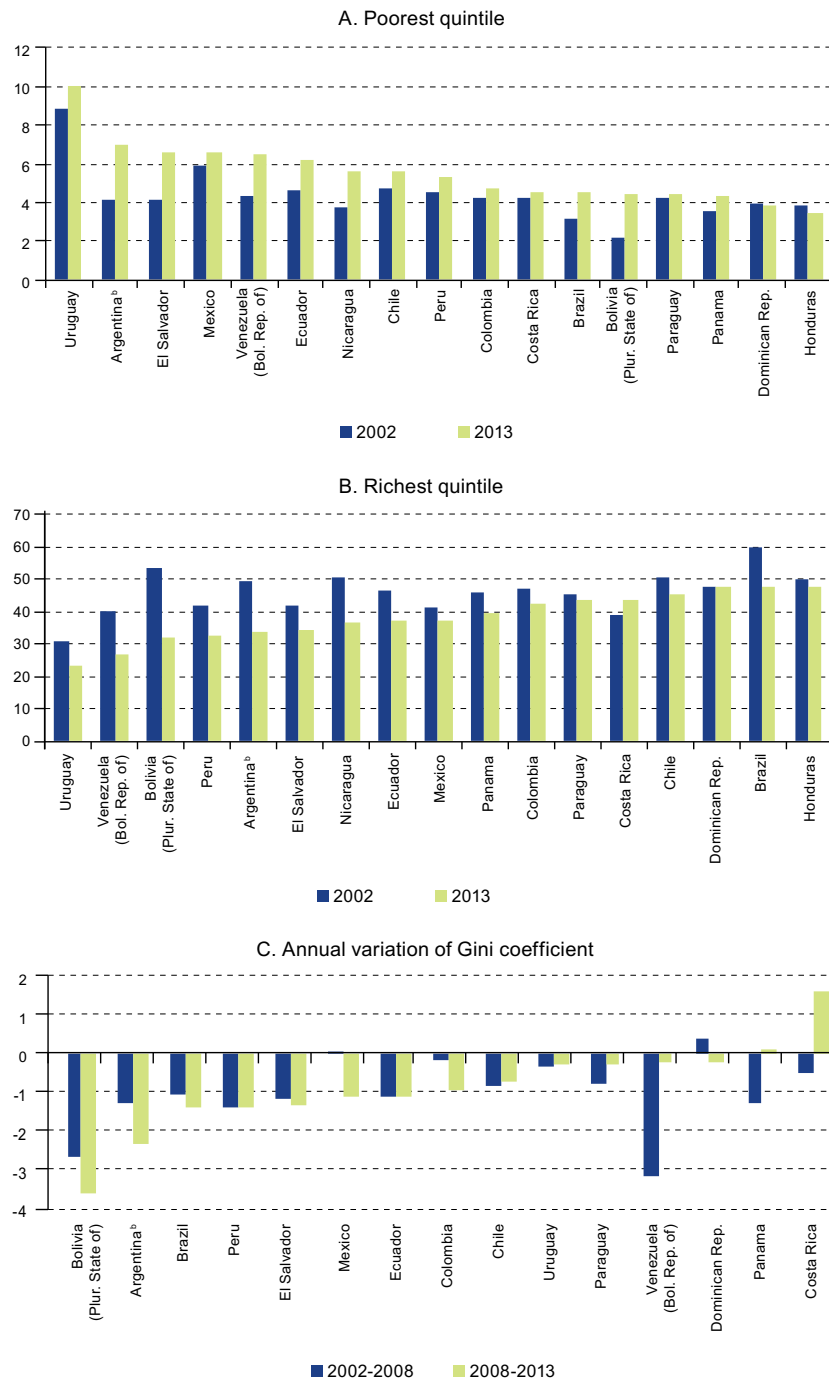
The downward trend in inequality can also be seen over the most recent five years of the 2002 to 2013 period. Thus, six countries reported drops in their Gini coefficients over the second five-year subperiod (2008 to 2013) that were greater than those recorded during the first (2002 to 2008). One country reported reductions of around 3% per year. In contrast, another two reported rises in inequality during the second subperiod. Although the improvement is significant, there was a slight downturn in inequality rates between 2012 and 2013, which indicates progress that could be less encouraging than that forecast one year earlier (see results as of 2012 in ECLAC, 2013b).

Latin America's high income concentration levels are closely tied to the still inadequate progressiveness of the region's fiscal and social policies, particularly when compared to the developed world. In the region, average inequality levels in market incomes (before direct taxation and transfers) are only slightly above the results reported by the countries of the Organization for Economic Cooperation and Development (OECD), but the region's tax systems and public social spending are less effective at improving the distribution of disposable income (ECLAC, 2015c).

In the region, the Gini coefficient of concentration falls only 3 percentage points as a result of direct fiscal action, whereas the public provision of education and health services would reduce it by an additional 6 percentage points.⁵ In comparison, in the OECD economies, the joint redistributive effect of monetary transfers and personal income tax reaches average rates of around 17 percentage points in the Gini coefficient, while redistribution through public spending accounts for 7 percentage points (see figure I.5).

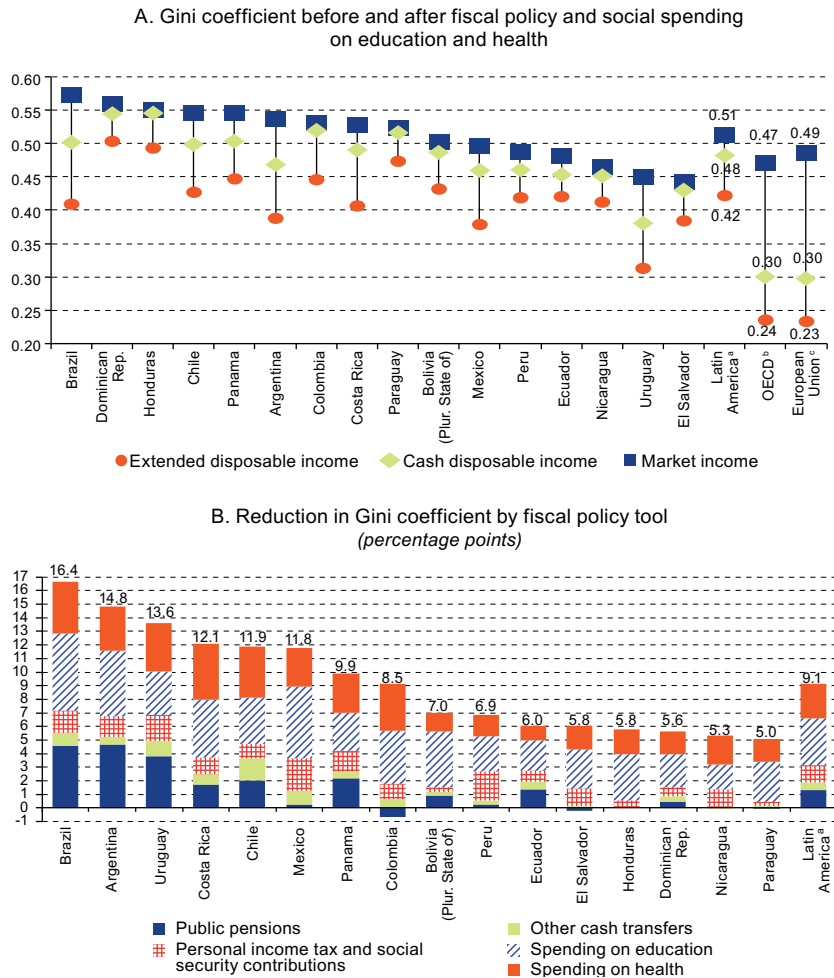
⁵ Values are calculated on factor costs and not market prices, which would increase the inequality reduction effect if those "in kind" transfers were taken on board.

Figure I.4
Latin America (17 countries): share in total income of the poorest and richest quintiles, 2002 and 2013,
and annual variation of Gini coefficient, 2002-2008 and 2008-2013^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Includes only countries with information available up to 2011, 2012 or 2013. The countries are ordered by the variation recorded in the second subperiod (2008-2013).
^b Urban areas.

Figure I.5
Latin America (16 countries), Organization for Economic Cooperation and Development (OECD) (25 countries)
and European Union (15 countries): effects on inequality of fiscal policy and social spending
on education and health (Gini coefficient), around 2011



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Panorama fiscal de América Latina y el Caribe 2015: dilemas y espacios de políticas* (LC/L.3961), Santiago, 2015.

^a Simple average for 16 countries.

^b Simple average for 25 countries. Does not include Chile or Mexico.

^c Simple average for 15 countries.

To summarize, the countries of Latin America and the Caribbean must continue to build on the substantial progress in reducing poverty made in recent years, and they must improve on their incipient advances in income distribution, in order to reduce the world’s highest levels of inequality that still prevail (ECLAC, 2014b). Those challenges are key, in that income distribution is the cause and consequence of other inequalities, such as those that arise in the areas of work, education and health. That is particularly critical at the current juncture, when that progress appears to have hit a barrier to further expansion or is even facing problems in maintaining itself, even though several countries still have the economic manoeuvring room for assigning a more active redistributive role to fiscal policy (ECLAC, 2015c).

D. The social inequality matrix in Latin America: gender, racial and ethnic dimensions

In spite of the progress seen in poverty reduction and income inequality, deep disparities continue to exist between different segments of the population and different geographical areas within the countries. Poverty, extreme poverty and vulnerability are strongly determined by gender, racial and ethnic factors, and they are also dependent on certain moments in the life-cycle, such as childhood, youth and old-age. Variations and regional inequalities within the countries and between rural and urban areas are also highly pronounced. The region still reports major shortcomings in all those dimensions. Continued progress towards equality therefore requires that we start by recognizing and determining the social inequality matrix in Latin America and the Caribbean, and that we incorporate those dimensions, as a structural element, in the design of public policies and in the mechanisms used for their implementation, monitoring and evaluation.

1. Gender inequality

A broad political consensus exists in the international community regarding the importance of gender equality as a goal and as a means to attain development and to consolidate fairer and more democratic societies. But although significant progress has been made in different areas of social development in recent years, inequality between men and women remains a structural axis of the social inequality matrix in Latin America and the Caribbean.

As has been extensively discussed in the specialized literature, and as ECLAC has stated on different occasions, gender inequalities arise from a sex-based division of labour that assigns women primary responsibility for the upkeep of the home and for caring for children and other dependants, which curtails their time and opportunities for participating in paid work, accessing the job-related benefits of social protection and attaining economic autonomy (ECLAC, 2005; ECLAC, 2013b).⁶ This gives rise to a series of disadvantages faced by women in comparison to men, including a highly unequal load of unpaid domestic work, higher rates of unemployment and informality, wage discrimination and inequalities in access to and the use and control of productive resources.

Unpaid domestic work impacts the many manifestations of poverty among women. It prevents many women from securing access to paid work and obtaining economic autonomy. Those who simultaneously undertake paid work within the labour market and unpaid work at home must shoulder the heavy burden that this implies and, consequently, they have less time than men for relaxing, recreation and other significant aspects of life.⁷ Women who dedicate their time to domestic work are also highly vulnerable to poverty, in that they have less certifiable employment experience and generally lack social security and protection or are not the policy-holders of the related insurance. The absence of income is exacerbated in the event of separation or widowhood, since their spouses usually earn the largest portion of the household income. Women without economic autonomy are also more likely to suffer gender violence.

This heavier work burden does not only affect a large proportion of adult women: surveys examining how time is used reveal that, from childhood onwards, girls perform more of those tasks than boys, and teenage mothers are more likely to perform them as their main activity (Milosavljevic and Tacla, 2007). The same applies to women of productive and reproductive age, since they are the ones who participate the most and, at the same time, dedicate the most time to tasks of this kind. In addition, many older adult women will never retire from those responsibilities; in old age, instead of being cared for, they often serve as the care-givers for other dependants, such as their grandchildren, husbands and other senior citizens who are dependent on them because of illness or increased fragility.

⁶ According to Gómez (2008), as a result of this sexual division of work, in most societies men have the primary responsibility for paid work (“productive work”), while the responsibility for unpaid work in the household and community and care work (“reproductive work”) rests with women. Even though it provides essential support for “productive” work, unpaid work has remained invisible in terms of its contribution to production and well-being, making it more difficult to access economic resources and social protection for those responsible for this work—mainly women. (Gómez, 2008)— La economía invisible y las desigualdades de género. La importancia de medir y valorar el trabajo no remunerado. Washington, D.C.: PAHO, 2008.

⁷ The notion of total workload refers to the combined burden of the demands of both paid and unpaid work. Thus, a person’s total workload includes regular employment and overtime at work, together with household work, child care, care of elderly and sick relatives and work in associations and trade unions. Source: <http://www.ilo.org/oshenc/part-v/psychosocial-and-organizational-factors/factors-intrinsic-to-the-job/item/15-workload>.

Figure I.6 illustrates this phenomenon. It reveals the unequal distribution of work within the family: practically all domestic and care work is performed by women, regardless of their position in the family.

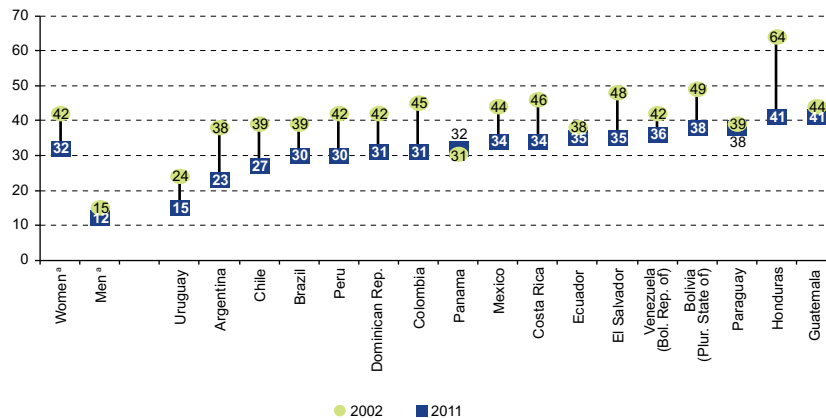
Figure I.6
Latin America (3 countries): distribution of hours spent weekly on domestic and care work, by sex and household relationship, around 2010
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations from time-use surveys of Ecuador (2011), Mexico (2009) and Peru (2010).

The fact that women lack their own incomes and economic autonomy is another important indicator in identifying gender inequalities. In the region, women account for around 51% of the total population and only receive 38% of the total monetary income created and earned by people, with the remaining 62% going to men. In 2011, 32% of Latin America's female population aged 15 years and over, excluding students, did not have their own incomes, compared to 12% of their male peers. This is strongly correlated with their burden of unpaid household work (domestic and care work), which is much heavier than that of men, and deprives them of time and conditions to enter paid employment. The significant decline in the proportion of women without their own incomes over the past decade (which, in 2002, stood at 42%, compared to 15% for men) is chiefly due to their greater incorporation into the labour market as well as to the fact that women are generally the direct beneficiaries of monetary transfer programmes for overcoming poverty.

Figure I.7
Latin America (17 countries): women aged 15 or over not in education and without incomes of their own, around 2002 and 2011
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Compacts for Equality: Towards a Sustainable Future* (LC/G.2586/SES.35/3), Santiago, 2014.
^a Persons aged 15 years and over not in education and not receiving income of their own.

The possibility of women securing economic independence and autonomy depends essentially on their opportunity to access decent work and on the narrowing of the gender gaps that characterize the labour market in terms of participation, unemployment and occupation rates, levels of income and access to retirement plans and pensions, as well as on other indicators, which will be analysed in later sections of this chapter.

2. Ethnic and racial inequalities: indigenous peoples and Afro-descendants

Instruments of international law —such as the International Convention on the Elimination of All Forms of Racial Discrimination (1965) and International Labour Organization (ILO) Convention No. 169 on Indigenous and Tribal Peoples (1989)— recognize the specific nature of the rights of indigenous peoples as collective rights and promote and safeguard the civil, political, economic, social and cultural rights of indigenous peoples and Afro-descendants. The World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa, in 2001, was a highly significant moment for the renewal and promotion of the international commitment in this area.

Of particular relevance in the international recognition of indigenous rights was the United Nations General Assembly's adoption of the Declaration on the Rights of Indigenous Peoples in 2007. Among its many important steps forward, this instrument recognizes those peoples' right to the full enjoyment, as a collective or as individuals, of all human rights and fundamental freedoms; to be free from any kind of discrimination; to free determination, with which they can freely determine their political status and freely pursue their economic, social and cultural development; to autonomy or self-government in matters related to their internal and local affairs; and to maintain and strengthen their distinct political, legal, economic, social and cultural institutions (United Nations, 2007). In Latin America this has been a part of a broader and more intense process of recognizing indigenous peoples and their rights in various constitutions, which establish those States' multicultural or plurinational composition and identify indigenous peoples as collective subjects. This has given rise to amendments of the law in 15 Latin American countries.⁸ Mention should be made of the constitutional recognition that certain countries have extended to those rights and to the cultures and languages found within their national borders, which in some countries has extended beyond than constitutional amendments (Bello and Rangel, 2002; Gargarella and Courtis, 2011; Stavenhagen, 2011) or led to the criminalization of racism.

In turn, ILO Convention 169 has played a leading role by offering a broad, comprehensive and coherent programmatic and regulatory platform for the recognition of indigenous rights. Of the 22 countries in the world that have ratified it, 15 are from Latin America.

The political recognition and enhanced profile of indigenous peoples and Afro-descendants has a positive correlation in statistical visibility. As of the year 2000, increasing number of countries in the region began to identify those population groups in their censuses and household surveys. This is the result of the mobilization of their organizations and their impact at the national and regional levels, and of the need to identify them and their socioeconomic situation in order to tackle the pronounced shortfalls that exist in the enforcement of their rights. (ECLAC, 2014c; Cruces, Domench and Pinto, 2012; Del Popolo and Schkolnik, 2013).

In Latin America, there are currently 826 indigenous peoples recognized by States,⁹ either directly in their laws or in different public policy instruments, representing a total of more than 46 million people.¹⁰ In addition, the region is also home to a large number of Afro-descendants, calculated at more than 120 million people, most of whom live in Brazil (ECLAC, 2013c).

Indigenous peoples and Afro-descendants are at a clear disadvantage vis-à-vis the rest of the population in the vast majority of social indicators and in the enforcement of rights.¹¹ It is therefore important to acknowledge that ethnic and racial inequalities, along with those arising from gender-related factors, are crucial components in the

⁸ The World Conference on Indigenous Peoples, held in New York on 22 and 23 September 2014, provided an opportunity to share viewpoints and best practices for enforcing the rights of indigenous peoples and for attaining the objectives of the 2007 Declaration.

⁹ According to estimates for 2010, a panorama of extremes exists in the region's countries: at one end stands Brazil, with 305 indigenous peoples, followed by Colombia (102), Peru (85) and Mexico (78), and, at the other, Costa Rica and Panama (9 each), followed by El Salvador (3) and Uruguay (2) (see ECLAC, 2014c).

¹⁰ There is, however, some controversy surrounding that figure, since it still relies primarily on linguistic criteria and fails to adequately complement those criteria with others, such as self-identification and membership in indigenous families and communities.

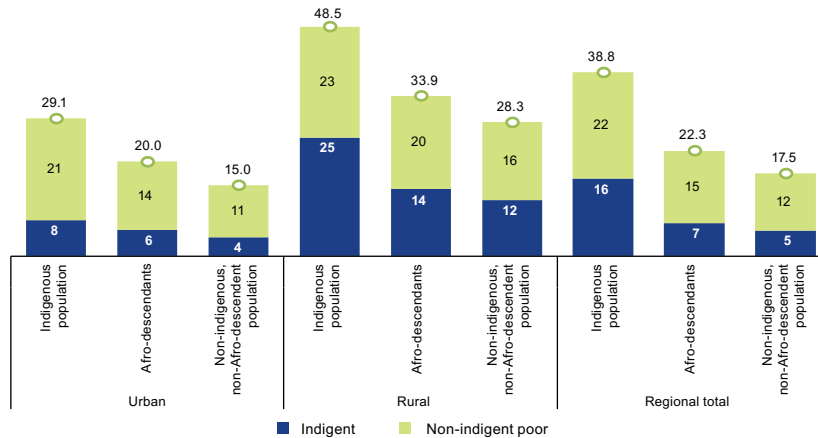
¹¹ This topic has been addressed by ECLAC on various occasions. See, *inter alia*: ECLAC, 2014b and 2014c.

region's social inequality matrix. The unique features of this deep-rooted and persistent discrimination urgently demand innovative approaches and policies in fighting poverty, ensuring access to health care, education and decent work and in other areas that could contribute to their full citizenship.

Indigenous persons and Afro-descendants are overrepresented among the sectors affected by extreme poverty, poverty and vulnerability. In addition, they face greater difficulties in alleviating or overcoming poverty, and the transmission of that poverty from one generation to another, and its chronic nature, are higher among those groups. Their historical invisibility in statistical records has prevented the magnitude and various manifestations of poverty among these groups from being properly identified and recognized. In turn, poverty reduction strategies have not always acknowledged those particular features and, consequently, have failed to adequately address the needs and specific problems felt by those large segments of the population.

To examine certain aspects of those inequalities, this report makes use of the household surveys of eight countries that in 2011 allowed identification of the population according to ethnic or racial origin or identification. While the results do not represent the entire region, they do indicate the extent to which poverty and extreme poverty have a greater impact on indigenous and Afro-descendent populations (see figure I.8), particularly in rural areas.¹²

Figure I.8
Latin America (8 countries):^a indigenous, Afro-descendant and non-indigenous, non-Afro-descendent population, by poverty status and areas of residence, around 2011
(Percentages)



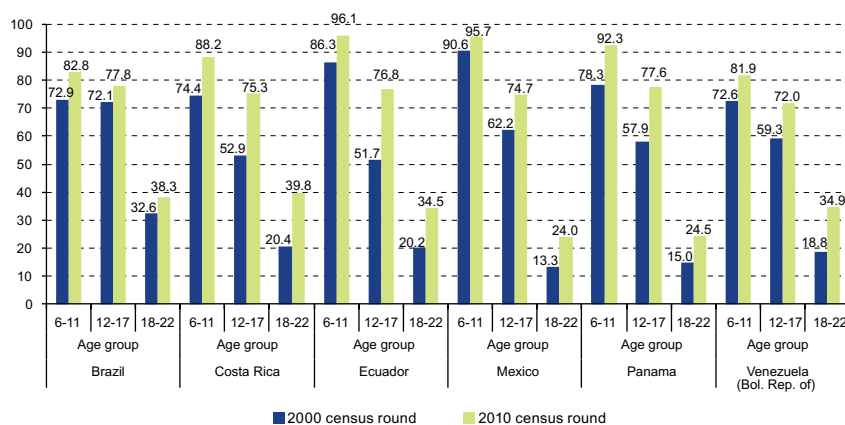
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Weighted average for Brazil (2011), Chile (2011), Ecuador (2011), Mexico (2010), Paraguay (2011), Peru (2011), the Plurinational State of Bolivia (2009) and Uruguay (2011).

Access to different levels of schooling and their successful conclusion are among the factors that perpetuate the inequality and exclusion faced by indigenous and Afro-descendent peoples. In spite of the significant progress made over the past 15 years, major shortcomings still exist.

One study comparing information from the 2000 and 2010 census rounds in eight countries indicates significant progress in the educational panorama of indigenous peoples: in increased school attendance among all age groups, for example. In particular, children aged between 6 and 11 are entering the education system at earlier ages, are remaining for longer periods and are successfully concluding the corresponding school cycles in greater numbers: attendance rates for that age group in the eight countries where 2010 and 2011 census data are available range from 82% to 99%. For those aged between 12 and 17, school attendance rates are significantly lower, ranging from 72% to 80%, although they also rose during the period under review (ECLAC, 2014c). For the 18 to 22 age group, no country in the region reports a figure higher than 40% (see figure I.9).

¹² Refers to poverty measured by income. The concept of poverty in the indigenous world is controversial, because the indigenous worldview does not view it in terms of money or possessions (see Bocos Ruiz, 2011).

Figure I.9
Latin America (6 countries): indigenous population aged 6-22 years attending an educational establishment, by age group, census rounds of 2000 and 2010
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Los pueblos indígenas en América Latina. Avances en el último decenio y retos pendientes para la garantía de sus derechos* (LC/L.3902), Santiago, 2014.

As regards the successful conclusion of primary schooling, most of the ten countries with information available from household surveys reported no differences by ethnic or racial group in and around 2013 (completion rates stand at approximately 90% for all groups). Nevertheless, when secondary schooling begins, differences arise and become more accentuated over time: in some countries, the tertiary education completion rates are close to 5% for the indigenous and Afro-descendent population, compared to over 15% for the rest of the population.

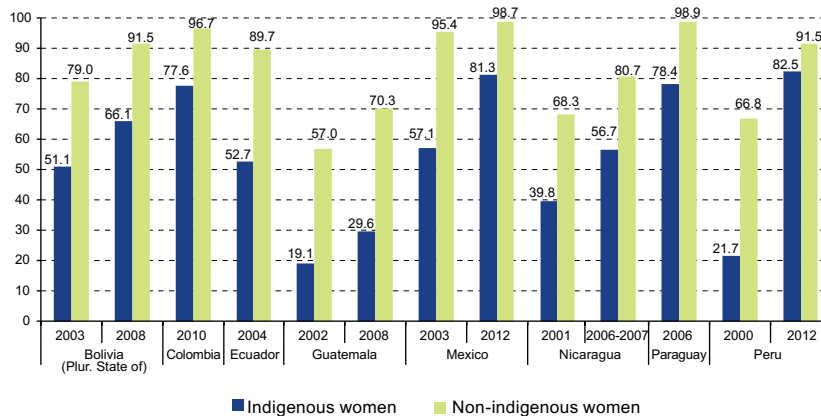
Previous studies compiled by ECLAC/OIJ (2004) revealed that the leading reasons for the lower participation of indigenous and Afro-descendent people in secondary and post-secondary education included higher rates of poverty and child and adolescent labour, the distance of schools from their homes, particularly in rural areas, the low quality of the educational facilities to which they have access, the relevance of their study programmes and discrimination.

Another clear manifestation of the inequality and exclusion suffered by these groups can be seen in the shortcomings in their exercise of the right to health. Fertility rates among indigenous women, in all the countries where information is available, are higher than the national averages. The situation of Afro-descendants, when compared with both indigenous women and the general population, varies more prominently. As regards health care during pregnancy, although the cited study indicates that the available information is fragmentary, it shows that in general, indigenous women receive fewer prenatal checkups and less professional attention during childbirth and that they more frequently give birth at home. This could be due to problems in health centre access (non-existence or remoteness of facilities, geographical factors), cultural constraints affecting service accessibility (linguistic issues, differences in medical models) or other obstacles related to the demand for health care (lack of information, refusals or mistreatment) (ECLAC/UNFPA/PAHO, 2010).

The same study (ECLAC, 2014c) indicates that in spite of the progress observed, professional attention during childbirth remains systematically less frequent among indigenous women.

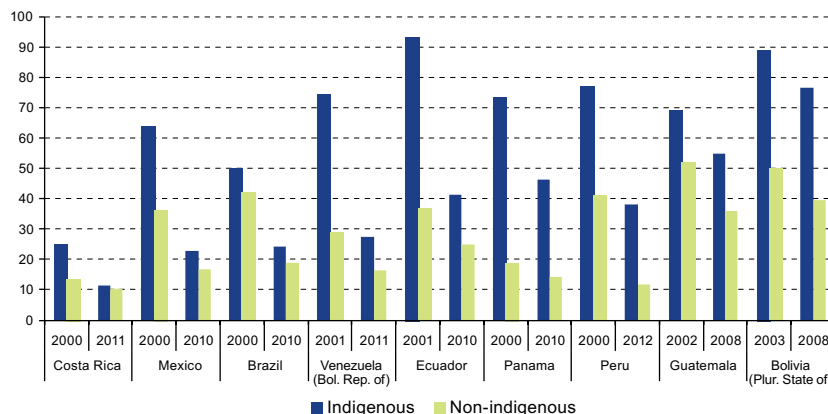
Finally, as regards child health, and again, in spite of the progress recorded over the past decade, the persistence of high levels of poverty, residence in rural areas and their parents' low academic achievements make indigenous children much more vulnerable to early death and chronic undernutrition than the non-indigenous population.

Figure I.10
Latin America (8 countries): births attended by skilled medical personnel, indigenous and non-indigenous women
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Los pueblos indígenas en América Latina. Avances en el último decenio y retos pendientes para la garantía de sus derechos* (LC/L.3902), Santiago, 2014.

Figure I.11
Latin America (9 countries): indigenous and non-indigenous child mortality rate, around 2000 and 2010
 (Number of deaths per 1,000 live births)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Los pueblos indígenas en América Latina. Avances en el último decenio y retos pendientes para la garantía de sus derechos* (LC/L.3902), Santiago, 2014.

Making progress in overcoming poverty and inequality in Latin America requires examining different manifestations of inequalities. One central challenge in this regard is to integrate and improve the quantification of ethnic and racial characteristics of the population in countries' official household surveys, in order to raise their profile and to contribute useful information for the formulation of public policies in the various areas of social development.

Box I.1

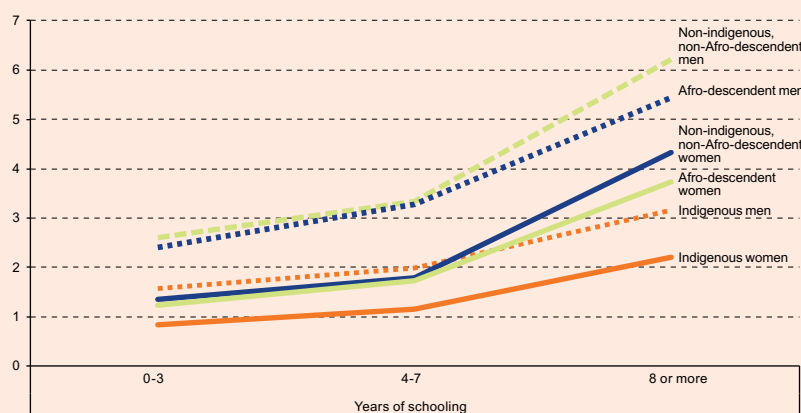
Intersecting gender, racial and ethnic inequalities

Gender inequalities and ethnic and racial inequalities intersect and reinforce each other, and this can be seen in the situations of particular disadvantage faced by indigenous women and women of African descent in various areas, compared both to their male peers and to non-indigenous, non-Afro-descendent women.

One of the most telling indicators of these intersecting inequalities are differentials in labour incomes. The figure below shows the employed population aged 15 and over in eight Latin American countries, broken down into three groups by schooling (0 to 3 years, 4 to 7 years, 8 years or more) and analyses the average labour incomes of each group in terms of multiples of

the poverty line. The pattern of inequality is clear, situating non-indigenous, non-Afro-descendent men at one extreme of the income scale and indigenous women at the other, regardless of their levels of schooling. Among those with eight years of formal education or more, non-indigenous, non-Afro-descendent men are followed, in descending order, by Afro-descendent men, non-indigenous, non-Afro-descendent women, Afro-descendent women, indigenous men and, finally, indigenous women.

Latin America (8 countries^a): average monthly labour income of indigenous, Afro-descendent and non-indigenous, non-Afro-descendent population, by years of schooling and sex, around 2011
(Multiples of the poverty line in each country)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).
^a Brazil (2011), Chile (2011), Ecuador (2011), Mexico (2010), Paraguay (2011), Peru (2011), Plurinational State of Bolivia (2009) and Uruguay (2011).

These intersecting inequalities can also be seen in the greater differentials detected, in many cases, among indigenous and Afro-descendent women compared to non-indigenous, non-Afro-descendent women. For example, the probability that an

indigenous woman will not have her own source of income is 1.8 times higher than among indigenous men, whereas between non-indigenous, non-Afro-descendent women and men the ratio is 1.5.

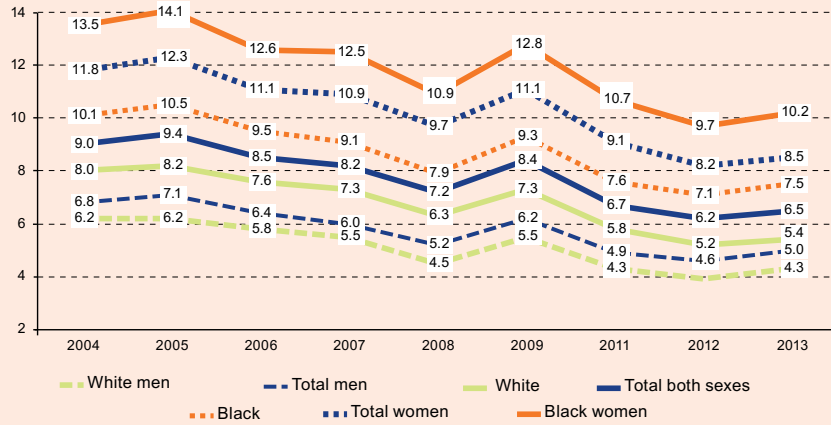
Gender and racial inequalities in Brazil: unemployment and informality

A study of the evolution of unemployment and informality rates in Brazil between 2004 and 2013 highlights the importance of examining the gender and race dimensions in analyses of inequalities in the labour market and the way in which those inequalities intersect in the case of Afro-descendent women. In that country's population censuses and household surveys, the question of race is addressed through people's self-identification in terms of five categories of skin colour: white, *preta* (black), brown, yellow and indigenous. The total of the *preta* and brown categories makes up the Afro-descendent population. According to the most recent national household survey (2013), 53% of Brazil's population (103 million people) self-identify as Afro-descendants.

Between 2004 and 2013, Brazil experienced major improvements in its labour market indicators, including decreases in its unemployment and informality rates, as can be seen in the two figures shown below. The general unemployment rate among people between the ages of 16 and 64 years fell from 9.0% to 6.5%, with a more pronounced drop among women (3.3 percentage points) than among men (1.8 percentage points). However, at the end of the period, the unemployment rate was 3.5 percentage points higher among women (8.5%) than among men (5.0%) and 2.1 percentage points higher among Afro-descendants (7.5%) than among whites (5.4%), while the rate for Afro-descendent women was significantly more than twice that of white men (respectively, 10%, 2% and 4.3%).

Box I.1 (concluded)

Brazil: unemployment rate of the population aged 16 to 64 by sex and skin colour, 2004 to 2013
(In percentages)

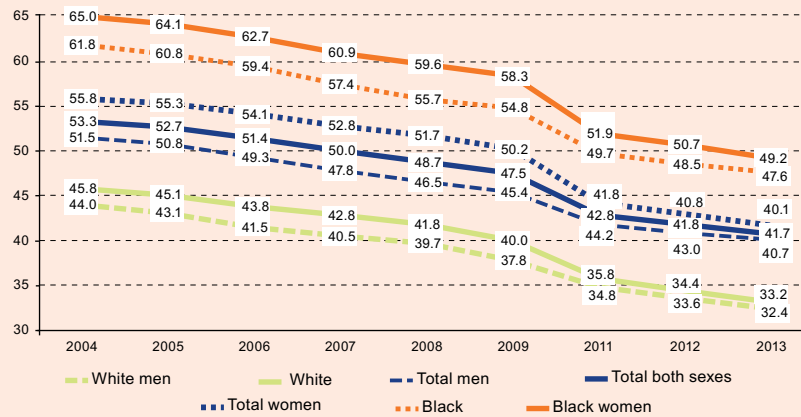


Source: Brazilian Geographical and Statistical Institute (IBGE), National household survey (PNAD), various years.

The general rate of informality also fell significantly over the same period (by 12 percentage points, from 53% to 41%). The drop in informality was much sharper among women (15.7 percentage points) than men (10.8 percentage points). As a result, by the end of the period, the informality differential between men and women had fallen considerably, as can be

seen in the following figure. The reduction in informality among blacks (14.2 percentage points) was also higher than that seen among whites (12.6 percentage points); however, by the end of the period, the informality differential by races remained very high: while the informality rate among whites was 33.2%, it was 47.6% among blacks and to 49.2% among black women.

Brazil: informality rate among the population aged 16 to 64 by sex and skin colour, 2004 to 2013
(Percentages)



Source: Brazilian Geographical and Statistical Institute (IBGE), National household survey (PNAD), various years.

Overcoming poverty and inequality in Latin America requires that different manifestations of inequalities be addressed. One key challenge in that regard is to integrate and improve the measurement of the population's ethnic and racial characteristics

in countries' official household surveys in order to raise the profile of those data and provide appropriate information for the formulation of public policies in the various areas of social development.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

E. Other dimensions of inequality

1. Inequalities by geographical area: rural sectors

Territorial considerations are another determining factor behind inequality in the region. First, rural populations are at a clear disadvantage in most social well-being indicators. The demographic changes of the second half of the 20th century led to the restructuring of the discourse regarding the dimensions and importance of the rural population: their numbers evolved from representing more than half the population in most of the countries to levels of between 10% and 30% of the total; the exceptions to this are Guyana, Haiti, Honduras, Saint Lucia, and Trinidad and Tobago, which report relative parity between their rural and urban populations. Estimates for 2015 indicate that there are approximately 121.8 million rural inhabitants in Latin America, accounting for 19.9% of the total population. That fact is of great importance in understanding many of the processes that affect and explain the current levels of well-being among rural populations and the preponderance of urban problems at the centre of Latin American discourse in recent decades (ECLAC, 2011a).

The incidence and intensity of poverty remain considerably greater in rural areas.¹³ In 2013, according to the most recent data prepared by ECLAC, 23.2% of the urban population were members of households facing income poverty, and the corresponding rate among the rural population was twice that figure (47.9%). Likewise, 7.7% of the urban population were in conditions of extreme poverty, compared to 28.2% of the rural population (see ECLAC, 2015c).

An examination of how poverty and extreme poverty rates have evolved over recent years reveals that the reduction in poverty levels in the region that began with the new century did not affect urban and rural areas in the same way. Whereas the urban population reported sustained decreases in poverty rates beginning in 2002, the rural population reported a drop between that year and 2007 (from 62.4% to 53%), a slight increase in 2008 and 2009 (54.9% in both years) and a further fall in 2010 (Rossel, 2012). The result of that trend is a slight widening of the poverty differential between urban and rural populations (ECLAC, 2012c), but a much sharper increase in the different levels of extreme poverty found among urban and rural populations (Rossel, 2012).

The situation is quite uneven from one country to another. In some countries, rural poverty is almost double or almost triple urban poverty. In others, poverty in rural areas is 20% or 30% higher than in the cities. Only in two countries is the rural poverty rate lower than the urban figure.

Rural populations are also at a systematic disadvantage compared to urban dwellers in other dimensions of well-being, such as access to education, health and social protection.

Different research projects have indicated that rural populations are more exposed to poverty and extreme poverty than the inhabitants of cities (Rossel, 2012; ECLAC, 2012b, 2012c, 2010b and 2009). In one recent study, Rossel (2012) identified a series of factors that make the population more vulnerable to poverty.

First, fertility rates are higher in rural areas than in cities, and higher numbers of children per woman correlate strongly to lower levels of education and to membership in indigenous peoples. Because of those factors, rural households tend to be more numerous than urban families and, at the same time, poor rural households tend to have more members than those rural households that are not poor.

Second, teenage pregnancy is more frequent among rural populations. This phenomenon can possibly be explained by a combination of shortcomings in access to education, job opportunities and the absence or limited presence of sexual and reproductive health policies.

As the result of those trends, indicators for well-being and poverty among younger generations in rural areas report notably negative results that fall far short of those recorded in urban areas.

Finally, rural poverty is also strongly associated with indigenous populations. There is a significant overlap between the rural population and the indigenous population. Households headed by indigenous people are more likely to be poor and, in some countries, the disparities between indigenous-headed and non-indigenous-headed families reach extreme levels (Rossel, 2012).

¹³ The concepts of 'urban' and 'rural', since their definitions can vary from one country to the next, are not always standardized.

2. Persons with disabilities

The *Social Panorama of Latin America 2012* (ECLAC, 2013a) states that according to the *World Report on Disability* (WHO, 2011) and the Latin American Network of Non-Governmental Organizations of Persons with Disabilities and their Families (RIADIS), people with disabilities are overrepresented among those living in poverty and extreme poverty. The causes are many, and the interplay between them is complex. First, poverty and vulnerability exacerbate disability, because of a lack of timely care and attention. Second, when no care services are available for the person who is disabled, a family member often has to stop working, thus reducing family unit income even further.

Along with persistent discrimination and marginalization, persons with disabilities are affected by a lack of access to multiple components of well-being, including education and work opportunities. Thus, children with disabilities are less likely to attend classes and they face major challenges to stay in school and progress through educational cycles (WHO, 2011). The data on school attendance by persons with disabilities aged from 13 to 18 in the region reveals pronounced disparities between countries and different kinds of disability. Nevertheless, the information available indicates that in 2011, the average was no more than three years' schooling in Latin America, with an only slightly higher result in the countries of the English-speaking Caribbean (ECLAC, 2013a). Educational facilities are inaccessible, lack the necessary facilities and fail to provide the adaptations or assistance devices that students with disabilities require. Inclusive and accessible schools and awareness and training programmes for teachers and other staff are essential for promoting social inclusion, acceptance, equality and opportunities at school for children with disabilities.

By failing to acquire the skills and competences required to participate in the job market, persons with disabilities are less likely to secure decent work and an independent existence. One recent analysis (ECLAC, 2012b) indicates that in all the region's countries, the percentage of people aged 15 and above with one or more disabilities who are economically active is much lower than the corresponding percentage of people without disabilities. Although low academic achievements and a lack of skills can affect their competitiveness in the job market, negative attitudes towards disabilities and discrimination also pose obstacles to their incorporation into the world of work. As a result, adults with disabilities tend to live in poorer households than other adults.

This creates a worrying cycle in which children with disabilities have fewer opportunities for developing and acquiring the competences and skills they need for successful entry into the world of work, which predisposes them towards poverty as adults.

As long as young people with some disability face discrimination because of non-acceptance of differences, poverty, social isolation, prejudice, ignorance and a lack of services and support, they will be unable to exercise their rights and live life to the full. Not only does this have a negative social and economic impact on those affected, but denying them the chance to realize their full creative and productive potential also entails large costs and losses for society as a whole.

F. Work as the key to equality: positive trends in labour market indicators

Of the different aspects of society that produce, exacerbate or mitigate inequalities, the most decisive is the world of work. It is there that most household income in Latin America and the Caribbean is generated, along with the inherent inequalities in its distribution. In addition, however, other equally important inequalities are also created there: those related to participation in and access to different professions and jobs, both of which are aspects where gender, racial and ethnic asymmetries are highly pronounced (ECLAC, 2014b). The world of work is also a cornerstone of the ECLAC view of equality, in that it, and education, constitute the key components of social inclusion (ECLAC, 2015d).

The creation of productive employment and decent work opportunities, improvements to real wages and the coverage and characteristics of workers' social protection are the mechanisms through which growth is translated into higher incomes and greater well-being. However, limited access to quality employment is a determining factor in poverty and social inequalities (ECLAC, 2009). In Latin America and the Caribbean, the labour market has historically been the link between a highly heterogeneous productive structure, in which the low-productivity sector plays a preponderant role, and high income inequality among households.

Economic and social development analyses conducted by ECLAC have determined that the economies of Latin America and the Caribbean have historically been defined by a pronounced structural heterogeneity, which makes a significant contribution to social inequality in the region's countries.

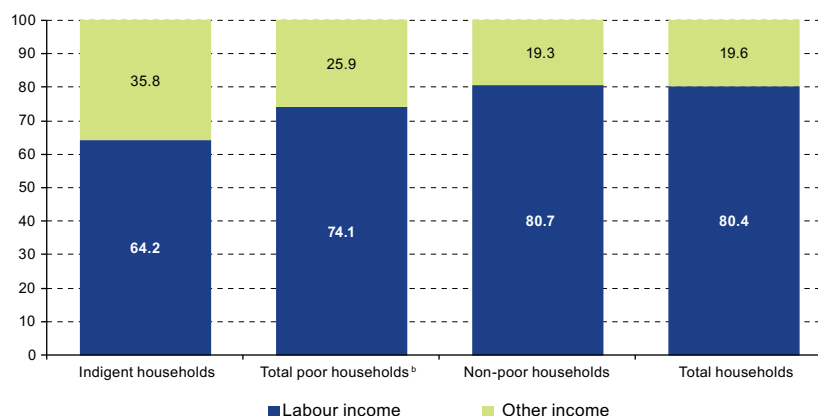
As long ago as the 1960s and 1970s, those analyses revealed pronounced differences in productivity between and within different productive strata and sectors (Pinto, 1965 and 1975). Four decades later, while some features have changed, the evidence confirms that phenomenon (ECLAC, 2012b): the region's economic structure is still characterized by a high level of heterogeneity, which can be analysed by examining three strata in terms of company size, productivity and access to technology and markets. The *high stratum*—where productivity per worker is similar to the averages found in developed economies and which is characterized by greater intensity in the use of capital and technology and by more formalized labour relations—accounts for 66.9% of GDP and only 19.8% of total employment. The *middle stratum*, which is one step down in terms of technical advances, generates 22.5% of GDP and employs 30% of the workers. Finally, the *low stratum*, with a minimal density of capital and out-of-date technologies, accounts for 50.2% of employment and contributes only 10.6% of GDP (ECLAC, 2012b).

This unequal distribution of the labour force among productive strata is due to the low capacity of the more modern, advanced sectors to absorb workers. The pronounced disparity between each sector's contributions to GDP and to employment has one main consequence: a highly unequal distribution of productivity, which, in the final analysis, leaves room for an extremely unequal appropriation of gains among workers (ECLAC, 2012b).

In this way, the heterogeneity of the production structure is replicated in the labour market and, from there, transmitted throughout society. Productivity gaps both reflect and reinforce gaps in capacities, in job quality and income, in bargaining power, in access to social protection systems and in opportunities for occupational upward mobility in the course of one's working life. This leads to vicious cycles not only of poverty, inequality and slow growth, but also slow learning and structural change (ECLAC, 2010b).

The importance of the labour market in distributing the benefits of economic growth and in reducing poverty can be seen by analysing the relative weight of labour incomes in total household income. ECLAC calculations made for 17 Latin American countries around 2013 indicate that on average, labour income accounts for 80% of total household income, for 74% of the incomes of poor households and for 64% of the incomes of households in extreme poverty. This shows, on the one hand, that a high percentage of the region's poor and extremely poor participate in the labour market, but that the incomes they earn there are insufficient to extract them from those levels of poverty,¹⁴ and, on the other, that improved working conditions and incomes have the potential for overcoming poverty and extreme poverty.

Figure I.12
Latin America (17 countries): share of labour income in total household income
by poverty status,^a around 2013
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.

^a Simple average for the countries

^b Includes indigent households.

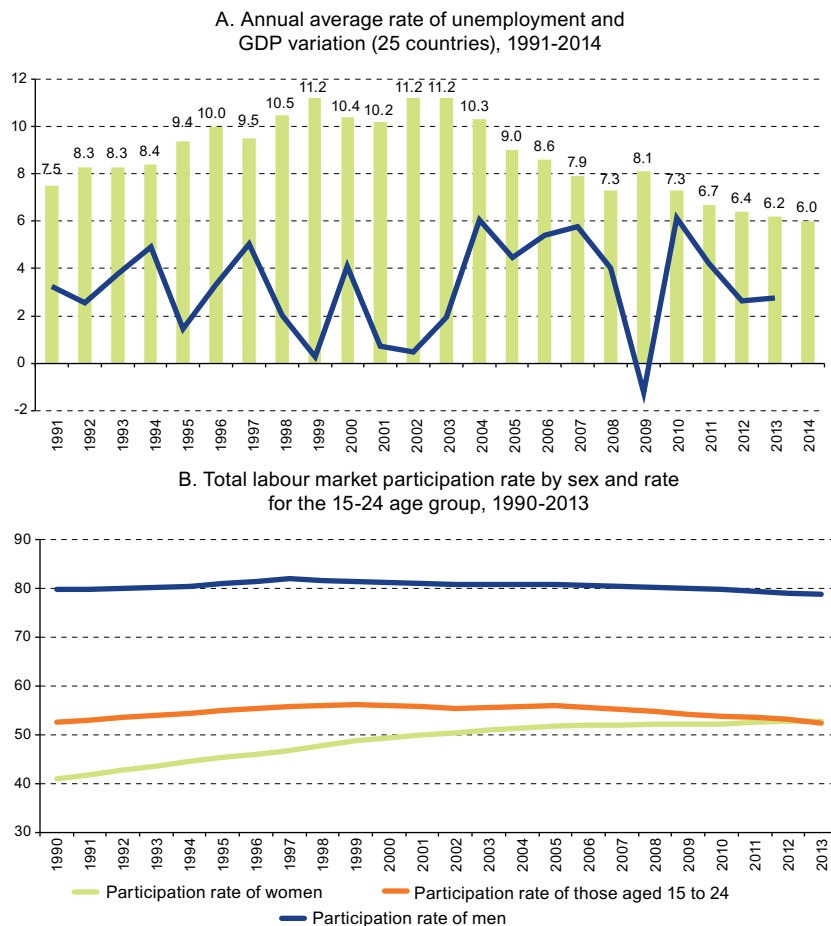
¹⁴ ILO defines the *working poor* as those engaged in the labour market but whose incomes are insufficient for rise above the poverty line (ILO). In and around 2013, it was calculated that 18.9% of all those employed in Latin America were in that situation (see CEPALSTAT database).

The importance of the world of work in combating poverty and inequality was apparent during the recent period. The region's progress in those areas, as analysed in the previous sections, have largely been the result of a positive evolution in labour market indicators, including reduced unemployment and increased occupation rates, higher labour incomes, increased formalization of work and higher rates of women's labour participation (with the resulting increase in the number of labour income earners within households). This can be explained not only by analysing the dynamics of the factors behind the supply for and demand of workers with different skill levels, but also by the role played by labour institutions and labour market policies (ECLAC, 2014b).

1. Reduced unemployment and increased income, in particular minimum wages

Between the 1980s and the early 1990s, important changes took place in labour markets, including deregulation and increased contracting flexibility, as part of the structural reforms undertaken by numerous economies in the region. During the 1990s, gross domestic products were highly volatile and unemployment rates increased from 7.5% in 1991 to 11.2% in 2002 (see figure I.13.A).

Figure I.13
Latin America and the Caribbean: unemployment and labour market participation rates and GDP variation
(Percentages)



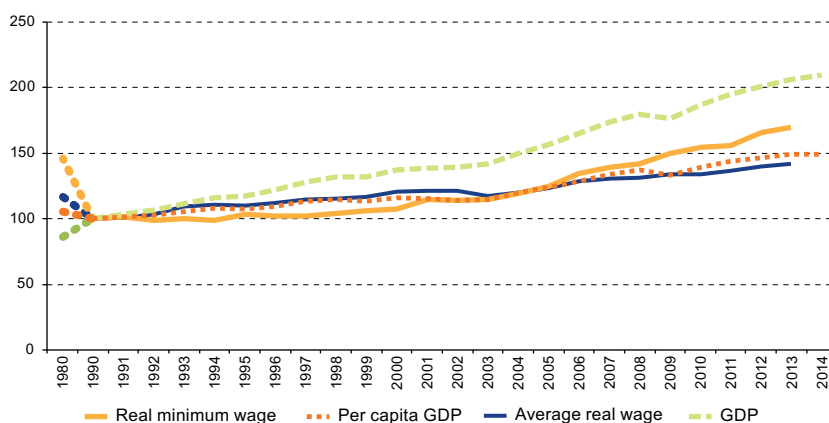
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries and CEPALSTAT database.

Also during the 1990s, there was a significant increase in labour force participation rates, caused by the large increase in the numbers of women in the workforce (from 41% in 1990 to 50% in 2002) and, to a lesser extent, of young people (from 53% to 56% over the same period); this can be seen in figure 1.13.B. This increase in the workforce far outstripped the economies' capacity to create jobs; as a result, in spite of the cycles of clear economic expansion, unemployment rates continued to increase or failed to report significant reductions. Unemployment rose much more sharply among young people, with the rate tripling the rate for mature adults, in a context in which wage levels were declining in relative terms (ECLAC/OIJ, 2004).

The same period also saw increased job creation in low-productivity sectors and the new jobs created, particularly the worst quality ones, were largely concentrated in the services sector. One of the consequences of the general easing of labour market conditions was increased precariousness in employment and greater informality.

In the 1990s, following a severe drop in the 1980s, real wages recovered and increased at a rate close to that of per capita GDP growth before returning, in 1999, to their 1980 levels. Minimum wages, however, did not experience any significant increase and grew more slowly than per capita GDP. Between 1990 and 2002, both indicators increased at a rate substantially lower than economic growth:¹⁵ real wages (simple average for 14 countries) increased by 21% and minimum wages rose by 14%; consequently, by 2002, minimum wages were worth only 79% of their early 1980s value (see figure 1.14).

Figure I.14
Latin America and the Caribbean (14 countries): minimum wage, real wage,^a
GDP and per capita GDP, 1980-2014
(Index: 1990=100)



Source: International Labour Organization (ILO), *Labour Overview*, Lima, Regional Office for Latin America and the Caribbean, various years; and World Bank, *World Development Indicators*.

^a Up to the year 2000, the wage index corresponds to industry. Both wage indexes are simple averages for the countries.

As of 2003, however, the trend inverted. Sustained growth in GDP and per capita GDP (with the exception of 2009) was accompanied by a favourable evolution of the main labour market indicators. The unemployment rate in the region's countries fell from 11.2% in 2002 to 6.0% in 2014 (see, again, figure 1.13.A). The overall employment rate rose from 52% to 57% over that period, on account of the continuing upward trend in female participation (although it had begun to stagnate as of 2006), lower unemployment rates and the slow but progressive withdrawal from the workforce of some of the youngest segments of the population, which began in 2005 and was associated with increased numbers remaining in secondary school and an expansion in the availability of post-secondary education.

The growth in total employment in the region translated into an increase in the proportions of salaried workers (from 54.4% to 58.8% between 2002 and 2013) and of employers (4.6% to 5.2%) in the total workforce; at the same time, it caused a drop in the percentages of independent workers and unpaid workers, from a share of 35.5% to 31.1% over the same period.

¹⁵ In that period, GDP rose 1.8 times more than real wages and 2.7 times more than minimum wages.

The growth in employment and drop in unemployment over the past decade occurred simultaneously with an increase in labour incomes in general and, most particularly, in wages (20.6% since 2003). The majority of the countries also reported significant growth in their minimum wages, at rates comparable to the expansion of GDP (accrued totals of 47% vs. 46% over 2003 to 2013). As noted above, the recent fall in household income inequality in the region was essentially due to the behaviour of labour incomes (ECLAC, 2014b). Public policies —both labour-related (minimum wages, formalization, strengthened labour inspection) and non-labour-related (expansion of social protection systems, increased education coverage)— made a significant contribution to the attainment of those improvements (ECLAC/ILO, 2015).

In 2014, labour markets functioned better than might have been expected given the deceleration of economic growth analysed in the first section of the chapter. One notable feature of labour market evolution was the drop in the open urban unemployment rate at the regional level, which occurred in spite of sluggish economic growth (ECLAC/ILO, 2014). This positive result was due less to an extraordinarily high rate of job creation than to a drop in participation rates: between 2013 and 2014, the urban employment rate fell from 56.8% to 56.5%, and the participation rate fell from 60.6% to 60.1%.¹⁶

Real wages grew less in 2014 than in 2013 in almost all the nations of South America, whereas in the remaining countries the converse was true. Minimum wage policies contributed to this stability and to moderate increases in real wages: using a simple average for 20 countries, real-term minimum wages rose by 3.1%. In only a few countries did the minimum wage not increase or fail to keep pace with inflation (ECLAC/ILO, 2014).¹⁷

In 2015, Latin America and the Caribbean again reported low rates of economic growth, which will have an impact on the job market and fuels concerns about the possibility of stagnation or even backsliding in the achievements attained in recent years.

2. Employment formalization

The historically high levels of informality in the labour market are one of the consequences of the heterogeneity and low diversification in the productive structure and of the significant role played by the low-productivity sector in creating jobs that characterize Latin American economies. In recent years, however, there has been a moderate, but significant, increase in employment formalization, which has had a major impact on poverty levels.

The increase in formal employment —due both to the creation of new formal jobs and to the formalization of existing informal jobs— is the result of both greater economic dynamism in the region and various policies that have been implemented. These include tax simplification measures that encourage the registration of small businesses and microenterprises and/or expand access to social security for micro-entrepreneurs and independent workers (such as the *monotributos* single-tax mechanism in Argentina and Uruguay, and Brazil's *Simples* and *SuperSimples* tax regimes and Individual Micro-entrepreneur Law), measures to strengthen labour administration and labour inspection, and increased training, credit and technical assistance for companies and informal workers. This formalization process has occurred among both wage employees and independent or own-account workers, and it reflects the combined effect of the labour demands of formal companies and the progress made in formalizing informal companies and jobs (ECLAC/ILO, 2014; ILO, 2014).

A 2014 ECLAC/ILO analysis of nine countries revealed that between 2009 and 2013 —a period characterized by a net job creation rate of around 7.9%— that increase occurred largely in the category of formal employment. Formal employment rose by 12.7%, and although informal employment expanded too, it did so at a significantly slower

¹⁶ The drop in participation rates warrants close analysis, because it could be the result of both positive factors (such as increased school attendance by young people and adolescents of working age) and negative phenomena (such as discouragement caused by greater obstacles to entering the world of work).

¹⁷ Such is the case in Mexico, where the minimum wage has been stagnant for almost twenty years and is currently one of the lowest in Latin America. In April 2015, modest increases were approved and a single general minimum wage for the entire nation was established. Discussions are currently underway to end its use as a unit of account for fines, loans, the funding of political parties and sundry social benefits.

rate (2.6%); consequently, formal employment rose as a proportion of total employment, from 51.1% to 53.4%.¹⁸ In addition to encouraging entries into the world of work that were more productive, more protected and equipped with greater rights, this process of formalization also helped reduce disparities in workers' incomes, since the formalization of people with fewer years of schooling took place at a faster rate than among those with higher levels of education (ECLAC/ILO, 2014).

At the same time, according to the same study, this formalization had a mixed impact on the earnings gap between men and women. Brazil, Ecuador, Panama and Paraguay reported favourable results in reducing their differentials, with formalization expanding more swiftly among women than men. In contrast, in the Plurinational State of Bolivia and Colombia, the effect was the opposite: income disparities rose. In the first case, this was because formal male employment expanded while female formality fell, and, in the second, because more formalization took place among men than among women (ECLAC/ILO, 2014).

The possible impact on the labour market of the current global and regional economic slowdown (lower creation of jobs and potential job losses and, as a result, increased unemployment) sets the challenge of maintaining this drive towards formalization, given that increased labour flexibility and the resulting heightened precarity of contracting and recontracting conditions are common phenomena at times of economic contraction.

3. Increase in social protection coverage

In recent years, numerous countries have expanded the health and pensions components of their social protection. This was driven by the positive evolution of the labour market, particularly reduced unemployment, higher employment rates and the process of formalization, which helped expand revenue gathering.

The coverage of social security membership in the region is uneven. There are many inequalities between the countries, in terms of both the population covered and not covered as well as disparities within the covered population.¹⁹ As the figure clearly indicates, there are countries with high, low and intermediate levels of membership in their health and pension systems.

Recent increases in coverage have been more modest in those countries that already had high rates, while some intermediate-coverage countries have displayed an interesting dynamism—and even significant progress—in the areas of health and pensions. In some cases, increases were reported in both systems; in others, there were divergent trends between the two, which could point to differences of emphasis or, perhaps, different levels of effectiveness in terms of the coverage of solidarity-based or individually funded social protection mechanisms.²⁰ Of particular concern is the virtual stagnation noted in those countries that have very low coverage rates, reaching less than half the total wage earning population. In addition, in three countries with different levels of coverage, there was a decline in pension system member numbers (see tables I.1 and I.2).

¹⁸ Weighted average for the nine countries (Argentina, Brazil, Colombia, Ecuador, Mexico, Panama, Paraguay, Plurinational State of Bolivia and Peru), covering the employed population aged 15 years and older.

¹⁹ Social security membership is a proxy for coverage: one that must be brought into play when household surveys are used to analyse social protection, and one that fails to examine several important aspects of the issue. For example, workers whose employers have failed to pay their contributions, even though the corresponding amounts were deducted from their wages, may appear as members. Participation in a pension scheme does not per se mean that the participants are actually making contributions; if they are not, they will be generating contribution gaps that, depending on their size, could seriously compromise their future pensions. Wage earner participation in pension schemes only indicates that they expect to receive a pension at the age prescribed by law; it reveals nothing about the amounts they will receive, which will depend on their employment histories, the structure of the pension system and other variables related to the economic, macroeconomic and demographic contexts, etc., and those amounts can also be determined through those surveys. Similarly, membership of a health system does not guarantee access to services and shortfalls may arise: these can be seen, for example, in waiting lists for specialist treatment and other services. Surveys from two points in time have been selected; as can be seen, these are not identical for all the countries examined and are presented in the figures as “around 2002 and 2013”.

²⁰ For example, in Colombia the health system reform encompassed different solidarity-based components, while the pension reform chose the path of individual funding. Affiliation patterns followed a different course in each.

Table I.1
Latin America (18 countries): affiliation to pension and health systems among wage earners
aged 15 years and over, by sex
(Percentages)

Country	Year	Both sexes		Men		Women	
		Pensions	Health	Pensions	Health	Pensions	Health
Argentina (urban areas)	2004	54.7	65.1	59.3	66.4	49.0	63.5
	2012	68.5	77.8	70.9	77.3	65.4	78.4
Bolivia (Plurinational State of)	2002	26.3	29.8	25.6	27.5	27.6	34.1
	2011	39.6	45.4	38.2	42.1	41.8	51.0
Brazil ^a	2001	68.5	...	71.5	...	65.0	...
	2013	77.4	...	77.6	...	77.2	...
Chile	2000	76.9	92.1	79.0	91.2	73.4	93.5
	2013	83.5	96.0	85.3	95.3	81.1	97.0
Colombia	1999	40.8	53.2	36.4	48.5	47.7	60.4
	2013	60.1	92.8	60.5	91.6	59.4	94.4
Costa Rica ^b	2002	...	83.7	...	81.6	...	87.2
	2013	76.9	87.8	79.5	85.9	72.8	90.7
Ecuador (urban areas)	2002	42.0	45.0	40.7	43.6	44.2	47.5
	2013	65.6	66.0	61.9	62.3	71.5	72.1
Dominican Republic	2005	42.5	51.1	42.5	52.6	42.4	49.0
	2013	63.0	77.7	67.2	76.6	58.0	79.1
El Salvador	1999	48.6	50.0	45.0	45.6	54.6	57.5
	2013	48.5	51.0	46.3	47.7	52.2	56.6
Guatemala	2002	35.1	37.8	33.5	36.2	38.6	41.4
	2006	38.5	44.5	36.4	42.5	42.8	48.9
Honduras	2006	38.0	36.0	30.8	30.2	51.8	47.1
	2010	38.8	37.2	32.4	31.8	51.2	47.7
Mexico	2002	41.0	53.8	39.5	52.0	44.0	57.0
	2012	39.8	77.0	40.0	75.0	39.3	80.3
Nicaragua	2001	33.2	28.8	28.6	24.9	42.4	36.5
	2005	34.0	36.3	28.0	30.2	45.6	48.3
Panama ^b	2002	...	73.2	...	71.6	...	75.6
	2013	...	79.0	...	76.5	...	82.7
Paraguay	2000	28.1	33.2	27.2	30.9	29.6	36.9
	2013	38.8	45.6	38.8	43.4	38.9	48.7
Peru	2001	27.1	39.3	27.1	38.9	26.9	40.0
	2013	52.8	67.9	56.0	66.7	48.0	69.7
Uruguay (urban areas)	2002	76.3	98.2	79.6	97.8	72.5	98.6
	2013	86.4	99.1	88.3	98.8	84.3	99.4
Venezuela (Bolivarian Republic of)	2002	61.0	...	57.4	...	66.5	...
	2013	55.9	...	52.9	...	59.9	...
Latin America ^c	2002	46.3	54.4	45.2	52.5	48.5	57.9
	2013	55.7	67.6	55.1	65.2	57.3	71.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.

^a The surveys used do not support separate identification of affiliation to a health system.

^b The surveys used do not support separate identification of affiliation to a pension system.

^c Simple averages. Does not include countries for which information was not available for both points of time taken as a reference.

Table I.2
Latin America (18 countries): change in affiliation to pension and health systems among wage earners aged 15 years and over, by sex
(Percentage points)

Country	Year	Both sexes		Men		Women	
		Pensions	Health	Pensions	Health	Pensions	Health
Argentina (urban areas)	2004-2012	13.8	12.7	11.7	10.9	16.5	14.9
Bolivia (Plurinational State of)	2002-2011	13.2	15.6	12.6	14.6	14.2	16.9
Brazil	2001-2013	8.9	...	6.1	...	12.2	...
Chile	2000-2013	6.6	3.9	6.3	4.1	7.7	3.5
Colombia	1999-2013	19.2	39.6	24.1	43.2	11.7	33.9
Costa Rica	2002-2013	...	4.2	...	4.3	...	3.5
Dominican Republic	2005-2013	20.5	26.6	24.7	24.0	15.6	30.1
Ecuador (urban areas)	2002-2013	23.6	21.0	21.2	18.7	27.3	24.6
El Salvador	1999-2013	-0.0	1.1	1.3	2.1	-2.4	-0.8
Guatemala	2002-2006	3.4	6.7	2.9	6.3	4.2	7.5
Honduras	2006-2010	0.8	1.2	1.6	1.5	-0.6	0.6
Mexico	2002-2012	-1.3	23.3	0.6	23.0	-4.6	23.3
Nicaragua	2001-2005	0.8	7.5	-0.6	5.3	3.2	11.8
Panama	2002-2013	...	5.9	...	4.9	...	7.2
Paraguay	2000-2013	10.7	12.4	11.6	12.5	9.3	11.8
Peru	2001-2013	25.8	28.6	28.8	27.8	21.1	29.6
Uruguay (urban areas)	2002-2013	10.1	0.9	8.7	0.9	11.8	0.8
Venezuela (Bolivarian Republic of)	2002-2013	-5.1	...	-4.5	...	...	...
Latin America ^a	2002-2013	9.4	13.2	9.8	12.8	9.8	13.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Variation on the basis of simple average for the countries with information available for both points of time taken as a reference.

The coverage of non-wage-earners has also improved, albeit slightly, except in the countries furthest behind in this regard.

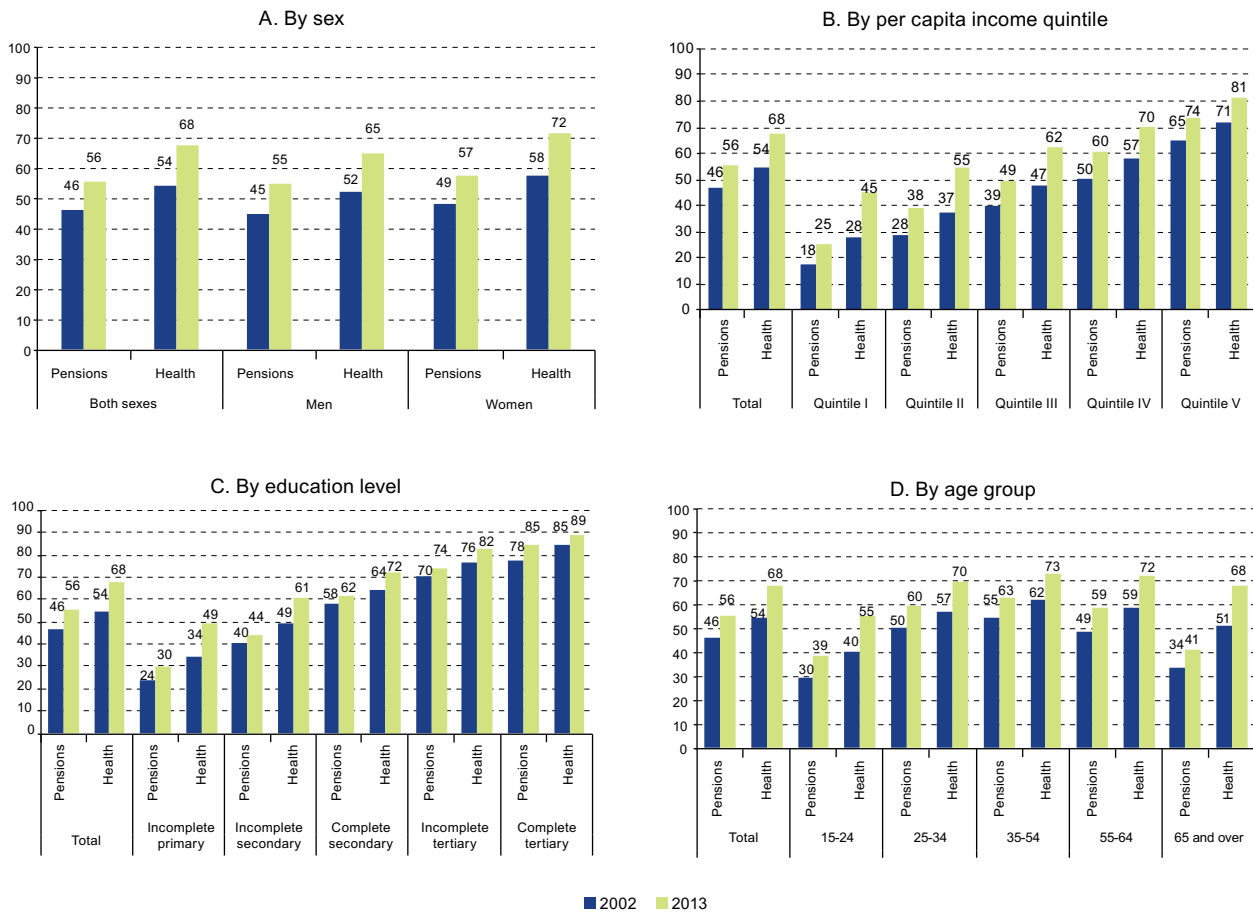
There follows a brief analysis of the regional inequalities among salaried workers. In general terms, gender differences currently favour women; increased enrolment in recent years has proportionally benefited women more in numerous countries, indicating improvements in the incorporation of female wage earners into the world of work.²¹

In line with the wide disparities between quintiles, there are shortcomings in access to pensions and health systems by educational levels; nevertheless, they are characterized by downward trends, particularly in health. In the last year of the measurements, the membership differential between the extreme income quintiles was 36 percentage points for health and 49 for pensions; the health figure had fallen by seven percentage points and, in pension registrations, it had risen by two percentage points. As regards inequalities by level of schooling, the difference in access of the extreme categories —wage earners with university educations versus wage earners with incomplete primary education— totals 55 percentage points in membership of pension system: in other words, inequality rose one percentage point over the baseline. The difference in health insurance coverage between those same groups was 40 percentage points, and came down by just one percentage point. As regards trends by age groups, although there was an increase in memberships of both pensions and health systems, most registrations took place at intermediate stages of people's working lives.

²¹ An examination of the breakdown by countries on table I.1 reveals that coverage among men remains proportionally lower in Colombia, Costa Rica, Peru and the Dominican Republic, all of which report very different coverage rates among the general population.

Figure I.15

Latin America: ^a affiliation to pension and health systems among wage earners aged 15 years and over, by sex, household per capita income quintile, education level and age group, around 2002 and 2013 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

^a Simple average for 18 countries: Argentina (urban areas), Bolivarian Republic of Venezuela (data for pensions only), Brazil (data for pensions only), Chile, Colombia, Costa Rica (data for health only), Dominican Republic, Ecuador (urban areas), El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama (data for health only), Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).

Recent multivariate analyses of the factors that determine registration with pension systems in Latin America have shown that disparities in pension system memberships are strongly associated with the nature of different jobs and not merely with the characteristics of the workers in question.²² Common patterns, albeit with different magnitudes, can be seen in the countries: in contrast to industrial workers, employment in construction and, to a lesser extent, in trade and agriculture is associated with lower registration levels; a similar phenomenon can be seen among part-time workers and those employed in domestic service. As expected, the probability of membership increases as household income and schooling levels rise. The lower rates of female membership are the characteristics of the jobs held mainly by women, in a context of labour segmentation. That means that the higher rates of informal employment found among women in some countries are thus due to characteristics of the workers (such as education level and age) and the

²² Probit models were used to estimate the determinants of membership among workers aged between 15 and 64 years. While the dependent variable is membership, the independent variables cover such personal characteristics of the worker as age, sex, level of schooling, marital status, household (size and head) and factors related to the job in question: occupational category, area of activity, part- or full-time, type of labour insertion and quintile of earned income. Racial and urban/rural variables were also examined in those countries where they were available, as were interactions between variables of education level and sex and between household heads and sex. The estimates produced were corrected for selection bias, with the selection equation including sex, schooling, age, number of children in the household (aged 0 to 4 years and 5 to 12 years) and the interaction between the number of under-fours in the home and the presence of family members aged between 15 and 64 years not engaged in the work force.

jobs themselves; when those aspects are controlled out of the equation, the probability of pension system registration increases among women. Nevertheless, the values are negative in the case of households with children headed by women compared to those led by men, which reflects their greater fragility and the need to accept low-quality jobs (ECLAC, 2013b; Amarante and Sojo, 2015; Sojo, 2015).

At the same time, to correct exclusions from traditional contributory regimes, subsidized regimes associated with contributory ones have been strengthened, as is the case in the health systems of Colombia and Costa Rica, and solidarity-based social protection pillars. Box I.2 examines the volumes of non-contributory pensions in six Latin American countries.

Box I.2

Non-contributory pensions in Latin America

Household survey data can be used to analyse non-contributory pensions in six of the region's countries.^a Chile is the country with the highest solidarity-based pensions, followed by Costa Rica. In turn, Bolivia has the lowest non-contributory pensions but the highest coverage, because of the scheme's universal reach. In general, a

slightly higher proportion of women receive pensions of this kind; the most significant difference is found in Chile, possibly because the solidarity-based pillar recognizes care work. At constant values, the amounts of solidarity-based pensions have increased in Bolivia and Chile, while they have fallen in Ecuador.

Latin America (6 countries): persons aged 65 years and over receiving a non-contributory pension, by sex and average monthly amount of pension
(Percentages and constant dollars at 2005 prices)

Country	Year	Total		Men		Women	
		Proportion	Amount	Proportion	Amount	Proportion	Amount
Bolivia (Plurinational State of)	2002	69.5	9.3	72.3	9.6	67.1	9.1
	2011	95.5	15.6	94.6	15.4	96.3	15.8
Chile	2000	14.0	67.0	11.6	67.1	15.9	67.0
	2013	30.4	107.6	22.3	105.0	36.3	108.8
Costa Rica	2013	17.7	83.1	15.1	83.5	19.8	82.9
Ecuador (urban areas)	2002	14.8	41.8	13.1	37.2	16.4	45.3
	2013	30.3	35.1	26.7	35.1	33.5	35.1
Mexico	2012	33.6	36.0	33.0	35.3	34.0	36.5
Panama	2013	26.3	69.4	22.9	69.4	29.3	69.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.

Note: The data for 2002 for the Plurinational State of Bolivia refer to the *Bono Solidario* (Bonosol), which provided an annual pension of 1,800 bolivianos, converted here into monthly values to enable comparison with the 2011 figures. The amounts for 2011 refer to the *Renta Dignidad* basic old-age pension, which provides a monthly benefit of 200 bolivianos.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a The Brazilian surveys contain data on non-contributory pensions in special modules, but their breakdown does not allow comparisons to be made with the household surveys of other countries.

4. Women's labour participation, gender inequalities and poverty reduction

The labour market is also a crucial sphere for advancing towards the goal of equality for women (ECLAC, 2014a). Although it offers them the possibility of economic autonomy and is essential for their social inclusion and the full enjoyment of their citizenship, the labour market is still characterized by pronounced gender inequalities in various areas (incomes, participation, access to different jobs, etc.) that hamper those possibilities.

Several studies on the topic in the region (for example, ECLAC/FAO/UN Women/UNDP/ILO, 2013) show significant changes in female labour force participation. However, these changes have taken place at different rates in each country, and even among women in the same country, varying by income level, education, racial or ethnic origin, and the number of minor-aged dependants at home. As stated in the *Social Panorama of Latin America 2014*, the labour market and its flip-side, unpaid work, constitute a single, complex issue in which a series of changes are urgently needed to accelerate progress towards equality. It is necessary to reduce gaps in participation, employment, income, formalization and access to social protection, and to introduce policies for reconciling work and family life for men and women (ECLAC, 2014a).

Recent changes have been significant, but major inequalities still exist. The increased presence of women in the labour market, measured by both labour participation and employment rates, is among the most significant changes. As a result, between 2002 and 2012, differentials in both participation and employment fell: in 2002, the weighted average female participation rate in 18 Latin American countries was 63% of the male rate, and that figure had risen to 67% by 2012. Similarly, the employment rate among women in 2002 was 61% of the men's rate, rising to 65% in 2012 (ECLAC, 2014a).

These rising participation and employment rates were accompanied by significant increases in their contribution to total household income which, in many cases, kept them out of poverty or enabled them to escape it (ECLAC, 2010a). But although the gender participation gap has narrowed in most of the region, it nevertheless remains significant. For example, the female participation rate in Guatemala, Honduras and Nicaragua is on average half the male rate, and even in countries where the gap is smaller, the participation rate for women falls short of 80% of the rate for men (this is the case in Peru, the Plurinational State of Bolivia and Uruguay). This means that, despite the considerable differences between the countries, there remains broad scope for increasing women's labour market participation in all cases (ECLAC, 2014a).

Sizable differences also exist between the labour incomes of men and women. In all the region's countries, women's average monthly earnings are lower than men's. These differences by sex for the employed population as a whole are also observed in individual occupational categories. The gaps vary significantly between countries: in the Plurinational State of Bolivia and Peru, men earn on average over 50% more per month than women, but in El Salvador, Honduras and Panama, the difference is less than 10% (ECLAC, 2014a).

Moreover, at present, 52.5% of women are employed in low-productivity sectors,²³ compared to 44.1% of men, which indicates a pronounced differential between the sexes and in levels of income: 82% of working women in the poorest quintile of the population work in low-productivity sectors, a proportion that in the highest-income quintile falls to close to 33%. This indicates that the workforce is still highly segmented by both socioeconomic factors and gender (ECLAC, 2012b).

What impact does increased participation by women in the labour market have on the reduction of poverty and inequality? The 2014 edition of *Social Panorama of Latin America* contains a simulation, using data from 18 countries, that illustrates what the region's income inequality and poverty levels would be if the differentials in participation rates and incomes between men and women were reduced. In the first scenario (reduced labour participation differential), the exercise showed that this would lead to an increase in average household income ranging from 3% to 4% in Argentina, Brazil, Colombia, Mexico and Uruguay, and reaching over 10% in El Salvador, Honduras, Nicaragua and Peru. The countries with the largest gender gaps in labour participation would gain the most in terms of average income. In addition to lowering poverty, evening up the rates of female and male participation would reduce inequality (between 1 and 4 percentage points of the Gini coefficient) (ECLAC, 2014a).

The simulation also shows that the additional elimination of the income differential between men and women (second scenario) would have a major impact on reducing poverty in countries like the Plurinational State of Bolivia (-14 percentage points), Colombia (-9 percentage points), Ecuador, Nicaragua and Peru (-8 percentage points). A significant percentage of women in these countries are occupied but not paid, which explains the dramatic changes that would take place if these women were to receive a similar income to men with the same level of education and work experience. The Gini index would fall by between 2 and 9 percentage points (ECLAC, 2014a).

²³ ECLAC deems the following to be workers in low-productivity sectors: members of the working population aged 15 and over who are employers of companies with five workers or fewer (microenterprises), non-professional non-technical wage earners in microenterprises, independent workers, non-professional non-technical unpaid workers and those employed in domestic service.

Box 1.3

Paid domestic work

Paid domestic service accounts for a high proportion of women's employment in Latin America and the Caribbean. It is work that is little valued, with low wages, precarious working conditions, greater informality, low levels of social protection, a high incidence of child labour and, in most of the countries, fewer rights than wage earners in such basic areas as minimum wages, maternity leave, rest days and paid leave (including holidays) (ILO, 2011; ECLAC, 2008; Loyo and Velásquez, 2009; Valenzuela and Moras, 2009; Blofield, 2012). This situation reveals explicit patterns of discrimination, based on the fact that this kind of work is associated with the underappreciated care and social reproduction functions of households and families (ECLAC, 2008).

In 2013, domestic work accounted for 11.5% of total female employment in Latin America and was situated on one of the lowest levels of the earnings scale in those countries. That same year, the average income of women domestic workers was equal to 50% of the average incomes of employed women as a whole; nevertheless, in spite of the pronounced differential, that figure has evolved positively since 1990, when it stood at 41% (ECLAC, 2014a, statistical appendix, figures for urban areas).

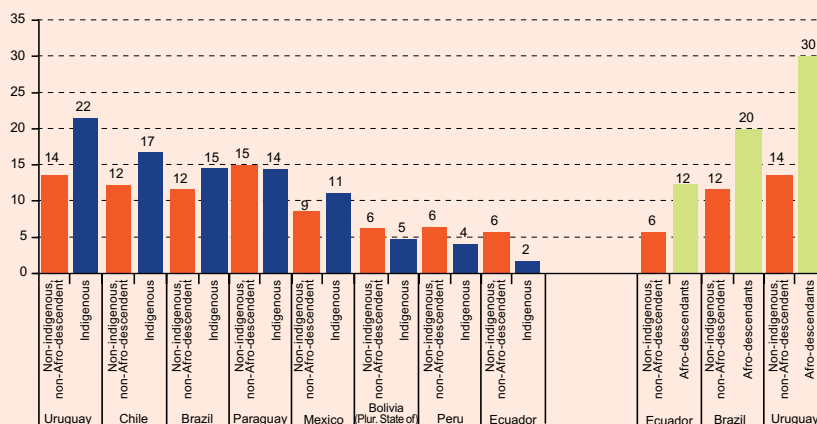
In the region, domestic work is an essentially female occupation: in 2010, over 95% of paid domestic workers were women (ECLAC, 2013a). The proportion of men is limited or

almost non-existent, and male domestic workers chiefly serve as butlers, residential security guards, gardeners and drivers, and they receive a higher income on average for these jobs than female workers, who perform mostly domestic and care work in private households.

The high proportion of women in this kind of work is an expression of the horizontal segmentation of jobs; these are generally women who wish to perform paid work and whose only experience they can carry over to the labour market is the unpaid work they do in their own homes. That constrains their possibilities of entry into the labour market on a good footing, in contrast with other workers with more work experience, training, contact networks and other advantages.

A proxy for the level of discrimination by race or ethnicity in this type of employment can be seen in the following figure, which contrasts non-indigenous, non-Afro-descendent women with those of indigenous and African descent. Large intragender disparities are also evident between Afro-descendent and non-indigenous, non-Afro-descendent women can be seen, with an overrepresentation of the former group in work of this kind. Similarly, albeit somewhat less markedly, in four of the eight countries the indigenous population is also engaged in work of this kind.

Latin America (8 countries): proportion of indigenous, Afro-descendent and non-indigenous, non-Afro-descendent women employed in domestic work, 2011
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2007* (LC/G.2351-P), Santiago, 2008; M.G. Loyo and M. Velásquez, "Aspectos jurídicos y económicos del trabajo doméstico remunerado en América Latina", *Trabajo doméstico: un largo camino hacia el trabajo decente*, M.E. Valenzuela y C. Mora (eds.), Santiago, International Labour Organization (ILO), 2009; M.E. Valenzuela and C. Mora (eds.), *Trabajo doméstico: un largo camino hacia el trabajo decente*, M.E. Valenzuela y C. Mora (eds.), Santiago, ILO, 2009; M. Blofield, *Care, Work and Class: Domestic Workers' Struggle for Equal Rights in Latin America*, Pennsylvania State University Press, 2012; International Labour Organization (ILO), *Notas OIT. El trabajo doméstico remunerado en América Latina y el Caribe*, Santiago, 2011.

5. Young people and the labour market

The demographic transition currently underway in Latin America and the Caribbean still offers an opportunity for development in the form of a "demographic dividend". Thanks to falling fertility rates, there is a low percentage of children and older persons (but not yet very elderly) compared to the working-age population. This situation is highly favourable for development, since the viability of savings increases (for example, with contributions to social security), productivity and investment can increase and levels of well-being among the population can rise (ECLAC/ UNFPA/OIJ, 2012; Cecchini and Uthoff, 2008), provided that policies, markets and institutions exist to support and encourage that growth.

Most of the Latin American countries are still at this stage. However, the demographic dividend has been temporarily put on hold. The decrease in the fertility rate occurred alongside an increase in life expectancy, as a result of which the elderly have a greater relative weight in the population. The number of dependent children and older adults for each person of working age will therefore once again increase. In that context, the trend will be towards increased demand for health care, economic security, social protection, etc., along with a reduction in contributory and fiscal revenue for social protection following a fall in the number of active workers in the labour market.

This structural change demands modifying and diversifying the productive structure of the region's economies, with major technological innovations and the promotion of high-productivity sectors. Building the capacities of the new generations is one of the basic pillars for supporting progress towards equality and it requires that better use be made of the demographic dividend, particularly of the potential offered by young people. In this, two broad areas are of key importance: education and work. They constitute the main components in development and in progress towards equality (ECLAC, 2015d).

To ensure the long-term sustainability of development, and to drive the required structural change, there must be a vast young population who are better educated, who possess relevant skills and the ability to innovate and to manage the knowledge society and who are better prepared for life-long learning (ECLAC/OIJ, 2004). Enabling this component requires improving labour insertion opportunities in jobs that are of better quality, more productive and more innovative and that strengthen social inclusion (Rico and Trucco, 2014).

As will be discussed in the following section, a large number of the region's countries are close to attaining universal primary education coverage. But increasing the coverage and quality of secondary education remains a significant challenge (ECLAC, 2009). The progress made in education in recent decades is still insufficient, and it has not led to improved incorporation into the labour market in the same proportion or to an adequate capitalization of the new skills that young people have acquired (ECLAC/OIJ, 2004).

Along with the socioeconomic factor, such variables as gender, race, ethnicity and health conditions constrain young people's possibilities of accessing different opportunities; women, indigenous and Afro-descendent youth and persons with disabilities are among those most affected by different—and frequently overlapping—forms of exclusion. Moreover, young people as a whole are clearly disadvantaged in comparison with people aged 30 and over, particularly as regards opportunities for decent work. For example, the ratio of youth (between 15 and 24) to adult unemployment rates, which stood at 2.5 in 2000, has gradually increased and in more recent years a value of 2.8 has been common (ILO, 2013a).²⁴

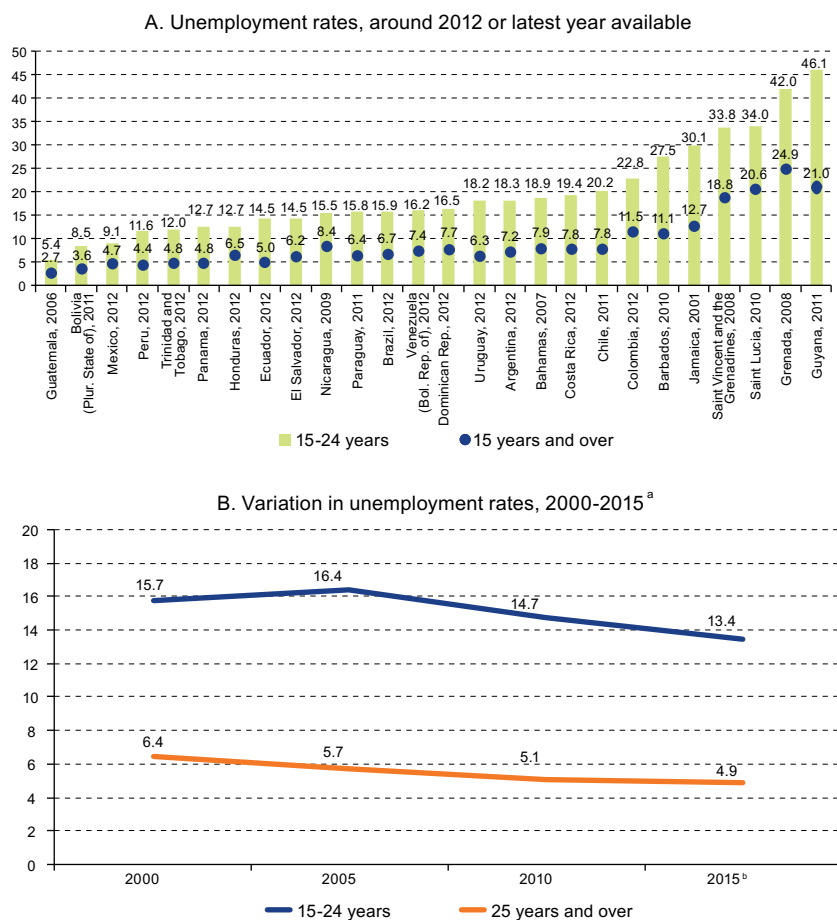
In Latin America, young people's labour participation rates increase with age. In and around 2012, the labour participation rate of those aged between 15 and 19 was 39%, rising to 69% among those aged 20 to 24 and to 80% among those aged between 25 and 29. Similarly, the employment rate in the 15 to 19 age group was 32.8%, compared to 62.3% for those aged 20 to 24 years and 74% for those aged 25 to 29 (see figure I.13.B). At the same time, the trend in the unemployment rate is the inverse of that found in the participation rate, in that it tends to decrease as age rises.

Youth unemployment did not increase more rapidly than adult unemployment during the 2008 crisis. In the subsequent economic recovery (2009 to 2011), however, adult employment rose more swiftly. Between 2007 and 2011, the fall in youth employment was offset by young people remaining longer in education, particularly those aged 15 to 19, which assisted in the development of the new generation's skills (ECLAC/ILO, 2012).

As shown in figure I.16, unemployment rates among 15- to 24-year-olds clearly outstrip those found among the total population in all the countries of Latin America and the Caribbean. Of particular concern is much of the English-speaking Caribbean, where at the start of this decade, youth unemployment in some countries stood at over 30%.

²⁴ Although the official United Nations definition of young people includes those aged between 15 and 24, the analysis presented here on occasions includes people aged from 25 to 29; this is because examining the three age groups (15 to 19, 20 to 24, 25 to 29) provides a better overview of educational and work experience and because this expanded definition is closer to those used in the region's national legislation on young people. It should be noted that although all the surveys begin monitoring employment at the age of 15—or even earlier—, in Argentina and Brazil the minimum working age is 16 years. Thus, work done between the ages of 15 and 16 is considered child labour and must be abolished, with the exception of certain special cases, such as those covered by Brazil's Apprenticeship Law.

Figure I.16
Latin America and the Caribbean (26 countries): unemployment rates
and variation in rates by age group
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries. For Caribbean countries: World Bank, "Youth unemployment in the Caribbean", *Caribbean Knowledge Series*, Washington, D.C., 2014; and International Labour Organization (ILO), *Labour Overview 2013*, Lima, ILO Regional Office for Latin America and the Caribbean, 2013.

^a Simple average for 18 countries.

^b Data for 2015 are projections.

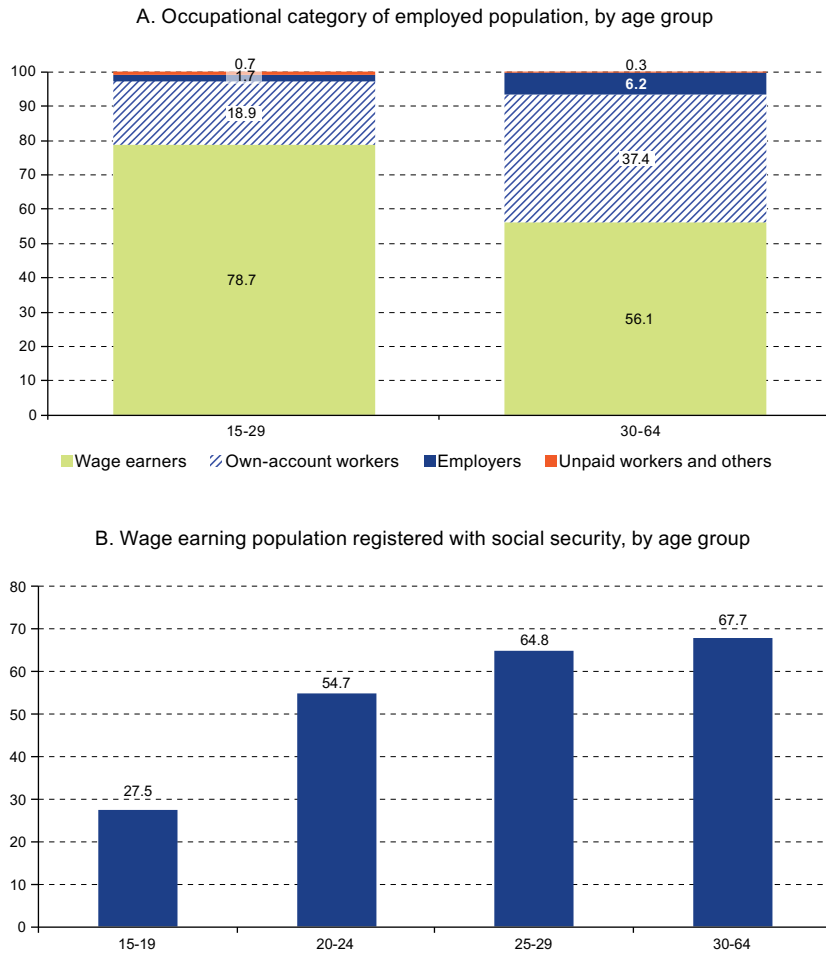
Labour-market participation is also hampered by the socioeconomic conditions in which the young people have grown up and developed. In the different countries, unemployment rates are lower among the higher income quintiles, which correspond to those with higher levels of schooling. This underscores the importance of education in entering and remaining in the job market. At the regional level, youth unemployment in the highest income quintiles is a third of that found in the poorest quintiles (ECLAC, 2014a).

Most working young people are wage earners (79%), while a lower proportion (19%) work independently or region own-account workers; this is in contrast to those aged over 30, where the difference is less pronounced: 56% and 37%, respectively (see figure I.17). Thus, as age and work experience increase, so does the incidence of unwaged work.

At the same time, young people's participation in the labour market is characterized by high levels of turnover, segmentation and precariousness, which hinders the development of employment histories that are stable and improve over time. According to ILO (2013c), this situation poses a political challenge, as the desire to work and build a life based on employment comes up against the reality of a job market in which young people must deal with high

levels of unemployment and informality and low wages and salaries.²⁵ In addition, disparities in labour market insertion between young and adult workers also translate into high levels of inequality in access and contributions to contributory social protection systems —associated with formal employment— and, in the final analysis, to a failure to capitalize on the demographic dividend.

Figure I.17
Latin America (18 countries): occupational category of employed population aged 15-64 years and wage earning population registered with social security, by age group, around 2012^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.

^a Simple average of data for the countries.

One of the most alarming aspects of the situation facing the region's youth is the high percentage of young people who are neither in education nor in paid work. It has been recognized that young people's life paths —and, in particular, the transition from education to work— are not linear, but multiple and diverse (ECLAC/OIJ/IMJUVE, 2014); it must also be recognized that this diversity correlates strongly to structural factors, with gender and socioeconomic conditions being major determining factors.

²⁵ There is also a pronounced differential between the earnings of young people and those of adults, chiefly because the latter receive a dividend for their experience. As is to be expected, that gap narrows as age and experience increase (ECLAC/OIJ, 2004). Whereas the youngest workers (15 to 19 years old) on average receive a third of the average incomes of adults, those aged between 20 and 24 years earn approximately one half of the adult average, while among those aged between 25 and 29 the figure rises to more than three quarters (see ECLAC, 2015e).

Around 2012, approximately 30 million young Latin Americans between the ages of 15 and 29 were excluded from the dual axis of social inclusion provided by the education system and the labour market (22% of the total). That situation also involved a strong gender dimension: 73.5% of those young people were women (ECLAC, 2014a).

That exclusion, however, does not signify a lack of interest in incorporating into society: the difficulties encountered in remaining in the education system or in finding a job are compounded by a significant proportion of young people —women, in particular— who perform unpaid domestic work: that is the situation of 70% of the young women neither studying nor in paid work, compared to 11% of men in the same age group and situation. If this is combined with other temporary reasons for inactivity (young people waiting for a job or for school to begin) and with those affected by a disability of some kind (slightly over 1%), only approximately 3.3% of young people make up the “hard core” of exclusion (ECLAC, 2015e). The remaining 17% of young people neither performing paid work nor studying constitute a group that should be given the opportunities they need both to finish their education and continue developing their skills and to enter the job market and construct, in better conditions, strategies to reconcile their studies, work and personal and family lives (ECLAC, 2015c).

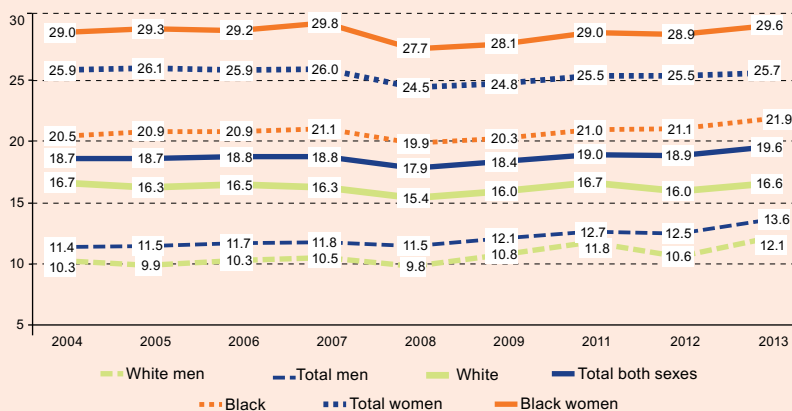
Box 1.4
Young people not in education or employment, in Brazil:
gender and racial inequalities

In 2013, 6.5 million young people aged between 15 and 24 (19.6% of the total) were neither studying nor occupied in the labour market.

This situation is strongly marked by the gender dimension: one out of every four young women are in that situation, a proportion that is almost double the rate seen among young men. This is chiefly because a large proportion of young women, about half of whom are mothers, perform a heavy

burden of unpaid work (domestic and care work) in their own homes: in other words, the differences in the figures reflect the relationships and gender stereotypes that assign such responsibilities to women and the absence of care systems and policies to facilitate the reconciliation of study, work and the family. As a result, despite their higher levels of education, young women report higher rates of unemployment and inactivity and lower rates of labour market participation.

Brazil: proportion of young people aged 15-24 not in education or employed in the labour market, by sex and colour of skin, 2004-2013



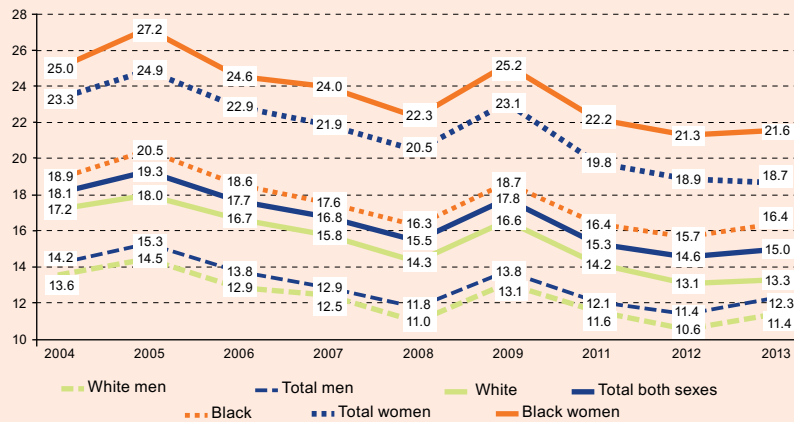
Source: Brazilian Geographical and Statistical Institute (IBGE), National household survey (PNAD), various years.

Racial factors are also an important element in this situation: the proportion of young Afro-descendants who are in neither education nor paid work (21.9%) is 5.3 percentage points higher than that of young whites (13.6%). In the case of Afro-descendent women, where gender and racial inequalities intersect, the figure is an even more telling 29.6%: thus, almost one out of every three young Afro-descendent women in Brazil are in that situation. These figures showcase the difficulties encountered by young women, particularly Afro-descendants, in reconciling work with studies and family life.

In addition, an analysis of youth unemployment rates confirms the continued existence of major gender and racial disparities: in spite of the sharper reduction among young women (from 23.3% to 18.7%) than among young men (from 14.2% to 12.3%) over the same period (2004-2013), the unemployment rate remained considerably higher among women than among men; similarly, the unemployment rate among young Afro-descendants (16.4%) was higher than that of young whites (13.3%), while the rate among young Afro-descendent women (21.6%) was 10 percentage points higher than that of young white males (11.4%).

Box I.4 (concluded)

Brazil: unemployment rate of young people aged 15-24 years by sex and colour of skin, 2004 to 2013
(Percentages)



Source: Brazilian Geographical and Statistical Institute (IBGE), National household survey (PNAD), various years.

Brazil's National Decent Work Agenda for Youth, a 2011 tripartite agreement between the government, trade unions and employers' confederations, acknowledges this situation and offers a comprehensive proposal for expanding young Brazilians' opportunities to build decent work trajectories. It is structured around four priorities: (i) more and better education; (ii) reconciliation of studies, work and family life; (iii) decent and active incorporation into the world of work; (iv) social dialogue on

youth, work and education. The measures for reconciling studies, work and family life set out in the Agenda include such steps as greater compatibility between time spent at work and at school, ensuring compliance with ILO Convention No. 140 concerning Paid Educational Leave (1974), which Brazil has ratified, expanding the availability of nurseries and day-care centres for young parents in the vicinity of schools and guaranteeing equal opportunities and treatment at work for young people of both sexes.

Source: J.R.S. Guimarães, *Perfil do trabalho decente no Brasil: um olhar sobre as unidades da Federação*, Brasília, International Labour Organization (ILO), 2012; L. Abramo, *Uma década de promoção do trabalho decente no Brasil*, Brasília, ILO, 2015; Ministry of Labour and Employment, "Agenda Nacional de Trabajo Decente para la Juventud", Brasília, 2011 [online] http://www.oitbrasil.org.br/sites/default/files/topic/decent_work/doc/antdj_mte_535.pdf.

G. Recent evolution and unresolved challenges in education and health

1. Making the education system a mechanism for reducing inequalities

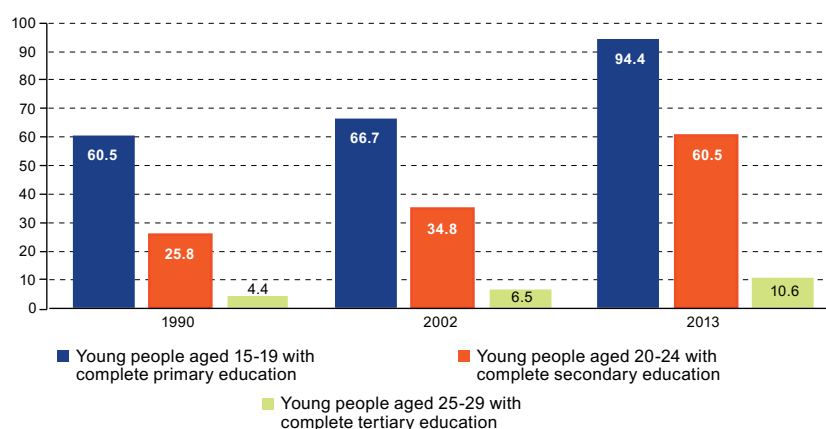
Many of the political commitments established into at the global level in connection with educational progress identify education as a key element in development through which countries can improve their social, economic and cultural conditions. In particular, primary schooling has traditionally been considered a key for children's future because at that stage of development, positive and effective actions to influence learning can be taken. For that reason, all global education compacts propose the universal coverage of quality primary education. Primary education is also a preparation for life and the best time for learning how to learn (Delors, 1996). It is also assumed to be the time when the knowledge and skills needed for social development emerge. In cognitive terms, at this stage children acquire those basic skills—such as reading and writing and basic mathematics—that will enable them to learn how to learn and to integrate into the adult world (ECLAC, 2010b; ECLAC, 2007a).

Increased levels of education in a population are linked to improvements in other key factors for development and well-being, such as productivity, social mobility, poverty reduction and building citizenship (ECLAC, 2010b). Education is also one of the best ways to reduce future inequalities and to overcome intergenerational poverty, on account of the virtuous circles that exist between higher levels of education, social and occupational mobility and increased incomes. However, it is not merely a matter of extending the coverage of the education supply: the

education available must also be of high quality and geared towards the development of life skills and competences and towards the new demands of globalized societies.

In recent decades, Latin America and the Caribbean have made significant progress in expanding the coverage of education and improving access to it (ECLAC, 2010b, 2008 and 2014a). In particular, between 1990 and 2013, the percentage of young people between the ages of 15 and 19 who had concluded primary education rose from 60.5% to 94.4% (figure I.18). Significant progress was made between 2002 and 2013, when an increase of 27.7 percentage points in that indicator brought most of the region's countries close to attaining universal coverage of obligatory primary schooling.

Figure I.18
Latin America (18 countries): proportion of people aged 15 to 29 with complete primary, secondary and tertiary education, by age group, 1990, 2002 and 2013
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries, and ECLAC, *Social Panorama of Latin America 2014* (LC/G.2635-P), Santiago, 2014.

Regarding progress made towards universal primary education, the region has taken another notable step forward: a reduction in illiteracy rates among adults and young adults. One key aim of the education system is to ensure the literacy levels that people require for inclusion in the social, political and economic processes that affect them, so they can truly exercise their citizenship.²⁶ Literacy rates in the region (with the exception of Haiti) have increased notably over the past 20 years, from an average of 86% to an average of 90%, which compares positively to the other developing regions of the world (Martínez, Trucco and Palma, 2014).

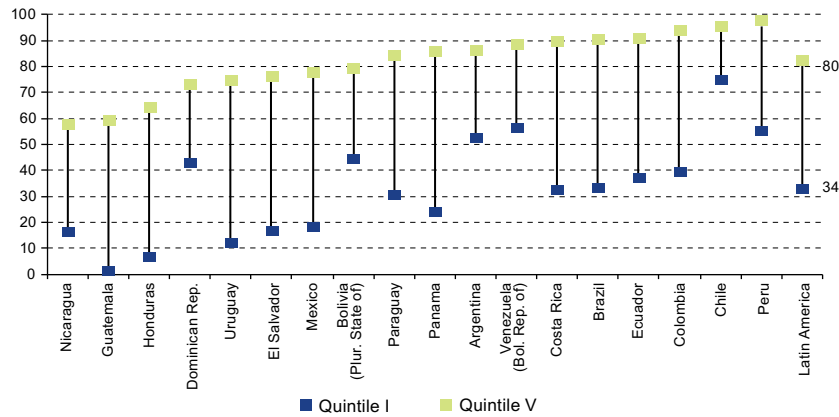
Leaving aside the progress made with primary education in the region, ECLAC has repeatedly said that the completion of secondary school is the minimum education threshold for avoiding poverty and achieving a higher standard of living. The completion of this level of education is crucial in the region, not only for students to acquire the basic skills required in a democratic and globalized world, but also for poor people to attain the levels of well-being needed to escape the intergenerational cycle of poverty. Similarly, in order to have a good chance of entering the labour market in a way that ensures a minimum level of well-being for their future, students must complete 12 years of formal schooling (or 11, depending on the country) (ECLAC, 2010b).

The region has also made considerable progress in that regard. Between 1990 and 2013, the percentage of young people aged from 20 to 24 completing secondary education rose from 25.8% to 60.5%, as can be seen in the same figure. Swifter progress was made between 2002 and 2013, when an increase of 25.7 percentage points was recorded. However, those achievements are significantly lower than those attained in primary education, and the situation varies from one country to the next. At this stage of schooling, the education gap grows and socioeconomic inequalities by geographical area or ethnic or racial origin are heightened. At the same time, the share of young people completing tertiary education is still very low in the region: although the proportion of

²⁶ The concept of illiteracy has evolved from exclusively being associated with the inability to read and write and, at the same time, to have the methods used to approach the phenomenon. In spite of the different types of illiteracy that are now recognized, however, “absolute” illiteracy remains a key starting point for preparing the maps and indices that illustrate the magnitude of the problem.

those aged between 25 and 29 with a complete tertiary education has also doubled over the past two decades, only 10.6% of young people on average have completed this cycle (ECLAC, 2014a).

Figure I.19
Latin America (18 countries): population aged 20-24 with complete upper secondary education,
by extreme income quintiles, 2013^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Countries are ordered by the average percentage completion. The figure for Latin America is a simple average for 18 countries. The figure for Argentina refers to urban areas.

But in some countries, even completing the upper secondary cycle is now insufficient to provide access to jobs that pay enough to lift people out of poverty. As Latin America and the Caribbean have moved closer to attaining universal primary coverage, the intergenerational transmission of inequalities has been displaced to secondary education and, increasingly, to higher education. While a number of countries are a long way from universalizing complete primary education, in others it is low education quality and the social inequalities that operate in this area, at both the primary and secondary levels, that have become the main stumbling blocks to progress towards greater effective equality (ECLAC, 2010b).

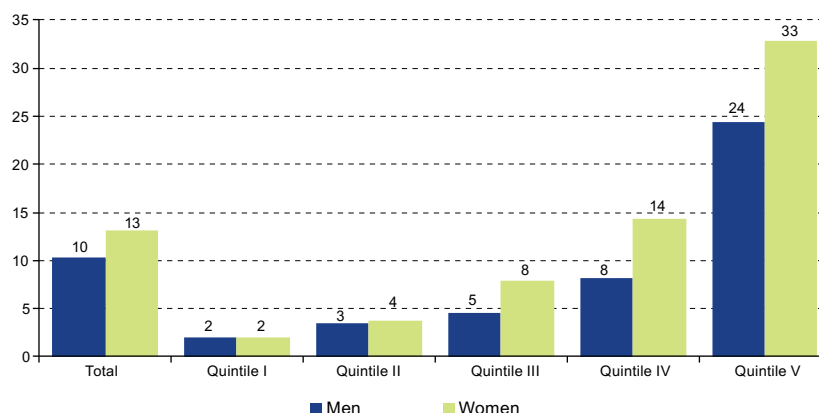
Finally, additional progress has also been made in gender equality. Women, in general, have benefited the most from mass access to the education system, not only because their starting point was lower, but also because they have outperformed men in various ways. Over the past decade, school attendance rates at all educational levels have been higher among women than men in most of the region's countries. This advantage can be partly explained because women enjoy a better progression through the different cycles of schooling: repeating years is a significant factor in dropout rates. This becomes more notable in the upper secondary cycle, which then translates into the feminization of post-secondary education seen in most of the region's countries. However, the situation is not uniform and some countries have only recently embarked on the process of expanding education. Furthermore, the higher academic achievements of adolescent women are not reflected or recognized, during their youth and adulthood, in their school results or, primarily, in their incorporation into the world of work, because they suffer discrimination compared to their male peers (Rico and Trucco, 2014).

Similarly, in spite of major improvements in recent decades in the coverage of different educational cycles and in ensuring access to them, the region has failed to transform the system education into a mechanism for reducing social inequalities. Education systems do not succeed in disassociating people's social origins—or the other factors described above—from how their lives develop, and therefore family factors continue to determine differences in students' academic results. Gaps still exist in terms of educational quality and achievement between different income levels and ethnic or racial groups, and these tend to perpetuate inequalities from one generation to the next, as well as among social groups and between urban and rural areas (ECLAC, 2006).

Transforming the education system into a mechanism for reducing social inequalities poses major challenges. Notably, schools replicate socioeconomic stratification, which can be seen in several areas, including academic cycle completion rates. Thus, while an average of 80% of young people between the ages of 20 and 24 in the highest

income quintile had finished secondary education, the figure among the same age group in the lowest quintile was only 34%. Similarly, whereas 24.4% of young men and 32.8% of young women aged from 25 to 29 years in the highest income quintile had completed at least five years of tertiary education, the corresponding figures were 2% and 2.1%, respectively, among young people in the lowest income quintile.

Figure I.20
Latin America: ^a completion of at least five years of tertiary education among young people aged 25-29,
by income quintile and sex, around 2013
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the countries.
^a Simple average for 18 countries.

Likewise, average secondary school completion rates among those aged between 20 and 24 are 65% in urban areas, compared to only 37% in rural areas (around 2013, simple average for 18 Latin American countries). Those disparities are more pronounced among children belonging to indigenous and Afro-descendent populations. The difficulties those populations face in securing equitable access to the education system are related to higher rates of poverty, the distance of their schools, the quality of the schools to which they have access, the relevance of study plans and discrimination, all of which contribute to reducing their educational opportunities (ECLAC, 2010a). In the Latin American countries where figures are available, those segments of the population have, on average, fewer years of schooling. For example, around 2013, while some 60% of 20- to 24-year-olds in the general population had concluded secondary school, for the indigenous population the figure was only 45% (nine countries in the region) and, for Afro-descendants, only 49% (figure for four Latin American countries).

Associated with the low secondary education completion rates found among poorer students and those belonging to underprivileged groups, there is another major problem that plays a key role in the right to education: dropout rates. In numeric terms, abandoning school is more common among males than females. However, the reasons for dropping out differ between the sexes and, consequently, must be addressed separately. Boys tend to enter the job market at an early age because of economic reasons related to insufficient household incomes, but some also leave school out of disaffection with the education and social systems, feelings of discouragement and an absence of future possibilities. Female dropout rates are also the result of economic needs, but they are related to the demands of household care and domestic work that are made on girls on account of the gender-based division of labour found in their families. Other teenage girls abandon school because of pregnancy and motherhood; and, often, they get pregnant because of the scant future possibilities that remaining in the school offers them and because they see motherhood as a way of obtaining social validation (Rico and Trucco, 2014).

To make education a mechanism for reducing inequalities, its quality must be raised, which represents a major challenge. Thus, the social and cultural disadvantages that burden lower-resource students as they enter the educational system are compounded by access to lower-quality education services than are available to students with more resources. This reinforces the inequality of their learning paths. Over the past few decades, expanding access to the educational system towards traditionally excluded sectors has come with greater segmentation, with a sharp increase in the supply of and access to private schools in the upper strata and an increase the payment for education services associated with this process. The quality of education therefore tends to be segmented on the basis of the students'

socioeconomic background. Private schools are increasingly a magnet for the upper-middle and upper classes seeking to preserve their upwards differentiation in the intergenerational transmission of skills and knowledge and, at the same time, to avoid the quality concerns surrounding mass public education (ECLAC, 2011a).

National and international academic performance tests for assessing quality in education —such as those conducted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) at the regional level for primary education (PERCE, SERCE and TERCE) or those carried out at the secondary level by the OECD (Programme for International Student Assessment, PISA)— indicate that a high percentage of the student population are performing very poorly in basic school skills, such as reading and mathematics.²⁷ That shortfall in skills is particularly pronounced among students from disadvantaged households.

2. Closing the gap in access to health

Good health is crucial to the well-being of individuals, families and communities, and it is also a prerequisite for human development with equity. People have a right to health, and society as a whole has to ensure that no one is denied access to health services and that these services provide all users with high-quality care. Identifying shortcomings and social divides in health conditions and care, together with measures for addressing them, should be viewed strategically as a vital component of comprehensive public action to break the vicious circle of poverty and inequality and, ultimately, to attain sustainable human development (ECLAC, 2005).

Between 1990 and 2015, the region made great strides with the health of its population and, most particularly, with that of its children, achieving notable reductions in all the indicators related to child mortality. In line with the Millennium Development Goals, Latin America and the Caribbean is one of two regions that, by 2013, had achieved the goal of reducing by two thirds the mortality rate for children aged under five (ECLAC, 2015e). At the regional level, progress was made with both infant mortality and child mortality.²⁸

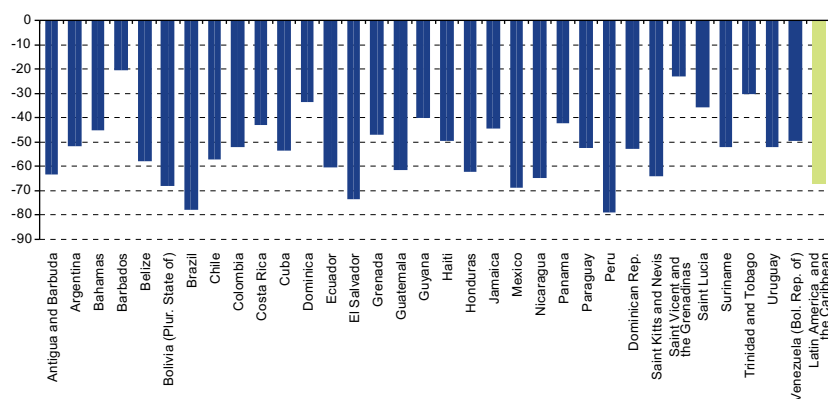
Infant mortality is an indicator of the health of the population in general, in that it reflects the overall economic and social conditions surrounding mothers and their newborn children, the sociopolitical context and, of course, the state of the health system. To a greater or lesser extent, all the countries of Latin America and the Caribbean have achieved substantial reductions in their infant mortality rates. Regionally, infant mortality fell from 42 per thousand live births in 1990 to 28 in 2000 and to 15 in 2013. This progress leaves the region relatively well placed by global standards, since infant mortality fell faster in the region than anywhere else in the world between 1990 and 2000 and, in 2015, its infant mortality rate was the second lowest in the developing world (UNICEF, 2015). However, the regional averages conceal wide disparities from one country to the next: for example, while Brazil, El Salvador and Mexico managed to reduce their infant mortality rates by more than 65%, the reductions in other countries, particularly in the Caribbean subregion, were more modest.

A similar pattern can be seen in child mortality, which is another MDG indicator (figure I.21). Child mortality is an important indicator of the level of social development and of the availability, use of and access to health systems by the population and, most particularly, by children; it is also a key indicator of nutrition standards. It reveals the extent to which a society enjoys the most basic human right: the right to life and the associated right to health (Jiménez and others, 2008).

²⁷ The 2012 Programme for International Student Assessment (PISA), administered by the Organization for Economic Cooperation and Development (OECD), offers recent information on academic results at the secondary level in eight of the region's countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru and Uruguay). It assesses the acquisition of basic skills in reading comprehension, science and mathematics among a sample of 15-year-old students. The results of the PISA tests indicate the presence of a high percentage of students with a very poor command of basic school skills and significant disparities between the results obtained by the Latin American countries and the average results of the OECD developed countries.

²⁸ Infant mortality refers to the probability of a child dying between birth and its first birthday. The infant mortality rate is calculated by dividing the number of deaths among children aged below 12 months in a given period by the number of live births during that same period, multiplied by a thousand. The child mortality rate is the number of children who died before reaching the age of five in a given period divided by the number of live births during that same period, multiplied by a thousand.

Figure I.21
Latin America and the Caribbean (33 countries): decline in childhood mortality rates, 1990-2013
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the CME Info database [online] <http://www.childmortality.org>.

In the region, the under-five mortality rate fell from 54 per 1,000 live births in 1990 to 32 in 2000 and to 18 in 2013, which represents a drop of more than 66% over the period. However, as with infant mortality, there are large variations between different countries: while some achieved reductions of more than 60%, others reported considerably weaker results (UNICEF, 2015).

These striking improvements in infant and child mortality rates can be explained by a combination of various processes, including the following: the progress made with high-impact and low-cost primary treatment, such as mass inoculation programmes, oral rehydration therapy and healthy-children check-ups; the increased coverage of basic services, particularly drinking water and sanitation; expanded prenatal care for pregnant women; improvements in nutrition; increased levels of education among the population (particularly women); and lower fertility rates. In addition, as will be seen in chapter II, this progress is also partially explained by the positive impact of conditional cash transfer programmes on various health indicators, including the under-five mortality rate.

Progress was also made in maternal health over the 1990 to 2010 period. The average maternal mortality rate²⁹ fell from 140 in 1990 to 85 in 2013, a reduction of 39% (UNICEF, 2014). However, that drop is still short of the target of 75% set in Millennium Development Goal 5, and the progress made has not been uniform: some countries report a downward trend, others remain stable and others are experiencing increases.³⁰

Life expectancy at birth, for both men and women, also rose over the past two decades. Women have a higher life expectancy than men in all the region's countries. A male child born today can expect to live 72 years, compared to 66 years for one born in 1990. Girls born today can expect to reach the age of 78, six years more than in 1990.

Despite these major achievements, there is still one key challenge to building more inclusive societies where the entire population can enjoy good health standards: the persistent social disparities in that area. Poverty, low levels of schooling, overcrowding, deficient nutrition, inadequacies in the drinking water and sanitation systems, marginalization and discrimination have a negative impact on the population's health. In addition, social exclusion curtails access to medical attention, for both diagnosing and treating illnesses. Major health inequalities still exist by reason of zone of residence (rural or urban), belonging to indigenous or Afro-descendent peoples and socioeconomic level, both between countries and within them. The countries with the worst indicators are those with a lower rate

²⁹ The maternal mortality rate is the annual number of women who die on account of pregnancy- and childbirth-related causes per 100,000 live births.

³⁰ Mention should be made of the under-recording of maternity-related deaths, which is particularly high among poor women, vulnerable populations and those who suffer racial or ethnic discrimination. In countries where the coverage of the death registration system is low, underreporting and misclassification are typical problems; in contrast, in countries where the coverage of the death registration system is high, the main problem is misclassification whereby an incorrect cause of death is entered on the death certificate, preventing a significant proportion of maternal deaths from being coded. The improvements made over recent decades hinder the evaluation of progress with maternal mortality, since real progress can be offset by increasingly more accurate measurements.

of female literacy, with more reduced access to drinking water and basic sanitation and with lower public spending on health. Within countries, there are still differences of up to 3:1 in infant mortality among the most vulnerable segments of the population (Fernández and Oviedo, 2010). Maternal mortality also correlates to households' levels of well-being: over 35% of the total deaths occur among the poorest 20% of the population, while the richest 20% account for only 10% (PAHO, 2012).

Those disparities are also found in other areas of health. Chronic undernutrition (defined as stunted growth for the corresponding age) has important repercussions in the short and long terms. Those include an impact on morbidity and mortality, as well as on educational achievements and productivity, which represents one of the main mechanisms whereby poverty and inequality are transmitted from one generation to the next. In Latin America and the Caribbean, chronic undernutrition correlates closely with social and economic characteristics.

High levels of poverty, residence in rural areas and low parental achievements at school make indigenous children particularly vulnerable to chronic undernutrition. According to figures from the Demographic and Health Survey, this problem affects approximately 31.5% of indigenous children below the age of five, compared to 16% of non-indigenous children in the same age cohort: in other words, the rate is almost double among indigenous children. The disparity is even more marked in the case of severe chronic undernutrition: whereas only 1.1% of non-indigenous children suffer its effects, the figure is in excess of 9% among indigenous children (ECLAC, 2014b).

Another area where socioeconomic disparities can be clearly seen is sexual and reproductive health. Teenage pregnancy has been a cause for concern in the region on account of its serious and varied repercussions on the comprehensive development of the women, men and families involved. In spite of efforts to reduce the numbers of teenage mothers, in many of the region's countries the figures continue to run high (Rodríguez, 2014).

Figures from the most recent census rounds (for seven of the region's countries) indicate that young women living in rural areas are systematically more likely to be teenage mothers than those in urban areas. In addition, young women in the lowest income quintile account for the highest percentages of teenage mothers.

The high levels of adolescent fertility and the scant reductions made to those numbers, the continued existence of high rates of maternal mortality and poor antenatal care coverage in some countries in the region illustrate the various challenges that Latin America and the Caribbean still face in improving women's sexual and reproductive health (ECLAC, 2015e).

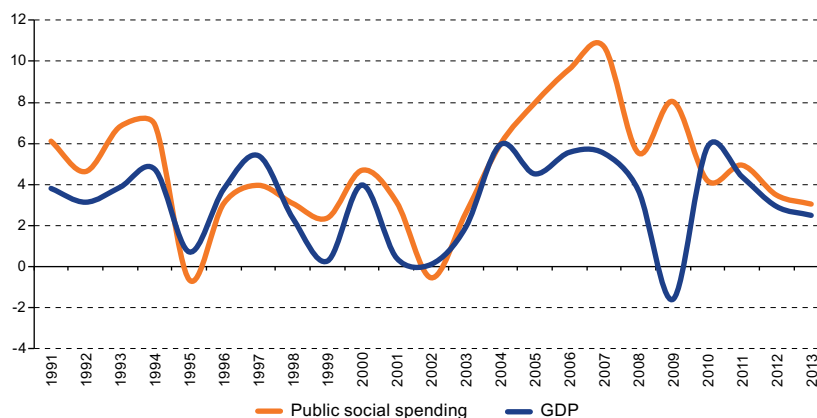
H. Recent evolution of social spending

Since the 1990s, public investment used to fund social policies (public social spending)³¹ has been on the increase; this represents a break with the period of structural adjustments and fiscal austerity that most of the region's countries experienced during the 1980s, known as the "lost decade", when increased spending constraints were accompanied by rises in poverty and vulnerability.

Another trend inversion occurred in the midpoint of the last decade, when social spending patterns were uncoupled from the economic cycle as a result of countercyclical policies. The regional trend since the 1980s was procyclical, but that situation changed between 2005 and 2010, with the emergence of the food-price crisis and then the international financial crisis. In contrast with the debt crisis of the early 1980s, on that occasion the Latin American countries were in a better position to cover their emerging needs with their own resources. This situation helped contain the expected impact on poverty, which continued its downward trend. Nevertheless, since the start of the present decade, the regional has again been showing procyclical inclinations, given the fall in raw material prices and lower growth rates over the past two years.

³¹ Public social spending refers to amounts paid out by the government on such functions as education, health, housing, and social security and social assistance.

Figure I.22
Latin America and the Caribbean (21 countries):^a aggregate trends in total public spending, social public spending and GDP, 1991-2013
(Annual percentage variation)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2014* (LC/G.2635-P), Santiago.

^a Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

Taking the regional economy as a whole, between 1990 and 1999 social spending as a percentage of the region's GDP increased by 0.8 percentage points. Between 1999 and 2009, the macroeconomic priority of social spending rose significantly, from 14.6% of GDP to 18.3%, while between 2009 and 2013 there was an additional growth of only 0.8 points. The largest increases occurred in the second half of the first decade of the century, coinciding with the impact of the financial crisis and the boom in raw material prices or the commodities super-cycle.

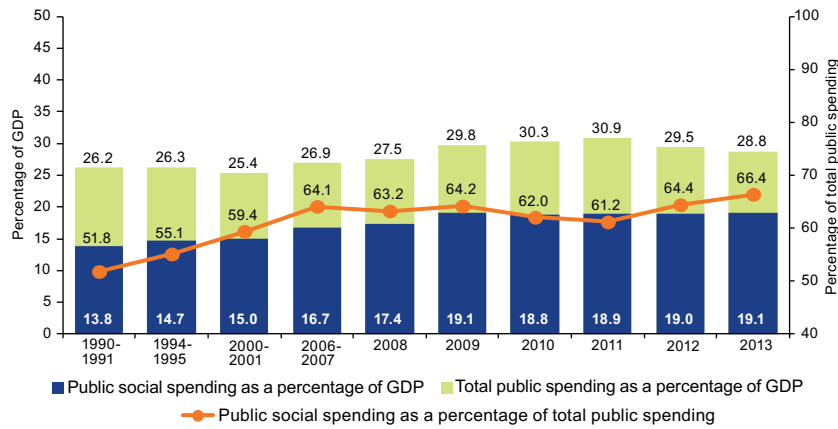
Thus, from 1990 to 2013, funds assigned to social purposes increased their share of GDP by approximately 38%. Since GDP grew by 49% over that same period (in constant 2010 dollars), the resources available for social spending doubled, in both overall and per capita terms (ECLAC, 2014a). As shown in figure I.23, in addition to the growth of GDP, a key element in the increased availability of resources in the region was the major rise in the proportion of public budgets allocated to social spending, expanding from between 52% and 56% of the countries' total public spending during the 1990s to slightly over 65% at present. During this period, the expansion of social spending was relatively steady: total public spending reported an accumulated increase of 3.3 percentage points (from 26.2% of GDP to 29.5%, with a slight fall in 2013), but with significant variations, falling to below 25% of GDP at the start of the 2000s (at the height of the Asian crisis) and exceeding 30% of GDP at the start of the current decade.

An analysis of the evolution of social spending in the region as an average macroeconomic priority (simple average of social spending as a proportion of GDP in each country) reveals a similar trend, albeit with slightly lower values than those of the region as a whole, which is a reflection of high social investment by Brasil. From an average of around 11.8% of GDP in 1990, social investment rose to a level of 16.6% of GDP in 2012.

However, and as already reported by ECLAC (ECLAC, 2014a), there are extreme variations between both the initial and current levels of social spending. Peru, Guatemala and Ecuador report levels of below 10% of GDP, while the levels in Costa Rica, Brazil, Argentina and Cuba are above 20% of GDP. All the region's countries report increases since 1990, with stronger growth intensity in the most recent period, particularly since 2007-2009. Especially notable are Argentina, Ecuador, El Salvador, Panama and Paraguay, which increased their social spending by more than 5 percentage points of GDP during the period analysed.

Except as regards housing, the different functions have also evolved positively in the region. In simple average terms, public resources earmarked for social security and social assistance represent the largest share and have grown the most since 1990. From an amount equal to 2.8% of GDP that year, they rose 57% over the 1990s and a further 45% thereafter, to reach a level of 6.3 points of GDP in 2012 and to become the social function that accounts for the largest share.

Figure I.23
Latin America and the Caribbean (21 countries):^a public social spending and total public spending, 1990-1991 to 2012-2013^b
(Percentages of GDP and of total public spending)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), social expenditure database.

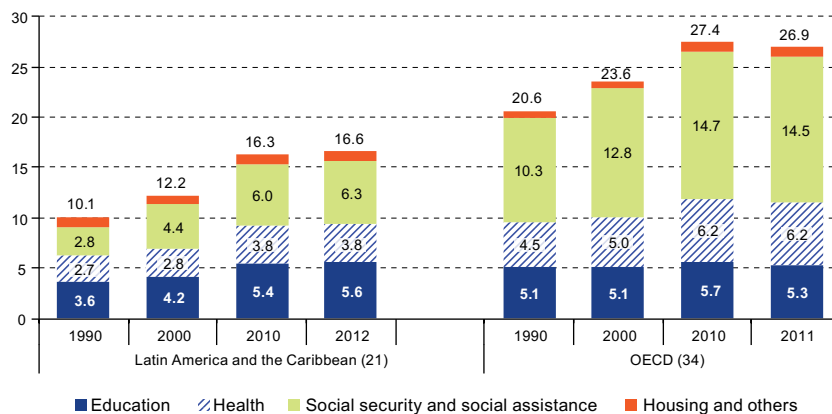
^a Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

^b Weighted average for the countries. The figures on total public spending correspond to official data, mostly from the functional classification of public spending, and may not correspond to those based on an economic classification of spending. The regional figures are affected by the Brazilian official report's inclusion within total public spending of domestic and external debt refinancing, which was equivalent to 14.8% of total public spending on average over the last 4 years. For this reason, the data used for Brazil correspond to primary public spending.

Likewise, education currently represents 5.6% of GDP, compared to only 3.6% in 1990, and the health sector accounts for 3.8% of GDP, with a one percentage point rise since 1990. Finally, “housing and other” is a comparatively small function, and its share dropped in relative terms. Analysing the composition of social spending in OECD countries reveals that education accounts for the same share of GDP as in Latin America and the Caribbean (OECD/ECLAC/CAF, 2014), although the amount of funding involved is significantly lower.

Figure I.24 shows the evolution of social spending between 1990 and 2012 and compares the region's situation to that of the OECD countries, where, in the most recent year for which data are available, social spending accounted for more than 10 percentage points more than in the region.

Figure I.24
Latin America and the Caribbean (21 countries) and Organization for Economic Cooperation and Development (OECD) (34 countries):^a public social spending by sector, 1990, 2000, 2010 and 2011
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database, and information from the Organization for Economic Cooperation and Development (OECD).

^a Simple average of data for the countries.

I. Concluding remarks

The major progress in essential areas of social development seen in Latin America and the Caribbean since the start of this century, as analysed in this chapter, was due to a range of factors: favourable economic conditions, significant improvements in the labour market and a string of social policy initiatives, including the expansion and redefinition of strategies for overcoming poverty and promoting social inclusion, which gained prominence on the public agenda and in the development strategies of several of the region's countries.

But there is still a long road ahead to build societies that are free of poverty, fairer and less unequal. The progress has been uneven, both between and within countries. A significant proportion of the population remains poor or extremely poor; others have incomes that are only slightly above the poverty line and are therefore vulnerable to poverty. That highlights the risk, which exists for large segments of Latin America's population, of returning to a situation of poverty or extreme poverty in a context of reduced economic growth, slower job creation, increased rates of unemployment and informality and difficulties in expanding social spending and investment.

The progress made in reducing income inequality over this period has also been significant and has broken with that indicator's historical trend of stagnation or decline. However, the achievements in this area have clearly been insufficient, and Latin America and the Caribbean still bear the sad distinction of being the world's most unequal region.

The 2030 Agenda for Sustainable Development sets ambitious goals for the eradication of poverty and a substantial reduction of inequality across the world. The region's countries are committed to that goal and they must step up their efforts in that direction in a more complex context, with major challenges hindering a return to the rates of growth and levels of social spending and investment seen in recent years. Those difficulties underscore the importance of strengthening and improving social policies, of protecting employment and promoting decent work and, in particular, of strategies for reducing poverty and fostering social inclusion, in order to ensure their financial sustainability and to equip them with tools to guarantee that they are both effective and efficient.

As ECLAC has stated before, work is the master key to equality. Its importance in overcoming poverty and inequality over the period covered by this chapter is clear. The region's progress in those areas has largely been the result of the positive evolution of labour market indicators, including lower unemployment, higher wages and salaries, increased labour formality and increases in the female participation rate, which in turn led to a rise in the number of labour income earners in individual households.

Education is also a fundamental element in reducing future inequalities and one of the best ways to overcome the transmission of poverty from one generation to another. Major progress has been made in expanding the coverage of education and access to it in recent decades. Also notable are the achievements in the area of health, in particular the reductions in infant mortality and undernutrition.

However, significant disparities still exist in all those areas. The social gaps that exist in the region are closely related to productive asymmetries that involve unequal levels of quality and productivity between jobs, which lead to larger wage differentials and unequal income distribution. Disparate levels of productivity are still persistent the region and remain a major obstacle to the success of policies for eradicating poverty and reducing inequality.

Reduced inequality is a basic prerequisite for attaining a world without poverty. Inequality affects not only incomes, but also people's rights, skills, autonomy, mutual recognition and personal dignity. In Latin America and the Caribbean, poverty, extreme poverty and vulnerability to both those conditions, together with the structure of the labour market and decent work opportunities, are strongly determined by factors of gender, race and ethnic origin, and by specific moments in the life cycle, such as childhood, youth and old age. There are also pronounced regional inequalities inside countries and between rural and urban areas. Continued progress along the road towards equality therefore requires recognizing and understanding the social inequality matrix in Latin America and the Caribbean, and incorporating those dimensions, as a structural element, into the design of public policies and into the mechanisms used for their formulation and implementation.

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Policies for overcoming poverty, sector policies and social protection systems

Introduction

Over the past few decades, policies aimed at overcoming poverty and inequality in the Latin American and Caribbean region have been characterized by a broad range of approaches and discussions—and a number of dichotomies. In the 1980s, for example, the targeted, reductionist approach treated social policy not as part of a broader fabric of sectoral and selective policies, but as a tool to help dismantle more universal and solidary social policies and social protection. More recently, the rights-based approach and the pursuit of universality have been gaining ground as guiding principles for social policies. This is partly the result of an intensive debate around the role and objectives of sectoral social policies and those that are exclusively targeted on the population living in poverty. Given that these discussions gave rise to the income transfer programmes for poverty reduction now in use of most of the region's countries, it is worthwhile to review them to form an overview of such programmes and define and evaluate their role within the general social policy and social protection architecture.

Overcoming poverty and inequality requires selective or targeted policies that primarily focus on individuals and families living in poverty, together with a variety of measures to include that population in universal programmes, which are usually organized on a sectoral basis. The ultimate aim is to overcome entry barriers and the access and quality segmentations and fragmentations that discriminate against lower-income people. ECLAC considered this topic when, at the start of the new millennium, it defined five key guiding principles for the region's social policy: universality, solidarity, efficiency, equivalence and comprehensiveness. Within that framework, selectivity or targeting was conceived as the set of instruments that make it possible to allocate resources to the poorest population groups and fulfil a complementary function because "... it is a method which, if properly applied, enhances the effectiveness of universal social programmes" (ECLAC, 2000).

The orientation of targeting is never disconnected from the dynamic of sector policies (such as health, education, employment, housing and others), with which its actions may be in harmony, isolated or in conflict. This will have specific implications for achieving success in the fight against poverty and inequality and its sustainability through time, and also for the strengthening or weakening of the effective universality of the policies implemented. It can thus be argued that different targeting policy orientations have had different institutional implications in terms of the link between selective policies and sectoral social policies.

Based on this approach, and with the aim of drawing out a number of lessons, this chapter firstly addresses certain postulates and configurations of the relation between poverty reduction policies and the universal and sectoral

policies that have been present in the region over the last three decades. These interactions show how vital for this purpose is the capacity for articulation and dialogue developed by social development ministries and other entities that coordinate poverty reduction policies and programmes.

Secondly, the chapter describes the conditional, or co-responsibility, cash transfer (CCT) programmes implemented in numerous countries of the region over the last few decades. In many cases, these have been the responsibility of social development ministries or entities that coordinate the fight against poverty. Based on the diagnosis, the chapter addresses the need to move towards a new generation of poverty reduction policies that make it possible to strengthen the virtuous aspects of those policies, ensure progress is achieved in less favourable economic scenarios, and prevent the observed positive trends from being reversed. Progress also needs to be made in domains where achievements have thus far been insufficient, not only strengthening their relation with education, health and nutrition sector policies, but also developing the labour market integration and productive component. Some of those matters are taken up again in chapter IV.

A. Poverty reduction policies and their relation with sectoral policies and social protection systems¹

In the 1980s and 1990s, a reductionist view of targeted policies for combating poverty predominated in several Latin American countries, which implied competition with sectoral policies. That view, which centred on attacking the manifestations of poverty through welfare assistance programmes, was functional for sector reforms that aimed to dismantle or weaken universal policies. In contrast, when the selective policies aim to overcome the causes of poverty, it is essential to exploit their synergy with the social and universal policy dynamic. Going beyond a welfare-assistance approach in the fight against poverty and acting on its causes requires sectoral actions to expand coverage and improve the quality of the benefits provided. These changes in the predominant policy and social protection approaches necessarily had correlates in the trend of social institutions in the region, as is analysed in chapter III.

1. The dichotomy between targeting and universality: implications for social policy

That reductionist view of targeting was condensed in the 1980s, both in conceptual terms and politically. Negative elements in universal programmes were systematically identified for the purpose of advocating for targeting to replace the universality principle. This used, as a general guiding principle, the fact that targeting also meant a simpler and more limited role for social policy: being subsidiary in terms of poverty.

In the context of proposals to privatize social policies that limited the solidarity of their financing, it was advocated that universal social policies should be dismantled—having been evaluated very negatively overall by an analytical stance that classified universal programmes as generally regressive—and that social public investment should focus on the most vulnerable groups through “targeted programmes”. It was argued that, unlike universal provision, which was characterized as highly costly and inefficient, targeting could enable governments to reduce poverty more effectively and at a lower cost. In the design of social policy, tremendous importance was given to eliminating inclusion errors, but less importance was attached to overcoming errors of exclusion from public programmes and actions. Moreover, the idea of social policy as the responsibility of society at large was lost, and it was replaced by the notion that the targets of social policy are persons living in poverty and indigence. Social policy was therefore not for all society, but only for the poor.

This false dichotomy between targeting and universality underlay a global proposal on social policy that was based on the following arguments: (i) the need to help solve the fiscal crisis of the State by cutting social spending; (ii) the need to concentrate public social spending on the most vulnerable population groups and limit the State’s action in social policy matters. The principle of universality in social policy was seriously questioned and negatively evaluated. It was proposed that universalist policies should be dismantled, to varying degrees; (iii) advocacy of the partial privatization of social services, even in the case of targeted programmes; and (iv) confidence that the improved

¹ This section is based on Sojo (1999 and 2007).

primary income distribution and higher living standards that would result from the trickle-down effect and economic revival would ensure that those outside the target groups would be able to pay to use private services (Sojo, 1990 and 2007). The region has a number of paradigmatic experiences in this regard.

In Chile, the neoliberal reforms implemented during the dictatorship aimed to dismantle the solidarity of financing, restrict the provision of universal services, force population groups not classified as poor to obtain social services from the market, implement demand subsidies to enable persons living in poverty to gain access to market provisions, and transfer major primary health and education functions to municipal entities. Large amounts were spent on privatizing the pension system and consolidating health insurance institutions. Thus, targeting went hand-in-hand with far-reaching changes in the dynamic of the social sectors.

Among the measures adopted by the Plurinational State of Bolivia, the Social Emergency Fund (which later became the Social Investment Fund) was held up as a model for the region. When the social emergency funds were set up, their operational independence from ministries and the social sectors was touted as one of their virtues and as a guarantee of their flexibility, efficacy and efficiency. In macroeconomic adjustment policies, little consideration was given to social aspects; it was thought that trickle-down effects would provide the poor with opportunities; and, in the short term, the social emergency funds would to some extent make up for the income losses suffered by the hardest-hit sectors. The funds were aimed at emergency job creation, the building of infrastructure in poor areas and the provision of monetary transfers.² These were welfare assistance programmes whose visibility and demonstration effects also played a political role, because the areas of greatest political risk were selected for investment. This achieved political visibility, even though the small amount of the resources in question and their coverage did not allow for countercyclical effects.

Rather than ensuring flexibility or efficiency, the fact that social funds were competing with sectoral funding merely increased the administrative fragmentation of universal social policies, since they increased the number of instances of overlaps or duplication, or else they gave rise to discontinuities with the sectoral dynamic.

The institutions associated with the social emergency and investment funds therefore raised a number of problems, since their links with the social sector ministries were very weak. These funds were generally run by autonomous, temporary entities which had more foreign financing or whose officials had much higher salaries than those in other public institutions.³ As a result, their continuity and replicability were very limited, since the rest of the public institutional apparatus did not have such resources. Over time, this led to criticisms which, for example, pointed out the importance of bringing the dynamics of the anti-poverty funds and programmes into line with those of the sectoral ministries, since the social sectors had more infrastructure and provided most of the social services.

Various evaluations made in the region show that that negative view of universal policies, and the belief that poverty problems should be solved primarily through targeted programmes, led to a certain relation between selective and social sector programmes which, by inhibiting the necessary reforms in universal policies, had an adverse effect in the medium and long terms.

Elsewhere in the region, reductionism did not gain as much traction in the 1980s and 1990s. In Brazil, for example, there was an upsurge in the universalism of social policy which was strongly based on the Constitution adopted during the transition to democracy and had major repercussions on social policy; suffice it to recall the establishment of the Unified Health System (SUS), the rural pension system and the continuous benefit system (BPC). It is also interesting to note that the 1980s' controversy around the relation between selective and universal policies in combating poverty was such that selective access was not an option even in the case of social assistance programmes. Towards the mid-1990s, targeted poverty reduction policies gained legitimacy, but they were not seen as being in opposition to universal social programmes. It has been claimed that this "delay" in the application of targeted policies enabled Brazil to benefit from the experience of other Latin American countries and take advantage of a learning process that impeded the establishment of programmes that were redundant or alien to core universal services or the creation of social emergency funds (Draibe, 2006).

Universalism also made headway in Colombia, where the complex health reform effort pursued universality both in the coverage of insurance and the provision of services, as well as competition between insurers and service suppliers,

² The jobs created were generally small scale and of very low quality, with low pay and biases against women (Berar Awad, 1997).

³ Other examples are the Honduran Social Investment Fund (FHIS), Peru's Cooperation for Development Fund (FONCODES), and the Social Investment Fund (FONVIS) of the Bolivarian Republic of Venezuela.

within the framework of a decentralized solidarity-based system whose benefits and obligations are established in two subsystems: the contributory subsystem, which is financed by the contributions made by workers and employers, and the subsidized subsystem. The Colombian system has important mechanisms for ensuring solidarity, such as the Solidarity and Guarantee Fund (FOSYGA). Nonetheless, the complexity of the design made it difficult to merge the two regimes within the defined time frames. In Costa Rica (a country with long-standing universal traditions), there was no retrogression in the sense of any form of reductionism in social policy matters which adversely affected the resources provided for the various social sectors. In fact, noteworthy efforts were made in terms of selective policies designed to reduce the digital divide through the introduction of educational information technology, beginning with the poorest schools, but with a universalist approach aiming to expand coverage and with objectives that clearly went beyond mere welfare assistance stance.

2. Links between targeted and universal policies

That reductionist view of social policy was gradually eroded for various reasons and considerations, including: (a) the limited viability of setting up isolated targeted programmes since, in fact, most selective programmes in the region assumed a relation with basic social services such as those of health and education; and (b) a growing recognition that the emphasis of macro, sectoral and targeted policies should be a function of the depth and specific nature of the poverty existing in each country. Targeting is more important when poverty is highly concentrated and there is good programme execution capacity; but, when poverty is very widespread and the execution capacity is weak, it is best tackled through the benefits of growth and support for basic social services.

Moreover, some successful development experiences in Southeast Asian countries revived the international financial organizations' views on the need to improve the income distribution to the benefit of stronger growth and social integration. This reopened the door to views on development that accord greater importance to the causes of poverty, do not set growth against equity, recognize a complementary relation between State and market, and show caution towards market mechanisms, for both efficiency and equity reasons. These questionings, which arose in the mid-1990s and have accentuated since, together with the lessons provided by the failures and limitations of targeted programmes with a reductionist perspective, changed global social policy and targeting orientations in various ways.

More open views of the link between selective programmes and eminently universal sector policies have gathered strength in the region, as evidenced by the gradual introduction of conditionalities for accessing certain benefits (generally of a monetary type) in CCTs. Because these conditions are generally related to health, nutrition and education, they were previously met in the sector policy framework.

Selectivity came to be seen as less relevant, as it was increasingly recognized that the complexity of the objectives of social policy went beyond the fight against poverty, which was itself a huge task reaching far beyond targeting; that the multifaceted nature of poverty called for comprehensive yet heterogeneous policies and differentiated forms of action; and that it was necessary to attack the causes of poverty, with emphasis on the acquisition of the capacities and skills that would enable people to lift themselves out of poverty by participating more fully in social, economic and political affairs (Sojo, 1999). Universal benefits, which by their very nature are closely associated with social sector dynamics, can act as a "hinge" between obligations and rights which operates within a broad time spectrum and serves as a channel for investment in human capacities. The effects being pursued encompass the restoration of health and food security or the improvement of people's educational capital, so they may be visible only in the medium or long term and may even have an intergenerational effect.

Whether programmes or cash transfers are of an assistentialist nature or are aimed at investment in human capital depends on the strategy under which the benefits are provided. It is therefore appropriate to analyse the simultaneous functions that they can fulfil, such as acting against chronic poverty situations or the temporary effects of economic adjustments, bringing the target population closer to the supply of education and health or integrating it into that supply. It is also important to ascertain their indirect effects, such as changes in power relations in households when women are the recipients of cash transfers or other types of conditional benefits and have to make sure that the counterpart obligations are actually fulfilled.

In these terms, CCTs provide for counterpart contributions that are mainly related to investment in human capacities through actions in the field of education, nutrition and the health status of children and young people. The aim is to help prevent students from dropping out of school or lagging behind, and to forestall premature and/or precarious entry into the labour market. Actions in the education domain help to promote higher rates of school enrolment and serve as a mechanism to prevent and eradicate child labour. Fulfilling this task effectively requires other family members to be involved, particularly women. What is at stake, then, is the existence of a sector supply that makes the fulfilment of counterpart requirements viable. In other words, far from opposing one another, the rationale of the relevant social sectors and the rationale of targeted policies should actually be complementary (Serrano, 2005; ECLAC, 2006).

The main institutional lessons that can be drawn from the CCTs implemented in the region since the late 1990s or early in the 2000 decade, include the following:

- (i) The need for the coordination of anti-poverty policies with macroeconomic policy and production development policies, and their linkage with general social policy reforms.
- (ii) The need for the strategic incorporation of targeting as a complement to the existing institutions rather than in competition with them (such strategic and complementary incorporation has global repercussions for social policy and its institutional environment); establishing rights and obligations for the policy beneficiaries has certain consequences, and measures need to be adopted to ensure that beneficiaries can uphold their rights and obligations (in other words, action must be taken to ensure that there is effective access to a public supply, generally of health and education services, when some counterpart requirement must be fulfilled by the beneficiaries).
- (iii) The need to make sure that the resources allocated to these programmes are sustainable. Strictly speaking, conditional benefits are not radically new. The critical point in some contemporary CCTs, which have had a demonstration effect in the region, is their coverage (the number of beneficiaries) and in some cases the size of the benefits.

It is also important to stress that making cash transfers efficiently, on a timely basis, and in accordance with beneficiary selection criteria, poses major management challenges.⁴ Emphasis in the region has long been placed on the heterogeneity of poverty and its consequences for targeting in terms of meeting needs of different kinds, and on its implications for the design of programmes and of the criteria and instruments for beneficiary selection (Raczynski, 1991; Vergara, 1990; ECLAC, 1994). It is also increasingly recognized that programmes need to address the specific causes of poverty and take account of its heterogeneity, which calls for integrated but differentiated actions. Conditional transfers tie in with the institutional structure of the various sectors; so such transfers must not be divorced from that structure, let alone be in competition with it. The aim is for these transfers to contribute to universalization and help people to escape from poverty (Cohn and Medeiros, 2004). It needs to be remembered, however, that the interrelationship between selective programmes and sector institutions is an ongoing process, which may involve many adjustments.

In short, wide-ranging experiences in the region show that conditional cash transfers should not —indeed, cannot— substitute for the supply of good-quality social services. If there is no concern about the importance of providing high-quality health and education services, there is a risk of making cash transfers conditional on the performance of suppliers who are incapable of achieving long-term improvements in well-being or of combating the causes of poverty and its intergenerational nature. That is why it is proposed to expand the coverage of these services in poor areas and take steps to improve the quality of the services provided (Rawlings, 2004; Serrano and Raczynski, 2003). Moreover, an important debate has been launched on the need to incorporate or strengthen the rights approach in relation to cash transfers, questioning the punitive nature that the conditionalities or counterpart obligations sometimes acquire, or even calling for a review of the very idea of conditionality itself.

3. Social protection and types of financing

Just as the need to overcome a reductionist approach towards poverty reduction policies and sector policies generally is becoming increasingly obvious in the region every day, it is also essential to overcome the reductionist and dichotomous view of the relation between contributory and non-contributory social protection.

⁴ This topic is discussed in chapter III.

As ECLAC has argued in the equality trilogy (ECLAC, 2014a, 2012a and 2010), and as seen in chapter I, overcoming poverty and inequality in Latin America is a huge and urgent task, which requires structural changes not only in the economic and productive domains, but also in the State's role and in the design of social policies. That view is not consistent with restrictive attitudes towards the State's role in terms of social protection and risk diversification, and which propose low coverage rates and little differentiation of social protection risks. As argued in ECLAC (2013, chapter IV), underlying these positions is an eminently mercantilist social protection proposal for the non-poor, and a very limited one for the poor, and is thus segmented. This calls into question both universality and the solidarity of financing. As the broad differentiation of risks and the distributive effects of social protection are overlooked as objectives, contributory financing is called into question and it is proposed to use fiscal resources to finance restricted coverage rates. Thus, the segmentation and stratification of social protection goes unchallenged; and the regressive or progressive nature of the tax revenues that will be channelled to it are not closely examined (for example whether they are progressive or indirect taxes), and indirect taxes are even recommended, despite their regressive nature. In the opinion of ECLAC, the dichotomous view of the financing of social protection that sets the contributory against the non-contributory is unproductive. The mapping of social protection, which was briefly referred to in the diagnostic assessment made in chapter I, stresses that coverages and their inequalities do not depend on this variable: countries that are at the bottom of the list in terms of pension and health system coverage, access inequalities reflecting income or labour market participation, and pension quality (in other words the amounts) are not in the same positions in terms of the contributory or non-contributory financing of the resources, which, in addition, in many countries are articulated at the sector level. Hence, classifying countries in that way would not be very illuminating.

It is important to note that the funding source itself does not determine the organizational structure of the sector, the mechanisms through which resources are allocated, or the precision with which the benefits are calculated (Palier, 2010; Kutzin, 2008; Gutiérrez and others, 2012). Moving away from segmentation and towards equity clearly does not obviate the need to combine contributory with non-contributory resources. In terms of equity, however, the architecture of social protection systems causes fragmentations, segmentations and stratifications, which do not depend directly on the contributory or non-contributory nature of the resources in question. The specific way in which they combine is also crucial, which depends on the scaffolding of this architecture, including the progressiveness of the financing, resource allocation, specification of the benefits, the quality of the benefits, the effectiveness and efficiency of resource use, the regulation of public-private combinations, and the legal protection provided to rights, among other things (ECLAC, 2013).

It is therefore very important to avoid dichotomous postulates on the financing of social protection and its coverage rates, recognizing the role played by contributory financing in social protection —and in particular ensuring health and pensions associated with the labour market and with unpaid work— and moving towards convergence and less stratification of the benefits paid in the social protection domains, where both contributory and non-contributory resources are present (Sojo, 2015).

B. Poverty reduction based on a social protection and rights approach

Around 2000, concepts such as guaranteed human, economic, social and cultural rights, full citizenship and social cohesion started to gain a strong foothold in approaches guiding social policy (ECLAC, 2000, 2006 and 2007). These concepts reflect an explicit concern to distribute the benefits of economic development more evenly and reduce the existing high levels of inequality. This means considering individuals as citizens with rights (Cecchini and Martínez, 2011). As will be seen below, those changes in approach that guide social protection policies have also transformed the role of CCTs in poverty reduction. In that context, and although it cannot be said that the region's social protection systems are clearly heading towards universal models, States have redoubled their efforts to expand the coverage of cash transfers and services to the population living in poverty and, in some cases, to the vulnerable population.

Although social protection responds to risks faced by the entire population, it must be related in various ways to efforts to overcome the structural problems of poverty and inequality: to improve the capacity of the poor to cope with contingent risks; to counter the intergenerational reproduction and vicious circle of poverty and inequality by making it less necessary for families to mortgage key assets for human development, such as health and education; and to help in the implementation of strategies aimed at empowering the groups that are the most vulnerable to risks, particularly children, elderly people and women. In that sense, social protection should guarantee a level of welfare that makes it possible to sustain levels of the quality of life that are considered essential for people's development, facilitate access to social services, and promote decent employment. Through the links to their benefits and activities, CCTs can serve as a gateway to integrated social protection systems for poor and vulnerable persons.

One of the key challenges facing the countries of the region in moving towards universal social protection is the integration of non-contributory social protection instruments to overcome poverty with contributory social protection. The latter can also be expanded through various labour market formalization mechanisms targeting both wage-earners and those with other forms of occupation. Integration in genuine systems must guarantee the coordination of several actions, and of the government institutions that are responsible for their design, financing, implementation, regulation, supervision and evaluation (Cecchini and Martínez, 2011).

Moreover, as has been highlighted in the previous sections, the link with universal non-contributory protection is essential. It is crucial to avoid the mistake of identifying non-contributory social protection with that targeting the poor groups of the population, because this form of protection goes beyond poverty reduction. The region has numerous examples of non-contributory social protection with universal coverage and benefits, particularly in the health sector. These include, for example, the unified health system (SUS) in Brazil, or the interwoven contributory and non-contributory financing used in Colombia and Costa Rica.

Viewing social protection as a universal policy that gives equal access to all citizens does not mean providing uniform services for a heterogeneous population. Instead it means adapting those services to cover differentiated gaps and ensure that everyone's rights are upheld. Thus, the universal approach is not in opposition to targeting, but the latter is at the service of the former, based on the recognition of people's different conditions (in terms of age, gender, race, ethnicity, socioeconomic level or employment status, among others) (ECLAC, 2006).

As labour markets have not succeeded in becoming the universal gateway to social protection (ECLAC, 2006), over the past few years several of the region's countries have adopted a broad battery of tools to formalize and flexibilize eligibility criteria for accessing contributory coverage, as will be discussed in chapter IV. At the same time, the effort to universalize social protection is reflected in at least four areas in which the borders between the contributory and the non-contributory, targeting and universality, and the contributor and recipient of the benefit are redefined: (i) retirement pensions and other cash transfers to older adults; (ii) cash transfers to families with children; (iii) access to health services and health insurance; and (iv) worker protection (insurance against illness and unemployment, together with labour rights policies such as severance pay, overtime and leave periods) (Cecchini, Filgueira and Robles, 2014).

C. Income transfer programmes to overcome poverty: weighing up the experience

Cash transfers to overcome poverty, mainly targeting families with children, are an important component of social protection systems in most Latin American and Caribbean countries. These are non-contributory programmes, because the beneficiary families receive cash transfers from the State, irrespective of their participation in the formal labour market and contribution to social security systems (Filgueira, 2014). Access to these programmes, which are funded from general revenues obtained from a mix of direct and indirect taxation, is achieved above all on needs criteria. In the region, these plans basically take the form of conditional or co-responsibility transfer programmes, but they also include non-conditional transfers and family allowances (see box II.1).

Box II.1

Differences in income transfer programs to overcome poverty

The income transfer programmes aimed at overcoming poverty that currently operate in the region differ considerably in terms of key parameters, such as the benefits they pay (transfers in cash and in kind, psychosocial support and follow-up of the families, training and microcredit programmes, among others); the modality through which they are delivered; the existence or otherwise of conditionalities; the presence and severity of sanctions, and interagency linkages. They also differ in terms of the population they reach and the levels of investment involved.

In some programmes (such as *Progresa* and *Oportunidades* (now known as *Prospera*) in Mexico, *Más Familias en Acción*, in Colombia, or *Juntos*, in Peru), the key objective is to promote the human development of the poor population, which in practice

means increasing levels of use of public education and health services, eliminating access barriers. In others (such as *Bolsa Familia*, in Brazil), the cash transfer is understood as a citizen right and the health and education conditionalities are seen as helping to strengthen access to those rights. Other programmes (such as *Chile Solidario* or the *Unidos* network in Colombia) consist instead of articulation structures, which aim to guarantee access to the benefits offered by different specific programmes and thus create an inclusion floor. Programmes currently operating in Argentina and Uruguay, while including conditionalities, are seen as an extension to informal workers of the family allowances traditionally provided to formal workers. Lastly, the social missions in place in the Bolivarian Republic of Venezuela are poverty reduction tools par excellence.

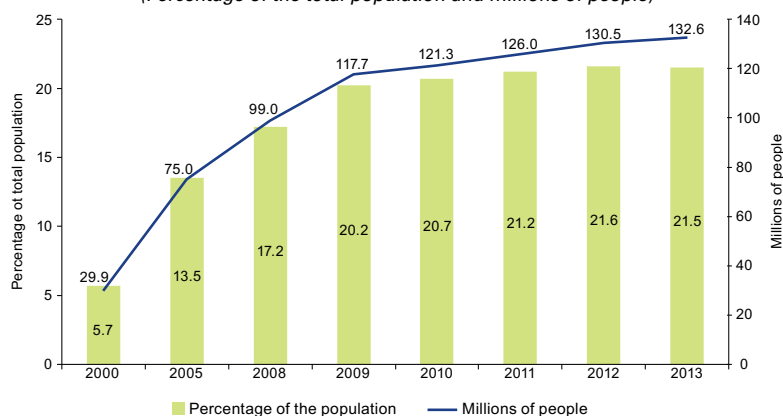
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Conditional transfer programmes have become a major innovation in poverty reduction efforts in the past two decades, both because they have succeeded in covering population groups that have traditionally been excluded, and because they have introduced new forms of public governance, such as those related to selection processes and beneficiary registration. These programmes aim to reduce poverty by increasing families' cash resources to enable them to satisfy their basic needs and, at the same time, strengthen the human capacities of their members. Families with children are required to meet certain commitments in the fields of education (primary and secondary school enrolment and attendance), health (fulfilment of the immunization calendar for infants and antenatal and postnatal check-ups for women) and nutrition.

1. Evolution of CCTs in the region: coverage, amounts and investment

Conditional transfer programmes first appeared in the mid-1990s in Brazil and Mexico.⁵ Since then, they have spread rapidly, and around the year 2000 they were being implemented in five countries (Brazil, Ecuador, Honduras, Mexico and Nicaragua); and in 2014 there were programmes of this type in 20 of the region's countries (Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay). ECLAC estimates that whereas these programmes covered around 5.7% of the general population around 2000, coverage had increased to 21.5% by 2013 (see figure II.1).

Figure II.1
Latin America and the Caribbean (21 countries): population living in households that participate in CCTs, 2000-2013
(Percentage of the total population and millions of people)

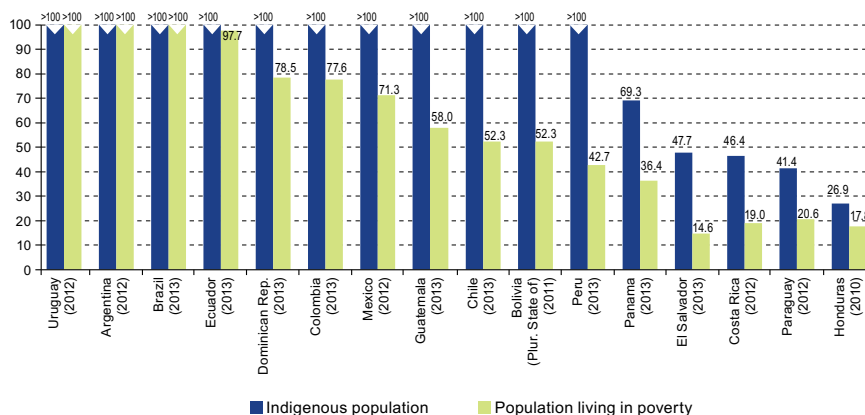


Source: Economic Commission for Latin America and the Caribbean (ECLAC), Database on non-contributory social protection programmes in Latin America and the Caribbean [online]: dds.cepal.org/bdptc.

⁵ In Brazil, at the local level, in 1995 in the cities of Campinas and Riberão Preto, and in the Federal District; and in Mexico nationally, in 1997, with the Education, Health and Food Programme (*Progresa*).

Despite that substantial expansion, the coverage of CCTs still varies greatly between the countries. As shown in figure II.2, while in most of the countries analysed the coverage of programmes is comparable to all people living in situations of indigence, in five cases the percentages vary between 26.9% and 69.3%. In relation to the population in situations of poverty, the coverage rates are much smaller: in just four of the 16 countries considered, are the figures equal to or close to 100%; in six of them coverage rates are between 52.3% and 78.5%; in two countries they are close to 40%, and in the other four countries close to or below 20%.

Figure II.2
Latin America (16 countries): coverage of CCTs, 2010-2013^a
 (Percentages of the indigent and poor population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Database on non-contributory social protection programmes in Latin America and the Caribbean [online]: dds.cepal.org/bdptc; and *Social Panorama of Latin America, 2014* (LC/G.2635-P), Santiago, 2014.

^a The coverage of conditional transfer programmes in relation to the indigent and poor population does not take account of inclusion and exclusion errors.

Another important aspect to be considered in the analysis is the amount of the transfers. As shown in table II.1, this also varies widely from one country to another.⁶ An exercise by Cecchini and Vargas (2015) using 2011 data, shows that, as a regional average, the minimum amounts of the transfers (according to the programmes' operating regulations) represent 32% of the average monthly resource deficit of the extremely poor population and 15% of the deficit of the poor population. The maximum amount of the transfers covers 86% of the average monthly deficit of families living in extreme poverty and 44% in the case of those living in poverty.

Table II.1
Latin America (10 countries): monthly per capita amount of conditional transfers based on household surveys, around 2011 and 2013^a
 (Dollars at constant 2005 prices and percentages of the indigence and poverty thresholds)

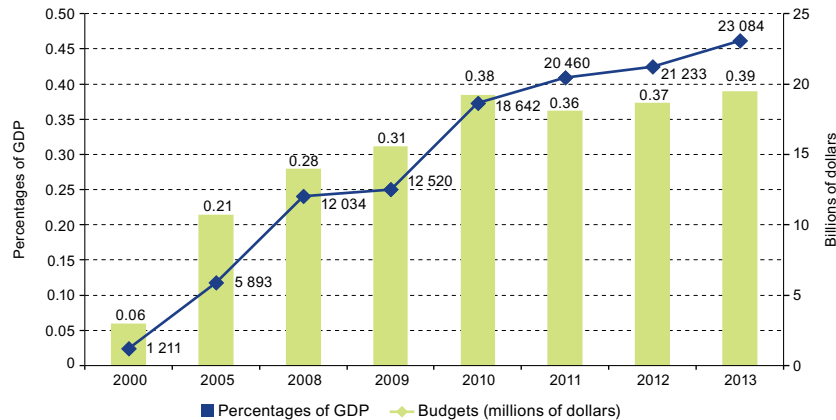
Country and name of programme	Dollars at 2005 prices		Amount as a percentage of the indigent's threshold		Amount as a percentage of the poverty threshold	
	2011	2013	2011	2013	2011	2013
Bolivia (Plurinational State of), Bono Juancito Pinto o Bono Madre Niño-Niña "Juana Azurduy de Padilla"	0.57	0.51	2.4	2.0	1.4	1.2
Chile, Asignación Social	10.67	9.16	22.9	18.4	13.7	11.4
Colombia, Familias en Acción	11.98	...	44.6	...	23.4	...
Ecuador, Bono de Desarrollo Humano	8.33	10.17	25.0	29.1	15.3	17.6
Honduras, Programa de Asignación Familiar (PRAF)	3.67	...	11.6	...	6.6	...
Mexico, Oportunidades	10.29	10.20	16.1	14.5	9.8	9.1
Panama, Red de Oportunidades	6.84	5.76	18.3	14.6	11.1	9.1
Paraguay, Tekoporã	4.99	3.48	16.7	11.6	10.4	7.2
Peru, Juntos	4.87	4.70	18.5	18.7	8.9	8.7
Uruguay, Tarjeta Uruguay Social	31.94	41.19	68.2	83.8	37.2	46.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special processing of household surveys conducted in the respective countries.

⁶ In table II.1 the monthly per capita amounts of conditional transfers refer to the minimum and maximum amounts in the respective programmes' rules of operations.

Another clear feature of the evolution of CCTs in the region, which is directly related to expanding their coverage, is the increase in resources involved in financing those programmes which, in any event, remains modest. While public investment in CCTs was equivalent to 0.06% of the region's GDP around 2000, it had risen to 0.39% by 2013 (see figure II.3).

Figure II.3
Latin America and the Caribbean (21 countries): public investment in CCTs, 2000-2013
(Percentages of GDP and billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Database on non-contributory social protection programmes in Latin America and the Caribbean [online]: dds.cepal.org/bdptc.

2. Conditional transfer programmes and their social and economic effects

A large number of impact assessments make it possible to analyse the results obtained by income transfer programmes, particularly conditional ones, to overcome poverty in the different countries of the region, both in terms of income poverty, and with respect to education, health and nutrition indicators. As noted below, the results are promising in terms of reducing social and coverage gaps, but they also contribute significantly to the redistributive goal of social policy, with adjustments to the primary income distribution, and in the economic benefits that this generates, not only among the direct target groups but also in the economy at large.

Some of the lessons learned from these studies are outlined below.

(a) Effects on poverty and inequality

Conditional transfer programmes apply beneficiary selection procedures and techniques that minimize exclusion errors (families that satisfy the eligibility criteria but do not participate in the programme) and inclusion errors (families who do not satisfy the eligibility criteria but do nonetheless participate). The effects on poverty and inequality indicators thus depend on the quality of targeting, the scope of the programme's coverage and the amount of the transfers. As these tend to be targeted on the most poor, but do not always involve a large amount (see figure II.3 and table II.1), the impact on poverty—more than on the headcount index (FGT0)—is seen primarily in indicators relating to the lowest part of the income distribution, such as the poverty gap (FGT1) and the severity of poverty (FGT2) (Cruces and Gasparini, 2012; Veras Soares, 2009). This means that the impact is mainly in terms of raising household incomes closer to the poverty or indigence thresholds, without necessarily surpassing them.⁷

The evidence of the positive effects of CCTs on the percentage of the population living in poverty or indigence comes from countries where these programmes have a broad scope and are effective, and the amounts of the transfers

⁷ The most widely used indicator to measure poverty, the percentage of persons with incomes below the poverty line, known as the "Headcount Index", corresponds to FGT0 in the family of parametric indices to measure poverty proposed by Foster, Greer and Thorbecke (1984). FGT1 is the poverty-gap indicator, which weights the percentage of poor people by the extent to which their income is below the poverty line. FGT2, meanwhile, assigns a larger relative weight in the final result to those who are furthest from the poverty line, by raising the relative income deficit to the power of two (ECLAC, 2014b).

are significant.⁸ These are mainly middle-income countries. In the case of Brazil, for example, according to Soares (2012), the Bolsa Família programme contributes to an 8% reduction in the poverty headcount index (FGT0), an 18% reduction in the poverty gap (FGT1) and a 22% reduction in the severity of poverty (FGT2). In countries where the coverage and amount of the transfers are smaller (generally lower-income countries) no major repercussions on poverty are detected. In the case of Honduras, Guerreiro Osório (2008) concluded that the small amount of the transfers paid in the Family Allowance Programme (*Programa de Asignación Familiar* – PRAF) only succeeded in reducing poverty by 0.02 percentage points.

An arithmetical simulation exercise performed by Amarante and Jiménez (2013) for nine countries (Chile, Colombia, Costa Rica, Ecuador, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay) with microdata obtained from the 2011 household surveys, to measure the effect of CCTs on income poverty, obtained similar results: the effects a greater in terms of reducing the poverty gap and particularly its severity, but the effects on poverty incidence are smaller.

It should also be noted that to evaluate the impact of CCTs on poverty reduction it is not sufficient to measure their immediate effects on income in a given year based on household survey data. Apart from the actual amounts of the transfers, account needs to be taken of whether the time for which they are received enables the families to overcome certain needs thresholds and thus be better able to invest in the capacities of their children, obtain better-quality jobs, invest in small-scale ventures or agricultural activities, and thus improve their economic inclusion (ECLAC, 2012b; Hanlon, Barrientos and Hulme, 2010). The impact of CCTs on incomes is unlikely to have consequences that last beyond the duration of the transfers unless they are complemented with other programmes or actions to provide access to the battery of sector policies and social promotion programmes that foster the labour market and productive integration of their beneficiaries.

(b) Effects on human capacities

With regard to strengthening human capacities in areas such as education, health and nutrition, the impact assessments of CCTs show that progress has been made in terms of access to schools and health services. They also show that outcomes in terms of learning, health status and nutritional situation depend largely on the quantity and quality of the supply of public services. Nonetheless, the results are not homogeneous and vary according to the indicator, country, programme, area of residence, and the age of the participants. Evaluations of the effects on human capacities do not always clarify which channel enables the results obtained, or the causal relations that exist between them. In particular, we do not know whether the positive effects are mainly due to an increase in poor families' disposable income ("income effect") or to the commitments that they have to assume to obtain the transfers ("conditionalities effect") (Cecchini, 2013). However, the design of CCTs includes the explicit or tacit hypothesis that these improvements are closely related to the conditionalities.

In the education components of CCTs, the effects are generally observed through increases in school enrolment and attendance. These tend to be greater in countries where the base levels were lower, in cycle-terminating school grades where dropout rates were high (such as the transition from primary to secondary) and in the poorest households and localities. Impact evaluations provide little information about the children's learning (Cecchini, 2014). In the case of the health and nutrition components, increases are seen in indicators of access to health, such as the coverage of growth check-ups for children, preventive medical check-ups and immunization programmes. The evidence on children's health and nutritional status is more varied (Hoddinott and Bassett, 2009; Cecchini and Veras Soares, 2014) (see box II.2).

⁸ This is the case in Argentina (Agis, Cañete and Panigo, 2010; Cruces and Gasparini, 2012; Lustig, Pessino and Scott, 2013); Brazil (Cruces and Gasparini, 2012; Fiszbein and Schady, 2009; Lustig, Pessino and Scott, 2013; Soares, 2012; Veras Soares and others, 2006); Ecuador (Naranjo, 2008; Fiszbein and Schady, 2009); Jamaica (Fiszbein and Schady, 2009); Mexico (Cruces and Gasparini, 2012; Fiszbein and Schady, 2009; Lustig, Pessino and Scott, 2013) and Uruguay (Colafranceschi and Vigorito, 2013; Cruces and Gasparini, 2012; Lustig, Pessino and Scott, 2013).

Box II.2

Effects of CCTs on human capacities

In terms of education, health and nutrition, there are many evaluations in the region on the impacts that CCTs have on the different variables, the main results of which are summarized in this box.

In education, increases in enrolment and school attendance rates are the most commonly observed effects. In Mexico, De Brauw and Hoddinott (2008) identify, for the educational component of the Progresas programme, a significant increase in the probability of attending school. In addition, as a result of *Oportunidades*, it has been found that gender gaps in the secondary school enrolment rate have virtually disappeared, particularly in rural areas (Parker, 2003 and 2004). This programme has also had positive effects in terms of an increase in enrolment and grade pass rates among indigenous children (Escobar and González de la Rocha, 2002 and 2008). Other evaluations (SEDESOL, 2008) have reported significant progress in reducing school dropout, raising the school enrolment rate, and improving grades, although all of this occurs in specific geographical areas, age ranges and levels of schooling. Similarly, school attendance has increased as a result of the implementation of CCTs in Brazil, Colombia, Dominican Republic, Jamaica and Paraguay. In Brazil, Silveira Neto (2010) finds that the school attendance rate for pupils of 7-14 years of age, increases by between 2.2 and 2.9 percentage points, depending on the methodology of analysis used. De Brauw and others (2012), note that in 2005-2009, attendance rates for children aged between six and 15 years who participate in the *Bolsa Família* programme increased by between 4.1% and 4.5%, depending on the control group. In Colombia, Attanasio and others (2008) find that the *Familias in Action* programme increases school attendance more among secondary school pupils than primary school children, which can be attributed to the already high levels of attendance in primary before the programme was implemented. In Jamaica, the Progress through Health and Education Programme (PATH) increases school attendance among children aged between six and 17 years by 0.5 days per month, which is an important result given the already very high attendance levels (96%) (Levy and Ohls, 2007). In Paraguay, the Tekoporá programme has contributed to a 2.5% increase in the enrolment rate among children from the targeted families, whereas school attendance rises by between 5 and 8 percentage points (Veras Soares, Pérez Ribas and Hirata, 2008). In the Dominican Republic, the Solidarity Programme has increased the probability that 14-16-year-olds are attending school by 14 percentage points (*Programa Solidaridad*, 2008).

There is also evidence of effects on other variables, such as grade retention and school dropout, or the completion of secondary. In Brazil, Oliveira and Soares (2013), find positive effects from the *Bolsa Família* programme on grade retention, because the programme reduces the probability of the participating students having to repeat grades by 11%. Both De Brauw and others (2012) and Cireno, Silva and Proença (2013) identify reductions in school dropout rates as an effect of participating in the *Bolsa Família* programme, ranging from -1.9% to -2.9% in the first case and -0.1% in the second. De Brauw and others (2012) also find positive effects from *Bolsa Família* on progression to the following school grade, which is particularly significant for 15-year-old children. In Colombia, Baez and Camacho (2011) find that students who participate in the Families in Action Programme have a 4-8 percentage point higher probability of completing secondary school than the control group, and they estimate that this would mean between

100,000 and 200,000 secondary school graduates in addition to those who would have completed their schooling without the conditional transfer programme.

Nonetheless, it is clear that greater feedback and coordination between CCTs and other types of educational programmes could produce significant improvements in educational processes and outcomes. On this point, Gertler, Patrinos and Rubio-Codina (2008) have evaluated the role of education policies in Mexican schools where a high percentage of students participate in the *Oportunidades* programme; and they find that programmes that seek to empower parent associations, particularly the School Management Support Programme (*Apoyo a la Gestión Escolar-AGE*), which forms part of a broader Educational Compensation Programme, succeed in reducing grade retention and school dropout.

In the health sphere, evaluations show positive changes in access to preventive health check-ups and immunization coverage. In the case of preventive health, in Mexico, the use of public health services for health check-ups (for children and adults) and the monitoring of nutritional status (children) increased faster in localities that participated in the *Progresas* programme than in the control localities (Gertler and Boyce, 2001). A more recent evaluation of *Oportunidades* has confirmed these results in both rural and urban areas (Gutiérrez and others, 2005). In Jamaica medical check-ups increased by 38% among children under six years of age who participate in the PATH programme (Levy and Ohls, 2007). In Colombia, the National Planning Department (DNP, 2008) reported a 30% increase in the proportion of children under two attending health clinics. Similarly, in El Salvador, check-ups increased by 10 percentage points among children under one year old (IFPRI/FUSADES, 2010). In Guatemala, however, no significant impact was recorded on the use of preventive health services by children participating in the *Mi Familia Progresas* [My family progresses] programme (Gutiérrez, 2011). Impact assessments conducted in Brazil (De Brauw and others, 2012) and in Peru (Perova and Vakis, 2009; Sánchez and Jaramillo, 2012) show that children who participate in the CCTs are more likely to be immunized.

In El Salvador, between 2006 and 2007, the *Red Solidaria* [Solidarity network] programme (now called *Comunidades Solidarias* [Self-help communities]) succeeded in significantly increasing the proportion of births attended by skilled personnel (16.5 percentage points) and the proportion of deliveries occurring in a health-care facility (17 percentage points) (De Brauw and Peterman, 2011). Giving birth in a health centre or assisted by qualified personnel is not the explicit conditionality of this transfer programme however; instead it is the requirement to attend antenatal check-ups. Accordingly, as De Brauw and Peterman (2011) note, the way the impact is generated is not immediately obvious, and it could depend on a combination of the income effect, the effects of other conditionalities, women's participation in health training events and an increase in their decision-making power, and an improvement in the supply of health services.

In Brazil, Jannuzzi and Pinto (2014) identify the following effects among participants in the *Bolsa Família* programme: an increase in the number of antenatal check-ups attended by expectant mothers (1.6 more check-ups than pregnant women not participating in the programme) and a reduction from 19% to 5% in the proportion of women who have not attended check-ups, babies with a heavier birthweight, and a larger proportion of children who are exclusively breastfed in their first six months of life.

Box II.2 (concluded)

The effects on nutritional and anthropometric results, and also on health status, are varied. CCTs do not have conditionalities relating to the nutritional status of children, but often include specific provisions to improve nutrition, such as health training and advisory events for mothers. Programmes that provide nutritional benefits, such as *Oportunidades*, *Más Familias en Acción*, *Bolsa Familia*, *Bono de Desarrollo Humano* and the now defunct Social Protection Network (*Red de Protección Social* – RPS) in Nicaragua, have improved the nutritional indicators of school-age children. In the case of Mexico, Gertler (2004) states that children in the treatment group are 0.96 cm taller and have a 25.5% lower probability of being anaemic than children in the control group. Fernald, Gertler and Neufeld (2008) show that the increase in cash transfer is associated with a lower prevalence of wasting and overweight children. In Colombia, children who participate in the Families in Action programme are 0.45 cm taller than children in the control group (DNP, 2006) and are less likely to suffer from malnutrition (Attanasio, Trias and Vera-Hernández, 2009). In contrast, *Tekoporã* in Paraguay and the Family Allowances Programme (PRAF) in Honduras do not report such positive effects (Barrios, Galeano and Sánchez, 2008; Bassett, 2008; Hoddinott and Bassett, 2009). Evaluations of the *Bolsa Familia* programme in Brazil showed improvements

in some anthropometric indicators such as weight, height, and body mass index among children under five.

In relation to the impact on childhood illnesses, Attanasio, Trias and Vera-Hernández (2009) have found a reduction in the prevalence of dysentery and acute respiratory diseases among children who participate in the Families in Action programme. In Mexico, SEDESOL (2008) found that children who participate in *Progresar/Oportunidades* have significantly fewer days of illness; but an evaluation made by Fernald, Gertler and Neufeld (2008) did not find any significant reduction in sickness rates among children as a result of implementation of *Oportunidades*.

Lastly, Rasella and others (2013) claim that *Bolsa Familia* has helped to significantly reduce the under-fives mortality rate in Brazil (by 17% between 2004 and 2009), thanks to its impact on some of the poverty-related causes of child mortality, such as malnutrition and dysentery. The authors also show that those effects have been greater in municipalities in which the programme coverage was more extensive, and where families remained in the programme for at least four years. They also show the importance of combined action between *Bolsa Familia* and the Family Health Programme, which is the main primary health-care strategy in the country and currently covers 54.8% of the population, particularly in deprived and rural areas.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the cited authors.

3. CCTs and the challenge of labour and productive inclusion

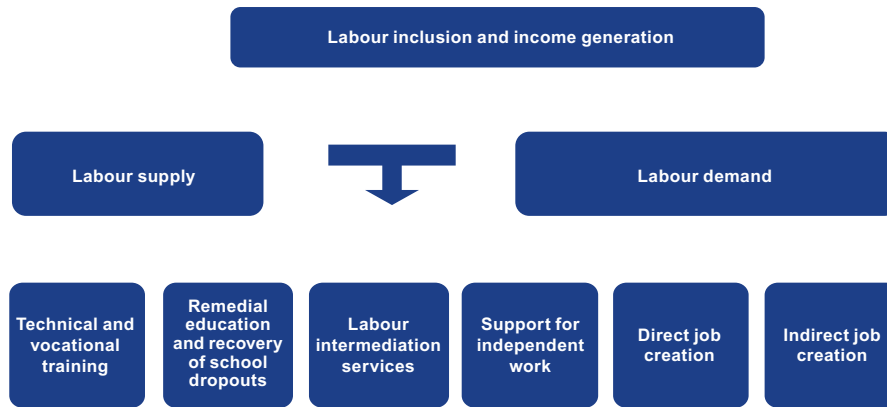
Several CCTs in the region were originally based on the assumption that the children of beneficiary households would be able to participate more effectively in the labour market once they reached working age, thanks to their higher levels of education, health and nutrition. This would enable their families to overcome poverty on their own. For this reason, these programmes did not initially include specific labour inclusion measures for the young people or adults of working age who participated in them.

Nonetheless, with the passage of time, the labour market dimension has gained increasing importance in CCTs. This is because, thus far, conditional transfers have been found to contribute more to poverty relief than to a genuine break in its intergenerational reproduction, based on better labour market inclusion. A common concern of the region's programmes is thus to combine cash transfers aimed at ensuring certain living standards with conditionalities aimed at fostering an increase in human capacities, and services to improve current and future conditions of labour market inclusion and income generation.

In the last few years, at least 15 countries have implemented productive and labour inclusion services for young people and working-age adults who participate in CCTs.⁹ The services can be divided into two broad categories, depending on whether they support labour supply or labour demand (see diagram II.1). Mexico is a paradigmatic case, because in 2014 it created the new CCT known as *Prospera*, to succeed the *Oportunidades* programme, with the aim of articulating and coordinating the institutional supply of social policy programmes and actions, highlighting those related to productive development, income generation, economic welfare, and financial and labour market inclusion.

⁹ According to information obtained from ECLAC's database of non-contributory social protection programmes in Latin America and the Caribbean (see [online] <http://dds.ECLAC.org/bpsnc/>), these countries are: Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Jamaica, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago and Uruguay.

Diagram II.1
Types of labour market inclusion and income generation programmes associated with CCTs



Source: Economic Commission for Latin America and the Caribbean (ECLAC)/International Labour Organization (ILO), “CTPs and the labour market,” *The Employment Situation in Latin America and the Caribbean*, No. 10, Santiago, May 2014.

Programmes aimed at improving the supply of labour include those that foster technical and vocational training, together with the recovery of primary and secondary school studies. Technical and vocational training programmes—such as the Sector Vocational Qualification Plan (PlanSeQ) and the National Programme of Access To Technical Education and Employment for beneficiaries of the *Brasil Sem Miséria* [Brazil without Misery] plan (Pronatec/BSM) in Brazil, or the Youth in Action programme and the Income for Social Prosperity programme in Colombia—are some of the main services offered to young people and adults living in households targeted by CCTs. Their aim is to increase people’s assets, by improving their knowledge and capacities. The instruments of programmes of this type can be traditional training, which aims at developing and acquiring knowledge to perform a task, and skill training, which consists in developing skills that are applicable to different circumstances and adaptable to change (OAS/ECLAC/ILO, 2011). In addition, although nearly all CCTs include school enrolment and attendance by children of up to 18 years of age in their co-responsibilities, some of them (such as the *Progresar* programme in Argentina and *Jóvenes con Prospera* in Mexico) include in their education component specific scholarships to prevent school dropout by young people and for recovery studies for adults.

Programmes that aim to expand the demand for labour or generate links with potential employers consist of the following actions: (i) support for independent work with microcredit, self-employment, and entrepreneurship components; (ii) direct job creation; and (iii) indirect job creation (ECLAC/ILO, 2014).

Programmes to support independent work may provide seed capital or facilitate access to credit to enable CCT beneficiaries—who have limited access to traditional credit programmes owing to their lack of assets—to set up and improve their small businesses. They also offer training on topics such as saving and finance, economic planning, microenterprise and leadership. Examples of these programmes are the Solidarity Productive Credit programme in Ecuador, which complements the Human Development Grant; and Brazil’s Guided Productive Microcredit programme, *Crescer*, which forms part of the *Brasil Sem Miséria* plan. Direct job creation consists of increasing the demand for labour through public plans that offer emergency jobs, or local development plans that operate by providing temporary jobs to working-age adults who live in CCT beneficiary households. These actions have been implemented in response to economic crisis situations, such as occurred in Argentina with the Unemployed Heads of Household Plan (2002-2005) or in Uruguay with the National Social Emergency Response Plan (*Plan de Atención Nacional a la Emergencia Social* – PANES) (2005-2007). In Brazil, PlanSeQ, linked to the Growth Acceleration Programme (PAC), implemented actions to promote employment in the infrastructure, civil construction, housing and tourism sectors. Indirect job creation, in turn, operates through public economic subsidies, usually granted for a defined time period, for private firms to hire working-age adults who are CCT beneficiaries. With these subsidies, labour costs are reduced and part of the wage or social security contributions are covered. An example of this is the Youth Employment Subsidy in Chile (ECLAC/ILO, 2014).

Lastly, labour market intermediation services help reconcile labour demand and supply by disseminating information on job vacancies and databases that describe the employment profile of persons looking for work. An example of these services is the National Promotion of Access to the World of Work Programme (*Acessuas Trabalho*) in Brazil, created within the *Brasil sem Miséria* plan. This programme transfers resources from the federal government to the municipalities to undertake actions that contribute to labour market inclusion of social welfare users, particularly the beneficiaries of *Pronatec-Brasil sem Miséria*— into the world of work, either through formal employment, individual business venture, or solidarity-based economy enterprises (Costa and others, 2014). Chile has the Employment Support Programme, within the *Chile Solidario* system, in which labour market intermediation services are run by Municipal Labour Market Intermediation Offices (OMIL) and the Education, Training and Employment Programme (PROFOCAP), and in Argentina there is the Training and Employment Insurance and the More and Better Work for Young People programme (ECLAC/ILO, 2014).

All of these types and modalities of programmes and actions can have significant effects when they also address the gender and racial or ethnic group inequalities that exist and are reproduced among populations in poverty situations, as well as providing alternatives for young people. In particular, account should be taken of the distinctive features of poverty and the characteristics of the economies and labour markets in rural and urban areas, which happens in countries such as Brazil and El Salvador.¹⁰

(a) Effects on labour market and productive inclusion

Various studies provide empirical evidence on the challenges posed by labour market and productive inclusion for CCT beneficiaries. In particular, evaluations of the career paths of the beneficiaries of the first nationwide CCT implemented in Latin America and the Caribbean —Mexico's *Oportunidades* programme (previously called *Progresas*)— show that the programme has had a limited and insignificant impact on intergenerational occupational mobility since its implementation. The main result was to enhance the education level of the beneficiaries, but a lack of productive and employment opportunities, particularly in rural areas, has made it impossible to significantly improve their social condition (ECLAC/ILO, 2014).

The qualitative study made by González de la Rocha (2008), which investigates the long-term effects of the *Oportunidades* programme on the first cohort of beneficiary children, shows that studying was the main activity of most of the 15-25-year-olds who formed part of that cohort at the time of the evaluation (8.3% were pursuing higher education courses). Nonetheless, the programme has not had the expected occupational impact, owing to the lack of job alternatives and the very precarious structures of local opportunities. In regions where there is a strong international migratory flow, many of the former beneficiaries emigrated to the United States. These results concur with those found by the quantitative research done by Rodríguez-Oreggia and Freije (2011) on the impact of *Oportunidades* on intergenerational occupational mobility in rural areas. The authors show that the programme had a limited effect on the occupational mobility of young people that were between 14 and 24 years of age in 2007: 40.2% of the women and 74.1% of the men remained in an occupational category that was no better than that of their parents (compared to 43.6% of the women and 71.7% of the men who were not programme beneficiaries).

Evaluations have also been made of services and programmes that seek to facilitate the productive and labour inclusion of young people and adults of working age who participate in CCTs. According to ECLAC/ILO (2014), in a region marked by labour market informality and unequal access to opportunities, the application of the services and programmes faces major difficulties and obstacles. The available evidence shows that improving the labour market inclusion of individuals with low education levels is a long-term effort that requires constant psychosocial

¹⁰ The *Brasil sem Miséria* plan identifies the difference between productive inclusion in urban and rural areas. It defines a “roadmap” for rural productive inclusion which consists of: (a) infrastructure actions, such as the provision of electricity (through the Electric Light for all Programme) and water for consumption and production (through the Water for all Programme); (b) actions to support production (technical assistance, productive development and microcredit), to counteract the low productivity of agricultural ventures and food insecurity; and (c) expansion of the marketing channels for agricultural production (through the Food Acquisition Programme), to cope with market-access difficulties. It also includes the *Bolsa Verde* programme, which combines cash transfer with environmental protection (MDS, 2015). In El Salvador, the actions of the *Comunidades Solidarias* [Self-help Communities] CTP, such as training courses, are differentiated, by geographical area of intervention, into rural and urban solidarity communities (ECLAC/ILO, 2014).

support to be provided to the beneficiaries; it also shows that the difficulties are greater in the case of women, young people, and individuals belonging to indigenous peoples (OAS/ECLAC/ILO, 2011). Deficits in educational training and work skills, weak links with the private job-creating sector, the shortage of job opportunities in the local area and ethnic- and gender-based gaps and barriers conspire against the feasibility of these programmes' succeeding in promoting dynamic processes to incorporate the poorest and most vulnerable into the labour market.

Despite those general trends, there are a number of positive experiences in the region in the area of technical vocational training. According to the impact studies that are available, programmes such as Young People in Action in Colombia and PlanSeQ in Brazil, have had positive impact on the likelihood of being employed. In the case of young people in action, Attanasio, Kugler and Meghir (2009) show that the programme has effects on wage incomes (which on average rise by 12%) and on the probability of having a paid job, particularly for women (whose initial wages increase by 18%). Training also helps to raise wages because it offers greater chances of having a job with a written contract in the formal sector (on average, these probabilities rise by 5.3% and 6.6%, respectively). In addition, the National Planning Department (DNP) of Colombia found that young people participating in the programme had a higher probability of being employed after completing the programme than before entering it (55.5% compared to 51.8%) (DNP, 2008).

In the case of Brazil, Petterini (2010) found that persons participating in PlanSeQ have a 19.6% higher probability of finding work than non-participants, and that the effects are positive for both men and women.¹¹ Montagner and Muller (2015) find that participation in *Pronatec* increases the chances of entering the formal labour market, and that this effect is particularly strong among *Bolsa Família* beneficiaries: whereas just 8.2% of them had links with the formal labour market when starting the courses in 2011, 18.1% of participants had such links on ending the courses in 2014. Between 2011 when *Pronatec* was created, and 2015, a total of 1.75 million enrolments had been recorded from *Bolsa Família* beneficiaries, of whom 1,173,000 (67%) were women. *Pronatec* is present in 3,623 of the country's municipalities and offers enrolments in 637 types of courses (MDS, 2015).

Moreover, the results of the evaluations underscore the weakness of public labour market intermediation services in fulfilling their purposes. In Brazil, evaluations highlight the low quality of infrastructure and the ineffectiveness of the National Employment System (SINE), particularly to serve the beneficiaries of poverty reduction programmes (Silva and others, 2013). In the case of Chile, the OMILs are in a precarious situation (in terms of material conditions of work and human resources), and they are ineffective in terms of labour market placement and have low levels of user satisfaction. In particular, there are shortcomings in labour market intermediation to guide low-skilled workers. This reflects the higher technical requirements imposed by labour market intermediation with unskilled workers, who tend to be put into informal jobs and do not rely on labour market intermediation services (only 3% of the participants in *Chile Solidario* were registered in an OMIL) (Brandt, 2012).

With regard to actions to support independent work, which seek to promote self-employment and microentrepreneurship among CCT beneficiaries, several notes of caution are in order. Although self-employment is a form of inclusion in the productive world for the poorest groups, many of the enterprises set up in this way do not succeed and disappear soon after their creation (Weller, 2009). In addition, it is important to prevent this type of initiative from providing an incentive to labour informality, owing to the close correlation that exists between informality, self-employment and microenterprises or small low-productivity ventures (OAS/ECLAC/ILO, 2011). Hence the importance of complementing actions to support independent work with tax and administrative simplification programmes that encourage formalization. A number of countries in the region are already doing this, such as Argentina and Uruguay through their *monotributo* simplified tax systems and Brazil through individual microentrepreneur (MEI) status.

In Argentina, the *monotributo* simplified income tax system had over 2.7 million taxpayers enrolled in 2013. In Brazil, 5.34 million people were formally registered as individual microentrepreneurs between 2009 and 2015.

¹¹ The PlanSeQ programme was created in 2005 as one of the pillars of the National Training Plan (PNQ) created in 2003. In 2013, PlanSeQ was absorbed by *Pronatec*, a programme of technical education, vocational training and skill development, and employment, which was created in 2011 and is much broader and has much more ambitious goals.

Of these, 525,400 were participants in the *Bolsa Família* programme, and 288,000 (55%) of them were women (MDS, 2015). In Uruguay, the *Monotributo Social* simplified tax system of the Ministry of social development (MIDES) entered into operation, which in just over one year (October 2013) had succeeded in including 429 workers (Cetrángolo and others, 2014). This topic will be taken up again in chapter IV.

Lastly, in the case of indirect job creation through public economic subsidies for contracting working-age youth or adults who are CCT beneficiaries, an impact assessment of the Youth Employment Subsidy in Chile shows that this programme has been a useful tool of labour reactivation in vulnerable sectors, particularly at times of economic recession (Centro de Microdatos, 2012).

(b) Economic effects

The economic impact of social policy is one of the dimensions that have been least analysed in the literature, partly because it is not normally seen as part of the direct objectives of social policy, but as an externality or indirect effect. Clearly, the economic effects should not be the primary rationale of social policy, and today the 1980s' attempts to develop cost-benefit evaluation models to take decisions on social policy have been abandoned. Nonetheless, this is not to deny that all social policies have economic effects, both positive and negative; and it is also clear that a failure to implement social policies generates costs and losses for society at large.

The economic effects occur either in a transitive way (through social and redistributive channels, because household consumption or income generation capacity is increased in this way, which changes consumer behaviour), or else indirectly (through their production requirements and effects on the demand for specialized goods and services) (Martínez and others, 2013).

The economic effects may be short-, medium- or long-run, insofar as some of them affect market demand or supply directly; or they may change structural variables in the beneficiaries, which have longer-term effects on quality of life and productivity. Short-term impacts are exemplified by cash transfers and the increase these generate in the demand for consumption goods, particularly the products that comprise the basic household shopping basket. The medium-term effects are those that are produced, for example, with an increase in the demand for housing generated by grants, which require several months to mature until a sector is consolidated and is capable of expanding supply to satisfy the extra demand. Meanwhile, the productivity impact generated by the universalization of basic and secondary education needs several years to be reflected adequately in economic indicators (Martínez and others, 2013).

In the case of Brazil, some studies have started to assess the macroeconomic impact of income transfers. Based on data from the 2006 National Household Survey (PNAD), Mostafa, Monteiro and Ferreira de Souza (2010) evaluated the economic impact of the *Bolsa Família* programme using social-accounting matrices. The first conclusion is that an investment of 1% of GDP in *Bolsa Família* produces a multiplier effect of 1.44% on GDP and 2.25% on family income. The multiplier effect on GDP of the Continuous Benefit Programme (BPC) is 1.38%, and in the case of the General Social Security Regime (RGPS) it is 1.23%. The authors conclude that the multiplier effect increases to the extent that the transfers target the lowest-income families and those with the highest propensity to consume (Mostafa, Monteiro and Ferreira de Souza, 2010). This is quite crucial in terms of the stimulus effect caused by reducing inequality in the income distribution. More recently, Neri, Vaz and Ferreira de Souza (2013) have encountered even greater effects of *Bolsa Família* in relation to economic growth: an evaluation of its macroeconomic effects shows that each real (R\$) invested in the programme adds R\$ 1.78 to GDP.¹²

Lastly, an unexpected aspect of CCTs, but one that has been crucial in the development of social policy in recent decades, is the impact they have had on the management models and, therefore, on improving their quality and institutional framework (see chapter III). Although in some countries evaluations of social programmes and systems for recording participants started earlier, with the CCTs they have had a key development and demonstration effect. Today nearly all of the region's countries have examples of these experiences, and a large proportion of them began with these programmes.

¹² In an analysis based on the National Household Survey (PNAD) of Brazil for the period 2003-2006, Feler (2015) found that the *Bolsa Família* programme exerted an even greater local multiplier effect: every real transferred under the programme increased income in the poorest local communities by R\$ 3.18.

D. Final comments

This chapter has discussed some of the most significant progress —along with some of the key challenges— among public policies and programmes to overcome poverty in Latin America and the Caribbean. In particular it has highlighted the greater consideration of the rights approach and an integrated and systemic vision of social protection, which makes it possible to overcome the falls targeting-universalization dichotomy.

There is currently a consensus that targeting is a tool that makes it possible to reduce inequalities and optimize the distribution of resources, whereas universalization of social protection is the ultimate goal. Overcoming this dichotomy also makes it possible to initiate a virtuous dialogue between income transfer programmes to overcome poverty and sector policies on education, health, employment and others. Hence the most recent poverty reduction strategies, exemplified by *Brasil sem Miséria*, *Chile Solidario* and *Red Unidos* of Colombia, are based on at least three complementary pillars: cash transfers, access to services, and labour market and productive inclusion.

In terms of the financing of sector policies generally and social protection in particular, a reductionist view of the relation between contributory and non-contributory social protection needs to be overcome. According to the floor-and-staircase view of social protection contained in Recommendation 202 of the International Labour Organization (ILO), the importance of both contributory and non-contributory social protection needs to be recognized, with a view to reducing stratification of the benefits.

This chapter has also considered the spread of CCTs in the region over the last two decades. Despite their rapid growth, they remain insufficient in terms of population coverage and the amount of the transfers, to meet the deep-rooted challenges of poverty and inequality. Impact assessments show that, thus far, it has been possible to alleviate poverty and inequality, rather than overcome them; and that an increase in access to the social services of education and health needs to be accompanied by a strengthening of universal policies.

The impact assessments of CCTs also provide several clues as to the challenges that will be faced by the new generation of poverty reduction programmes, which focus particularly on labour market and productive inclusion of young people, women and adults of working age who live in conditions of poverty or vulnerability. The transformation of the region's first nationwide CCT (*Progreso/Oportunidades* of Mexico) into a programme (*Prospera*) with a clear orientation towards promoting production, income generation and labour market inclusion is a strong signal in this regard.

These and other elements needed to strengthen the policies and programmes for overcoming poverty and inequality will be discussed further in chapter IV.

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Towards an institutional framework for inclusive social development in Latin America and the Caribbean

Introduction

The strides recently taken by Latin America and the Caribbean in the social sphere have been accompanied by new institutional challenges, while moves to create or strengthen government agencies suggest that social policies have risen in importance on the public agenda. Despite varying national trends, a significant common feature has been the creation of social development ministries, secretariats, and other coordination bodies, whose chief goal is to coordinate and/or implement anti-poverty programmes and policies and which have progressively acquired new functions and responsibilities. This process has coincided with the growth of the rights-based approach in public policy, raising aspirations to build comprehensive social protection systems that tend towards universal coverage.

The previous chapter dealt with the relationship between anti-poverty strategies and universal policies, describing the essential link between efforts to combat poverty and sectoral policies within a universal, solidarity-based perspective, increasingly expressed in the form of strategies, programmes and policy instruments.

This chapter looks at the region's social policy institutions and examines government agencies such as ministries, secretariats and coordination cabinets, whose fundamental responsibilities are to implement anti-poverty and social development strategies in the countries.

In the last two decades of the twentieth century, the countries adopted different institutional approaches to coordinating the fight against poverty. These included: offices of the vice president, sometimes devoted to social issues; planning secretariats and the technical secretariats of interministerial cabinets or commissions; offices of the first lady with responsibility for various social and charitable works; social investment funds; or ministries or secretariats with specific anti-poverty or social development functions.

Social development ministries, which mostly emerged in the 2000s in a context of major political change, face the challenge of building their capacity for coordination and dialogue, in order to bolster poverty reduction policies and move towards more structured strategies for tackling inequality and strengthening comprehensive and universal social protection systems.

The analysis shows that while national experiences have differed, there is some evidence of convergent trends. National and international regulations grounded in a rights-based approach have become more widespread, including those that underpin poverty reduction policies, with a view to boosting organization and management capacities, improving accountability, and encouraging coordination between organizations, different levels of government and civil society in order to maximize the impact of these policies. On the other hand, the resource base has grown and new techniques of internal management, coordination and evaluation have been adopted.

Notwithstanding their heterogeneity, the countries share an array of common challenges: ensuring that adequate resources are available to increase social investment and improve service quality; consolidating a legal and regulatory basis that enhances the sustainability of social policy by transforming it into State policy and thus enabling progress towards more structural long-term objectives, beyond individual administrations; strengthening coordinated cross-sectoral actions on social policy and social protection; bolstering the capacity for dialogue between the social policy sphere and other areas of government policy, such as economic affairs, finance and productive development; strengthening public administration in the social area, on aspects such as formalizing procedures, drawing up plans and evaluating their results, as well as the availability of reliable and timely information to guide decision-making; strengthening the institutions of central, regional and local governments and their capacity for coordination and cooperation, with emphasis on particularly weak institutions and those located in the poorest areas; and developing forums for the participation of target populations and their organizations, as well as relevant private actors.

The challenge of enhancing cross-sectoral coordination resides in the multidimensionality of poverty and inequality and their related phenomena (so that cross-cutting, synergetic actions are indispensable); in the unique contribution of specialized social sectors, such as ministries of health, education, social development, labour and housing; and in the need to attend target groups with particular characteristics such as stage of life, sex, race, ethnicity and disability, among others. Conditional cash transfer programmes (CCTs), which were examined in the preceding chapter, have played a central role and have led to the adoption of new internal management, coordination and assessment techniques.

This chapter considers four institutional aspects that are crucial for cross-sectoral coordination: national and international legal and regulatory frameworks; organizational characteristics and types of coordination; technical and operational elements linked to policy implementation and, lastly, some dimensions related to the financing of social policy. It examines some of the mechanisms whereby poverty alleviation policies are linked with other policy areas and social policy institutions, such as sector ministries, which historically have been responsible for essential public services and policies in areas such as health, education, labour, social security and housing.

Box III.1

Institutionality and social authority: concepts and analytical dimensions

Social institutionality consists in *“the formal and informal rules of the game (including organizational routines and customs) that are put into operation to process and prioritize social problems, while framing the content and the administrative and political dynamic of social policies”* (Acuña and Repetto, 2009). In other words, social institutionality encompasses the regulatory components and the organizational structure under which social policies are managed, from the diagnosis and prioritization of goals to their implementation and the evaluation of their outcomes.

Since they underpin public administration, the quality of institutions delineates the scope and the sustainability of policy. Accordingly, the legal stability of their foundations, and the characteristics that shape them, define their foreseeable scope, outcomes and projection. Social institutionality represents a framework of rules and regulations that guide procedures and set limits and spheres of action and negotiation for stakeholders in the social policy, from the target population

to the managers and executives of the public and private programmes that implement it.

The quality of institutionality may be evaluated on the grounds of its ability to address social policy challenges and to respond to new social expectations and demands through identifiable and predictable procedures and authorities that maintain its continuity (Stein and Tommasi, 2008). It also refers to the capacity for real (and not only formal) accountability in respect of social goals; narrowing the gap between de jure provisions and the de facto reality presents a recurring challenge for the countries. This does not lessen the importance of consolidating ambitious regulatory and institutional frameworks, even where their full effectiveness is built up over time.

One of the dimensions of institutionality refers to the way in which authority is exercised in specific areas of the State. Social authorities are those entities within the State structure that are empowered to exercise government functions in social policy areas, including: (i) setting and prioritizing goals and targets;

Box III.1 (concluded)

(ii) designing plans, strategies and intervention methodologies; (iii) assigning responsibilities and functions; (iv) coordinating with actors; (v) distributing resources; (vi) monitoring physical and financial implementation; (vii) providing guidance and regulating governmental and non-governmental actors; (viii) systematizing information and evaluating outcomes.

The concept of the social authority is applied to a limited extent in this document, to refer to a specific area of social policy, including social protection, promotion and inclusion policies aimed at segments of the population that are considered a priority owing to situations of poverty, vulnerability, social exclusion or discrimination.

The multidimensionality of social issues means that coordination requires the participation of various actors, which may be achieved through a collegial body, with responsibility either for social policy as a whole, or for subsets of the policy. Cross-sectoral coordination is usually seen one of the key elements of social institutionality, with the degree to which functions are integrated leading to the differentiation between high- and low-intensity intersectoral coordination (Cunill-Grau, Repetto and Bronzo, 2015). High-intensity coordination occurs when different sectors work together in the design, implementation and evaluation of the policy, exchanging information and possibly financial resources to resolve a jointly defined problem. Low-intensity coordination occurs where a basic action plan is coordinated by a central authority, but with activities that continue to be addressed on a sectoral basis.

In the late twentieth century, some proposals highlighted that a core element in the make-up of the region's social institutionality was the definition of indicators related to the administrative quality of social programmes, in particular regarding planning, budgetary issues, implementation, monitoring and evaluation. However, any account of the constituent elements of social institutionality requires a broad overview that goes beyond administration and also concerns itself with the legal and regulatory dimension, with a view to including the guarantee of rights, organizational structure and fiscal aspects. These dimensions are described below:

1. Legal and regulatory dimension: refers to the legal basis of the prevailing social institutionality in the countries, from the accession to and ratification of international conventions and treaties and the presence of various social issues in constitutional texts, to the existence of specific laws and regulations. It also includes national social development plans and sectoral social laws and planning, especially on development and social protection.
2. A second dimension relates to the governance structure in respect of social matters, in which three levels may be identified:
 - (i) The coordination of policies at the central level, identifying the entity with ultimate authority for social issues (for example Office of the President, dedicated minister, Office of the First Lady) and the bodies responsible for coordination

between ministries and other departments of the executive branch, which establish the direction and the priorities of public policy on social development (e.g. social cabinets, economic and social councils, coordination bodies attached to the Office of the President or Prime Minister). Besides interministerial coordination, this dimension may involve territorial coordination mechanisms between the central government and other levels of government; it may also include intersectoral coordination bodies that specialize in thematic areas or specific populations (for example, national councils for childhood).

- (ii) The organizational and ministerial structure, meaning the configuration of the different ministries and executive-branch bodies responsible for social affairs, considering their mandates and their legal status, determines the relative importance of social development ministries within the central government structure, their degree of autonomy and specialization, and their relationship with other sector areas of the government.
 - (iii) The subministerial structure, considering the authorities that implement and manage specific social programmes and actions, defining policy spheres (for example, care or disability) and/or specific target populations (e.g. youth institutes or indigenous peoples' organizations). There are also a variety of mechanisms for the operational coordination and administration of social programmes, which may be intra-ministerial and territorial (depending on the relationship between levels of government) with particular features that reflect the powers and the autonomy held by subnational authorities (in accordance with the characteristics of the political and administrative divisions of each country).
3. Technical and operational dimension: refers to the presence and characteristics of policy planning and management systems, particularly in relation to variables such as the authorities responsible for planning, follow-up and evaluation, participation and accountability, and implementation and follow-up mechanisms. These elements aim to give concrete form to the goals formulated previously by bodies established under the legal and organizational framework. Accordingly, this dimension is centred on the actors, rules and institutional powers involved in the implementation of policies and programmes, especially at the interministerial, subministerial and subnational levels.
 4. Fiscal dimension: centred on the analysis of the relative volume of resources mobilized for social purposes, in terms of fiscal priority and cyclicity, as well as the stability and trend of investment amounts earmarked for each social function (social protection, health, education, housing, culture and the environment, in accordance with the Classification of the Functions of Government (COFOG) and International Monetary Fund (IMF)) and by the various ministries at the sectoral level.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Roberto Gargarella, "Dramas, conflictos y promesas del nuevo constitucionalismo latinoamericano", *Anacronismo e Irrupción*, vol. 3, No. 4, Buenos Aires, University of Buenos Aires, November 2013; and *Latin American Constitutionalism, 1810-2010: The Engine Room of the Constitution*, New York, Oxford University Press, August 2013; Carlos Acuña and Fabián Repetto, "Un aporte metodológico para comprender (y mejorar) la lógica político-institucional del combate a la pobreza en América Latina", *Política pública y democracia en América Latina. Del análisis a la implementación*, F. Mariñez Navarro and V. Garza Cantú (coords.), Mexico City, Editorial Miguel Ángel Porrúa, 2009; Rolando Franco and Miguel Székely, "Institucionalidad social en América Latina" (LC/W.312), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC)/United Nations Population Fund (UNFPA), 2010; Miguel Székely, "Cambios en la institucionalidad de la política de protección social en América Latina y el Caribe: Avances y nuevos desafíos", *Technical Note*, No. 810, Washington, D.C., Inter-American Development Bank (IDB), May 2015; Nuria Cunill-Grau, Fabián Repetto and Carla Bronzo, "Coordinación intersectorial pro integralidad de las instituciones de protección social", *Instrumentos de protección social: caminos latinoamericanos hacia la universalización*, Simone Cecchini and others (eds.), Libros de la CEPAL, No. 136 (LC/G.2644-P), Santiago, ECLAC, 2015; Jorge Kaufmann, Mario Sanginés and Mauricio García Moreno (eds.), *Construyendo gobiernos efectivos: Logros y retos de la gestión para resultados en América Latina y el Caribe*, Washington, D.C., Inter-American Development Bank, June 2015.

A. Legal and regulatory frameworks and social institutionality

The main international instruments that establish mandates and goals for governments constitute a key reference point for the analysis of social development institutionality in the region. Chief among them is the 1948 Universal Declaration of Human Rights, followed by other global and regional instruments such as the conventions of the International Labour Organization (ILO), particularly the Equal Remuneration Convention, 1951 (No. 100), the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and the Indigenous and Tribal Peoples Convention, 1989 (No. 169), as well as the International Covenant on Economic, Social and Cultural Rights (ICESCR) adopted in 1966, and the American Convention on Human Rights and the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights (Protocol of San Salvador), adopted by the Organization of American States (OAS) in 1969 and 1988, respectively. Two other international instruments that have served as a reference point for advances in national legislation include the Beijing Declaration and Platform for Action (1995), on gender equality, signed by 31 of the region's countries, and the Durban Declaration and Programme of Action (2001), to combat racism, racial discrimination, xenophobia and related intolerance at the national, regional and international levels, signed by 28 countries.¹

Although these instruments may seem old, they have had a profound impact on the region's social policy in the present century. Reinforced by the fresh impetus provided by the Copenhagen Declaration on Social Development (1995) and the Millennium Declaration and the Millennium Development Goals (MDGs) adopted in 2000, these instruments and commitments have given additional substance to the fight against poverty and the reduction of inequalities in health, education, work, housing and in relation to gender, race and ethnicity. Today, these efforts are gathering renewed momentum with the 2030 Agenda for Sustainable Development, which presents new commitments and challenges for the countries and for the social policy institutional framework at the national and regional levels.

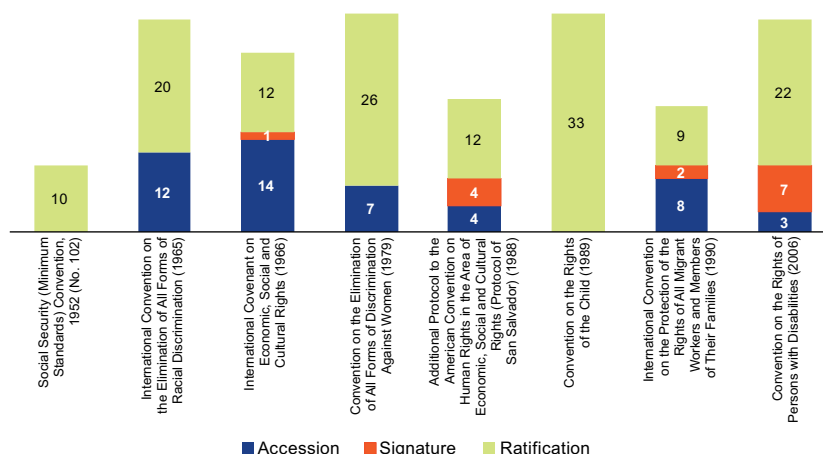
One indicator of the formal depth with which economic, social and cultural rights (ESCR) are established in the countries and, therefore, of the legal institutionalization of commitments undertaken in this regard, is the number of countries that have acceded to the various conventions and agreements intended to extend the effective enjoyment of these rights. As figure III.1 shows, 27 of the region's 33 countries have (implicitly or explicitly) acceded to the International Covenant on Economic, Social, and Cultural Rights, but only 14 of these countries have had the instrument signed and ratified by the legislative branch. Only 20 countries have acceded to the Protocol of San Salvador on human rights in the area of economic, social and cultural rights.

The Convention on the Rights of the Child (ratified by 33 of the region's countries) and the Convention on the Elimination of All Forms of Discrimination against Women (26 ratifications and a further 7 accessions) are the conventions that have been most widely endorsed by Latin American and Caribbean countries. The Convention on the Rights of Persons with Disabilities, which marks its tenth anniversary in 2016, is also noteworthy, having been ratified by 22 countries in the region. Moreover, 20 of the region's countries have ratified the Convention on the Elimination of All Forms of Racial Discrimination, and a further 12 have acceded to this instrument.

As table III.1 shows, the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) has been ratified by the vast majority of the region's countries. This convention is regarded as the first international instrument to deal with discrimination, protecting workers from discrimination made on the basis of race, colour, sex, religion, political opinion, national extraction, social origin or any other criteria that may be specified by each State. The countries that ratify it undertake to develop policies for the promotion of equality of opportunities and treatment in the areas of employment and occupation.

¹ These instruments were adopted at the Fourth World Conference on Women, held in Beijing in 1995, and the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa in 2001, respectively. See [online]: <http://www.un.org/womenwatch/daw/beijing/pdf/Beijing%20full%20report%20S.pdf> and http://www.un.org/es/events/pastevents/cmcr/aconf189_12.pdf.

Figure III.1
Latin America and the Caribbean (33 countries): accession, signature and ratification of conventions and covenants related to economic, social and cultural rights, as of September 2015
 (Number of countries)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table III.1
Latin America and the Caribbean (33 countries): ratification and entry into force of International Labour Organization (ILO) Conventions, as of September 2015

	No. 111 (1958) ^a	No. 102 (1952) ^b	No. 103 (1952) and No. 183 (2000) ^c	No. 161 (1985) ^d	No. 169 (1989) ^e	No. 187 (2006) ^f	No. 189 (2011) ^g
Antigua and Barbuda	X			X			
Argentina	X						
Bahamas	X		X			X	X
Barbados	X	X					
Belize	X		X				
Bolivia (Plurinational State of)	X	X	X		X		X
Brazil	X	X	X	X	X		
Chile	X		X	X	X	X	X
Colombia	X			X	X		X
Costa Rica	X	X			X		X
Cuba	X		X				
Dominica	X				X		
Dominican Republic	X						X
Ecuador	X	X	X		X		X
El Salvador	X						
Guatemala	X			X	X		
Grenada	X		X				
Guyana	X						X
Haiti	X						
Honduras	X	X			X		
Jamaica	X						
Mexico	X	X		X	X		
Nicaragua	X	X			X		X
Panama	X						X
Paraguay	X				X		X
Peru	X	X			X		
Saint Kitts and Nevis	X						
Saint Lucia	X						
Saint Vincent and the Grenadines	X						
Suriname							
Trinidad and Tobago	X						
Uruguay	X	X	X	X			X
Venezuela (Bolivarian Republic of)	X	X			X		
Total	32	11	9	7	15	2	12

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), Information System on International Labour Standards (NORMLEX) [online] <http://www.ilo.org/dyn/normlex/es/f?p=NORMLEXPUB:1:0>.

^a Convention concerning Discrimination in respect of Employment and Occupation.

^b Convention concerning Minimum Standards of Social Security.

^c Convention concerning Maternity Protection (Revised 1952) and the Convention concerning the Revision of the Maternity Protection Convention (Revised), 1952.

^d Convention concerning Occupational Health Services.

^e Convention concerning Indigenous and Tribal Peoples in Independent Countries.

^f Convention concerning the Promotional Framework for Occupational Safety and Health.

^g Convention concerning Decent Work for Domestic Workers.

By contrast, other ILO conventions related to social protection have been ratified by fewer countries. For example, the Social Security (Minimum Standards) Convention, 1952 (No. 102) has been ratified by just 11 countries; the Occupational Health Services Convention, 1985 (No. 161) by just 7 countries; while the Maternity Protection Convention (Revised), 1952 (No. 103) and the Maternity Protection Convention, 2000 (No. 183) have been ratified by 9 countries. The Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) has been ratified by 3 countries. In respect of specific population segments, 15 out of 33 countries have ratified the Indigenous and Tribal Peoples Convention, 1989 (No. 169), which, among other provisions, is aimed at overcoming discriminatory practices against these peoples, based on the fundamental principles of consultation and participation. This convention has been ratified by several countries in the region, often after complex national discussions, and has even been put to a referendum (in Guatemala). Meanwhile, the Domestic Workers Convention, 2011 (No. 189) has received eloquent endorsement: in only four years since its adoption, it has been ratified by 12 Latin American and Caribbean countries (out of 22 that have done so worldwide). Convention No. 189 establishes a general framework to recognize and protect the labour rights of male and female workers in a sector characterized by a deficit of decent work, including high levels of informality, low wages and a high rate of child labour.

Recent decades have also seen the emergence or consolidation of a number of regional and subregional forums with the explicit mission of furthering the social agenda (see box III.2). Most cover a wide variety of issues, in accordance with the interests of their member countries and the most pressing issues and challenges on the agenda. For example, in recent years, greater importance has accrued to subjects such as inequality, the design of social policies to reduce it, the post-2015 development agenda and the inclusion of young people.

Box III.2

Intergovernmental forums and their relevance for social institutionality in Latin America and the Caribbean

In Latin America and the Caribbean, there are at least 25 institutional bodies (intergovernmental conferences, meetings, forums and council), operating at both the regional and subregional levels, which complement international agreements and which have enabled coordinated efforts to enhance social policy and its institutions.

All of these bodies, whether regional or subregional, illustrate the need for deeper cooperation between countries and for the sharing of goals, achievements and difficulties in the

development of social policy. However, the below table shows that the diversity and multiplicity of entities, while allowing greater subject specificity, also entail a high degree of fragmentation and carry the potential for the dispersal of commitments.

These forums address an array of issues, with concerns increasingly focused on the persistence of poverty, marked inequality, violence, the increase in internal migration, remittance flows and the portability of social protection rights.

Latin America and the Caribbean: intergovernmental forums dealing with social development issues, September 2015

Entity	Sponsoring organization	Year of creation	Year of last meeting
Council for Human and Social Development	Caribbean Community (CARICOM)	1973	2014
Ibero-American Conference of Youth Ministers	Ibero-American Youth Organization (OIJ)	1986	2014
Pan American Sanitary Conference	World Health Organization (WHO)/Pan American Health Organization (PAHO)	1998	2012
American Regional Meeting	International Labour Organization (ILO)	1999	2014
Ibero-American Summit of Heads of State and Government	Ibero-American Social Security Organization (OISS)	2000	2015
Forum of Ministers of Social Development	United Nations Educational, Scientific and Cultural Organization (UNESCO)	2001	2014
Ibero-American Conference of Ministers responsible for Social Security	Ibero-American General Secretariat (SEGIB)	2002	2012
WHO Regional Committee for the Americas	WHO/PAHO	2004	2014
Inter-American Committee on Social Development (CIDES)	Organization of American States (OAS)	2004	2010
Andean Council of Social Development Ministers	Andean Community (CAN)	2004	2012
Ministerial Council for the Social Area	Bolivarian Alliance for the Peoples of Our America (ALBA)	2004	2013
Ministerial Forum for Development in Latin America and the Caribbean	United Nations Development Programme (UNDP)	2007	2014
Meeting of Heads of State and Government	Central American Integration System (SICA)	2008	2015
Meeting of Ministers for the Social Area of Member Countries of ALADI	Latin American Integration Association (ALADI)	2008	2009
Meeting of Ministers and High Authorities of Social Development	OAS	2008	2010
South American Council of Social Development	Union of South American Nations (UNASUR)	2009	2015

Box III.2 (concluded)

Entity	Sponsoring organization	Year of creation	Year of last meeting
Meeting of Social Development Ministers and Authorities to Eradicate Hunger and Poverty	Community of Latin American and Caribbean States (CELAC)	2011	2015
Meeting of Ministers and High Authorities of Social Development	Southern Common Market (MERCOSUR)	2011	2015
Inter-American Conference on Social Security	OISS	2012	2015
Meeting of Ministers for Social Affairs	OISS	2013	2013
Council of Ministers for Human and Social Development	Organisation of Eastern Caribbean States (OECS)	2014	2014
Regional Conference on Social Development in Latin America and the Caribbean	ECLAC	2014	2015

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

To provide technical support for governments and to follow up on commitments undertaken, complementary authorities have positioned themselves in the region, notably regional integration agencies (ALADI, CELAC, OAS, OIJ, OISS, SEGIB and others) and subregional integration agencies (ALBA, CAN, CARICOM, MERCOSUR, SICA, UNASUR), as well as ECLAC and other United Nations bodies. These entities are not the only ones to consider social issues, which are also addressed by other, broader public policy meetings and forums, both at the regional and global levels. However, through their role in monitoring the progress of the Millennium Development Goals (MDGs) and in the discussions regarding the 2030 Agenda for Sustainable Development, they have set the trend in relation to the growing importance of social affairs in the present century, and of the challenges raised in terms of the countries' institutional capacities for achieving the desired outcomes.

A number of specific conventions and secretariats have taken shape, with a view to building countries' institutional capacity, as part of efforts by regional and subregional agencies to rise to the challenge of meeting various objectives and social commitments. For that purpose, these secretariats are taking on a role that is more technical and administrative than operational, or are following up on the agreements and conventions signed at the political level. One notable example is the Central American Social Integration Secretariat of SICA, which seeks to implement and promote the Treaty on Central

American Social Integration (TISCA) signed in 1995. Progress has also been made by the Andean Community (CAN), aimed at institutionalizing social development as a shared priority of its member countries.^a

In a similar vein, UNASUR adopted its Action Plan 2015-2017 at the meeting of the South American Council of Social Development held in May 2015, with the goal of establishing joint actions on social integration. The Action Plan was designed on the basis of the previous 2009-2011 and 2012-2014 plans, and introduces a more delineated strategic planning, including monitoring and evaluation tools in five areas of action.^b

Lastly, some prominent organizations were created exclusively to implement and operationalize agreements on specific social themes, in the framework of different regional authorities, such as the Andean Health Organization - Hipólito Unanue Agreement and the Organization of the Andrés Bello Convention on Educative, Scientific, Technological and Cultural Integration.^c

This overview shows that formally, the region has taken great strides in developing forums and other entities for the coordination of social policies and targets. The challenge for the future is to ensure that regional integration institutions and the countries themselves have the capacity to follow up on accumulated commitments. Otherwise, the proliferation of entities may lead to dispersal and competition, with consequences that are more negative than positive for the sustainability and impact of actions.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the respective institutions.

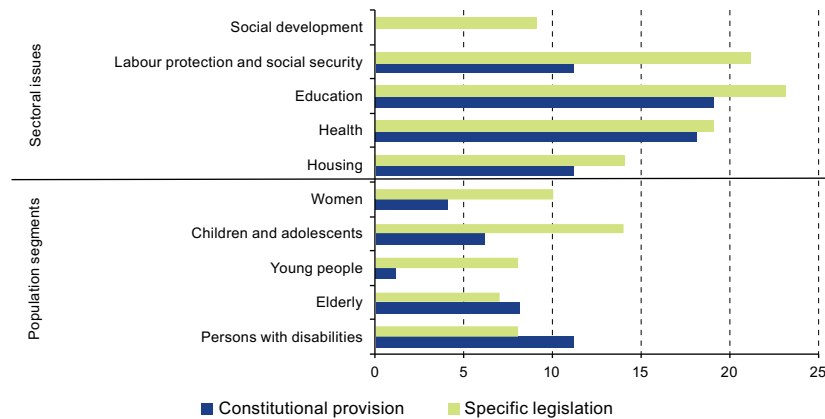
^a The Andean Council of Social Development Ministers formulated a Social Development Integrated Plan (2004) to promote activities related to the Millennium Development Goals, as well as the Project for the Support of Economic and Social Cohesion of the Andean Community. In this context, the Andean Strategy for Economic and Social Cohesion and the Andean Social Development Objectives (with targets to be achieved by member countries by 2019) were developed as mechanisms for the implementation of the Plan, thus bringing the Andean social agenda up to date for the formulation and integrated management of indicators that contribute towards a better social institutional framework within the Andean Community. For more details, see [online]: http://www.comunidadandina.org/documentos/actas/declaracion_oandes.pdf

^b In 2012, it was agreed to carry out action in the following areas: (i) eradicate chronic child undernutrition; (ii) promote the consolidation of social promotion and protection systems for comprehensive early childhood development among boys, girls, adolescents and vulnerable populations; (iii) achieve greater economic, social and productive inclusion, considering aspects such as access to public services and the creation of economic and productive opportunities; (iv) promote initiatives that facilitate timely and sufficient access to good quality and healthy food, and access to services that ensure comprehensive development for the enjoyment of a full life; (v) promote the participation of citizens, under equal conditions and in the full exercise of their rights, at all stages of implementation. The Action Plan 2015-2017 was adopted subsequently and included the following priority areas: development with inclusion; food security and the fight against hunger and malnutrition; a social, solidarity-based and/or communal economy with productive inclusion and the creation of opportunities; social participation; and regional cooperation on social policies. For the basic framework of the UNASUR Action Plan, see [online] <http://www.mides.gub.uy/innovaportal/file/55509/1/plan-de-accion-2015-2017-version-consolidada.pdf>.

^c The Andean Health Organization - Hipólito Unanue Agreement was established in 1971. It is an institution of the Andean Integration System and an intergovernmental body created by the Ministries of Health of the Bolivarian Republic of Venezuela, Chile, Colombia, Ecuador, Peru and the Plurinational State of Bolivia for the purpose making health a space for integration, carrying out coordinated actions to address shared problems, and to work with governments to guarantee the right to health. Its functions are defined by the meeting of ministers and implemented by the Executive Secretariat, which seeks to harmonize and formulate policies, develop spaces for the exchange of experiences, and design strategies in response to common health problems. In addition to the member countries involved in its formation, the Organization's observer countries are Argentina, Brazil, Cuba, the Dominican Republic, Guyana, Panama, Paraguay, Spain and Uruguay. The Organization of the Andrés Bello Convention on Educative, Scientific, Technological and Cultural Integration is an Ibero-American intergovernmental organization whose governing body is comprised of the Ministers for Education of the following member countries: Bolivarian Republic of Venezuela, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Spain. With the function of fostering stronger integration processes and shaping and developing a common cultural space, the organization seeks to create consensus and courses of action in the cultural, educational, scientific and technological spheres, whose benefits may contribute to the equitable, sustainable and democratic development of the member countries. The agreements and resolutions adopted at ministerial meetings are operationalized by the Secretariat of the Andrés Bello Convention (SECAB).

In respect of national laws, and considering the different functions that make up the social sphere, it has been observed that over half of Latin American and Caribbean countries mention the right to health and education in their constitutions and have specific legislation on these policy areas. One third of countries had constitutions that considered labour protection and the right to social security, while the same proportion of countries made constitutional provision for the right to housing. Twenty-one countries had specific national legislation on labour protection and the right to social security, and only 14 had specific legislation on the right to housing (see figure III.2).

Figure III.2
Latin America and the Caribbean (33 countries): existence of constitutional and specific legislation
on social issues, as of September 2015
(Number of countries)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

In respect of the rights accorded to specific population segments, those of persons with disabilities are mentioned most frequently in countries' constitutions (11 countries), followed by those of the elderly (8 countries), children and adolescents (6 countries), women (4 countries) and young people (1 country). The definition of racism as a crime was mentioned least frequently (one country) in constitutions. Fourteen countries have specific legislative frameworks on the rights of children and adolescents, and 10 countries have such frameworks on the rights of women.

The concept of social development is not mentioned in any constitution in 33 Latin American and Caribbean countries, and only 9 have enacted specific legislation in this area. Nevertheless, many Latin American constitutions contain references to social, political, cultural and economic rights, which in reality these are not always observed. The real activation of constitutional provisions may provide a crucial reference point in determining the task of social policies, and could entail demands in respect of their design, implementation, and, consequently, their institutional framework.

Numerous challenges remain, therefore, in the area of national legislations, to underpin social policy with a more solid institutional framework. International agreements certainly provide a legal basis to support public policy but, as mentioned previously, fewer than half of countries have ratified the International Covenant on Economic, Social, and Cultural Rights, and while the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child have received near-unanimous endorsement, their expression in specific legislation is not enough to provide sustainability to State policies throughout the region.

Beyond the existing legal basis, it should be considered whether or not there are national plans that allow laws to be translated into specific interventions, or which at least reflect the existence of specific policies. A review of the available information in the 33 countries indicated that 22 countries have a social development plan. This does not mean that the 11 remaining countries have no policies for dealing with social development; merely that these do not form part of a comprehensive formal strategy.

Progressively steering social policy towards the effective fulfilment of economic, social and cultural rights involves narrowing the gap between formal commitments and mandates on the one hand, and the implementation and effective scope of social policies and programmes on the other. To that end, there is a need for guarantees of access and of service quality that make the enforcement of economic and social rights a viable prospect.

Lastly, in accordance with the configuration of human rights indicators developed by the United Nations High Commissioner for Human Rights (under which the distinction is made between structural, process and outcome indicators), Latin America and the Caribbean has a high degree of compliance with structural indicators, essentially owing to the enactment of legislation and the ratification of international instruments. However its compliance level is much lower in relation to effective implementation (process indicators) and in terms of the results achieved (outcome indicators) in compliance with national and international instruments. For that reason, analysis of the institutional framework has placed increasing emphasis on what have been termed implementation gaps.

B. Organizational characteristics and modes of coordination

Sectoral entities with social portfolios such as education, health, labour and housing have a long tradition in the social policy of the region. Investment funds, whose rationale was analysed in the previous chapter, were initially created as temporary entities. With few exceptions, the countries began to set up social development ministries and secretariats, especially from the early and mid-2000s, with the goal of combating poverty and coordinating actions for that purpose. Over time, some of these agencies acquired more diverse and extensive functions, such as coordinating a broader set of policies and some non-contributory social protection programmes, or even sectoral authority for certain population segments or groups, such as persons with disabilities, children, young people, older adults and indigenous peoples.

As figure III.3 shows, social development ministries were created much more recently than other ministries with social portfolios. The first cases, which emerged in the 1990s, were originally linked with a social policy mandate that was limited to combating poverty or even extreme poverty. These ministries were initially managed under a logic that was much more focused on programme implementation than on institutional development and, as such, there remains a significant degree of correlation between the creation of social development ministries and the launch of targeted and conditional cash transfer programmes.

Figure III.3
Latin America and the Caribbean (21 countries): year of creation of social ministries^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

^a Countries with no information available for the year of creation of their social development ministries are not included in the figure (Antigua and Barbuda, Bahamas, Dominica, Haiti and Trinidad and Tobago).

Figure III.3 also shows that specialized social development ministries have become much more prevalent, and today are present in almost all countries.² However, not all of them were established under the protection of a particular law, and in some cases were founded on the basis of an administrative decree issued by the Office of the President.

² Four countries have social development ministries but are not included in the figure owing to the lack of information on their date of creation.

Eighteen countries have a ministry of social development or equivalent: Antigua and Barbuda (Ministry of Social Transformation and Human Resource Development), Argentina (Ministry of Social Development), Bahamas (Ministry of Social Services and Community Development), Barbados (Ministry of Social Care, Constituency Empowerment and Community Development), Belize (Ministry of Human Development, Social Transformation and Poverty Alleviation), Brazil (Ministry of Social Development and Hunger Alleviation), Chile (Ministry of Social Development), Costa Rica (Ministry of Human Development and Social Inclusion/Joint Institute for Social Aid), Dominica (Ministry of Social Services, Family and Gender Affairs), Ecuador (Ministry of Economic and Social Inclusion), Guatemala (Ministry of Social Development), Honduras (Ministry of Social Development and Inclusion), Mexico (Secretariat of Social Development), Panama (Ministry of Social Development), Peru (Ministry of Social Development and Inclusion), Plurinational State of Bolivia (Ministry of Development Planning), Trinidad and Tobago (Ministry of the People and Social Development) and Uruguay (Ministry of Social Development).

A further six countries have authorities with a formal mandate to address social development, which are generally attached to the office of the President, the Vice President or the Prime Minister. These countries are the Bolivarian Republic of Venezuela (Second Vice Presidency for the Social Area of the Office of the President), Colombia (Department of Social Prosperity), the Dominican Republic (Social Policy Coordination Cabinet of the Office of the Vice President), El Salvador (Secretariat for Social Inclusion of the Presidency and Technical and Planning Secretariat of the Presidency), Jamaica (Jamaica Social Investment Fund of the Office of the Prime Minister) and Paraguay (Secretariat for Social Action of the Presidency).³

In Nicaragua, no entity or department responsible for social development was identified within the Office of the President or Prime Minister (see annex III.A1, table III.A1.1).

The multidimensionality of poverty-related phenomena has been conducive both to the idea of an entity that coordinates anti-poverty and social protection efforts among specific populations, expressed in the form of dedicated ministries or secretariats, and to the establishment of inter-institutional authorities charged with building synergies and coordinating efforts between different areas of government. Thus, since the 1980s various countries have also established social policy coordination bodies, such as social cabinets. Most of these entities are devoted to combating poverty and promoting social development, or have a mandate to serve specific population segments, especially women and young people. In terms of their composition, in 14 countries this type of cabinet or council includes ministerial and other authorities (subministerial and/or civil society bodies); in 10 of these countries, the coordination entities had more than 10 participating institutions. In general, these coordination entities were created from the 2000s onward, which suggests that the goal of a more intersectoral approach to social policy issues is a recent one.

One major challenge currently facing social institutions is that of ensuring what has been termed “high-intensity” intersectoral coordination (Repetto and Potenza, 2015), not only of the social programmes that make up non-contributory social protection, but also in terms of their territorial, operational and financial coordination with the contributory components of social security, with labour market regulation, and with the universal guarantee of rights and greater levels of well-being for the population as a whole. Meanwhile, a further imperative is that of closer coordination between respective institutional frameworks of social and economic policy, in order to boost inclusive economic growth, which generates productive employment and decent work as a basic principle of development. To increase policy impacts, not only must this coordination be horizontal at the central and territorial levels of government, but it should also function vertically between the political, technical and operational levels of public administration (Cecchini and Martínez, 2012).

The region’s institutions present a mixed picture, as is obvious from the characteristics of the social development ministries and their equivalents in the main countries. Some institutions have been formally appointed to coordinate social development and inclusion policies; others are not invested with that authority, but share it with other departments or bodies. Moreover, in most cases, institutional mandates include (or are limited to) combating poverty and some aspects of non-contributory social protection and promotion, which does not necessarily mean that all social assistance policies fall within their remit. A notable example is the Ministry of Social Development and Inclusion of Peru (MIDIS), whose extensive mission includes acting as the lead entity in the social sector. Its general mandate is to promote social development and inclusion, ensuring that the social policies and programmes of different sectors and levels of government function in a coordinated, joined-up manner, with a view to closing gaps in access to

³ The Ministry of Social Affairs and Labour of Haiti, besides performing the typical functions of a labour ministry in relation to the regulation of the formal labour market and contributory social security, has also assumed responsibilities in the area of social assistance, for example, providing transfers and services for specific population segments, such as persons with disabilities.

good quality universal public services and to the opportunities afforded by economic growth. MIDIS was created in 2011 with the explicit goal of breaking away from inertia, fragmentation and lack of coordination in government action against poverty and social exclusion, and to organize joint activities in the country's different territories to monitor compliance with agreements, to evaluate their impacts and to encourage joint learning to set the State's course towards the effective reduction of poverty (MIDIS, 2015). These responsibilities are typical of how specialized social development ministries are no longer confined to combating poverty, but are widening their focus to social protection and inclusion schemes, and are increasingly seeking to improve the coordination of government policies on social issues.

There follows a concise description of the main types of social authority⁴ in the area of social development in the region, according to the level occupied in the general structure of the State, the source of their authority, and their composition:⁵

- (i) Authority appointed by the Office of the President or Vice president: specialized technical body operating at a central level of the executive branch, whose authority is usually formalized by executive decree. A potential strength is the capacity for coordination between social ministries on the basis of the power wielded by the highest government authority. A major limitation is that such bodies are dependent on the administration in office and are thus temporary, rather than a permanent organic structure of the State. Several countries have, for example, a technical secretariat focused on the planning and/or management of social development programmes.
- (ii) Family members of the executive: traditionally, some governments assigned the role of coordinating social-type programmes, generally with a welfarist approach, and a varied, sometimes considerable scope, to family members of the executive (typically the figure of the first lady). Entities formed in this way suffer from an inherent institutional weakness in that they base anti-poverty initiatives on a conjugal or family relationship, rather than on institutional mandates and technical capacities.
- (iii) National planning agencies: the position of these agencies in the government hierarchy, as well as the planning functions and budget assigned to them, in theory could allow them to coordinate relations both with the economic authority and with sectoral and intersectoral policies. However, their lack of specialization on social issues may undermine their authority from a technical perspective.
- (iv) Ministry of social development or inclusion: under this system, a ministry or secretariat acquires greater responsibilities than other social ministries in order to lead the provision and coordination of social development and inclusion programmes. In general, the mission of these authorities revolves around the coordination of poverty reduction and —more or less comprehensive— social protection policies aimed at specific population segments (children, youth, older adults and others), with a view to improving social inclusion and reducing inequalities, which implies linkages with specialized social policy sectors such as health, education, labour and housing ministries. This type of institution is present in Argentina, Brazil, Chile, Mexico, Trinidad and Tobago and Uruguay.

The overlapping functions, disparate resources and short history of social development ministries have hindered their consolidation as a coordination authority, so that only limited outcomes have been achieved to date, with the exception of non-contributory social protection geared to combating poverty and social exclusion.

- (v) Ministry for Coordination: an institution that aims to continuously mediate and coordinate the relevant entities in the social area, whether they operate at the central or other levels of government. With this type of entity, intersectoral coordination is formally institutionalized at the central level, although their budgets are usually smaller than those of the sectoral ministries, potentially limiting their capacity for influence. In 2008, Ecuador introduced this type of institution throughout its government structure, in order to coordinate sectoral policies in different spheres, including social policies. "The Ministry for the Coordination of Social Development (MCDS), proposes interministerial social development policies through the continuous coordination, linkage and monitoring of the social policy, plans and programmes implemented by the ministries and institutions that form part of the Sectoral Council on Social Policy" (MCDS, 2015). The Ministry for the Coordination of Social Development is thus the coordinating entity of sectoral and intersectoral policies for the entire social sphere, which in the area of non-contributory social protection and poverty reduction includes the Ministry of Economic

⁴ See the definitions of social institutionalization and social authority given in box III.1.

⁵ The descriptions given refer to "ideal types" that do not necessarily occur in pure form in each country, nor are they mutually exclusive. For example, in a given country an entity with coordination capacities might be attached to the Office of the President or to the Ministry of Social Development, and may coexist with a social cabinet. Moreover, the proliferation of mandates that imply duplication or the successive creation of new authorities may result in the coexistence of various types of entity.

and Social Inclusion (MIES) and the Strategy for Poverty Eradication of the National Secretariat of Planning and Development (SENPLADES), among others.⁶

- (vi) Intersectoral collegial entities (such as social cabinets or economic and social councils): agencies ordinarily formed of ministers with social portfolios and the management authorities of specialized services, chaired by the President, a Vice President or a minister appointed as coordinator, with a technical secretariat that is either collegial or based in the planning area. Their strength is that they bring together the different sectors with social responsibilities in order to jointly decide general priorities and orientations. However, if their actions are not actually centred on the coordination of policies, they can become an arena for competition or dispute over public resources, in which the ministries with the greatest influence and tradition (education, health and, especially, finance) generally prevail.

As table III.2 shows, according to the available data at least 22 countries have social cabinets or social coordination councils designed to coordinate the main public agencies in the social policy area. The vast majority are chaired by the President or Vice President, with the Ministry of Social Development (or equivalent) is responsible for that function in only five cases (Argentina, Brazil, Chile, Trinidad and Tobago and Uruguay). In some cases of cabinets chaired by the Office of the President or Vice President, the latter may assign (subrogate) another authority to coordinate these cabinets in the second instance. In this regard it has been noted that, even though policy coordination is part of the mission of the social development ministry or secretariat in several countries, in only two cases (Mexico and Panama) have they been formally assigned responsibility for chairing the social cabinet. This reflects the existence of a disjuncture between the actual and formal authority held by the ministries with responsibility for social policy coordination.⁷

From the table it is apparent that the authority for social development and inclusion policies is usually shared between the collegial entity, the ministry that chairs or is delegated to chair such entities, and the ministry of social development and inclusion. There are also a number of collegial entities for specific issues (poverty, social protection, care, undernutrition and gender, among others) or population segments. One challenge that has been identified stems from the duplication or overlapping of authorities which, without a clear division of tasks and functions, could be detrimental to the purpose of coordination.

Specialized entities serving specific population groups or segments have also emerged or strengthened their presence in recent years.⁸ In some cases, these entities are created under the auspices of ministries of social development and inclusion, or are incorporated into them. In general, agencies charged with meeting the needs and ensuring the rights of population groups at all stages of life (children, young people and older adults), women, indigenous peoples, Afro-descendent populations and persons with disabilities, have been the focus of institutional responses—including specific laws—intended to prioritize the needs and rights of these groups and to improve coordination in public-sector action. The formal development of an institutional framework represents progress on recent decades, but it has brought with it the challenge of how to build specialized institutions to deal with social problems (such as poverty) or the needs of specific population segments, while simultaneously structuring comprehensive, cross-cutting policies for public administration as a whole.

⁶ Article 20 of Executive Decree No. 726 of 2008 sets forth that the Sectoral Council on Social Policy is chaired by the Ministry for the Coordination of Social Development with the participation, as full members, of various sectoral ministries including the Ministry of Economic and Social Inclusion, the Ministry of Education, the Ministry of Public Health and the Ministry of Urban Development and Housing, as well as the National Secretariat for Migrants and the National Programme of People's Finance, Entrepreneurship and Economic Solidarity. Associate members are the Office of the Vice President, the Ministry of Agriculture, Livestock, Aquaculture and Fishing, the Ministry of Labour Relations and Ministry of Sports, as well as the National Council for Professional Training, the Ecuadorian Professional Training Service, the Ecuadorian Institute of Educational Credit and Scholarships, the Technical Secretariat of Plan Ecuador, and the National Secretariat of Higher Education, Science, Technology and Innovation. Lastly, the main institutions responsible for contributory social security, namely the Ecuadorian Social Security Institute, the Social Security Institute of the Armed Forces, and the Social Security Institute of the National Police, participate as invited members. For further detail, see [online]: http://www1.gobiernoelectronico.gob.ec/files/110408_Decreto_726.pdf.

⁷ Table III.A1.2 in annex III.A1 details the composition of intersectoral collegial entities operating in the social area in each country.

⁸ The Fourth World Conference on Women: Action for Equality, Development and Peace, held in Beijing in 1995, provided a major boost for the creation of mechanisms for the defence of women's rights and gender equality promotion in the region.

Table III.2
Latin America and the Caribbean (22 countries): type of authority that chairs or coordinates the intersectoral collegial entity in the social area

Country	Authority appointed by the Office of the President or Vice President	Ministry of social development or inclusion	Spouse or family member of the executive	Ministry with another social portfolio	Ministry for coordination in the social area
Antigua and Barbuda	X				
Argentina		X			
Belize	X				
Bolivia (Plurinational State of)	X				
Brazil		X			
Chile		X			
Colombia	X				
Costa Rica	X				
Dominican Republic	X				
Ecuador					X
El Salvador				X	
Guatemala	X				
Haiti ^a			X		
Honduras	X				
Mexico	X				
Nicaragua ^b			X		
Panama	X				
Paraguay	X				
Peru	X				
Trinidad and Tobago		X			
Uruguay		X			
Venezuela (Bolivarian Republic of)	X				
Total	13	5	2	1	1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from the countries.

^a In Haiti, the entity in question is the National Commission for the Fight against Hunger and Malnutrition, coordinated by the first lady during the period 2012-2014. See the decree published in the official journal of 12 January 2012 [see online] http://www.abagrangou.ht/medias/COLFAM_Moniteur_24%20janvier%202012.pdf.

^b In Nicaragua, the executive appoints the person in charge of coordinating the intersectoral entity, the Council of Communication and Citizenship.

It has been suggested that assessing the performance of these entities requires a case-by-case review to determine the extent to which the principal functions of government are being fulfilled, monitored and coordinated. In many countries, the main challenge is no longer that of recognizing unmet needs, systemic discrimination or indifference on the part of public policymakers, but of ensuring that States implement their assumed commitments by realizing the mandates of the institutions created for that purpose. Box III.3 offers a useful example of this challenge, in the case of persons with disabilities.

The institutional framework for social protection has taken on extra importance in recent years, and involves a variety of governmental institutions, from those that are expressly devoted to poverty reduction and non-contributory social protection, to those responsible for labour-market regulation and traditional social security systems. One challenge that these institutions share is the need for greater horizontal and vertical linkages, with a view to ensuring that the entire population has access to adequate levels of well-being and protection against the risks associated with income, health, unemployment and nutrition, among others, underpinned by solidarity-based financing that is sustainable in the long term.

The emergence of care as a common thread running through the various public services provided at different stages of life has been a valuable experience for many countries, and has inspired efforts to overcome traditional sector boundaries and the fragmentation of the few public policies that previously existed in this area (see box III.4).

Box III.3

Improving the institutional framework on persons with disabilities: narrowing the gap between de jure principles and their de facto application

Persons with disabilities are increasingly taken into consideration, both in internationally agreed conventions and in the national legislation of the region's countries. The Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159) of the International Labour Organization (ILO) clearly establishes the principle of equal opportunity between workers with disabilities and workers in general. In 1999, the Organization of American States (OAS) adopted the Inter-American Convention on the Elimination of All Forms of Discrimination against Persons with Disabilities. The Dakar Framework for Action on Education for All affirms that education is a fundamental right and a basic need for all children, young people and adults, including those with disabilities (UNESCO, 2000). In December 2006, the United Nations General Assembly adopted the Convention on the Rights of Persons with Disabilities and its Optional Protocol. The Convention is conceived as a rights-based instrument with an explicit social development dimension.

All Latin American and Caribbean countries have central government institutions whose objective is to protect the rights of persons with disabilities. In the Dominican Republic, El Salvador and Guatemala, these institutions report directly to the Office of the President, but in most countries they are attached to the ministry of social development. In general terms, their objective is to propose, implement and evaluate the public policy on the social inclusion of persons with disabilities and their families, in different areas such as health, education, social protection, labour inclusion and accessibility in its broadest sense. Public agencies with responsibility for the well-being and the rights of persons with disabilities also exist at the local level, especially within larger scale local authorities.

The region also has comprehensive legislation on access to health, which is one of the areas in which most progress has been achieved. The same cannot be said of access to rehabilitation, a service which in many countries is provided by non-governmental organizations that struggle to meet the needs

of the entire population with disabilities and whose resources are heavily dependent on philanthropic donations. Education faces even greater obstacles in terms of quality, labour-market access and accessibility in the broad sense. While there are laws and other regulations that recognize the right to education and underscore the importance of the inclusive model, and despite the fact that many countries have made it obligatory to include children with disabilities in regular education, many still remain outside the school system or only have access to highly inadequate services (IDB, 2015; Padilla Muñoz, 2011). Cognitive disability is that which most often prevents the completion of at least seven years of schooling, while the persons with visual impairment are those most likely to attain this level (ECLAC, 2013).

As in the above-mentioned areas, all of the countries have passed laws and other regulations for the labour-market inclusion of people with disabilities. Existing labour market integration programmes in the region include training to build skills, improve employability and support job-seeking, while private-sector programmes offer incentives for employers to hire workers with disabilities. Unfortunately, the impact of these activities is unknown owing to a lack of information. Several of the region's countries have set quotas for the recruitment of persons with disabilities, in some cases extended to the private sector, as in Brazil and Ecuador; however, there is scant capacity for monitoring compliance (ILO, 2012). In 2014, Uruguay adopted Decree No. 79/014, which establishes that 4% of budget resources earmarked for staffing and recruitment in public institutions can only be assigned to the recruitment of workers with disabilities (see [online] www.impo.com.uy/bases/decretos/79-2014).

The chief institutional challenge in respect of disability in the region is undoubtedly to ensure that the competent authorities have the mechanisms, structures and personnel needed to improve coordination and monitoring, in order to achieve the effective enforceability of the rights and measures recognized in current legislation and programmes.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Inter-American Development Bank (IDB), "10 Myths about Students with Disabilities in Latin America", 2015; Pedro Luis Castellanos, "Políticas Sociales inclusivas, aportes desde la estrategia Quisqueya sin Miseria", 2013; ECLAC, *Social Panorama of Latin America 2012*, (LC/G.2557-P), Santiago, 2013; International Labour Organization (ILO), "Perfil do trabalho decente no Brasil. Um olhar sobre as unidades da Federação", 2012; Andrea Padilla Muñoz, "Inclusión educativa de personas con discapacidad", *Revista Colombiana de Psiquiatría*, vol. 40, No. 4, Amsterdam, Elsevier, 2011; Yessenia Tapia Solórzano, "La inserción laboral de las personas con discapacidad y su incidencia socioeconómica en el Ecuador. Período 2009-2011", 2012; United Nations Educational, Scientific and Cultural Organization (UNESCO), *The Dakar Framework for Action. Education for All: Meeting our Collective Commitments*, Paris, 2000.

^a Argentina, Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Lastly, in parallel with the emergence of dedicated social development ministries, a number of entities—mostly subministerial by nature—responsible for income-transfer programmes targeting poor households (see table III.A1.3 of the annex) have consolidated their presence. In 10 of the 21 countries with available information, these programmes are coordinated by social development ministries, in 6 they are managed by the office of the president, and in 5 they are run by other ministries, such as those of education, health or finance.

Box III.4**Institutional basis for care policies in Latin America and the Caribbean**

The discussion on care policies is gaining traction on the public agenda, against a backdrop of gradual population ageing, unequal distribution of unpaid work between men and women, changes in patterns of women's labour market participation and broader recognition of social protection rights for children, persons with disability and older persons.

All the countries in the region have some sort of policy in place in this sphere. They all have legislation referring to child care, generally built around maternity and paid domestic employment. However, only two countries —the Bolivarian Republic of Venezuela and Ecuador— have the concept of unpaid work explicitly written into the constitution. Legal frameworks also make little provision regarding care for other groups, such as persons with disabilities, older persons or those suffering from terminal illnesses.

With regard to care services and resources, all the Latin American countries have policies on child care services, and day centres or long-stay facilities for older persons. But few have any legislation on care facilities for persons with disabilities or care services provided within the household. Only seven countries have set up some kind of transfer to cover the cost of hiring care services or to support those providing care unpaid in the home.

The uneven provision of policies for those involved in care (providers and recipients) testifies to the fact that the institutional structure of care is still taking shape in the region and it remains uncommon to find a comprehensive policy being coordinated by a designated agency. The discussion on the social organization of care provision —originally tabled by the women's movement and feminist economics, then taken up by different policy sectors, social stakeholders and academic circles concerned by the lack of needs-driven access to existing care services and programmes for different population segments— has gradually become established in some countries as a cross-cutting issue involving several sectors of public policy. Although a number of countries, among them Chile, Ecuador, El Salvador, Mexico and Uruguay, have set up inter-agency panels —convening the social, health and education sectors— to coordinate care policies, only Uruguay has a specific government body responsible for coordinating care policy across all population groups and involving all three components (time, services and resources): the National Care Secretariat, which reports to the Ministry of Social Development. Moving towards a concept of care as a universal right, a component of social protection, a requirement for development with equality and a public good, with a solid institutional underpinning, thus remains a pending challenge in Latin America.

Source: R. Aguirre and F. Ferrari, "La construcción del sistema de cuidados en el Uruguay. En busca de consensos para una protección social más igualitaria," *Políticas Sociales series*, No. 192 (LC/L.3805), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014; K. Batthyány, "Las políticas y el cuidado en América Latina. Una mirada a las experiencias regionales," *Asuntos de Género series*, No. 124 (LC/L.3958), Santiago, ECLAC, 2015; F. Marco and M. N. Rico, "Cuidado y políticas públicas: debates y estado de situación a nivel regional," *Las fronteras del cuidado. Agenda, derechos e infraestructura*, L. Pautassi and C. Zibecchi (coords.), Buenos Aires, Equipo Latinoamericano de Justicia y Género, Editorial Biblos, 2013; M.N. Rico and C. Robles, "Los cuidados como pilar de la protección social: desafíos para su institucionalización," *Project Documents*, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2015, forthcoming.

C. Management tools and the technical and operational dimension

Public administration is the means by which policy is put into operation. While goals and main lines of action are decided at the apex of government, they are then translated into plans and other instruments by management and technical teams. These instruments, whereby the stated goals are to be achieved, include programmes, projects and regulations, implemented by specific government departments with other participating organizations.

Key factors in social policy coordination include an appropriate legal foundation, the identification of the authorities that should be involved, institutional agreements that facilitate decision-making at the highest level, and instruments that set out plans in detail, with quantifiable targets, operational plans and clear rules, as well as information systems for diagnosis, monitoring and evaluation and a sufficient number of suitable technical teams.

One crucial aspect of progress in strengthening institutional frameworks is the existence of explicit plans that set out policy objectives and guidelines, identifying key actors and assigning responsibilities and deadlines. From a review of the background information available for the 33 countries, it was concluded that only 21 have prepared an explicit social development strategy or plan. Insofar as these instruments derive their authority from the highest political level, rather than laws that sustain State policies over the long term, these plans are often limited by the political cycle. Despite this institutional weakness, it is better that explicit plans and instruments exist than not at all. It is for that reason that the institutional strengthening of social policy must be achieved by bolstering planning and evaluation capabilities, as is discussed below.

While planning and evaluation have a long tradition in the health and education sectors, the history of these procedures in the context of poverty reduction, social inclusion and development strategies is much more recent. In the 1990s, some evaluation and monitoring systems, ex ante evaluation and, therefore, diagnostic and formulation processes were introduced in social investment funds. Meanwhile, the development of conditional cash transfer programmes has

enabled the expansion of institutional and administrative innovations and impact assessments. On the information and management front, several countries have increased their capacity for developing statistics and indicators and for creating registration, monitoring and evaluation systems to better identify the populations targeted by policies; to improve the diagnostics of poverty and inequality and their determinants and to improve the design, monitoring and evaluation of policy outcomes, as well as the consideration of different situations and needs facing the population. These instruments include registers of beneficiaries and participants; more sophisticated territorial targeting mechanisms and, depending on income levels, the constant monitoring and systematic (ex ante and ex post) evaluation of programmes.

Of the Latin American and Caribbean countries with available information, 22 had management tools related to the coordination of social programmes, including 17 which had fully or partially integrated lists of beneficiaries. Moreover, 14 countries were identified as having monitoring and evaluation systems for social development programmes. Table III.A1.4 of the annex gives detail on the countries and their institutions in this sphere.

As mentioned above in respect of evaluation and monitoring systems, ex ante evaluation and, therefore, diagnostic and formulation processes were introduced in the context of social investment funds. Conditional cash transfer programmes, on the other hand, have been subject to a wide range of ex post impact assessments, which have been widely disseminated. The region's evaluation processes generally suffer from three weaknesses: joint analysis of monitoring and impact assessments is scarce; evaluation has focused on programmes and projects, without taking the policy level into account, and cost and expenditure variables have received little or zero consideration in relation to the observed achievements or failures. These weaknesses limit the contribution that evaluation can make to knowledge of the policy's overall scope and to the systemic perspective in decision-making. Consequently, while evaluation processes must be expanded, a major challenge is that of examining not just specific programmes or projects, or their singular impacts, but also their interactions, and to link these studies with analysis of investment and financing (Martínez, 2015). It is essential that quantitative and qualitative evaluations be transformed into genuine instruments for decision-making and for feeding back into planning processes, both in their policy formulation aspect and in programme design.

As regards the coordination of sectoral social services with anti-poverty programmes, conditional transfer programmes have encouraged the development of ambitious schemes to provide a single public with the services appropriate to each individual, and also to provide a more comprehensive response to social needs throughout territories and/or over the course of the human life cycle. One instrument that seeks to realize this objective is the one-stop shop, designed to facilitate access to goods and services through a single State entity. The family support systems included in several conditional transfer programmes, such as those of Chile, Colombia, Guatemala and Paraguay, and which have served as a model for other continents, are another interesting instrument, and provide a comprehensive service in households themselves, bringing public services closer to families and assisting them in analysing the choices that may serve their particular needs. These services may be available from different public authorities, such as the civil registry, ministries of health, education, housing and others. At the same time, and notwithstanding innovative aspects such as those observed above, the limitations of these experiences focused on specific social programmes have illustrated the need for management and coordination across all social programmes, by authorities with more extensive mandates.

Cross-sectoral coordination will not occur naturally, and requires that all parties “reach an agreement” to act “jointly” to achieve a social change (Cunill-Grau, 2014). In larger, more decentralized countries, coordination between the central and subnational levels of government is critical for policy efficiency.⁹ A key requirement for increasing the impact and the sustainability of these authorities is the formalization of inter-institutional contracts or agreements, both at the central and the subnational level. Conditional cash transfer programmes have also made an important contribution in this regard; the Technical Secretariat of the Solidarity Chile system has performed exactly this role in consolidating the coverage of goods and services provided by different institutions, aimed at all members of the beneficiary population.

Lastly, in parallel with the growing emphasis on guaranteeing rights; accountability mechanisms have in some cases developed significantly, in the form of access to public information systems, social oversight and participation programmes and mechanisms, and audit entities, whether responsible for public administration in general or social programmes in particular, or both.

There are various dimensions to accountability. The first is the existence of formal rules and procedures within the State to control and verify the functioning of social policies and programmes. Monitoring and evaluation systems, lists of beneficiaries, and operating rules that detail programme responsibilities and procedures are a part of this function, together with general and sectoral oversight and audit mechanisms for public action. Together, these

⁹ Significant federal and cross-sectoral coordination efforts have been deployed through the *Brasil Sem Miséria* programme (Costa and Falcão, 2014; Costa and others, 2014).

mechanisms form an intra-State accountability system. The second dimension refers to accountability mechanisms among the entities that implement social development policies and programmes on the one hand, and a range of non-State actors, from programme participants to civil society and the media on the other. This “social” accountability involves, among other mechanisms, procedures within programmes to respond to participants’ complaints or demands as a result of possible irregularities, social oversight systems for programmes whereby social organizations or the participants themselves are tasked with verifying their smooth functioning, as well as transparency mechanisms and systems for accessing public information, which provide different social actors (programme participants, researchers or the media, for example) with access to vital information on programme functioning (Mainwaring and Welna, 2003; O’Donnell, 2003).¹⁰ Finally, accountability is related to various types of participation mechanism in the context of designing and implementing social development policy and programmes, from sectoral and thematic consultation forums to mechanisms for the participation of beneficiaries in programme management.

For example, in Brazil the National Conference on Social Assistance is developing an extensive dialogue and consultation process, initially at the municipal level and eventually to be rolled out at the national level. Participants include various governmental bodies, coordinated by the Ministry of Social Development and Hunger Alleviation, with the involvement of civil society organizations and programme users. For this purpose, the National Social Service Council was created in 1993 under Law No. 8742 (the Organic Law of Social Assistance, LOAS) as the senior collegial deliberative organ linked to the Federal Public Administration and chaired by a representative appointed directly by the Office of the President. The Council’s main functions consist in convening regular meetings of the National Conference on Social Assistance with the participation of the Ministry of Social Development and Hunger Alleviation, adopting the National Policy on Social Assistance, regulating social assistance actions and services provided by public and private actors, and ensuring the effectiveness of the decentralized and participatory social assistance system.

The absence of clear and verifiable rules and procedures for the implementation of social policies and programmes, and the lack of access to public information on how they function, increase the likelihood of an inefficient, discretionary and/or political application of social policies, and restrict their potential leverage for the exercise of rights. Accountability, consultation and participation mechanisms, as well as the availability of public information on the functioning of social policies and programmes, are therefore increasingly important to ensure the efficient use of resources and to strengthen the legitimacy and credibility of such policies in the eyes of citizens.

D. Strengthening social investment and financing

The proportion of public resources set aside for each function of government is a basic indicator of its political and economic priority in a given country. The volatility caused by changes in the economic cycle illustrates the extent to which these resource allocations are sensitive to the context. The growth of resources allocated to social policies, in relation to output and its relative stability, is essential to the sustainability and the institutional strengthening of these policies.

As chapter I showed, since the 1990s the resources allocated to the social expenditure in the region, expressed both as a proportion of GDP and in dollars per capita, have seen sustained growth. This situation has been accompanied by the gradual institutionalization of social policy in fiscal terms, particularly in relation to combating poverty and its determinants, and social protection. Even when growth has varied, expenditure on social policies has remained in positive territory, and was a cornerstone of the response to the international financial crisis of the late 2000s. However, the region’s needs are still great, with major challenges remaining in terms of the availability of resources, and (absolute and relative) investment levels that still lag far behind those of Organization for Economic Cooperation and Development (OECD) countries, where on average social expenditure accounts for almost 27% of GDP.

Table III.3 compares available resources and their share of GDP in each country, and yields the evident finding that the region’s social institutionality is not homogeneous, either in this regard or in terms of service coverage in different policy spheres. In general, countries with the greatest needs have the poorest service coverage and the fewest resources per capita, and assign the lowest fiscal priority to social expenditure. This perspective offers another angle on the magnitude of the gap that exists between the countries of the region, and of the long road still to be travelled in the institutionalization of policies.

¹⁰ In addition to the information provided in the annex, ECLAC is currently preparing information on different organizational models, management instruments built into the social institutional framework and the most important accountability mechanisms for social development programmes, in the framework of the 2014-2016 cooperation programme between ECLAC and the Federal Ministry for Economic Cooperation and Development (BMZ) of Germany, implemented by the German Agency for International Cooperation (GIZ).

Table III.3
Latin America (18 countries): social spending in three groups of countries with different social promotion and protection outcomes (simple averages for each group), around 2008-2013
(Constant dollars at 2005 prices and percentages of GDP)

Indicator	Group I	Group II	Group III	Latin America
	Argentina, Brazil, Chile, Costa Rica, Panama, Uruguay	Colombia, Mexico, Venezuela (Bolivarian Republic of)	Bolivia (Plurinational State of), Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru	
Public per capita social spending (constant dollars at 2005 prices)	1 265	953	263	712
Public per capita spending on social security and assistance (constant dollars at 2005 prices)	569	391	76	306
Public social spending (percentage of GDP)	18.8	14.9	10.6	14.1
Public spending on social security and assistance (percentage of GDP)	8.4	6.6	2.7	5.4
Public spending on education (percentage of GDP)	4.8	4.3	4.6	4.6
Public spending on health (percentage of GDP)	4.7	3.1	2.6	3.4
Public spending on housing and other areas (percentage of GDP)	0.9	1.0	1.0	0.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Simone Cecchini and Rodrigo Martínez, *Inclusive Social Protection in Latin America. A Comprehensive, Rights-Based Approach*, ECLAC Books, No. 111 (LC/G.2488-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2012.

Previous paragraphs have highlighted the contribution of conditional cash transfer programmes to the social institutional framework, through the development of coordination spaces and management tools. One element that contrasts with these advances is their actual weight in terms of resources, which amounts to just 0.4% of regional GDP.

Comparing the annual budget of social development ministries with the total public budget (and expressing this ratio as a percentage) also reveals a highly heterogeneous picture, albeit with a different distribution to that observed in table III.3. The percentage stands at 1% in Nicaragua and Uruguay, and 1.1% in Paraguay, rising to 5.2% in Peru and 6% in Argentina. These figures indicate that social development ministries carry low to moderate weight in budgetary terms. This finding stands in stark contrast to the importance of their work, since (as noted in the previous chapter) they are responsible for the coordination and implementation of programmes that reach almost one in five Latin Americans.

Table III.4
Latin America and the Caribbean (14 countries): budget of social development ministry or equivalent entity, as a proportion of budgeted primary spending, around 2015^a
(Percentages)

Country	Ministry of social development or equivalent	Percentage
Argentina	Ministry of Social Development	6.0
Brazil	Ministry of Social Development and Hunger Alleviation	3.9
Chile	Ministry of Social Development	1.7
Colombia	Department of Social Prosperity	2.4
Costa Rica	Ministry of Human Development and Social Inclusion/Joint Institute for Social Aid	3.3
Ecuador	Ministry of Economic and Social Inclusion	3.4
Guatemala	Ministry of Social Development	3.2
Haiti	Ministry of Social Affairs and Labour	3.1
Mexico	Secretariat of Social Development	3.2
Nicaragua	Ministry of the Family, Adolescents and Children	1.0
Panama	Ministry of Social Development	2.7
Paraguay	Secretariat for Social Action	1.1
Peru	Ministry of Social Development and Inclusion	5.2
Uruguay	Ministry of Social Development	1.0
Latin America and the Caribbean (simple average)		2.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the budgetary laws of the countries.

^a Figures refer to budgeted amounts and not necessarily those implemented.

One final aspect to consider in respect of this dimension of institutionality is the quality of information collection and dissemination processes. While progress has been made in incorporating the approaches, categories and procedures of the functional analysis of spending, institutional coverage and the classification of social functions are heterogeneous, as is the consideration of private contributions, whether through co-financing of services (out-of-pocket spending), contributions by foundations and NGOs, or other entities. Moreover, the analytical approach still consists solely in accounting and budget control, and little progress has been made towards its consideration as an integral part of the analysis of public policy and decision-making.¹¹

Consolidating the sustainability and institutionality of social development policies requires an effort to develop fiscal covenants that guarantee stable and permanent resources, underpinned by countercyclical financing instruments to overcome crises or periods of low growth. As part of this process, possible courses of action include the identification of alternatives associated with fiscal rules that favour social policy, and efforts to link social policy to “green fiscal reform” initiatives.

One way of illustrating the progress and challenges of social institutionality in relation to the above-mentioned financial and analytical dimensions is to look at the specific population groups or segments. Box III.5 examines some of the features of the institutional framework devoted to young people in Latin America.

Box III.5

Youth in Latin America: institutional progress and challenges

As the Economic Commission for Latin America and the Caribbean (ECLAC) has observed, institutional context largely determines the type of policy that may be implemented to promote the social inclusion of young people, as well as its scope and effectiveness (Cecchini and others, 2015). In this regard there are three aspects of institutionality that play a decisive role: coordination entities devoted to youth, the regulatory framework, and the existence of national youth policies and plans.

Within the region there are institutional differences in terms of how youth affairs are coordinated: responsibility may reside with ministries (in the Bolivarian Republic of Venezuela, the Dominican Republic and Nicaragua), vice ministries (in Costa Rica and the Plurinational State of Bolivia), secretariats (in Brazil, Paraguay and Peru), undersecretary’s offices or institutes (in Chile, El Salvador, Honduras, Mexico and Uruguay), directorates (in Argentina and Ecuador) and national councils (in Guatemala), among others. According to ECLAC (2009), these entities pursue at least four goals: gaining a systematic understanding of the realities of young people, the professionalization of their technical staff, innovating in programme design and implementation, and developing communication capacities to promote consensus between the ruling class and public opinion.

Regardless of differences in the types of entity and the tasks that they perform to promote youth development in their respective countries, institutions tend to be weak, especially compared with the solidity of sectoral ministries with related portfolios such as education, labour and health. Consequently, there is a need for reflection on the essential functions that governmental youth institutions should perform. Institutions must assume a coordination role, linking efforts to invigorate processes and thereby improve youth policies in each sector, maintaining a comprehensive approach to the needs of young people in their respective contexts. There is also a need to strengthen local (especially municipal) authorities in order to implement social

inclusion initiatives among the young, with greater community participation in their design and implementation.

A second key component of institutionality is the existence of a regulatory framework on youth. This reflects a social consensus regarding the need to address a problem, and the way in which to tackle it. Such a framework also compels the different levels of the executive branch to devise policies and programmes to achieve the set objectives and to allocate public resources for that purpose. In this way, the legal framework provides stability, constant criteria, institutionality and resources for public policies on youth.

National youth policies or plans also perform a critical role, since they supply a vision for all programmes and activities related to youth in a given country. At the first Global Forum on Youth Policies, held in Baku in 2014, a consensus was reached on basic guidelines for such policies.^a According to that consensus, youth policies should be rights-based, inclusive, comprehensive, participatory, gender-responsive, knowledge-based and evidence-informed, accountable, and fully resourced. In Latin America and the Caribbean, many countries have developed strategies in which the youth perspective is taken as a type of citizenship, and young people as strategic development actors, and which incorporate some elements of the Baku Commitment. However, the resources earmarked for young people remain insufficient, in some cases with gaps between the public budget allocation and the goals stated in plans.

Most of these efforts to institutionalize actions aimed at youth have been in place since the 2000s, while all of the above suggests that governments are increasingly aware of the importance of suitable legislation and policies to respond to the needs, demands and aspirations of young people. Yet while they are a necessary prerequisite, regulations on youth affairs, and a plan or policy to implement them, are insufficient to promote the inclusion of young men and women. Despite

¹¹ To improve these measurement systems, efforts should be made to coordinate the methodological proposals of the *Manual on Government Finance Statistics* of the International Monetary Fund (IMF) with the System of National Accounts, in the area of satellite accounts, and to include cost and investment information as an integral part of the system for the analysis of social management, linked to social information, in order to strengthen rationality in decision-making and thereby maximize impacts and efficiency in the use of resources (Martínez and Collinao, 2010; Martínez, 2015).

Box III.5 (concluded)

the progress and the commitments achieved, three major challenges remain pending for the effective implementation of national youth policies.

The first challenge is to improve intersectoral coordination. In the region, a number of countries have national youth policies that are managed by coordination entities that have limited resources and political power. At the same time, sectoral ministries tend to act independently. This fragmentation presents a significant barrier to the implementation, follow-up and, ultimately, the effectiveness of policies. Fragmentation also hampers the monitoring and evaluation of national policies on youth, and the identification of programme costs and funding sources.

The second challenge is financing. The political will expressed in international agreements and consensuses does not necessarily translate into the provision of sufficient resources

for the implementation of specific policies and programmes that guarantee the conditions whereby young men and women can mobilize their capacities to independently embark on their life projects (ECLAC/UNFPA, 2012).

Thirdly, the participation channels through which young people can play an active role in the design, implementation, monitoring and evaluation of policies have not yet managed to capture the voice of young people in an inclusive and effective way. While spaces have been created through youth organizations, these are generally lacking in resources and coordination between them tends to be weak or non-existent. Not only is strengthening the participation of young people important for making decisions more relevant, sustainable and legitimate, but participation also represents an essential pathway to the effective enjoyment of human rights.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Simone Cecchini and others (eds.), *Instrumentos de protección social: caminos latinoamericanos hacia la universalización*, Libros de la CEPAL, No. 136 (LC/G.2644-P), Santiago, ECLAC, 2015; ECLAC, *Social Panorama of Latin America 2008* (LC/G.2402-P), Santiago, 2009; R. Martínez and M. Collinao, “Gasto social: modelo de medición y análisis para América Latina y el Caribe”, *Manuales series*, No. 65 (LC/L.3170-P), Santiago, ECLAC, 2010; R. Martínez, “Monitoreo y evaluación de las políticas y programas de protección social”, *Instrumentos de protección social: caminos latinoamericanos hacia la universalización*, Simone Cecchini and others (eds.), Libros de la CEPAL, No. 136 (LC/G.2644-P), Santiago, ECLAC, 2015; Economic Commission for Latin America and the Caribbean (ECLAC)/United Nations Population Fund (UNFPA), *Informe regional de población en América Latina y el Caribe 2011: invertir en juventud*, Santiago, 2012.

^a The Baku Commitment to Youth Policies was the outcome of the first Global Forum on Youth Policies, held in that city between 28 and 30 October 2014. The meeting was attended by more than 700 participants from 165 countries, whose goals were to establish a platform for various stakeholders in youth policies to evaluate the development, implementation, monitoring and evaluation of these policies; to share positive experiences and to identify gaps and challenges.

E. Final comments

As previous chapters have shown, positive labour market trends, especially rising levels of employment and formal employment, have contributed to the recent growth of contributory mechanisms in the region, while at the same time new, non-contributory social protection mechanisms have been introduced. Thus, the countries have experienced an expansion of their social protection systems, which is reflected in the region’s social development institutionality, as examined in this chapter. This institutionality has undergone a major change in comparison with the preceding decades, albeit with variances between countries. Social issues remain high on the public agenda, with a relevance that is manifested in new legal and regulatory commitments, in a wealth of experiences aimed at consolidating the fiscal, technical, organizational and coordination capacities of social policies and programmes, and in the development of mechanisms designed to respond comprehensively to specific population groups and segments, and the problems they face.

There is no single desirable model for guaranteeing rights, eradicating poverty and reducing inequality; only challenges that must be tackled within diverse institutional contexts. These challenges include: consolidating a legal and regulatory basis that enhances the sustainability of social policies as State policies that endure beyond electoral changes; strengthening the role of social development in the public agenda and the capacity for coordinating and linking poverty reduction policies with social protection policies, other areas of social policy (education, health, labour, housing) and with the economic, infrastructure and productive development sphere; deepening public administration capacity in the social area, considering the formalization of procedures from the drafting of plans to the evaluation of their outcomes, as well as the availability of reliable and timely information to guide decision-making in pursuit of maximum impact and efficiency; ensuring adequate resources to meet the needs of a quality social policy, transforming the concept of current expenditure into one of social investment, and improving its recording and publication, both in terms of financing and implementation.

The need for deeper cross-sectoral coordination derives from the multidimensionality of various phenomena and the sectoral specialization of entities (for example, ministries of health, education, social development, labour and housing), coupled with the considerations inherent to dealing with particular populations, such as stages in the life cycle, sex, race, ethnicity and disability, among others. Progress in this direction, by seeking to eliminate duplication and promoting the systemic management of social policies, is fundamental.

Expanding social institutionality at different levels of government (central, regional and local) also poses a challenge, since the technical capacities and (physical, financial and human) resources of subnational institutions

are heterogeneous and particularly weak in areas with greater poverty. Institutional spaces should also be created to ensure participatory dialogue and consultation processes with target populations and their organizations in relation to social policies, as well as with private stakeholders, who are key agents in terms of the legitimacy and ownership of these processes.

In terms of investment and financing, the region has made varying degrees of progress and sometimes the importance of social programmes is not matched by the amount of resources allocated to them, as in the case of conditional transfer programmes. More work needs to be done to guarantee sufficient, stable resources to meet social policy challenges, not least the social protection of poor and indigent populations. To achieve this goal, continued progress is required in areas such as revenue collection methods, such as those based on royalties from natural resource extraction, income from environmental services, and fiscal rules that contribute to the stability of resources.

Efforts to strengthen the region's social policy institutions cannot ignore the growing recognition that its overarching objectives can only be achieved through a set of economic policies that are consistent with inclusive economic growth, the creation of formal, well paid employment and macroeconomic decisions that translate into progressive distributive outcomes. For that reason, strengthening the social authority requires better coordination and complementarity with the economic and financial authority in each country. Linking the social and economic spheres in this way presents one of the greatest challenges for a new social institutionality in the region.

Similarly, the gradual expansion of social development ministries' mandate from combating poverty to social development and inclusion, the reduction of inequality and even the guarantee of social rights, has created a need to review linkages within the social sector itself.

In that context, it should be underscored that the institutional development of social development ministries is also required if they are to fulfil the complex tasks that they are called upon to perform as part of their mandate. Two undertakings are critical in this regard: first, expanding planning capacities for the design and formulation of policies and programmes, by combining the intensive use of available knowledge with technical rigour and broad social dialogue and citizen participation processes; and second, further developing institutional capacities for the internal and external evaluation of social policies and programmes, for the purposes of follow-up, strengthening, reorientation and innovation, creating a virtuous circle of feedback between planning and evaluation.

Finally, as ECLAC proposed at its thirty-fifth session in 2014, the development of frameworks for agreement and broad social and political covenants geared to the realization of higher goals, such as those set out in the 2030 Agenda for Sustainable Development, is a strength that should be built upon (ECLAC, 2014). These agreements lay an important foundation for the institutionalization and legitimization of new social protection policies over time, while social and political understanding needs to be accompanied by progress towards a fiscal covenant that ensures adequate, stable resources for eradicating poverty, guaranteeing rights and substantially reducing social inequality in Latin America and the Caribbean.

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Annex III.A1

Table III.A1.1
Latin America and the Caribbean (26 countries): government social development agencies, 2015

Country	Ministry of social development or equivalent	Mission	Year created
Antigua and Barbuda	Ministry of Social Transformation and Human Resource Development	To be responsible for community and social services, with emphasis on combating poverty, promoting equity and improving the quality of life of all citizens in Antigua and Barbuda.	No information
Argentina	Ministry of Social Development	Planning and implementing actions that promote social integration and human development, addressing and reducing situations of social vulnerability, developing equality of opportunity and protecting families.	1999
Bahamas	Ministry of Social Services and Community Development	The ministry has oversight for the following areas: social development, social services, public assistance; social welfare; old age pensions; care of indigent and aged persons; care facilities; child protection; disabled persons; the Williamae Pratt Centre for Girls; the Simpson Peen Centre for Boys; rehabilitative services and community development.	No information
Barbados	Ministry of Social Care, Constituency Empowerment and Community Development	No information	2008
Belize	Ministry of Human Development, Social Transformation and Poverty Alleviation	In collaboration with all relevant partners, to facilitate policy development and to implement programmes that promote social justice and equity, enabling people to be self-sufficient, responsible and productive citizens.	1990
Bolivia (Plurinational State of)	Ministry of Development Planning	Steering and promoting the Comprehensive State Planning System and the State System of Investment and Financing for Development; formulating policies for the development of the plural economy, and promoting efficiency, effectiveness and equity in public investment.	2009
Brazil	Ministry of Social Development and Hunger Alleviation	Promoting social inclusion, food security, comprehensive assistance and a minimum income for households living in poverty.	2004
Chile	Ministry of Social Development	Contributing to the design and application of policies, plans and programmes in the social development area, especially those intended to eradicate poverty and afford social protection to vulnerable people and groups, promoting mobility and social integration. Ensuring the coordination, consistency and coherence of policies, plans and programmes in the social development area, at the national and regional levels, and evaluating pre-investment studies for investment projects that apply for State funding to determine their social profitability, so that they respond to the country's economic and social development and growth strategies and policies.	2011
Costa Rica	Ministry of Human Development and Social Inclusion/Joint Institute for Social Aid (IMAS)	Promoting decent living conditions and the social development of people, households and communities in situations of poverty, risk or social vulnerability, with emphasis on extreme poverty, providing them with opportunities, services and resources, based on knowledge of the real needs of the target population, with a rights-based, gender-responsive, territorial approach, the active participation of different social actors, and with transparency, spirit of service and solidarity.	2010
Dominica	Ministry of Social Services, Family and Gender Affairs	To facilitate the development of human and social capital via the provision of support to the most vulnerable segments of society, the reduction of inequality and improved access to opportunity. To improve the social well-being of the population and to facilitate a transition to a more just society. The Ministry has responsibility for the provision of social services, community development and gender programmes. Main functions include social and remedial work with vulnerable clients, promotion of adult education, community entrepreneurship and empowerment, gender equity and equality, involvement in cooperative and economic activities with non-financial cooperatives, civil society and other non-state actors.	No information

Table III.A.1.1 (continued)

Country	Ministry of social development or equivalent	Mission	Year created
Ecuador	Ministry for the Coordination of Social Development	Proposing interministerial social development policies through the continuous coordination and monitoring of the social policy, plans and programmes implemented by the ministries and institutions that make up the Sectoral Council on Social Policy; generating processes of information, research, selection of the beneficiaries of social programmes, technical assistance and evaluation; design and implementation of short- and medium-term pilot programmes that create opportunities for groups requiring priority attention or State protection, in a framework the defence and protection of fundamental rights, with a cross-sectoral approach.	2007
	Ministry of Economic and Social Inclusion	Overseeing and implementing policies, regulations, programmes and services for social inclusion and attention at all stages of the life cycle, with priority accorded to children, adolescents, young people, older adults, persons with disabilities and those in situations of poverty, in order to contribute to their social mobility and help them escape poverty. Establishing and implementing policies, regulations, strategies, programmes and services to provide special protection, universal non-contributory insurance, social mobility and the economic inclusion of the aforementioned priority groups.	2013
Guatemala	Ministry of Social Development	Administering public policies to improve the well-being of vulnerable people and social groups who may suffer from exclusion or live in poverty or extreme poverty, creating opportunities and capacities that enable them to improve their lives on a lasting basis, through coordination, linkages and partnerships with other public, private and civil-society institutions, in a framework of protecting human and constitutional rights.	2012
Haiti	Ministry of Social Affairs and Labour	Upholding the freedom to work, the social protection of workers, women and families, and combating poverty and unemployment. The following decentralized social security agencies report to the Ministry: Insurance Office for Occupational Injury, Sickness and Maternity; National Office for Old-Age Insurance; Institute for Social Welfare and Research; Public Enterprise for the Promotion of Social Housing; Office of the Secretary of State for the Integration of Persons with Disabilities; National Office for Migration and Social Assistance Fund.	No information
Honduras	Ministry of Social Development and Inclusion	To generate income and develop personal and social capacities among the unemployed population with few economic resources, through the funding of labour-intensive projects and training workshops.	2010
Mexico	Secretariat of Social Development	To formulate and coordinate the federal government's subsidiary and solidarity-based social policy, focused on the common good, and to implement it in joint responsibility with society; to overcome poverty through inclusive and comprehensive human development.	1992
Panama	Ministry of Social Development	Institutional administration, guided by coordinated social policies that promote social organization, equity and the common good.	2005
Peru	Ministry of Social Development and Inclusion	To promote social development and inclusion, ensuring that the social policies and programmes of different sectors and levels of government function in a coordinated, joined-up manner, with a view to closing gaps in access to good quality universal public services and to the opportunities afforded by economic growth. The Ministry was created in 2011 with the explicit goal of breaking away from the Peruvian State's inertia, fragmentation and lack of coordination against poverty and social exclusion and to organize joint activities in the country's different territories, to monitor compliance with agreements, to evaluate their impacts and to encourage joint learning to set the State's course towards the effective reduction of poverty.	2011
Trinidad and Tobago	Ministry of the People and Social Development	To lead in the enhancement of lives, with emphasis on the vulnerable, through a network of integrated, effective and accessible social services.	No information
Uruguay	Ministry of Social Development	To formulate, implement, oversee, coordinate, plan, follow up and evaluate policies, strategies and plans in the areas of youth, women and families, older adults, persons with disabilities and social development in general.	2005

Table III.A1.1 (concluded)

Country	Other social development agency	Mission	Year created
Colombia	Department of Social Prosperity	Creating the conditions for prosperity among the vulnerable, contributing to reconciliation among Colombians and promoting regional integration.	
Dominican Republic	Social Policy Coordination Cabinet of the Office of the Vice President	Ensure the effectiveness of the government's social strategy and policies by coordinating social programmes and measures that member institutions of the Cabinet request with a view to poverty reduction and the comprehensive development of vulnerable Dominican families.	2004
El Salvador	Secretariat for Social Inclusion of the Presidency	To create the conditions that enable the social inclusion, development and protection of people and families, the elimination of different forms of discrimination, and capacity-building for citizen participation and action, with a rights-based approach.	2012
Jamaica	Jamaica Social Investment Fund	Mobilizes resources and channels them to community-based socioeconomic infrastructure and social services projects.	1996
Paraguay	Secretariat for Social Action of the Presidency	To lead and coordinate State actions for social promotion and protection through the implementation of social programmes and projects focused on populations living in poverty and extreme poverty.	1995
Venezuela (Bolivarian Republic of)	Second Vice Presidency for the Social Area of the Office of the President	To support the coordination of public policies based on the values of institutional commitment, social justice, ethics, excellence and teamwork, through qualified workers that are technically, politically and socially committed, to guarantee the quality of life of the Venezuelan people.	2013
Country	No dedicated social development agencies	Mission	Year created
Nicaragua	Multiple social agencies and programmes, mostly reporting to the Office of the President or Prime Minister, or to other ministries.		

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the Ministries and Secretariats of Social Development.

Table III.A.1.2
Latin America and the Caribbean (21 countries): composition of collegial entities
for the intersectoral coordination of social policies, 2015

Country	Cabinet or Council of Ministers	Year created	Coordinated or chaired by	Institutions	Other participants
Antigua and Barbuda	National Economic and Social Council	2004	Representative appointed by the Prime Minister	Antigua and Barbuda Trade Union Congress; Antigua Chamber of Commerce and Industry; Antigua and Barbuda Employers Federation; Antigua Hotel and Tourist Association; Professional Organization of Women in Antigua and Barbuda; Antigua and Barbuda Medical Association; Environmental Awareness Group; Antigua Christian Council; Antigua and Barbuda Evangelical Association; Antigua and Barbuda Bar Association; Pensioners Association; Antigua and Barbuda Cooperatives League; Antigua and Barbuda Industrial and Small Enterprise Association; Institute of Chartered Accountants of Antigua and Barbuda; National Youth Council; Antigua and Barbuda Association of Persons with Disabilities; representatives of the construction industry and of the financial sector.	
Argentina	National Council for the Coordination of Social Policies	2002	Minister for Social Development	Ministry of Social Development; Ministry of Education; Ministry of Labour, Employment and Social Security; Ministry of Health, Ministry of Justice and Human Rights; Ministry of Security; Ministry of Science, Technology and Productive Innovation; Ministry of Economic Affairs and Public Finance; Ministry of Federal Planning, Public Investment and Services.	National Women's Council; National Advisory Commission for the Integration of Persons with Disabilities; National Comprehensive Approach Plan (Plan Ahí); National Consultative Council for Social Policies; Early Years (National Infant Development Programme); National Network of Physical Activity and Human Development; National Observatory of Sport and Physical Activity; National Centre for Community Organizations; Social Programme for Information, Monitoring and Evaluation System; National Tax and Social Security Identification System.
Belize	Caucus of Chief Executive Officers	No information	No information	No information	No information
Bolivia (Plurinational State of)	National Economic and Social Policy Council (CONAPES)	2003	President of the Republic	Ministry of Development Planning; Ministry of Economic Affairs and Public Finance; Ministry of Production and Microenterprises; Ministry of Rural Development and Land; Ministry of Public Works, Services and Housing; Ministry of Mining and Metallurgy; Ministry of Hydrocarbons and Energy; Ministry of Education; Ministry of Health; Ministry of Labour, Employment and Social Security and Ministry of Environment and Water	
Brazil ^a	Interministerial Group for the <i>Brasil sem Miséria</i> plan	2011	Minister for Social Development and Hunger Alleviation	Civil House of the Presidency, Ministry of Finance and Ministry of Planning, Budget and Management	
Chile	Interministerial Committee on Social Development	2011	Minister for Social Development	Ministry of Finance; Ministry of Health; Ministry of Sports; Ministry of Housing and Urban Affairs; National Women's Service; Office of the Undersecretary for Social Evaluation; Ministry of Labour and Social Security; Ministry of Education	
Colombia	Sector for Social Inclusion and Reconciliation	2011	Presidential representative	National Agency for Overcoming Extreme Poverty; Unit for Comprehensive Victim Support and Reparation; Special Administrative Unit for Territorial Consolidation; Colombian Family Welfare Institute; National Centre for Historical Memory; Executive Committee for Social Prosperity; Coordination Committee of the Internal Control System; Committee for Judicial Defence and Conciliation; Committee for Integral Management; Personnel Committee.	
Costa Rica	Social Presidential Council	2014	Presidential representative	Ministry of Culture and Youth; Joint Institute for Social Aid; National Institute of Women; Ministry of Public Education; Ministry of Labour and Social Security; Ministry of Health; Costa Rican Institute of Sport and Recreation; Ministry of Housing and Human Settlements; Office of the President.	

Table III.A.1.2 (continued)

Country	Cabinet or Council of Ministers	Year created	Coordinated or chaired by	Institutions	Other participants
Dominican Republic	Social Policy Coordination Cabinet	2004	Vice President of the Republic	Ministry of Finance; Ministry of Education and Ministry of Public Health	National Health Insurance; Solidarity programme; technical management of the Social Policy Coordination Cabinet; Administrator of Social Subsidies and Single System for the identification of Beneficiaries.
Ecuador	Sectoral Council on Social Policy	2008	Minister for the Coordination of Social Development	Office of the Vice President; Ministry of Agriculture, Livestock, Aquaculture and Fishing; Ministry of Labour Relations; National Council for Professional Training; Ecuadorian Professional Training Service; Ecuadorian Institute of Educational Credit and Scholarships; Technical Secretariat of Plan Ecuador; National Secretariat of Higher Education, Science, Technology and Innovation; State-owned enterprises; National Secretariat of Migrants; National Programme of Micro Finance; Ministry of Economic and Social Inclusion; Ministry of Education; Ministry of Public Health; Ministry of Sports and Ministry of Urban Development and Housing	
El Salvador	Cabinet for Social Policy and Inclusion	2014	Minister for Health	Ministry of Health; Ministry of Education; Ministry of Labour and Social Security; Ministry of Public Works, Transport, Housing and Urban Development; Secretariat for Social Inclusion; Technical and Planning Secretariat; Secretariat for Culture; National Youth Institute; Social Investment Fund for Local Development; the National Popular Housing Fund and the Social Fund for Housing	
Guatemala	Cabinet for Social Development	2012	Vice President of the Republic	Office of the Vice President; Ministry of Social Development; Ministry of Agriculture, Livestock and Food; Ministry of Communications, Infrastructure and Housing; Ministry of Culture and Sports; Ministry of Economic Affairs; Ministry of Education; Ministry of Public Finance; Ministry of Public Health; Ministry of Labour and Social Security; Ministry of the Environment and Natural Resources; Secretariat for Planning and Programming of the Office of the President; Secretariat for Food Security and Nutrition; Presidential Secretariat for Executive Coordination; Social Welfare Secretariat; Presidential Women's Secretariat; National Statistics Institute; National Youth Council; National Council for Assistance to Guatemalan Migrants; Presidential Commission on Discrimination and Racism; National Coordination Office for Disaster Reduction; and Social Development Fund.	
Haiti ^b	National Commission for the Fight against Hunger and Malnutrition	2012 (until 2014)	First Lady of the Republic	Ministry of Planning and External Cooperation; Ministry of the Interior and Local Government; Ministry of Foreign Affairs and Religion; Ministry of Culture; Ministry of Haitians Living Abroad; Minister Delegate to the Prime Minister in charge of Electoral Issues; Ministry of Social Affairs and Labour; Ministry of Public Health and Population; Ministry of Agriculture, Natural Resources and Rural Development; Ministry of Communications; Ministry of Economic Affairs and Finance; Ministry of Defence; Ministry of Commerce and Industry; Ministry of Women's Affairs and Women's Rights; Ministry of Education and Professional Training; Ministry of Sports; Ministry of Public Works, Transport, Energy and Communications; Ministry of Justice and Public Security; Ministry of Environment; Ministry of Tourism and Creative Industries, and Minister Delegate to the Prime Minister, in charge of government social programmes and projects.	
Honduras ^c	Sector Cabinet for Social Development and Inclusion	No information	Presidential representative	Ministry of Health; Ministry of Education; Water and Sanitation Community Development Institute; Secretariat of Social Development and Inclusion; National Institute for Women; National Children's Foundation and National Directorate for Children, Youth and the Family.	
Mexico ^d	"Inclusive Mexico" Specialized Cabinet	2002	President of the Republic	Secretariat of Social Development; Secretariat of Public Education; Secretariat of Labour and Social Security; Secretariat of Health; Office of Legal Counsel to the Federal Executive; Secretariat of the Environment and Natural Resources; Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food; Secretariat of Communications and Transport; Secretariat of Finance and Public Credit; Secretariat of Foreign Affairs and Secretariat of the Interior.	Mexican Institute for Social Security; National Council for Culture and the Arts; National Women's Institute; Social Security and Social Service Institute for State Workers; National Workers Housing Fund Institute and National Water Commission.
Nicaragua	Council of Communication and Citizenship of the Office of the President	2007	Presidential representative	Secretariat of Communication and Citizenship for Social Development; National Police; Army of Nicaragua; Nicaraguan Women's Institute; Ministry of Development, Industry and Commerce; Nicaraguan Youth Institute; Ministry of the Family; Nicaraguan Social Security Institute; Ministry of Health; Ministry of Education; Ministry of the Environment and Natural Resources; Ministry of Transport and Infrastructure; Ministry of Agriculture and Forestry, Institute of Rural Development; Nicaraguan Cultural Institute; Nicaraguan Sports Institute; municipal mayor's offices; municipal councils; Nicaraguan Institute for Municipal Development; Emergency Social Investment Fund and National Staple Foods Agency.	

Table III.A.1.2 (concluded)

Country	Cabinet or Council of Ministers	Year created	Coordinated or chaired by	Institutions	Other participants
Panama	Social Cabinet	1992	President of the Republic	Technical Secretariat attached to the Ministry of Social Development; Multisectoral Commission of the Social Cabinet and Population Technical Committee.	Directors of Planning of the ministries comprising the Social Cabinet; Director of Social Policies of the Ministry of Social Development.
Paraguay	Social Cabinet	2003	Executive Secretary of the Technical Unit of the Social Cabinet	Ministry of Agriculture and Livestock; Ministry of Defence; Ministry of Education and Culture; Ministry of Finance; Ministry of Industry and Trade; Ministry of Justice; Ministry of Women; Ministry of Public Works and Communications; Ministry of Foreign Affairs; Ministry of Public Health and Social Welfare; Ministry of the Interior; Ministry of Labour, Employment and Social Security; Executive Secretariats of the Office of the President; central government institutions; binational entities and autonomous, self-sufficient and decentralized bodies.	
Peru	Interministerial Commission for Social Affairs	2011	President of the Council of Ministers	Vice Ministry of Policies and Social Assessment of the Ministry of Social Development and Inclusion; Ministry of Education; Ministry of Health; Ministry of Justice and Human Rights; Ministry of Women and Vulnerable Populations; Ministry of Production; Ministry of Labour and Employment Promotion; Ministry of Housing, Construction and Sanitation; Ministry of Energy and Mines; Ministry of Culture; Ministry of Economic Affairs and Finance and National Strategic Planning Centre.	
Uruguay	Social Cabinet	2014	Minister for Social Development	Ministry of Social Development; Ministry of Economic Affairs and Finance; Ministry of Education and Culture; Ministry of Labour and Social Security; Ministry of Public Health; Ministry of Tourism and Sports; Ministry of Housing, Territorial Planning and the Environment; Office of Planning and the Budget and Congress of Intendants.	
Venezuela (Bolivarian Republic of) ^e	Vice Presidency for Social Development and Missions (Second Vice Presidency for the Social Area)	2009	Second Vice President of the Council of Revolutionary Ministers for the Social Area	Ministry of People's Power for the Social Process of Labour; Ministry of People's Power for Health; Ministry of People's Power for Indigenous Peoples; Ministry of People's Power for Youth and Sport; Ministry of People's Power for Prison Services; Ministry of People's Power for Women and Gender Equality.	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

^a In Brazil, there are various national councils responsible for social policy sectors or subsectors, which function as spaces for deliberation and consultation between the government, civil society and policy users and participants within the framework of national public policy conferences. The most relevant of these councils in the area of social development are the National Social Service Council, the National Council on Food and Nutrition Security, and the National Social Security Council, among others. See [online] http://www.ipea.gov.br/participacao/images/pdf/s/relatoriofinal_perfil_conselhosnacionais.pdf.

^b In Haiti, the National Commission for the Fight against Hunger and Malnutrition functioned as a coordination entity until 2014, under the formal coordination of the first lady. See the decree published in the official journal of 12 January 2012 [see online] http://www.abagrangou.ht/medias/COLFAM_Moniteur_24%20janvier%202012.pdf.

^c In Honduras, another important intersectoral coordination entity is the Social Protection Technical Committee. Its participants include the Secretariat of State in the Office of Social Development, the Secretariat of State in the Office of Labour and Social Security, the Secretariat of State in the Offices of Justice and Human Rights, the Secretariat of State in the Offices of Indigenous Peoples and Afro-Hondurans, the Secretariat of State in the Offices of the Interior and Justice, the Honduran Institute for Children and the Family, the National Institute for Women, the National Youth Institute, the Honduran Association of Municipalities, the Honduran Social Investment Fund, the National Commissioner for Human Rights, the Civil Society Group, the Coordination of Rehabilitation Institutions and Associations of Honduras, the National Commission for Non-Formal Education, the Women's Network, the National Confederation of Indigenous Peoples of Honduras, the Honduran Foundation for the Rehabilitation and Integration of Persons with Limited Abilities, the Regional Network of Justice and Peace (RedPaz), the Kukulcan Association, the Violet Collective Association, the Network of Institutions for Children's Rights, Ayuda en Acción, Casa Alianza, the Christian Children's Fund, Plan Honduras, the National Association of Honduran Millers, Asociación Compartir, the Foundation for Solidarity and Voluntary Work of the Valencian Community, Asociación Gavota, the Christian Youth Association and the National Youth Forum; the Honduran Council of Private Enterprise and the Ministry of Industry and Commerce.

^d In 2002, Mexico established a social cabinet whose presidency rotated between the ministries of education, health and social development. In 2013, the cabinet was renamed the "Inclusive Mexico" Specialized Cabinet, with the aim of bringing together all federal entities responsible for work related to social inclusion.

^e In the Bolivarian Republic of Venezuela, another important coordination body is the Vice Ministry for the Supreme Social Happiness of the People, chaired by a representative appointed by the executive, and comprised of the General Directorate of Social Assistance, the General Directorate of Social Networks the National Council for Children's and Adolescents' Rights (IDENNA), the National Institute of Social Services (INASS), the National Development Council for Afro-descendant Communities of Venezuela, the National Council for Persons with Disabilities, as well as the El Niño Simón National Foundation and the José Félix Ribas Foundation, and the Child Jesus Mission, the Negra Hipólita Mission, the José Gregorio Hernández Mission and the Culture Mission.

Table III.A1.3
Latin America and the Caribbean (21 countries): entities responsible
for main cash transfer programmes

Country	Main cash transfer programme	Entity responsible for the programme		
		Ministry of social development or equivalent	Office of the President or Vice President	Other portfolio or entity
Argentina	Universal Child Allowance for Social Protection			x
Belize	Building Opportunities for Our Social Transformation (BOOST)	x		
Bolivia (Plurinational State of)	Juancito Pinto Grant			x
Brazil	<i>Bolsa Família</i>	x		
Chile	Ethical Family Income	x		
Colombia	Income for Social Prosperity	x		
Costa Rica	<i>Avancemos</i>			x
Dominican Republic	Progressing with Solidarity		x	
Ecuador	Human Development Grant	x		
El Salvador	Solidarity in Communities		x	
Guatemala	My Secure Bond	x		
Haiti	<i>Ti Manman Cheri</i>			x
Honduras	<i>Bono 10000</i> programme for Education, Health and Nutrition		x	
Jamaica	Programme of Advancement through Health and Education (PATH)			x
Mexico	<i>Prospera</i> programme	x		
Panama	Opportunities Network	x		
Paraguay	<i>Tekoporã</i>		x	
Peru	<i>Juntos</i> programme		x	
Trinidad and Tobago	Targeted Conditional Cash Transfer Programme	x		
Uruguay	Family Allowances	x		
Venezuela (Bolivarian Republic of)	Missions, Great Missions and Micromissions		x	
Total	21	10	6	5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

Table III.A1.4
Latin America and the Caribbean (22 countries): planning or coordination systems
and social programme evaluation bodies

Country	Single registers of participants	Integrated social information system	Social programme evaluation bodies
Argentina	Single Register of Beneficiaries	National Tax and Social Security Identification System	National Directorate of the Social Programme Information, Monitoring and Evaluation System
Belize	Single Beneficiary Registry	-	-
Bolivia (Plurinational State of)	Single Register of Students	-	Economic and Social Policy Analysis Unit
Brazil	Single register for social programmes (<i>CadÚnico</i>)	Single Social Assistance System	Secretariat of Evaluation and Information Management of the Ministry of Social Development and Hunger Alleviation.
Chile	Social Protection Record	Integrated System of Social Information	Office of the Undersecretary for Social Evaluation of the Ministry of Social Development and Budgetary Affairs Bureau of the Ministry of Finance
Colombia	Single Register of Members	Integrated Management System	National Agency for Overcoming Extreme Poverty
Costa Rica	National Register of Beneficiaries	National Social Information System	Evaluation and Monitoring Area of the Ministry of National Planning and Economic Policy (MIDEPLAN)
Dominican Republic	Single System for the Identification of Beneficiaries (SIUBEN)	-	Monitoring and Evaluation Unit of the Technical Department of the Social Policy Coordination Cabinet Department for the Monitoring and Evaluation of Social and Economic Development Policies and Plans of the Ministry of Economy, Planning and Development
Ecuador	Social Register	Interconnected Register of Social Programmes	General Coordination Office for Social Policy Planning, Monitoring and Evaluation
El Salvador	Unified Registry of Participants	-	Technical and Planning Secretariat of the Presidency
Guatemala	Lists of users (not integrated)	-	Vice Ministry of Policy, Planning and Evaluation
Haiti	Single Register of Beneficiaries	-	-
Honduras	Beneficiaries Registration System	Single System for the Evaluation of Social Public Policies (SUEPPS)	-
Jamaica	-	-	Monitoring and Evaluation Unit of the Cabinet Office
Mexico	List of beneficiaries	Integrated Government Programme Registration System (SIIPP-G)	National Council for the Evaluation of Social Development Policy
Nicaragua	Single register of beneficiaries	National Social Welfare System	-
Panama	-	Social Protection System	Secretariat of the Social Protection System
Paraguay	Single Register of Social Information	-	-
Peru	List of beneficiaries	-	Not integrated
Trinidad and Tobago	-	-	-
Uruguay	Register of beneficiaries of the National Social Emergency Response Plan (PANES)	Integrated System of Information on the Social Area	Office of Monitoring and Evaluation
Venezuela (Bolivarian Republic of)	-	National System of Missions and Great Missions (planned)	-

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from the countries.

Rethinking policies for overcoming poverty and inequality in Latin America and the Caribbean

Introduction

Far from performing a subsidiary function, social policies should play a central role alongside economic and environmental policies in spurring economic growth and structural change in the production sector. As noted by ECLAC (2012a), “social issues depend on variables that are not confined to the social sphere”,¹ and neither productivity nor structural change are solely economic phenomena. Resources that countries have wisely invested in the social sphere —apart from helping to realize the economic, social and cultural rights of the population as a whole— help to build human capacity throughout the life cycle and pave the way for major productivity gains. Social investment raises the level of well-being: education translates into an informed citizenry whose members are better able to secure high-quality, productive jobs and to participate in various types of political and social affairs; an effective health-care system enables people to live longer and healthier lives; and unemployment insurance and a minimum wage lower poverty levels (ECLAC, 2000, 2006, 2007a and 2010c; Cecchini and Martínez, 2011; Boyer, 2015). On the other hand, refraining from making these types of investment entails losses of income and a series of costs, as shown by studies on the cost of hunger and illiteracy, among others (Martínez and Fernández, 2007 and 2009).

The persistence of poverty and inequality does not only have personal costs for the people who experience them first hand; in social and economic terms, society as a whole is affected. By the same token, improvements in social conditions are essential if structural change and sustainable forms of economic development are to be achieved. This is why proper social investment is so important and why countries should redouble their social investment efforts, especially during economic slowdowns.

As has been discussed in preceding chapters, the region has made major inroads in various areas of social development since the mid-2000s: a sizeable reduction in poverty and a moderate decrease in inequality have been achieved, along with improvements in the labour market and significant advances in the areas of health, education and social protection.

While these inroads have been made within a favourable economic environment, the fact remains that they have been made possible by various economic, productive, social and labour policies that have been implemented by the region's governments at a time when the eradication of poverty and inequality and the promotion of inclusive forms of social development have moved higher up on the public agenda and have been assigned greater priority in overall development strategies.

¹ Macroeconomic management and economic policies are a crucial factor in resolving social problems, as well as being the causes of many of them. The effects of inflation on poverty levels is a classic example.

There are some major challenges that have yet to be met, however: levels of inequality are still very high; the decline in poverty has levelled off since 2012, and indigence is on a slight upward trend. As economic growth slows, the existence of a sizeable sector of the population that is in a notably vulnerable position —households with incomes near the poverty line and without monetary savings, access to social security or dwellings of their own— sounds yet another alarm bell (ECLAC, 2014a).² In addition, there are the challenges associated with demographic changes, particularly the ageing of the population and declining birth rates, which have implications for health-care and pension systems and caregiving strategies, both at the household and societal levels. Extra- and intraregional migration also generates major socioterritorial changes that have a strong impact on economic dynamics and family structures.

Striking inequalities persist in terms of gender, race, ethnicity and different stages in the life cycle. These inequalities are not manifested only in income levels: they also find expression in differing opportunities, the exercise of rights, access to education and education of differing qualities, health, nutrition and participation and positioning in the labour market. The persistence of inequality in these spheres is a challenge that has to be overcome in order to permit the full enjoyment of economic, social and cultural rights and is one of the main factors hindering a continued decline in poverty and indigence in the region.

Consequently, if equality is the ultimate goal, then the countries, and especially the ones that have lagged the furthest behind, will have to redouble their efforts. Despite the fact that the current global economic situation has become more complex and uncertain and that —at least in the short run— it will also be less favourable for the region than before, from a rights-based perspective governed by the principles of progression and non-regression, it is of fundamental importance for the countries to lock in the advances that they have made in terms of social development in recent decades while at the same time continuing to advance in areas where the gains they have made have fallen short of the mark. The slowdown in economic growth will create difficulties in areas that play a key role in promoting well-being, such as the creation of high-quality jobs and the financing of social investment, yet the task of strengthening social institutions and policies cannot be deferred. The widely varying political, economic and social conditions existing in the countries of the region will steer them down new paths as they work to deal with these challenges.

This chapter will describe policy lines in various areas of social development that have been identified in earlier chapters. It will start out by characterizing an approach whereby the poverty-reduction component of social protection is seen as a civil right. A number of challenges to be addressed by policies aimed at reducing poverty and inequality are then outlined, along with the essential synergies with other policies that must be created or discovered; to this end, efforts to broaden the coverage and increase the quality of benefits should continue to be pursued while, at the same time, strengthening the ways in which these benefits are linked up with sectoral education, health and nutrition policies and their employment and production policy components. Public policies for the promotion of productive employment and decent work will then be addressed as a pivotal element of social development. This discussion will also cover the need to design and implement measures for protecting jobs and strengthening labour institutions and labour market policies, promoting women's economic empowerment —which will entail, among other objectives, carrying forward policies to incorporate caregiving as a fundamental pillar of social protection systems— and forging closer ties between education and employment by, among other things, strengthening the technical, vocational and professional training components of the education system. The discussion will then move on to policies and programmes for reducing inequalities, especially those based on gender, race or ethnicity. The chapter will close with an exploration of the content of environmental and local policies and will make a case for strengthening disaster relief mechanisms and addressing local or territorially based inequalities.

Challenges relating to institution-building for the promotion of social development will also be discussed and recommendations for overcoming them will be put forward. Some of the aspects of the social compacts that will be needed to accomplish that will also be highlighted.

² ECLAC (2015) has forecast that the region's economies will contract by 0.3% in 2015 and grow by 0.7% in 2016.

A. Combating poverty and inequality within the framework of social protection as a civil right: a view from the perspective of ECLAC

Social protection systems are intended to mitigate the risks faced by the population (for example, unemployment, illness, disability or old age) and address the structural problems of poverty and inequality. They tie in with the effort to combat poverty and inequality in various ways, since they eliminate or greatly reduce the chances that a person will be unable to deal with a given contingency; curb the reproduction of the vicious circle of poverty and inequality by making it unnecessary for families to mortgage their future by sacrificing assets that are key to human development, such as health and education; and facilitate the implementation of strategies for empowering the groups that are most vulnerable to these types of risks, such as children, older persons and women. In particular, social protection should guarantee a degree of well-being that will make it possible to sustain the basic quality of life deemed essential for personal development, facilitate access to social services and foster decent work (Cecchini and Martínez, 2011).

Viewed from a rights-based perspective, while social protection systems may be geared towards meeting the needs of certain groups in the population—such as persons living in poverty—their benefits should also be available to all members of that population, which is why comprehensive, universal social protection systems should be developed. These systems should have solidarity financing components and should be fundamentally egalitarian in terms of the guarantees that they provide, which are seen as constituting civil rights.

Since labour markets have not become a gateway to universal social protection (ECLAC, 2006), efforts to provide such protection have focused on at least four areas: (i) retirement, pensions and other monetary transfers to older persons; (ii) income transfers to families with children; (iii) access to health insurance and services; and (iv) worker protection (such as accident and unemployment insurance, severance pay, overtime and paid leave) (Cecchini, Filgueira and Robles, 2014).

Social protection measures that buffer the risks faced by the population play an important role in upholding rights, opening up opportunities and combating poverty and inequality. Although the scope and content of universal, solidarity-based policies are always going to be controversial, the uncertainty associated with risks and contingencies may make it possible to consolidate support for social protection on the part of a broad spectrum of the general public, given that the whole of the population stands in need of protection from an array of risks whose magnitude and timing are uncertain.

In a region with such a high degree of inequality as Latin America and the Caribbean, an individual's ability to use informal or market-based instruments for dealing with risks should not be overestimated.³ Private insurance markets do not always exist and, where they do, are often underdeveloped and, due to the concentration of income, insurance coverage may be very limited, while the absence of proper risk diversification will lead to exclusions and inequalities. In this sense, solidarity-based insurance enables people to diversify their risks and narrow the gaps between actual incomes and desired levels of protection by reducing individual aggregate risk (ECLAC, 2013b).

The risk of falling ill, of becoming unable to provide the care required by children, persons with disabilities or other dependants, periods of unemployment or underemployment, and the loss or sharp reduction of income during old age are factors that will have an impact of variable duration and intensity on the present and future well-being of all persons. Although these circumstances are crucially determined by asymmetries in social and economic conditions, they are largely beyond an individual's control. Insurance makes it possible to deal with what has been dubbed the “welfare economics of uncertainty”. This is a reference to the uncertainties surrounding access to the necessary protection, the length of time for which protection will be required, the costs involved, and the degree to which personal well-being and income will be affected. Consequently this demand for services will, by its very nature, often be irregular and unpredictable. Since pricing systems cannot fully cover some of these contingencies,

³ This is demonstrated by an ample body of economic literature dating back to Arrow, who, more than 50 years ago, carried out an insightful microeconomic analysis of the health-care market (Arrow, 1963), which he contended is fraught with market failures because risks are not fully insurable and because it is subject to information asymmetries. Health-care providers are characterized as adaptations to market inefficiencies which lead to further inefficiencies owing to limited competition in these markets. A select but extensive bibliography of the economic theory of welfare and the welfare State (100 articles) which includes theoretical and empirical discussions on pensions, health, education and poverty reduction was compiled by Barr in 2001.

the insurance market is limited in terms of both the breadth and amount of coverage that is afforded. For example, because of the limitations of private health insurance, large medical expenses—the very ones for which insurance is most needed—may not be covered (Arrow, 1963 and 2000; ECLAC, 2013b).

A key consideration in assessing social protection policies is how they respond to risk dynamics and their social distribution. When there is a widespread perception that the social protection system is such that some members of society have the benefit of “first class” protection with the rest having to content themselves with “second class” forms of protection and when that kind of hierarchy is perpetuated from one generation to the next and takes on the nature of a class structure, then social cohesion suffers. On the other hand, when the State and society create insurance mechanisms that soften the impact that certain types of unforeseen events have on levels of well-being in a society, then people acquire a strong sense of belonging (ECLAC, 2007a).

As noted by ECLAC, a protection system is more than an institutional structure; it is a political agreement that enables members of society to lay the foundations for building and regulating a chosen way of life. This kind of agreement, which is always a work in progress, determines which rights apply to everyone, how they are to be guaranteed and how their viability is to be ensured. All of this requires the formation of compacts that are then expressed in the form of institutions, standards, programmes and resources. In order to make the transition from a social policy package to a comprehensive social protection system, compacts will have to be fashioned in order to deal with conflicting rights, resources, distributional patterns and institutional blueprints. A rights-based social protection model will be shaped by the decisions that are reached in regard to four basic issues: a determination of the levels of funding to be drawn from contributory and non-contributory sources; the scope of the solidarity component within the funding model; the development of an institutional structure to manage benefits policies efficiently; and the specification of the rights of access to social benefits that can be guaranteed and demanded (ECLAC, 2006 and 2007a).

ECLAC has formulated a number of principles in relation to social policy and social protection based on a recognition of certain civil rights. The principle of universality refers to the extension of guarantees to all members of society that they are entitled to certain safeguards or benefits of a sufficient quality and quantity to permit them to fully participate in that society. In line with this principle, all persons can be assured that they are guaranteed the highest level of well-being that is attainable given their society’s level of economic development at any given point in time; this does not mean that any and all benefits should be provided to everyone, but rather that society has agreed on the standards of quality and coverage that should be guaranteed to all its members (ECLAC, 2000 and 2006).

Universality is very closely linked to the principle of solidarity, according to which each individual should contribute to the financing of social policy in accordance with his or her economic capacity. The principle of solidarity therefore supports guarantees of universality and equality of access to social benefits by adapting coverage to accommodate asymmetries in economic circumstances and risk exposure, particularly with regard to health and employment. Another tenet underlying the principle of solidarity is that, given the externalities of individual well-being, there is a close interrelationship between the well-being of the individual and the well-being of society. The breadth and quality of services and of social protection exert an influence over the lives of individuals and over the development of the societies in which they live (ECLAC, 2000, 2006 and 2013b).

The main obstacles to further progress towards the universality of social policies and the associated benefits have been resource constraints and the lack of social agreements about the differing priorities, as well as difficulties with implementation. The concept of universality is not at odds with the establishment of selective criteria, which are needed in a situation marked by resource shortfalls and which provide a means of ensuring that social services reach the poorest and most vulnerable sectors of society. As discussed in chapter II, a beneficial interaction between universal, comprehensive policies and selective, differentiated policies should take place if the multi-faceted, heterogeneous phenomenon of poverty is to be successfully addressed. Since the barriers that exist are faced primarily by poor people, selective instruments should be used in a way that will make it possible to target subsidies for the segment of the population that is lacking in economic resources and to provide that segment with access to social services and guarantees. Thus, targeting is a way of making the universalization of social policies more effective (ECLAC, 2000 and 2006). The provision of social protection on the basis of a universal policy that affords equal access to all does not, however, mean that uniform services should be made available to a heterogeneous population but rather that services should be adapted to cover differentials and gaps in coverage and to ensure that all members of the population are able to exercise their rights. Thus, a universalist approach does not conflict with a targeted approach; instead, the latter serves the purposes of the former on the basis of a recognition of the differing circumstances of different people (because of age, sex, race, ethnicity, employment status and other factors).

In order to move towards greater equality, public resources will have to be used efficiently. The principle of efficiency in the use of public funding for social policies is an intrinsic element of equality, since it makes it possible to uphold the principles of universality and solidarity at one and the same time, rather than seeing them as running counter to one another. This should not be understood solely in terms of macroeconomic and microeconomic effects but rather, in the final analysis, should be viewed as the capacity to optimize the use of scarce resources in order to pursue agreed social aims (ECLAC, 2000 and 2006). In addition, reforms designed to strengthen social protection systems should also regulate the various market options and should establish standards that will ensure the appropriate mixes of public and private efforts are directed towards the achievement of the desired objectives (ECLAC, 2007b).

While targeted programmes are clearly indispensable, the quest to do away with poverty is also very closely associated with the need to overcome exclusions and to bring about a convergence of the benefits afforded under a wide array of social policies, including those that deal with social protection systems. In view of the fact that the labour market has shown itself to be lacking in terms of its capacity to drive inclusiveness by means of either quality job creation or taxation, it can clearly not be the only mechanism for protecting the majority of the population from the risks associated with fluctuating incomes, health, ageing, etc. This is yet another reason, why social protection cannot be confined to the mechanisms available in the labour market: the crucial challenge here is to redesign the system within an integrated framework of solidarity that combines contributory and non-contributory mechanisms (ECLAC, 2006; Cecchini and Martinez, 2011). At the same time, in order to expand the coverage and increase the quality of social protection, action has to be taken within the production structure and the labour market. Unless the gaping disparities that exist and that are being perpetuated in these spheres are at least narrowed to some extent, the effectiveness of social policies in contributing to the creation of a more inclusive social model will be severely limited. In order to move forward, virtuous-circle relationships have to be developed that encompass market dynamics capable of providing greater decent work opportunities, since the development of social protection systems over time has been linked to the development of labour laws, regulations governing working conditions and dismissals, collective agreements, training and education policies, and supervisory capabilities to ensure compliance with established standards (ECLAC, 2010a).

The expansion of pension and health insurance coverage that has taken place in the region in recent years (see chapter I) has a number of underlying causes: the increasing formalization of the workforce as unemployment rates have dropped and substantive improvements have been made in job quality, the introduction of greater flexibility in the eligibility requirements for contributory coverage, and the increase in government monitoring and regulation. In addition, in an effort to put a stop to the exclusion of certain sectors from traditional contributory schemes, to broaden coverage and—in some cases—to reduce segmentation, solidarity-based pillars of social protection have been strengthened, contributory regimes have been subsidized and targeted programmes have been put in place. Steps have also been taken, for example, to expand the coverage of non-contributory pension schemes⁴ and the coverage of transfers and service delivery to poor sectors of the population and—in some cases—to vulnerable groups.

B. Strengthening and expanding anti-poverty policies

In order to adopt a comprehensive, rights-based approach to the challenges of maintaining the gains made in recent years while reintroducing and deepening a downward trend in poverty and inequality, action has to be taken in a number of interdependent areas. In order for this to be achieved, close coordination of the various agencies responsible for policy implementation will be called for, as will the conclusion of a series of strategic agreements and compacts among the various political and social stakeholders (see section H). The region is faced with the tremendous challenge of attaining the first ambitious objective of the 2030 Agenda for Sustainable Development of ending poverty in all its forms everywhere.

As discussed in chapter II, income transfers—mainly to households with children—have become a key poverty-reduction tool in the social protection systems of most countries of Latin America and the Caribbean. These are non-contributory social protection programme components, since, regardless of the beneficiary households' participation in the formal

⁴ Most of the non-contributory pension schemes in the region are targeted, although some provide for universal coverage. The Plurinational State of Bolivia, with its *Renta Dignidad* basic old-age pension system, and the pension systems of Trinidad and Tobago and the Federal District of Mexico are all outstanding examples.

labour market or their capacity to pay taxes, these households receive what are chiefly needs-based government-funded cash transfers (Filgueira, 2014). As discussed at length in chapter II, in the region most of these plans take the form of conditional cash transfers, although some of them also include unconditional transfers and family allowances.

These programmes have had a considerable impact but, looking to the future, a number of challenges appear on the horizon that will have to be addressed if they are to achieve further, sustainable results in terms of poverty and inequality reduction. In particular, it is crucial that they be regarded as part of a comprehensive social protection policy, that the coverage and level of benefits be progressively increased and that they are linked up with labour and productive inclusion policies, universal, high-quality education and health services, care provision policies and improvements in rural and urban electrical power, drinking water and irrigation, sanitation, housing and transport infrastructure.

The reinforcement and expansion of cash transfer programmes is an important objective for the region and should include the following elements:

- (i) Expanding coverage based on an active search for people who would be eligible for these programmes in need in order to reach all members of the population who are living in poverty;
- (ii) Increasing the amounts of transfers in order to bring them up to a level where, as a minimum, they will ensure that no household member remains below the extreme poverty line;
- (iii) Matching these efforts with policies designed to provide universal social protection and creating synergies with universal sectoral policies, especially in the areas of health, nutrition, education and caregiving, in order to attack the causes of poverty. In many cases, this will entail improvements in the quality of these services and the provision of more equitable access to them (Sojo, 2007);
- (iv) Partnering with labour and productive inclusion programmes in order to open up access to decent work, build skills and open up opportunities for entering the formal labour market and for developing independent income-earning activities for poor households in both rural and urban areas;
- (v) Gender mainstreaming, particularly in the design of conditionalities and policies relevant to young people, indigenous peoples and Afro-descendants;
- (vi) Forming linkages with policies for improving electrical power, drinking water and irrigation, sanitation, housing and transport infrastructure and expanding the coverage of infrastructure services in both rural and urban areas;
- (vii) Helping to forge a link with the environmental and territorial dimensions by advocating the reinforcement of disaster relief mechanisms and addressing local or territorially based inequalities.

1. Expanding coverage and increasing benefits

An expansion of the coverage of cash transfer programmes should not be based entirely on the demands voiced by persons who are living in poverty, since the persons and households that are the best informed about such programmes are often the first ones to gain access to them, rather than those who are in greatest need of them. The government should therefore try to actively reach out to needy households. This has been done by some countries of the region, such as Chile, through its Bridging and Solidarity Chile Programme, and, more recently, by Brazil, which has made active outreach efforts one of the priority lines of action of the Brazil without Extreme Poverty Plan.

When considering increases in the amounts of these transfers, account has to be taken of the fact that many members of poor and indigent sectors of the population do have earnings, but those revenues are too low to enable them to lift themselves out of poverty.⁵ Therefore, in addition to comparing the size of transfers with the corresponding poverty and indigence lines, another and more accurate manner of determining whether or not conditional cash transfers are providing a basic income floor to poor and extremely poor households is to compare the size of those transfers with the monthly income deficit in those segments of the population (i.e.,

⁵ As noted in chapter I, calculations performed by ECLAC for 17 countries using data from around 2013 indicate that, on average, labour income represents 74% of total income for poor households and 64% of the total for indigent households.

the difference between the incomes generated by these households and the poverty or extreme poverty line).⁶ Since 2013, The Brazilian *Bolsa Familia* programme has been providing a transfer designed to eliminate extreme poverty by making up the difference between household income and the income level corresponding to the extreme poverty line.⁷

These programmes also need to use automatic, legally mandated indexing mechanisms so that transfers do not decline in value over time owing to the effects of inflation or, even more importantly, rising food prices (Cecchini and Madariaga, 2011). Examples of this in the region include the Solidarity Chile Programme and the Family Allowance Scheme in Uruguay. In other countries, such as Argentina, Brazil and Mexico, transfer amounts have been adjusted on a number of occasions but are not legally mandated.

Cash transfers used as tools to combat poverty have a redistributive impact and are funded by the government. Two main arguments against them have been advanced by some sectors of opinion. One is that the countries cannot afford them. However, impact simulations and analyses of governmental financial capacity indicate that there is, in fact, sufficient capacity, although it is differentiated, to implement these programmes (ECLAC, 2010a; Filgueira and Espíndola, 2014).⁸ The other is that transfers are a disincentive to labour participation. This is a flawed argument, however: first, because the transfers are barely enough to cover minimum levels of consumption and generally do not enable people to rise above the poverty line and, second, because the expansion of cash transfers has been coupled with an increase in the labour force participation rates for beneficiary households. These objections are countered by the empirical evidence that anti-poverty income transfers have positive impacts in redistributive and economic terms.

When a rights-based, socially inclusive and economically sound approach is the point of departure, a number of good reasons emerge for raising transfer amounts and expanding the coverage of cash transfer programmes as part of a system for providing a guaranteed income. The first is that this will help to attain equality in terms of the population's enjoyment of social rights. Poor and vulnerable households facing exogenous shocks or personal life changes will become decapitalized precisely because they do not have enough income or any other means of cushioning the impact of adversity. In practical terms and, even more so in ethical terms, it is important to avert the collapse of the household economy. As the region has few economic stabilizers that can help it to withstand crises and shocks, guaranteed income systems would play a role of heightened importance in counteracting negative impacts on well-being and in sustaining domestic demand in times of adversity. Finally, linkages with labour and productive inclusion policies and with sectoral education, health and nutrition policies and tie-ins with the expansion of rural and urban electrical power, water, sanitation and housing infrastructure can all do their part to shorten the amount of time that households remain below the poverty line and to help their members enter the labour market and improve their positions within it both now and in the future (ECLAC, 2010a).

2. Coordinating with programmes for labour and productive inclusion in rural and urban areas

When cash transfers from general revenues are guaranteed and constant over time, they provide a protection floor for the poor that can enable individuals to join the labour market on a better footing to negotiate employment conditions. In particular, it enables them to avoid degrading work or employment that is highly disadvantageous in terms of income or otherwise.

⁶ As mentioned in chapter II, using data for 2011, Cecchini and Vargas (2015) show that, as a regional average, the minimum transfer is equivalent to 32% of the mean monthly deficit of extremely poor households and 15% of the mean deficit for poor households, while the maximum transfer covers 86% of the mean monthly deficit of extremely poor households and 44% of the deficit of poor households.

⁷ See Brazilian Presidential Decree No. 7931 of 19 February 2014.

⁸ Filgueira and Espíndola (2014) estimate, for example, the cost of providing a cash transfer equivalent to the value of up to the poverty line to every child between the ages of 0 and 17 years who lives in a vulnerable household with a per capita income of up to 1.8 poverty lines, net of any other transfers that countries are already providing to those families. The estimated cost, around 2011, ranged from a minimum of 0.34% of GDP in Argentina to a maximum of 10.9% of GDP in Guatemala.

As well as broadening coverage of the population and increasing the amounts of transfers, another key to improving and innovating in poverty reduction programmes is to find means to get those covered by such schemes —young people and working-age adults in general— into productive employment (ECLAC/ILO, 2014).

Accordingly, several countries in the region are engaged in efforts to enhance the beneficial impacts of cash transfers by combining them with measures to improve the current and future positioning of recipients in the labour market.

The measures countries have been deploying with that aim, as was discussed in chapter II, refer mainly to training and skills-building programmes, labour intermediation, technical assistance and loans for rural and urban enterprises. Positioning individuals with low educational levels in the labour market is a long-term undertaking, however, calling for policies on education, psychosocial support and other measures that take account of additional difficulties that may be encountered by women, young people, indigenous peoples and Afro-descendants (OAS/ECLAC/ILO, 2010). In particular, these efforts need to be complemented by measures to bolster care systems, because the lack of State support for families in terms of providing care for children, older persons and persons with disabilities represents another barrier preventing poor women from participating in the labour market (ECLAC/ILO, 2014; Sojo, 2011; ECLAC, 2012d). By the same token, measures aimed at getting beneficiaries of conditional transfers into productive employment must consider the difficulties that retain women in the informal sector to a greater extent than men, in the absence of systems to provide support with care responsibilities.⁹

It is also important to make sure that families exiting conditional transfer programmes —as entry into productive employment on the part of their working-age members lifts them out of poverty— are not shut out of the social protection system. Although families' passage through such programmes should ideally be temporary, ending once they are generating enough income to stay out of poverty by their own means, this transition should be construed as the formation of a nexus with other social protection and promotion measures. Those who have managed to overcome poverty must be able to rely on other social protection instruments (Cecchini and Martínez, 2011).

3. Equality and the rights-based approach in cash transfer programmes for poverty reduction

Efforts to strengthen cash transfer programmes for reducing poverty should be guided by a rights-based approach. On the basis of the principle of equality, a key objective of these programmes is to cover the entire target population, i.e. families living in poverty. Accordingly, errors of exclusion —which from a rights perspective are more serious than errors of inclusion— must be minimized, which can be achieved by building and regularly updating single registries of recipients. In some countries, this also means making sure that all citizens have basic documentation (an identity card) to participate in programmes.

This principle also requires that programmes avoid reproducing discriminatory treatment towards people living in poverty, especially women, young people, indigenous peoples and Afro-descendants (see box IV.1). Cultural relevance and the ethnic and racial perspective must therefore be taken into account, as well as the life-cycle approach, in programme measures, including the range of health and education services, in administrative processes, and in labour and productive inclusion mechanisms. Any co-responsibilities assumed by families must be consistent with their needs, possibilities and socioeconomic and cultural context.

Other human rights principles are applicable as well, in the effort to improve income transfer schemes. Clear, transparent and accessible rules (entry requirements, application procedures, the nature of benefits, forms of payment, complaints mechanisms and enforceability procedures) are essential for making programmes sustainable over time, regardless of the electoral or political calendar. Effective participation by recipients and the community provides programme managers with continuous feedback to enable improvements. Citizen participation, together with effective accountability mechanisms, helps to reduce and eliminate possible problems of corruption and clientelism (ECLAC, 2014d).

⁹ MacLennan, Veras Soares and Robino (2015) compiled a number of articles analysing this link in several countries of the region.

Box IV.1

Incorporating an ethnic and racial perspective into conditional transfer programmes

When they were originally designed, conditional transfer programmes did not explicitly include an ethnic and racial perspective, but this has been gradually incorporated into social programmes aimed at poverty reduction, whether as part of their overall design or through the inclusion of specific components. Indigenous peoples and Afro-descendent populations tend to be overrepresented among those living in poverty and extreme poverty, in some cases making up a significant proportion, if not the majority, of the poor and indigent population. Provided that the programmes are well designed and of a sufficiently large scale, they should have a greater positive impact, relatively speaking, on such populations. According to Robles (2009), conditional transfer programmes present comparative advantages versus other types of social programmes that target indigenous peoples, since they provide access to spheres from which indigenous peoples have traditionally been excluded. Some of the strengths of conditional transfer programmes are: (i) they include capacity-building components; (ii) they address the challenges posed by indigenous migration to urban settlements, since they cover both rural and urban areas; and (iii) they enable indigenous individuals and families to access other social protection programmes and policies, such as labour and productive inclusion programmes. The weaknesses of conditional transfer programmes meanwhile, from an ethnic perspective, are: (i) limited adaptation to local contexts and to the characteristics of the population in the areas where they are implemented (owing to the lack of an ethnic perspective at the time they were designed); (ii) limited operations because the isolation of indigenous populations restricts their access to public services, in addition to the poor coverage of education and health services in the rural areas where they live; and (iii) a negligible intercultural outlook.

Presented below are brief descriptions of three conditional transfer programmes in the region that have incorporated an ethnic and racial perspective.

Bolsa Família (Brazil)

The Afro-descendent population is vastly overrepresented among the poor in Brazil: 75% of the beneficiaries of the conditional cash transfer programme *Bolsa Família* are of African descent, equivalent to 10.3 million families. The *Brasil Sem Miséria* [Brazil without Extreme Poverty] programme, launched in 2011, has expanded this cash transfer scheme, adding a number of other programmes and measures that are improving the conditions of the Afro-descendent population living in poverty and extreme poverty. Over the past four years, 4.3 million Afro-descendent families from rural and urban areas have gained access to productive inclusion programmes that are run alongside *Bolsa Família*. Fifty-three per cent of students enrolled in courses run by the National Programme for Access to Technical Education and Employment (Pronatec) are of African descent (of whom 68% are black women and 49% are young people aged 18-29); 63% of individual formalized microentrepreneurs are Afro-descendents; 82% of the *Crescer* programme's microloans were issued to Afro-descendents; and families whose head of household is of African descent make up the largest proportion of beneficiaries

in the following programmes: *Água para Todos* (65.9% with regard to the water tanks for consumption element and 84.4% in relation to the water for production element), *Luz para Todos* (61.7%), *Bolsa Verde* (83.5%), and the housing construction programme *Minha Casa Minha Vida* (68.6%) (MDS, 2015).

Familias en Acción (Colombia)

When the *Familias en Acción* programme was first launched in Colombia in 2001, it did not take the country's cultural and ethnic diversity into account. The 2005 national census, however, indicated that 3.4% of the total population (1,392,623 people) was of indigenous origin, dispersed across 87 ethnicities or populations, and the programme was extended to indigenous communities and peoples in 2007. The number of indigenous families receiving transfers rose from 8,400 in 2008 to 72,000 in 2011, or 3% of the total number of beneficiary families. The process of identifying beneficiaries was adapted to take into account the specificities of indigenous populations; to join the programme, an indigenous community must submit a request following the initial consultation, thus reflecting cultural relevance and ensuring social oversight. According to an external evaluation of the *Familias en Acción* pilot project in indigenous communities, carried out by the Centro Nacional de Consultoría (CNC), the programme accurately targeted the most vulnerable subgroup of the population, while also strengthening the indigenous identity and action for collective interests. As a result, the programme has been accepted in the communities where it has been implemented. One barrier to access is the need to provide proof of identity (a registration document for the minor and an identity card for the adult responsible for him/her), as such formalities are very costly for indigenous families. In addition, families that live far from the places where payments are issued incur travelling costs; the indigenous population's level of bank access has thus been taken into account (CNC, 2010).

Red de Oportunidades (Panama)

Indigenous populations make up 10% of Panama's total population, and various strategies have been developed since 1994 to combat the exclusion and inequality they suffer. The strategy that has tackled indigenous poverty most directly is *Red de Oportunidades*, a conditional transfer programme that began operating formally in 2006 and whose design explicitly includes a set of criteria that form part of an ethnic approach. In recent years, the programme's sphere of action has been extended to other sections of the poor (indigenous and non-indigenous) population living in urban areas (Madrid and Hernández, 2011). The qualitative study undertaken by Madrid and Hernández (2011) shows that while the indigenous community Kuna Yaka has not received significant support from governments, the largest benefit has come from direct economic contributions, that is, the transfers they receive from the *Red de Oportunidades* programme. The evaluation of perceptions of Panama's conditional transfers programme reveals a need to improve the instruments in these programmes that aim to support indigenous populations, such as intercultural family support and transfers that target the nuclear family rather than households.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of C. Robles, "Pueblos indígenas y programas de transferencias con corresponsabilidad. Avances y desafíos desde un enfoque étnico", *Políticas Sociales series*, No. 156 (LC/L.3170-P), Santiago, ECLAC, 2009; Ministry of Social Development and Hunger Alleviation of Brazil, *Caderno de Resultados: População Negra (2011/abril 2015)*, Brasília, May 2015; Centro Nacional de Consultoría (CNC), *Evaluación de operaciones de los proyectos piloto del Programa Familias en Acción en comunidades indígenas*, Bogotá, 2010; and J. Madrid and A. C. Hernández, "Las políticas sociales implementadas por el Estado panameño en la reducción de la pobreza indígena (1995 – 2005): el caso de la comarca Kuna Yala," Santiago, ECLAC, 2011, unpublished.

Lastly, despite the importance of labour and productive inclusion initiatives tied in with conditional transfer programmes, and however well they are designed and implemented, monitored and evaluated and however broad their coverage, their effect will be limited unless the economies generate sufficient decent work opportunities. Labour and productive inclusion schemes showcase one of the main challenges for social inclusion in the region: to coordinate and harmonize economic, production, labour and social policies.

Accordingly, it is overstepping to judge the relevance and success of conditional transfer programmes by the integration of their beneficiaries into employment and into the production structure. Such programmes cannot be held accountable for generating opportunities for work, employment and production that the economy at large is not generating or not generating in sufficient numbers. Likewise, poverty reduction cannot be the domain of a single social programme, but must be tackled with a range of coordinated and comprehensive public policy measures, which makes it essential to coordinate the economic and social spheres. Another important point is that alternatives for the labour and productive inclusion of participants in conditional transfer programmes should not be limited to forms of self-employment or occupations with low productivity, value added and pay. Given that the point is to overcome poverty and inequality, not just any sort of productive and employment integration will do. The emphasis must be on getting participants into higher-quality, more productive jobs, with better income, more robust protection and more rights.

C. Protect employment and promote decent work

The world of work is the most influential sphere of society in terms of creating, exacerbating or mitigating inequalities. Work provides the largest share of household income in the region and is the source of income distribution inequalities (ECLAC, 2014a).¹⁰ But it is also where other, equally important inequalities are generated and reproduced, inequalities that have to do with participation and access to occupations, jobs and social protection, where gender, ethnic and racial asymmetries are substantial.

Employment also acts as a key mechanism of social inclusion and a means of building autonomy, identity and citizenship (ECLAC, 2014b). In Latin America and the Caribbean, the labour market has historically linked the region's highly heterogeneous production structure, with its large low-productivity sector, to its highly unequal household income. Since the mid-2000s, however, as discussed in chapter I, significant improvements were achieved in labour indicators that are central to various aspects of social development, including the reduction of poverty and inequality.

Nevertheless, the region still faces major challenges when it comes to achieving full and productive employment and decent work. High levels of informality remain, associated with low-productivity, precarious and unstable jobs with low wages and no social protection. Unemployment rates have fallen considerably overall, but are still high for some categories of workers (including young people, both men and women), and could rise again in slacker economic growth conditions. Informal employment continues to be the main route into the labour market for the great majority of poor and vulnerable households, and especially for women, indigenous peoples and Afro-descendent populations in Latin America. And although women's labour market participation rates have risen over the past decade in most of the region's countries, they are still significantly lower than the rates for men —as is women's labour income compared with men's. Gender inequalities intersect with and are intensified by ethnic and racial inequalities in the main labour market indicators. Health and safety problems at work (accidents and illness) remain a challenge in much of the region, as do fundamental rights violations, such as child labour, forced labour, various forms of discrimination, restrictions on the freedom of association and on the right to collective bargaining.

¹⁰ Calculations conducted by ECLAC for 17 Latin American countries (around 2013), on the basis of special tabulations of data from household surveys, suggest that labour income accounts on average for 80% of total household income.

Given the heterogeneity of the region's production structure, entry into employment is not in itself any guarantee of being able to remain above the poverty line or safe from vulnerability.¹¹ Hence the need for policies to promote decent work (see box IV.2). Among other measures, this includes macroeconomic, industrial and sectoral policies that will help to create quality jobs, promote employment formalization and the regularization of the informal economy, foster women's economic autonomy, broaden opportunities for young people to build decent work trajectories and develop regulations and means to reconcile work and family. Progress is also needed on policies to raise minimum wages, measures to protect employment (including unemployment insurance), the prevention and eradication of child labour and forced labour, means to combat all forms of discrimination in employment and the guarantee of freedom of association and collective bargaining rights, as well as instituting and strengthening forums and processes of social dialogue.

Box IV.2

The development of the decent work concept

The International Labour Organization (ILO) formally adopted the concept of decent work in 1999 as a summary of its historical mission to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. The idea of decent work marks the convergence of four strategic objectives: to create productive, good-quality jobs, to promote rights at work, to expand social protection and to strengthen social dialogue.

Decent work integrates the quantitative and qualitative dimensions of employment. It proposes not only measures to create jobs and tackle unemployment, but also the eradication of forms of labour that generate insufficient income for individuals and their families to rise out of poverty, or that involve activities that are unhealthy, dangerous, unsafe or degrading and thus contribute to the reproduction of inequality and social exclusion. Employment needs to be associated with social protection and respect for rights at work, including the rights to representation, association, trade union organization and collective bargaining.

The concept is a multidimensional one. It brings other dimensions into the notion of quality employment: *rights* (all those who earn their living or who need a job to survive, are bearers of rights), *social protection*, *voice* and *representation*. It underscores that there are forms of employment and work that are unacceptable and must be abolished, such as child labour and all forms of forced, compulsory or degrading work. It affirms the imperative need to reduce the decent work deficit in the informal economy and progress towards gradual formalization. Gender equality is defined as an imperative cutting across all areas.

In the years following the formalization of the concept by ILO, governments, trade unions and employers' associations in the Latin American and Caribbean countries gradually assumed the objective of promoting decent work as a key factor in overcoming poverty and social inequality, achieving sustainable development, and strengthening democratic governance. This approach has been reflected in the conclusions of intergovernmental and tripartite forums at the highest level, including the Thirteenth, Fourteenth and Fifteenth Inter-American Conferences of the Ministries of Labor (IACML) held under the auspices of the Organization of American States (OAS) with the participation of ILO (Salvador, Bahia, September 2003; Mexico City, September 2005; Port of Spain, September 2007), the Employment Conference of

MERCOSUR (Buenos Aires, April 2004), the Andean Regional Conference on Employment (Lima, November 2004), the Central American Subregional Tripartite Employment Forum (Tegucigalpa, June 2005), the IV Summit of the Americas (Mar del Plata, November 2005) and the 16th American Regional Meeting of ILO (Brasilia, May 2006).

The United Nations General Assembly (September 2005) endorsed decent work as a key part of strategies for reducing poverty and thus for achieving the Millennium Development Goals. Paragraph 47 of the 2005 World Summit Outcome, adopted by Heads of State and Government, resolves to make full and productive employment and decent work for all, including for women and young people, "a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals."⁹

Decent work thus became part of a commitment undertaken by the United Nations system as a whole and not by ILO alone. In April 2006, decent work formed a central theme of the high-level-segment of the United Nations Economic and Social Council in New York, which requested the entire United Nations system and invited the international financial institutions to pursue employment and decent work dimensions in their programmes and activities.

In June 2009, as part of the response to the international economic crisis, the tripartite constituents of ILO, gathered at Geneva at the ninety-eighth session of the International Labour Conference, adopted by consensus a Global Jobs Pact, consisting of a decent work response to the international crisis. Its strategic objective was to affirm the need for employment, income, social protection, sustainable enterprises and respect for workers' rights to form a key pillar of responses to the crisis and of recovery processes, emphasizing the importance of social dialogue between governments, trade unions and employers to establish and implement such policies.

The new 2030 Agenda for Sustainable Development, adopted at the seventieth session of the United Nations General Assembly in September 2015, in Sustainable Development Goal 8, reaffirms and broadens the commitment to the promotion of decent work. The targets under Goal 8 include: sustain per capita economic growth; achieve higher levels of economic

¹¹ The region has a high proportion of working poor (18.9%) in 2013 (figures from CEPALSTAT database). Although these workers are employed in the labour market, their incomes are not enough to lift them above the poverty line.

Box IV.2 (concluded)

productivity through diversification, technological upgrading and innovation; promote development-oriented policies; encourage the formalization and growth of micro- and small enterprises; achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities; equal pay for work of equal value; substantially reduce the proportion of youth not in employment, education or training; eradicate forced labour and end modern slavery; end child labour in all its forms; protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment; and develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

Dimensions of decent work

In September 2008, the Tripartite Meeting of Experts on the Measurement of Decent Work, a meeting of government experts, trade unions, employers' associations and academics convened by ILO in Geneva, set forth a proposal of ten dimensions for measuring decent work: employment opportunities, adequate earnings and productive work, social security, stability and security of work, decent working hours, equal opportunity and treatment in employment, combining work, family and personal life, work that should be abolished, safe work environment, and social dialogue and workers' and employers' representation. The methodology defined on that occasion also includes a number of indicators regarding the economic and social context for decent work promotion.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of L. Abramo, *Uma década de promoção do Trabalho Decente no Brasil*, Brasília, International Labour Organization (ILO), 2015; ILO, *Decent work in the Americas: An agenda for the Hemisphere, 2006-2015. Report of the Director-General*, Geneva, 2006; United Nations, *Transforming our world: the 2030 Agenda for Sustainable Development (A/70/L.1)*, 2015.

^a In 2008 target 1.B was added to Millennium Development Goal 1 ("Achieve full and productive employment and decent work for all, including women and young people"). It was measured by four indicators: growth rate of GDP per person employed; employment-to-population ratio; proportion of employed people living below \$1 (PPP) per day; proportion of own-account and contributing family workers in total employment.

1. Generating productive, good-quality jobs

ECLAC views progressive structural change an axis for the process of growth with generation of productive, quality employment, with full entitlement to rights. This calls for suitable macroeconomic, sectoral and production development policies capable of absorbing the working-age population; active policies to boost high-productivity, knowledge-intensive sectors which attract strong domestic and external demand; policies to promote the expansion of small and medium-sized firms to close productivity gaps; education and training policies; and an efficient and inclusive financial market capable of raising the savings rate (ECLAC, 2014a; Weller and Kaldewei, 2013).

The strategic challenge of generating quality employment thus involves several policy spheres, and becomes all the more important during times of weaker economic growth which may be expected to impact on the labour market. Particular attention should be afforded to the situation of young people of both sexes and population groups that suffer discrimination and that are overrepresented among the indigent, poor and vulnerable, and those in precarious employment, such as women, indigenous peoples and Afro-descendants.

2. Promoting employment formalization and expanding social protection

One of the most significant advances in the region in recent times has been the increase in labour formalization, which has had positive effects on levels of poverty and inequality, access to rights and social protection and the structuring of labour relations. As discussed in chapter I, this increase has been the result of both the generation of new formal jobs, and the formalization of informal jobs.

However, the challenges remaining are significant. According to ECLAC/ILO (2014), almost half (46.8%) of non-agricultural jobs in Latin America are informal (data for 2013). What is more, the positive trend of the past few years could be reversed amid greater economic uncertainty and potential for rising unemployment. The region therefore faces the challenge of consolidating the gains made and advancing the process of employment and enterprises formalization by means of various regulatory mechanisms and incentives.

In addition to the progress made in formalizing the situation of wage workers, several countries in the region have implemented a wide battery of instruments to formalize and flexibilize eligibility criteria for contributory social security coverage. These include simplified tax schemes that combine tax and social security components, procedures to facilitate worker and employer registration and inspection, cuts of various degrees in employer contributions for smaller firms, special simplified regimes for some categories of workers (such as domestic service workers), tax deductions that encourage payment of contributions, tax deductions for firms that enter the formal

sector, measures to formalize individuals without income who perform exclusively unpaid domestic work, shorter post-registration waiting periods to access health benefits, broader family coverage for taxpayers, and investment laws incorporating formalization incentives.¹²

Various mechanisms have been used to promote the formalization of own-account workers and workers in microenterprises and small firms, such as special measures for small taxpayers (individuals or firms), general exemptions from VAT or from income tax, or lower rates (Cetrángolo and others, 2014). Cases worthy of note are the *monotributo* single tax in Argentina and Uruguay, and *Simples*, *Super Simples* and the Individual Microentrepreneur (MEI) scheme in Brazil (ILO, 2014b). For example, in six years the MEI programme brought 5 million Brazilians within the formal system, and thus within the sphere of social security benefits.¹³

Beyond the direct positive impacts in terms of social protection, reducing informality has helped to reduce wage inequality in some countries, because its bias towards the lower levels of the income distribution has a deconcentrating effect (Amarante and Arim, 2015).

Measures have also been taken to provide technical assistance, training, and access to financial resources, among others, to help microenterprises and small firms to assume the costs of formalization and increase its benefits, and thereby to improve their production capabilities. Efforts have been made to broaden their access to markets through State procurement and linkages with production chains (Weller and Kaldewei, 2013).

Broadening social protection is another strategic objective for decent work. The region has seen progress in this regard, in both non-contributory and contributory social protection, the latter directly associated with formalization of workers (both wage and independent workers) and firms. In particular, the heightened uncertainty in the current complex economic scenario—which tends to reduce employment and increase short-term hiring—makes it urgent to strengthen unemployment protection instruments. Unemployment insurance to provide income to workers who lose their jobs is one of the most important policies in this regard because of its stabilizing effect. However, few countries in the region have unemployment insurance, or they have systems of individual savings accounts for protection in such cases. Even in countries that do have unemployment insurance, it is limited in scope because of the high rates of informality that still prevail in the region's labour markets (ECLAC, 2012a). Accordingly, there is still a need for unemployment insurance to be set up or more broadly financed, and with more accessible eligibility criteria (covering the full range of workers from formal workers to those in the most precarious and temporary forms of employment) (ECLAC, 2010a). Unemployment insurance should also be linked with active employment policies, such as labour intermediation services, direct job creation by the State in certain cases, and training and skills certification schemes.

3. The role of minimum wages

Income level and regularity are crucial elements of employment quality. ECLAC (2014a) has found that stronger minimum wages have been one of the engines driving the reduction of poverty and inequality in the region. As well as raising the floor of the formal wage structure, minimum wages serve as a reference for wages in the informal sector (the “lighthouse effect”). A simulation exercise shows that strengthening minimum wages has helped to reduce income inequality in Argentina, Brazil and Uruguay; this occurred together with growth in employment and in a context of strong labour formalization (ECLAC, 2014a).¹⁴ For minimum wages to play their role, measures must be in place to ensure compliance with labour standards and the policy must be viewed as a long-term strategy—with the intention of gradually raising them—under a robust economic policy and in the framework of labour institutions. It is also important to ensure that the level set for the minimum wage is consistent with macroeconomic and production policies and takes into account the existing wage structure (Weller and Roethlisberger, 2011). In some countries, raising the minimum wage has positive impacts on social benefits, such as retirement pensions, since these are wage-linked or take the minimum wage as a reference.

¹² See ILO (2014b) and Amarante and Arim (2015).

¹³ See Portal Brasil [online] <http://www.brasil.gov.br/economia-e-emprego/2015/06/brasil-alcanca-marca-de-cinco-milhoes-de-microempreendedores-individuais>.

¹⁴ Between 2003 and 2012, higher minimum wages helped to reduce the Gini index in Argentina (by about a third), Brazil (84%) and Uruguay (approximately 7%) (ECLAC, 2014a).

The international experience also indicates that minimum wages can have positive effects by reducing income gaps between men and women, since the latter are overrepresented at the base of the wage pyramid and usually a larger proportion of employed women than employed men receive the equivalent of the minimum wage. In the case of Brazil, for example, according to Guimarães (2012), in the period 2004–2011, there was a large reduction in income gaps between men and women and between whites and Afro-descendants: in that period the average income earned from their main job by those aged 16 years and over rose in real terms by 29% for men, 36% for women, 28% for whites, 44% for Afro-descendants and 47% for women of African descent. Guimarães argued that these significant differences in favour of women and Afro-descendants were associated with the higher representation of these groups among those earning the equivalent of the minimum wage.¹⁵ Nevertheless, despite these positive trends, large income gaps remain between men and women, whites and Afro-descendants.¹⁶

4. Promoting rights at work

Promoting decent work also means promoting and ensuring the guarantee of labour rights, especially the fundamental rights at work: freedom of association and to engage in collective bargaining, the elimination of all forms of discrimination and the eradication of child labour, forced labour and compulsory labour (see box IV.3).

Box IV.3

ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up

In 1998, the tripartite constituents of the International Labour Organization (ILO) adopted the Declaration on Fundamental Principles and Rights at Work and its Follow-up. These rights were defined as freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

The Declaration associates these four rights and principles with eight international labour conventions, which are defined as fundamental: Forced Labour Convention, 1930 (No.29); Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Equal

Remuneration Convention, 1951 (No. 100); Abolition of Forced Labour Convention, 1957 (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Minimum Age Convention, 1973 (No.138); and Worst Forms of Child Labour Convention, 1999 (No. 182).

The Declaration also establishes that all member States of ILO have an obligation to respect these rights and principles, even if they have not ratified the conventions cited. The International Labour Conference at which the Declaration was adopted also set the universal ratification of the eight conventions as an objective, established the bases for a broad programme of technical cooperation between ILO and its member States with a view to contributing to its effective application, and created an oversight mechanism for monitoring the progress made.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO).

Strengthening the organization of trade unions and collective bargaining can make a significant contribution to improvements in income distribution, employment quality and productivity. Both are important —along with labour inspection and the strengthening of labour ministries— to broaden labour rights and ensure that they are fulfilled in various aspects of labour relations and working conditions apart from wages, such as working hours, paid leave (including holidays), social benefits (such as retirement pensions, maternity protection, health insurance and accident insurance), termination of employment and compensation (ECLAC, 2012a; ECLAC, 2014a) and equality of opportunity and treatment (Abramo and Rangel, 2005; Abramo and Valenzuela, 2014). Freedom of association and collective bargaining are thus an important condition for the fulfilment of other labour rights.

Child labour and forced labour are unacceptable forms of work. They constitute a clear violation of human rights and are the clearest antithesis of the notion of decent work. The four ILO conventions (No. 29, No. 105, No. 138 and No. 182) associated with these rights have been broadly ratified in the region. The adoption of

¹⁵ In 2011, according to data from Brazil's National Household Survey, 9% of employed men were earning the minimum wage. The figure was 13% for women, 8% for whites, 13% for Afro-descendants and 16% for Afro-descendent women (who represented 30.5% of all workers receiving the minimum wage) (Guimarães, 2012).

¹⁶ In 2011 women's average income was 73.3% of men's average income. Afro-descendants' average income was 59.8% of the average for whites, and in the case of Afro-descendent women the proportion was 49.1% (Guimarães, 2012).

immediate, effective measures to eradicate both of these forms of labour are covered in the targets of Sustainable Development Goal 8 of the 2030 Agenda for Sustainable Development.¹⁷

(a) Ending forced labour

Forced labour (which includes the trafficking of persons for sexual exploitation or economic exploitation) exists in all regions and all types of economy and has increased in the context of globalization. It exists not only in informal and lagging sectors of the less developed countries, but also in the production chains of large, modern firms with an international market presence (ILO, 2005). ILO conventions No. 29 and No. 105 concerning the topic have been widely ratified in the region and worldwide. However, although ILO calculations find that some 1.8 million people are engaged in some form of forced labour in Latin America and the Caribbean (ILO, 2012), only a small —albeit growing— number of countries in the region officially recognize the existence of the problem within their territory and are taking concrete measures to tackle it. Some of those countries, however, including Brazil and Peru, have noteworthy initiatives in place. These include studies and repositories of information geared towards improving the capacity to diagnose the problem, its causes and consequences; the preparation of awareness-raising campaigns aimed at vulnerable workers; the establishment of national and local commissions with action plans to address the issue; the creation of special labour inspection groups in coordination with police bodies and with other State agencies to identify and free workers forced into compulsory labour; the inclusion of these workers in cash transfer programmes (such as *Bolsa Família*); programmes to increase schooling, professional training and inclusion in the labour market; and partnerships with the private sector to eliminate forced labour from production chains.

These initiatives are very important and must be strengthened. Poverty, illiteracy, low educational levels, lack of opportunities for decent work, and gender, racial and ethnic discrimination all make people more vulnerable to forced labour. This testifies to the importance of coordinating poverty reduction and labour policies, as well as policies aimed at safeguarding human rights. It also highlights the significant role of social development ministries and secretariats in combating forced labour. All these efforts combined can make a significant contribution to eradicating forms of labour that violate fundamental rights, reproduce poverty and perpetuate social exclusion, especially by strengthening the social protection networks aimed at the most vulnerable. Conditional cash transfer programmes and labour and productive inclusion programmes, as well as measures to eradicate child labour, can also play a significant preventive role.

(b) Preventing and eradicating child labour

The prevention and eradication of child labour is another urgent task. ILO calculations show that 12.5 million children and adolescents aged between 5 and 17 years work in Latin America and the Caribbean; and, of these, 9.6 million undertake dangerous activities such as those defined in Convention No.182 and in the national legislations of the countries in question.¹⁸

Child labour is, in itself, a serious violation of the rights of children, and it also prevents them from enjoying other rights defined in the Convention on the Rights of the Child: it has serious impacts on their health and on their possibilities for physical, psychological, and emotional development, by restricting their chances of gaining an adequate education and enjoying childhood to the full.

The 2030 Agenda for Sustainable Development defines the need to adopt immediate and effective measures to eliminate the worst forms of child labour, and child labour in all its forms, no later than 2025 (target 8.7). Although the most recent global measurements (ILO, 2013) show that the prevalence of child labour throughout the world has been reduced significantly, they also show that, if the current rate of reduction is maintained, neither the world as a whole nor the Latin American and Caribbean region will be able to attain those targets. This calls for intensified efforts to achieve them.

¹⁷ Target 8.7: “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.”

¹⁸ The Worst Forms of Child Labour Convention, 1999 (ILO Convention No. 182) defines the worst forms of child labour as all forms of slavery or practices similar to slavery, such as the trafficking of children, debt bondage and serfdom, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; unlawful activities (such as drug trafficking) the sexual exploitation of children and adolescents and work in hazardous, unhealthy and degrading activities.

Child labour in the region is mainly concentrated in the agriculture sector, in the informal urban sector (including unpaid family work), and in domestic service. Despite recent progress in terms of reducing poverty and unemployment and improving other social and labour market indicators, child labour remains a serious problem, as revealed by the figures published on its prevalence. Nonetheless Latin America and the Caribbean is the developing region with the smallest absolute and relative amount of child labour,¹⁹ and the one that has made most progress in preventing and eradicating it. As analysed in chapter III, the vast majority of the region's countries have ratified the main instruments of international law concerning the protection of children and adolescents generally, and child labour in particular (Convention on the Rights of the Child and ILO Conventions No. 138 and No. 182); and their principles have been incorporated into national constitutions and specific laws.²⁰

Here, innovative policies and strategies have been developed, which have become an international benchmark and have been disseminated and shared within Latin America and the Caribbean and with other regions of the world through South-South cooperation. The regional experience shows that preventing and eradicating child labour requires an integrated and intersectoral strategy of public policies in various domains, together with active participation by civil society (including trade unions, firms and employer organizations) in which social development ministries, alongside other government agencies, such as the ministries/secretariats of education, employment, health, human rights, policies for women, promotion of racial equality or the protection of the rights of indigenous peoples have a very important role to play.

That experience also shows that the supply of quality education (including guaranteed access and timely completion) is a central element of the strategy, along with policies and programmes targeted on overcoming poverty and reducing the vulnerability of families, by strengthening social protection networks that enable them to improve their income and access to basic services such as health care. Some conditional cash transfer programmes explicitly include the objective of reducing child labour. Although the results vary across countries, the impact assessments of those programmes show that they have succeeded in reducing both the prevalence of child labour among boys and girls, and the number of hours worked, in both paid and unpaid activities (De Hoop and Rosati, 2014). There is also evidence in the region of programmes targeted specifically on that objective, such as the Programme to Eradicate Child Labour (PETI) in Brazil, which seeks to remove all children and adolescents under 16 years of age from work situations; and the *Abrazo* programme in Paraguay, targeted on children aged up to 14 years who spend their lives or work on the street, with a view to upholding their rights to health, education and social protection.

Other fundamental components of child-labour prevention and eradication strategies include: (a) the broadening of opportunities for decent jobs for working-age youth and adult men and women, including vocational training and skill development programmes, and measures to ease the school-to-work transition; (b) an improvement in the production of data, statistics and indicators that allow for a better understanding of the problem and its evolution through time, together with better monitoring of policies aimed at overcoming it.

Lastly, mention should be made of the Latin America and the Caribbean Free of Child Labour Regional Initiative, an innovative experience in the region which is aligned with the 2030 Agenda for Sustainable Development (see box. IV.4).

¹⁹ According to ILO estimations, in 2012, there were 168 million children and adolescents in situations of child labour worldwide, of whom 12.5 million were in Latin America and the Caribbean, 59 million in sub-Saharan Africa and 77.7 million in Asia and the Pacific. Those figures represented the following proportions of the total number of children and adolescents in that age group in each of the aforementioned regions, respectively: 8.8%, 21.4% and 9.3% (ILO, 2013).

²⁰ The Minimum Age Convention, 1973 (No. 138) establishes the need for countries to define a minimum age for admission to employment or work, which, in no case shall be less than 15 years. Although it includes the possibility that a member state “whose economy and educational facilities are insufficiently developed, may, after consultation with the respective employer and worker organizations initially specify a minimum age of 14 years”. In Latin America, two countries (Argentina and Brazil) set the minimum age for work at 16 years, six countries opted for 15 (Chile, Colombia, Costa Rica, Ecuador, Mexico and Uruguay) and the remainder of the region's countries have availed themselves of the aforementioned exception to Convention No. 138 (ILO, 2013).

Box IV.4**The Regional Initiative: Latin America and the Caribbean Free of Child Labour, a platform for action aligned with the 2030 Agenda for Sustainable Development**

Ending child labour is a global aspiration, as set out in the 2030 Agenda for Sustainable Development (Sustainable Development Goal 8, target 8.7).

12.5 million children and adolescents, aged between 5 and 17 years, work in Latin America and the Caribbean

9.6 million of them perform dangerous activities

Accordingly, 25 countries of the region, together with employers' and workers' organizations, set up the Regional Initiative: Latin America and the Caribbean Free of Child Labour, in October 2014, in response to the need identified at the third Global Conference on Child Labour (Brasilia, October 2013) to accelerate the pace of progress in order to meet the goal of eliminating the worst forms of child labour by 2016, in accordance with the ILO Global Action Plan to Eliminate Child

Labour, adopted in 2006. The Regional Initiative is a platform in which governments assume primary responsibility for ensuring the full exercise of children's and adolescent's rights, by focusing efforts on eight themes, identified as "acceleration factors" to eradicate child labour: indigenous communities, youth employment, migration, agriculture, education, decentralization, value chains and new technology.

Action under the Regional Initiative focuses on strengthening public programmes and services that have the greatest potential to reduce child labour; on implementing specific procedures to deal with issues such as trafficking in persons, sexual exploitation or labour migration; on increasing South-South cooperation to transfer the knowledge, experiences and technology of countries that have found effective responses; and on engaging the international community in specific activities in sectors and/or countries where support is still required.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), *Iniciativa Regional América Latina y el Caribe libre de trabajo infantil*, Lima, ILO Regional Office for Latin America and the Caribbean, 2014.

5. Promoting women's economic autonomy

The broad concept of equality advocated by ECLAC (2014a) goes beyond distributive justice and is enhanced by requirements on the recognition, dignity and autonomy of individuals. For that reason, ECLAC (2013b) has stressed that equality between men and women is one of the pillars on which progress needs to be made, in particular stressing the economic value of the unpaid work done by women in the household, and the restrictions that such activities impose for achieving female economic autonomy and full integration into the labour market. Women's economic autonomy must be promoted by eliminating access barriers to decent job opportunities under equal conditions with men, and by consolidating national systems or networks for the provision of care services. Care needs to become a fundamental pillar of social protection, considered as a citizen right, throughout the life cycle from childhood to old age (Sojo, 2011; ECLAC, 2012d).

As analysed in chapter I, in the labour market, differences in activity and employment rates, and also in incomes, combine to form a scenario in which the female contribution to total household income is significantly less than that of men. There is therefore scope for increasing women's contribution to household income, either by expanding their labour market participation or eliminating income inequalities, with significant effects on reducing poverty and inequality. Depending on the starting position of each country, the largest gains can be achieved by advancing on one of these two fronts, although they are obviously not mutually exclusive (ECLAC, 2014b). Closing gender gaps in the labour market requires policies which: (i) increase women's participation in the market for paid employment, and increase their opportunities for decent work by articulating active employment policies with the adoption of care systems and/or policies; (ii) contribute to the development and adaptation of their skills (particularly for those with lower educational levels); (iii) promote their integration into high-productivity sectors and in different occupations, reducing gender-based occupational segregation through anti-discrimination policies and by promoting equality of opportunities and treatment; and (iv) reduce income disparities.

It is also essential to help formalize paid domestic work and improve its conditions. As noted in chapter I, domestic service accounted for 11.5% of total female employment in Latin America in 2013 (roughly 14 million women), of whom a large proportion are migrant, indigenous or Afro-descendent, and thus live under multiple disadvantages and discrimination. Labour laws in most of the region's countries do not guarantee them the same rights as other wage earners, particularly in terms of regulated working hours, rest periods, protection against unemployment and maternity support. In many countries, their average pay is below the minimum wage, their informality level is very high, and child labour is common. For those reasons, domestic work can be considered as one of the main "hard cores of the decent work deficit" (Abramo, 2015b). The role of policies in this sphere is to

ensure that this work is done within a legal framework that ensures appropriate conditions, particularly in relation to regulated working hours and access to social protection (ECLAC, 2012b). Significant progress has recently been made on the legal framework in the region, including ratification of the ILO Domestic Workers Convention, 2011 (No. 189);²¹ but there is still a long way to go.

It is also important to strengthen women's participation in trade unions, employer organizations and other civil-society organizations, and in the processes and mechanisms of collective bargaining and tripartite social dialogue on issues pertaining to the world of work.²²

Overcoming poverty and inequality means reducing gender disparities in labour participation, employment (in terms of both access and quality) and income, considering the special situation of disadvantage and discrimination endured by indigenous and Afro-descendent women, and adopting policies to reconcile work and family life for men and women alike, since this will have beneficial effects on different levels. Firstly, there will be productivity gains and higher household incomes. Secondly, these measures will elicit progress towards equality in other spheres, such as the full exercise of autonomy, realization of individual capacities and potentials, access to contributory social protection, and broader participation in society beyond the household, all of which are central issues on the equality and rights agenda in the region (ECLAC, 2014a).

Along these lines, it is crucial for countries to work towards mainstreaming policies for gender-equality in the labour market on their public agenda, together with laws and programmes that facilitate and foster balance between the demands made by work and family on workers of both sexes, together with policies in related domains that strengthen women's autonomy and mean that society at large responds to the population's care needs.²³ Equality and structural change require women to achieve greater and better participation in the region's economic development, while overcoming discrimination in the labour market and consolidating guaranteed rights.

6. Promoting decent work trajectories for young people and strengthening the education-work interface through vocational technical training

Confronting the high rates of unemployment, informality, precariousness, lack of social protection and exclusion from the education-employment nexus, which affects young Latin American and Caribbean people—particularly the poorest, those with least education, women, indigenous peoples and Afro-descendants—is another key aspect of a decent work agenda in the region.²⁴ This requires integrated and intersectoral policies, in at least the following areas: more and better education; reconciling studies, work and family life; increasing access to productive and quality jobs; expanding opportunities for technical and vocational training and job-skill development and facilitating the transition between school and work; expanding formalization and social protection; considering the situation of young people in the rural area; promoting youth entrepreneurship; strengthening youth leadership and the consideration of youth topics in social dialogue and collective bargaining processes, and moving towards closing the gender, racial and ethnic gaps in all those dimensions.

In the countries of the region there is growing concern for the design and implementation of policies in various areas. Most of those initiatives concentrate on: skill development (raising education levels and job training); public services or programmes of employment and assisted job search; subsidies for job creation; hiring subsidies; labour regulation and legislation; vocational apprenticeship policies and first job-policies; and promotion of entrepreneurial initiative and self-employment. In terms of skill development, it is particularly

²¹ As noted in chapter I, ILO Convention No. 189 has gained widespread adherence in Latin America and the Caribbean: just four years after its adoption in 2011, it has been ratified by 12 of the region's countries (out of a total of 22 that have done so worldwide).

²² On the importance of collective bargaining for promoting the rights of women in work, see Abramo and Valenzuela (2014) and Abramo and Rangel (2005).

²³ In that area, the 2030 Agenda for Sustainable Development, includes Goal 5, Achieve gender equality and empower all women and girls, and particularly targets 5.1: End all forms of discrimination against all women and girls everywhere; and 5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate; together with the reference to equal pay for work of equal value in target 8.5 of Goal 8.

²⁴ In Goal 8 of the 2030 Agenda, target 8.6 states: By 2020, substantially reduce the proportion of youth not in employment, education or training.

necessary to design flexible strategies that enable all youth groups to continue training processes that are not necessarily concentrated in the formal system, but which provide tools and develop capacities for learning and knowledge articulated with the changes that are occurring in labour demand and sector development policies, thereby facilitating their entry into the world of work.

Capacity development, particularly for the new generations, is one of the basic pillars for moving towards a more egalitarian society and bringing about change in the productive structure. In particular, the interface between education and employment is one of the fundamental pillars to be addressed to integrate the youth population into development processes (ECLAC, 2014a). In addition, given the changes associated with the demographic transition and, in particular, population ageing, owing to the fact that there will be proportionately fewer children and young people in the future, it is even more necessary to invest to enable them to fully contribute to the economic and social development of their communities and countries, which places additional demands on the educational and technical and vocational training system.

To continue increasing educational opportunities for youth in the region requires recognizing the diversity of trajectories and providing an opportunity for continuing studies on a flexible basis. It is thus important to have a supply of formal and informal education that includes different alternatives that make it possible to adapt to the specific conditions of young people (depending on whether they live in remote rural zones or areas of concentrated poverty and marginality); reconcile education and work, including programmes for young people in special situations (such as those with disabilities); promote non-discrimination, tending to reduce segregation; incorporate scholarships and cash transfers, together with measures the keeping students in and returning them to school (ECLAC/OIJ/IMJUVE, 2014).

It is also necessary to improve articulation between the various education and training subsystems, not only to adapt to the diversity of youth trajectories, but also to allow for an adequate flow of students between training programmes, technical education, and vocational and university education; and to facilitate the continuation or resumption of studies, both for updating and for deepening and specialization in various areas of knowledge throughout life (Trucco and Ullmann, 2015).

A key area, which has not been sufficiently addressed by the region's education policies in recent decades is technical-vocational education. Technical education is of vital importance not only because it facilitates successful school-work transitions, but also because, in many countries, it covers a large proportion of students from secondary and higher education. It is important to address this with a gender perspective, owing to the greater difficulties of labour market integration faced by young women, and the segmentation of vocational training opportunities for men and for women. It is also fundamental to incorporate an ethnic and racial perspective into that discussion, with the aim of expanding opportunities for access to education and work for indigenous and Afro-descendent youth.

Technical-vocational programmes must be able to respond to the present and future needs of national productive systems, which requires both public-private partnerships and the joint analysis of labour market needs and projections of future labour demand. This facilitates the planning of programmatic supply, in terms of contents, programme diversity, and the structure of supply by levels of specialization and real potential for labour absorption in the job market. As with the training programmes, secondary technical education courses need to be articulated and made compatible with technical and vocational post-secondary education courses and tertiary education (university), to enable young people (and adults) to continue studies based on compatible and mutually interchangeable programmes, which also include accredited intermediate exit points (Trucco and Ullmann, 2015).

Strategies are also suggested for improving opportunities for labour market integration through education, training and skills, internships and apprenticeships, and the promotion of programmes of entrepreneurial initiative and self-employment (ILO, 2013). These efforts must seek to articulate the varied supply of education (and training) with the projected demands of the labour force for various types of skill. In this connection, it would be advisable to promote the evaluation of youth entrepreneurship programmes, their diversification and adequate diagnostic assessments of the scale of their impact to adjust the programmatic supply and improve articulation with other training programmes and with effective market demands (Trucco and Ullmann, 2015).

D. Combat all inequalities, particularly those based on gender, ethnicity and race

The income inequality determined by labour market integration and the heterogeneity of the productive structure is compounded by other inequalities related to political, social and cultural phenomena; and also by discrimination mechanisms that are reproduced in various socioeconomic environments, such as work, health, education, culture, and political and civic participation. These inequalities are decisive factors in situations of poverty and raise significant barriers to overcoming it. It is therefore necessary to develop policies that incorporate incentives and regulations to prevent discrimination, actively promote equality and guarantee citizenship rights.²⁵

Although a notable change in gender relations has occurred in the region, leading to the conquest of greater rights, greater equality and political and economic involvement of women, the weight of the practices, ideas and structures that keep women in a subordinate position, together with the emergence of new inequalities, prevent the progress made—such as in education—from producing equivalent gains in well-being (ECLAC, 2010b). Hence the importance of making progress on several fronts, particularly towards greater economic autonomy for women, as discussed in section C.5.

The ethnic and racial discrimination that is rooted in Latin America and the Caribbean's history, condemned part of the population to slavery, serfdom and expropriation of resources. Despite development and modernization, the productive structure and the structure of opportunities have served to perpetuate socioeconomic divides based on race, ethnic origin, gender and social class (ECLAC, 2010a). A major challenge facing Latin America and the Caribbean in its pursuit of equality is to prioritize policies to promote and safeguard the civil, political, economic, social, and cultural rights of indigenous and Afro-descendent peoples which, as noted in chapter I, suffer much more from poverty and indigence, along with deficits in terms of decent work. Progress in this area can be seen in the constitutional recognition that several countries have accorded to the cultures and languages that are present within their national borders (Bello and Rangel, 2002), together with the statistical visibility that many countries of the region are promoting.

Progress on recognition of the rights of indigenous peoples both internationally and nationally, has been the fruit of a long path of struggles and grievances pursued by their organizations, during which their rights have been embedded in international instruments, in national laws, and in the institutional frameworks of States (ECLAC, 2014b).²⁶ Nonetheless, these processes are heterogeneous and incomplete, and they need strengthening. At the international level, it is necessary to renew the commitment to indigenous peoples and ensure that this is expressed in the endowment of resources needed to implement the United Nations Declaration on the Rights of Indigenous Peoples and to ensure full compliance with ILO Convention 169 by the 15 countries of the region that have ratified it. It is also necessary to strengthen the mechanisms to protect indigenous peoples' rights that have been implemented in the United Nations system, with a view to effective application of the set of recommendations that exist and in monitoring compliance with international standards. At the national level, although significant progress has been made, it remains insufficient, and profound ethnic inequalities persist. In a context of greater economic hardship, consolidating these advances requires political will; and States need to redouble their efforts, particularly to encourage participation by indigenous peoples and promote respect for their autonomy (ECLAC, 2014b).

Latin America's Afro-descendent population is also experiencing exclusion and structural discrimination, which continues to reproduce itself in various domains of economic, social and political life. To cope with this situation of disadvantage, Afro-descendent peoples have acted collectively to demand respect for their rights in fulfilment of the commitments undertaken in the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, which obliges States to reduce the exclusion, discrimination and poverty in which their peoples live as a result of racism (ECLAC, 2009).

²⁵ Apart from the dimensions mentioned (gender, race and ethnicity), other inequalities are linked to the life cycle (childhood, youth, older adults), disability, internally displaced or migrant status.

²⁶ The international instruments in support of these rights include the Discrimination (Employment and Occupation) Convention, 1958 (ILO No. 111), the Indigenous and Tribal Peoples Convention, 1989 (ILO No. 169), and the Durban Declaration and Programme of Action, which emerged out of the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa, in 2001. This topic is analysed in chapter III.

Progress needs to be made towards new forms of citizenship, based on combating all forms of discrimination and implementing active policies to promote equality of opportunities and treatment. In recent years, States, international organizations and civil society have made major efforts in these areas, although progress is uneven across countries. While some have passed laws and created organizations to promote racial equality, or have implemented affirmative-action policies of various types, others are still in a phase of reconnaissance or exploration of the problem. In each country, the rates at which policies, institutions, programmes and actions have been implemented have depended on a combination of factors, including political will, State capacity, democratic development, and, above all, the capacity of the affected groups to draw public attention to the topic and place it on the social agenda (ECLAC, 2009).

For both indigenous and Afro-descendent peoples, redoubled efforts are needed to promote programmes that foster equality and an improvement in living conditions, including conditional cash transfer programmes and policies on employment and access to decent work, education, housing, and access to land and other productive resources, which includes the management and safeguarding of natural resources and biodiversity. There is also a need to implement integrated health programmes, targeting those population groups in rural and urban areas, together with multicultural educational models. Transforming the conditions that enable discrimination means ensuring access to better living conditions and participation in decision-making in power structures and in popular representation mechanisms (ECLAC, 2009; Hopenhayn, Bello and Miranda, 2006).

E. Reducing territorial inequalities

Regional inequality and heterogeneity between subnational territorial units in terms of their levels of income, poverty, productivity, access to welfare and natural resource endowment have been a historical and structural feature of several countries in Latin America and the Caribbean (ECLAC, 2012c). Territorial inequalities restrict the population in exercising their rights, particularly in the case of indigenous peoples since land is fundamental for defining their identity.²⁷

To achieve greater equality it is essential to reduce disparities between territories, particularly taking account of conditions in the rural areas, by adopting public policies that consider not only productive, but also spatial convergence (ECLAC, 2010a) (see box IV.5 and box IV.6).

Box IV.5

Evolution of regional development policies

From the 1960s onwards, regional development policies have been the tool most used by Latin American countries to achieve spatial convergence. Their main objective was to narrow regional gaps, specifically inequalities between the most dynamic and the most underdeveloped areas within each country. The most commonly used strategy was industrialization, by encouraging the relocation of countries' key and strategic industries, offering economic incentives and improving social and productive infrastructure. A common factor to all of the initiatives was that central authorities were almost exclusively responsible for developing policies (Cuadrado, 2012). The 1990s saw the emergence and consolidation of a wide range of public policies with an awareness of territorial development at various levels (ECLAC, 2010a). New stakeholders and local and regional institutions became involved in the development of these policies, thus moving away from the situation in the past when

the State was the sole actor. This has led to the implementation of a raft of regional policies —rather than a single, exclusive major policy— in accordance with the highly diverse levels of regional development and territorial inequalities, and that take into account social, environmental and political factors, not just production considerations, in the sectors they wish to boost (Ramírez, Silva and Cuervo, 2009).

With regard to institutions, the most important and meaningful strategies have been decentralization in unitary countries and the consolidation of federalism in federal ones. Furthermore, the system of electing local and regional governments has been democratized, and tax revenues raised by the regions and transferred to them have been expanded. Local authorities are responsible for overseeing social programmes (education and health) and providing basic infrastructure (sanitation and local equipment) (Ramírez, Silva and Cuervo, 2009).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J.C. Ramírez, I. Silva and L. Cuervo, *Economía y territorio en América Latina y el Caribe: desigualdades y políticas*, Libros de la CEPAL, No. 99 (LC/G.2385-P), Santiago, ECLAC, 2009; J. R. Cuadrado, "Las políticas de desarrollo regional y el conflicto eficiencia-equidad", *Desarrollo regional en América Latina: el lugar importa. Memoria del Seminario Internacional, realizado en Santiago los días 19, 20 y 21 de octubre de 2010*, Seminarios y Conferencias series, No. 70 (LC/L.3454), Santiago, ECLAC, 2012; and ECLAC, *Time for Equality: Closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, 2010.

²⁷ Although the legalization of indigenous territories is an essential condition of territorial law, this needs to be supported by other measures that make it possible to effectively guarantee tangible achievements in terms of improving their economic and social conditions (ECLAC, 2014c).

Box IV.6**Rural policies with a territorial approach**

Rural areas of Latin America and the Caribbean, where some 20% of the region's population live, are generally the poorest parts of the countries of the region. Thus, rural policies with a territorial approach must also be a central pillar of development policies. On the one hand, revenues from agricultural production should be increased by promoting and developing that production; however, at the same time, new policies have focused on the rural labour market, specifically by recognizing the particularities of rural employment and related categories, such as temporary, agricultural and unpaid family work (FAO, 2013). On the other

hand, as part of the non-contributory component of social protection, public transfers to households, such as programmes to address insecurity among older persons in rural areas or to provide conditional cash transfers, have been adopted as new approaches to counter rural poverty (Rossel, 2012). Lastly, the preservation of biodiversity and balanced ecosystems are critical for rural areas. At present, at least at the formal level, there is a specific concern as to the environmental effects of settling and exploiting rural areas—a far cry from previous settlement programmes that ran roughshod over these issues (ECLAC, 2012c).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), *Pobreza rural y políticas públicas en América Latina y el Caribe*, Santiago, 2013; C. Rossel, "Protección social y pobreza rural en América Latina", paper presented at the International seminar on food security, rural poverty and social protection in Latin America and the Caribbean, Santiago, 22-23 November 2012; and ECLAC, *Population, territory and sustainable development. Summary* (LC/L.3475(CEP/2/4)), Santiago, 2012.

On social issues, many poverty-reduction programmes, including conditional transfer programmes, are implemented on a decentralized basis. There are also policies to improve social infrastructure, such as the building and upgrading of schools and health services in vulnerable and isolated zones, drinking-water and irrigation infrastructure in sectors lacking irrigation water, together with improved Internet access. The latter measure, in particular, makes it possible to reduce territorial disparities of access to quality and timely health treatment, through tele-medicine, providing services through inter-consultations, or a second opinion over the Internet in isolated zones (ECLAC, 2010a).

Policies on productive infrastructure have also been developed, with measures that stressed the building of infrastructure or the establishment of roads for physical and virtual connectedness, which facilitate the marketing of local products and distribution of food, promotion of trade agreements, and promotional strategies that prevent small-scale producers from being excluded from production and marketing processes. In addition, models have been proposed for multiple actors to partner in local production activities (ECLAC, 2012c); and the notion of territory as a tool for managing their development has been progressively incorporated into productive development, job training and skill development, research and technology policies.

In short, Latin America's territorial heterogeneity calls for selective and targeted strategies. Synergies between public and private agents, the various levels of government, and local production sectors and broader markets are essential in activating territorial development. These efforts must be complemented by national measures that, through decentralization policies and the territorial allocation of resources, seek to advance the development of the poorest regions and meet their most pressing needs (ECLAC, 2010a).

F. Protecting the population against disasters

Disasters have been occurring much more frequently worldwide since 1960, and Latin America and the Caribbean has been no exception. Whereas the region suffered an average of 19 disasters per year in the 1960s, the figure was 68 per year in the first decade of the twenty-first century. For that reason, mitigation measures to reduce the population's exposure and restore infrastructure, together with economic and social measures, are becoming increasingly necessary (Vargas, 2015).

The transition from threats to disasters is by no means an exclusively natural process. It is linked to human activity and depends on social conditioning factors. Several studies (Blaikie and others, 1996; Cutter, Boruff and Shirley, 2003) show that the factors that contribute to the occurrence of disasters include urban expansion into areas that are unsuitable for building, and the increasing degradation of the environment. Moreover, in Latin America and the Caribbean, the impact of disasters varies according to the socioeconomic condition of the affected households. Those living in situations of poverty are more exposed, have limited access to risk-management tools and more difficulty in coping with the losses caused by the phenomena in question (Vakis, 2006). Nonetheless growing risk and exposure to disasters, especially among vulnerable groups, is not always perceived as a real risk by much of the population.

As a result, there is little political mobilization to demand immediate measures from government or to assume the economic costs needed to strengthen disaster protection.

To afford sustainability to countries' development, and strengthen national strategies to overcome poverty and inequality there is an urgent need to connect the social protection policies with the international green agenda related to disasters and climate change (Vargas, 2015). In particular, the aggravation of the relation between vulnerability and disasters needs to be recognized, and social protection systems need redesigning to take account of the inherent consequences of disasters and climate change (Lo Vuolo, 2014). This would make it possible to increase the resilience of the population and settlements, particularly those in poverty, considering the needs of the different population groups (early childhood, expectant mothers, school-age children, adolescents, the working age population, older adults, persons with disabilities, etc.), or specific geographic areas that are highly disaster-prone (see box IV.7). It would also be desirable for these instruments to have flexible operating criteria to enable adjustment and the extension of coverage to provide an effective response in the shortest possible time, facilitating coordination with efforts made by different non-governmental and private organizations (Vakis, 2006).

Lastly, public policies to cope with disasters need to be more integrated, so that they can be articulated in the existing prevention, mitigation and recovery systems. This involves the existence, among other factors, of systematic and good quality information at the territorial level, to be able to efficiently and systematically select territories that are highly exposed and vulnerable to disasters, and to prioritize their inclusion in public policies aimed at increasing the resilience of people and communities to those phenomena (Vargas, 2015). It is important to note that the 2030 Agenda for Sustainable Development explicitly recognizes the link between poverty and natural-disaster vulnerability.²⁸

Box IV.7

Social protection instruments and disasters in Latin America and the Caribbean

The instruments currently being used to protect vulnerable populations in disaster situations in Latin America and the Caribbean include cash transfers to families, public employment programmes and microinsurance.

Cash transfers to families aim to improve, to some extent, the immediate economic situation of disaster-struck households, thus discouraging families from engaging in survival strategies such as child labour, which could impair current and future human capacities. Despite being an effective, low-cost instrument for governments, they are only a partial solution and must be complemented with support for the supply of basic essential goods in order to reactivate local economies without creating inflationary pressures caused by the increased money supply. The regulations governing conditional transfer programmes should include provisions for a temporary expansion of coverage in cases of disasters, together with a temporary suspension of the monitoring and verification procedures used to ensure the fulfilment of conditionalities. Examples of this are the initiatives undertaken by the Government of Chile following the 2010 earthquake and the flooding in the north of the country in 2014 and the Emergency Grant distributed to disaster-struck households by the Government of Ecuador.

The region has gained some initial experiences of labour market inclusion programmes for working-age adults who have suffered the consequences of a disaster. Such disaster-related

public employment programmes have been introduced following the official declaration of an emergency situation in Colombia, Mexico, Peru and the Plurinational State of Bolivia. After the 2010 earthquake in Haiti, emergency employment programmes were implemented that involved major rationalization and coordination efforts by the national government and intensive participation by international agencies. In this regard, it is important to define operational criteria that prevent the violation of labour rights, particularly through the provision of sufficient wages to meet basic needs during the emergency period.

A start has been made in Colombia, Haiti and Mexico on creating microinsurance for vulnerable households or farmers who are not usually insured against catastrophes by private institutions. In this case a public-policy proposal would be for the region's countries to start formulating solidarity-based schemes on a permanent basis, to prevent the total loss of productive assets and capital of vulnerable persons who suffer disaster damage. Countries of the region that are located in zones of major seismic activity should consider implementing a collective insurance policy that provides coverage to socially vulnerable households funded through cross-subsidies or solidarity financing based on contributions from higher-income households. An example of one such scheme has been introduced in the Manizales municipality in Colombia (Marulanda and others, 2014).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of L.H. Vargas, "Disaster response challenges for social protection systems", *Towards universal social protection Latin American pathways and policy tools*, ECLAC Books, No. 136 (LC/G.2644-P), S. Cecchini and others (eds.), Santiago, ECLAC, 2015, forthcoming.

²⁸ Target 1.5 states: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

G. Strengthening the institutional framework for inclusive social development

The progress made in the social development domain, as analysed throughout this document, poses new institutional challenges. The social dimension has been strengthened on the public agenda, as shown by new legal-regulatory commitments and a variety of positive experiences in terms of physical, technical, organizational and interagency coordination capacities. To continue along this path, strengthening the rights approach and the inclusiveness of social development, requires further development of those processes, and the promotion of greater sustainability in policies guided by principles of integrity, effectiveness, efficiency, participation and transparency.

There is no single model to follow, but challenges and tasks to be fulfilled in diverse institutional contexts. Promoting intense intersectoral coordination and articulation between the different levels of government, achieving higher levels of territorial coordination, fostering citizen participation, more accountability and guaranteed rights, together with strengthening diagnostic capacity and data production, records and indicators are some of the shared challenges. Some of these challenges are considered below, with a view to developing an institutional framework that allows for an effective, efficient, transparent and sustainable social policy.

1. Embedding the rights approach in the institutional framework for social development

Social policy in general should contribute to the effective fulfilment of economic, social and cultural rights. In formal terms, laws need to incorporate the rights approach in terms of the commitments and mandates assumed by States with people as rights-holders. Despite progress made by the region in this area, analysed in chapter III, many countries have not ratified fundamental instruments such as the International Covenant on Economic, Social and Cultural Rights and the Protocol of San Salvador. There is also a need to make headway in terms of national legislation that embeds those commitments in laws with a recognizable legal foundation, both at the level of constitutions and in specific laws and supervision mechanisms.

It is also necessary to close the gap between those commitments and formal mandates with respect to the implementation and effective scope of social policies and programmes; for example, firm guarantees of access and quality of services, together with the consolidation of adequate and growing levels of social well-being, which result in the effective exercise of rights. Lastly, it requires progress in terms of the enforcement of economic and social rights, to enable people, as rights-holders, to demand their fulfilment from the social institutional framework.

2. Strengthening organizational capacities and inter-agency coordination

Progressing towards greater intersectoral coordination at the central level and between government levels are key requirements for implementing integrated policies that address social problems which, by definition, are complex and multidimensional.

As noted in chapter III, the collegiate mechanisms of social-policy coordination, such as intersectoral councils and offices, are present in all countries. Moreover, in the last few decades, the formalization of the governance function has been strengthened in terms of social policies of protection, promotion and inclusion for population segments defined as priorities owing to their conditions of poverty, vulnerability, social exclusion or discrimination. This is reflected in the emergence of ministries and secretariats of development and social inclusion.

Despite this progress, a sectoralized dynamic persists in the region, which makes it necessary to strengthen both the role of the social ministries and the articulation of actors participating in policy management.

For that purpose, public action needs to be coordinated horizontally, to develop a dynamic of permanent interaction and dialogue between the national government mechanisms that implement social policies, particularly those for overcoming poverty and inequality.²⁹ That means strengthening coordination between the social development

²⁹ Conditional transfer programmes in which coordination responds to the multidimensional nature of the causes of poverty, have been accompanied by significant progress and challenges in the organization and coordination of their actions, with developments in terms of management tools and the emergence of inter-ministerial offices and ministries of social development, as analysed in chapters II and III.

ministries, the sectoral ministries (including the ministries for health, education, employment, rural and urban productive development and the environment), the entities responsible for serving the needs of specific population segments or categories in a cross-cutting way (women, children, indigenous peoples, the Afro-descendent population, youth, older persons, persons with disabilities, etc.) and organizations with functions involving the coordination, planning and financing of economic development generally.

One of the greatest challenges facing the social institutional framework in the region is the need to attain a qualitatively superior level of articulation and complementation between the social and economic areas.

Coordination is particularly important for designing and implementing several innovative social policies, such as those related to the labour market and productive-inclusion strategies; care systems throughout the life-cycle; territory as an articulating space between national and subnational social-policy action; and for considering the needs and cross-cutting incorporation of discriminated groups or those who are disadvantaged in numerous spheres of social policy.

Vertical integration between the different levels of government and at the territorial level is another key aspect of the institutional framework of social development, particularly in the larger countries and those organized on a federal basis. This requires greater coordination of public action between national, regional and local entities. It is essential to avoid a top-down form of articulation between the different government levels, with a centrally directed integration logic, or mere deconcentration, which is a recurrent feature in the region; instead the interaction must make it possible to encompass diverse social needs, with clearly defined competencies, and ensure effective coverage in different geographic spaces.

3. Guaranteeing social participation

The rights approach involves a paradigm shift: no longer considering persons as passive beneficiaries and objects of public interventions, but as rights-holders. Hence the importance of setting up participation mechanisms, both to channel demands and information on unmet social needs, and with respect to the design, operation, and evaluation of policies and programmes. Participation and dialogue must be incorporated into strategic decision-making in social development strategies and poverty reduction programmes. A pending task in several countries involves setting up clear and permanent mechanisms of dialogue and consensus-building with political and social actors, in the framework of participatory mechanisms and processes where these intervene with capacity and legitimacy to represent citizens' interests.

4. Improving management quality: information, transparency and accountability

Clear and verifiable rules and procedures on the implementation of social policies and programmes, and access to public information related to their operation, limits the chances of inefficient, discretionary and/or political use being made of them. Accordingly, accountability mechanisms, along with the availability of public information on the functioning of the policies and social programmes, have gained increasing importance to ensure an efficient use of the resources, and underpin the legitimacy and credibility of those policies in the eyes of citizens. Accountability has two complementary dimensions: "vertical" mechanisms, through which government actors have to respond to questionings and demands from various social actors (programme participants, civil organizations, public opinion and citizens in general); and "horizontal" mechanisms, through which one government entity has a mandate to oversee the actions of other public entities (O'Donnell, 2003; Mainwaring and Welna, 2003). Making progress in both dimensions is essential for the social policies and programmes to be as immune as possible to political or patronage use, enjoy increasing social legitimacy, and can be leveraged to exercise rights.

Many of the challenges facing social institutions mentioned above are compounded by a shortage of technical capacities within the State. Ways to enhance those capacities include knowledge and tools for social diagnosis, monitoring and evaluation, the quality of administrative records, the generation of sectoral statistics and indicators, and dialogue and exploitation of national statistical systems. In this connection, it is essential to strengthen systems for planning and evaluating social policy and to establish synergy and productive dialogue between the two. It is also strategically important to develop internal evaluation capacities in the institutions and to set up adequate mechanisms with the independence and autonomy that are essential for fulfilling the functions of external evaluation of social programmes and policies.

5. Securing financing

The region has made progress on financing social development policies, but this has been heterogeneous and insufficient; often, the importance of programmes is not reflected in the amount of funding allocated to them, such as in conditional cash transfer programmes (CTPs). Consequently, steps must be taken to ensure sufficient and stable resources to meet the challenges of social development policy, particularly in relation to social protection for population groups living in situations of poverty and indigence. This is particularly important in the current phase of the economic cycle.

It is therefore necessary to continue developing innovative ways to raise funds, such as royalties from the exploitation of natural resources, income for environmental services and fiscal rules that promote stable funding. Moving towards the development of fiscal rules which, in line with the reaffirmation of the rights approach, ensure the necessary resources, is another key element for policy sustainability.

H. Making headway in social development requires various compacts

Proposing a development model that is sustainable in the medium and long terms has been a recurrent concern of ECLAC throughout its history; and it assumes even greater importance in the context of the 2030 Agenda. The equality trilogy, the current expression of the ECLAC proposal, defines equality as the development horizon, structural change as the path, and policy as the instrument. It is no coincidence that the third volume is entitled *Compacts for Equality: towards a sustainable future*. Moving towards that horizon, in addition to recovering an active role for the State in regulation, supervision and redistribution, through active public policies in numerous development domains, also requires compacts in various areas. From that standpoint, ECLAC proposed seven types of compact: a fiscal compact for equality; a compact for investment, industrial policy and inclusive financing; a compact for equality in employment; a compact for social welfare and public services; a compact for environmental sustainability; a compact for natural-resource governance; and a compact among the international community for development and cooperation beyond 2015. All of these are relevant for inclusive social development (ECLAC, 2014a).

Social, labour and fiscal compacts are necessary because the reciprocal commitments made through them “can also lend greater political viability to institutional reforms if the associated consultations and negotiations lead to the formation of linkages among majority political and social sectors and couple these linkages with the definition of clearer positions that are more broadly supported by those sectors’ representatives” (ECLAC, 2014a). They require certain conditions to be set up, because, apart from their contents, the construction of a compact involves a collective dynamic of learning in democratic culture, in terms of bargaining standards, reciprocity of rights, and a willingness to give up vested interests for the collective good (Hopenhayn and others, 2014). Moreover, insofar as they involve a wide variety of actors, they involve conflicts and difficulties, but the sustainability of the agreements depends specifically on the capacity to achieve inclusive dialogue processes.

Proposing a compact for equality involves focusing attention on a series of institutions that are called upon to promote it, including those linked to social welfare and to the creation of political, legal and institutional conditions that make it possible to move towards it. As regards the key focus of this document, the aim is to make headway in overcoming poverty and reducing inequalities and social exclusion. It is imperative to act on the harshest and most entrenched dimensions of exclusion and discrimination. Only in that way will these social sectors perceive changes, mobility, and ways out. It is vital to increase productive opportunities and access to decent work, promote the development of individual capacities, and setup more inclusive systems to protect against vulnerabilities and risks. This will also have virtuous effects on economic performance and the distribution of the benefits of development, which decisively affect people’s welfare. Work must be done to reconcile economic viability with the social impact.

To secure the progress of social development and prevent it from being reversed, and to address outstanding issues through renewed policies and a renewed institutional framework, requires political agreements that give legitimacy and sustainability through time to the reforms that have been proposed, because they make it possible to process the conflicts and opposing views that emerge from within a democratic society. For this to occur, it may be necessary to take advantage of specific moments, sometimes exceptional ones (see box IV.8).

Box IV.8

Lessons from history on compacts for social protection

A social compact—understood to be a broad-ranging agreement regarding the main facets of a social protection system—is rarely formed at any one specific point in time, with all its fundamental characteristics being determined once and for all. Such compacts are, instead, usually the outcome of a number of different non-linear processes involving a series of conflicts, discussions, agreements and decisions. The dynamics that give rise to this gradual process generally do, however, have an identifiable starting point in a particular set of circumstances marked by crisis and heightened conflict that can trigger long-term structural changes. Frequently, however, this defining moment or foundational point in time that served as the point of departure for subsequent adjustments or reforms can only be identified with the benefit of hindsight. Once the sequence of changes has engendered a new status quo that has gained the acceptance of society as a whole (or at least a large part of it), it then becomes possible to look back and see how a consensus-based social compact has taken shape.

There are several avenues for arriving at a social compact. A gradual accretion of changes or reforms can take place under exceptional circumstances, which often take the form of an acute crisis. In such cases, a change in, for example, the constitutional order may redirect public policies, in general, and social policies, in particular, onto a new path over the long run. A formal delimitation of the general public policy framework and the role of the State, citizens' rights, freedoms and the attendant principles, decision-making standards and rules, and even the components of welfare systems can give rise to constitutional changes that can act as a turning point and give rise to an enduring process of institutional change and the introduction of new policies, laws and reform measures. Even in cases where the substance of constitutional provisions at first appears to be a legal fiction (i.e. a “dead letter”), over the long run it may gradually become a reality.

A social compact—with or without a change in the constitutional order—may be formed with the help of the ongoing efforts of dominant political and electoral coalitions over a prolonged period of time, or with the backing of coalitions made up of a variety of social stakeholders that advocate such changes. These are conflictual dynamics that involve winners and losers in which the balance of power among the key actors is always in flux. Social compacts are not at variance with social conflict, but are rather often the outcome of such conflicts. This is why, in democratic systems, it is so important to have a stable electoral and social base that is in favour of highly redistributive universal social protection systems and would object to their dismantling.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of M. Hopenhayn and others, “Pactos para una protección social más inclusiva”, *Seminarios y Conferencias series*, No. 76 (LC/L.3820), Santiago, ECLAC, 2014.

Past experience shows that compacts are not necessarily arrived at by means of a participatory, or even representative, process. The concomitant interaction, negotiations and agreement may all take place at the level of the leading political actors or may be based on vertical, collegiate arrangements that leave little scope for consultations with civil society or the citizenry at large. On the contrary, sometimes strong coalitions and extensive pacts may be formed whose focus is on dismantling or restricting the scope of social protection systems, or reducing solidarity. On the other hand, they may also be open to participation by a wide range of stakeholders and to broad consultation, in which case they may lead to a gradual reorientation and prioritization of public policies. The representativeness of this latter kind of compact will, however, decline over time unless it is regularly updated so that it retains its legitimacy. In a democratic framework, this process may lead to a build-up of tensions that can reach the point where the compact itself is called into question. This may be a consequence of electoral upsets and shifts in government coalitions or may be brought about by social movements that succeed in redirecting the governmental and public agenda.

Changes in the status quo occur when windows of political opportunity open up, with the convergence of access to the governmental and public agenda, the availability of different political options, analyses and shared narratives, and receptiveness on the part of stakeholders holding formal decision-making power. These windows are associated with a high level of uncertainty and, by definition, require negotiation and concessions by the stakeholders involved that limit the scope of the measures and decisions that are ultimately adopted. For that very reason, they may not fully satisfy the demands and expectations of all the participating political actors or even of the bulk of the population.

It is essential to achieve consensus on the necessity of more inclusive social protection systems that cover a wider range of needs. First, because the rationale and the technical, political and ideological lines of reasoning put forward by the actors involved will define the form and content of the compact. These factors will guide stakeholders as they define their interests and motivations, but they will also be the focus of conflictive deliberations capable of resulting in agreements or changes in the status quo. The effort to build broad-ranging consensus that will provide a foundation for universal social protection systems also has an international or global dimension, which is part of the external environment that will have an influence at the national and sectoral levels. Accordingly, the 2030 Agenda for Sustainable Development may be seen as an opportunity to advance towards more inclusive and less unequal societies.

The compacts must make it possible to transcend the adoption of policies that favour partial interests of certain coalitions and interest groups that have great economic and political power. The aim is to implement wider-ranging, more ambitious and lasting reforms that are not subject to electoral vagaries and changes of government. Basic agreements that transcend the dominant coalition at a given point in time are essential to close structural gaps, which, by definition, require long-term fiscal and social commitments.

Interaction and agreement between multiple actors cannot occur only among the main political agents, nor at the level of the authorities responsible for public finances. To achieve legitimacy and take advantage of the opportunities that those agreements generate for achieving social objectives, it is very important that a wide range of stakeholders participate and are consulted.

In other dimensions the sense of cooperation can be based on a mutual benefit that encompasses highly diverse social sectors. An example of this is the need to achieve adequate protection against the uncertainties that are inherent to the human condition, over and above the various socioeconomic situations, which requires redistribution and solidarity in terms of its financing and the provision of effective social benefits, and which give political support to universality. Moreover, in a region that needs to make a jump in productivity and innovation, virtuous relations can be developed from that aim, with the improvement of labour conditions and participation in the gains from economic growth by low-income workers, through policies to regulate labour relations and promote the transition from the informal to the formal sector.

In terms of resources, there is space to promote the financing of social policy in the region, both through contributions made by formal workers as formalization is expanded, and with tax revenues.

In this framework, public policies need to be strengthened which promote productive employment and decent work, with full rights. This includes, among other things, measures to expand and protect job opportunities, particularly in times of crisis and rising unemployment; formalization of employment; promotion of youth employment; economic autonomy for women, which involves care policies as a fundamental pillar of social protection systems; strengthening the institution of the minimum wage, collective bargaining, labour inspection, and other mechanisms to promote employment rights as well as enhance the linkages between education and employment, by strengthening technical and vocational education.

Labour compacts—for equality in the world of work— represent a strategic vision and a broadly supported programme to reduce disparities in productivity, labour incomes and the quality of employment, and to balance paid and unpaid work. These compacts need to link structural changes with institutional and convergent productivity gains. The aim is to move labour structures and institutions forward, on a coordinated basis and in a way that will create virtuous circles for the promotion of greater equality and sustainability. In order to achieve this goal, society needs to enter into a compact to generate greater skills, learning and knowledge in conjunction with increased investment in production (ECLAC, 2014a).

Labour compacts must therefore address access to employment under decent working conditions, including vocational training and skill development policies; an increase in productivity and its fair appropriation; increases in wages, particularly minimum wages, and other labour income; strengthening of unemployment protection; formalization of employment and the strengthening of contributory social protection; elimination of the various forms of discrimination (gender, race and ethnicity, sexual orientation, persons living with HIV/AIDS, etc.), and the promotion of equal opportunities and treatment; youth policies and the promotion of women's autonomy; elimination of child labour and all forms of forced, compulsory and degrading work; freedom of association and collective bargaining, and strengthening of social dialogue mechanisms, together with the protection of the rights of migrant workers.

It is also necessary to develop a more robust taxation system to finance social investment and gives the State the capacity to redistribute resources and play an active role in promoting equality (ECLAC, 2014a), improving the quality of education and public health, the coverage of social protection, and support for family well-being. The fiscal compact is a basic condition for being able to increase tax revenue, progressively reduce tax evasion and exemptions, change the distribution of the tax burden and redesign the architecture and volume of social investment (Hopenhagen and others, 2014).

This involves increasing the tax burden, in some countries particularly, but in all cases its architecture needs to be changed (see box IV.9). To gradually correct the imbalance between direct and indirect taxation that has characterized the countries of the region for many years, the weight of the tax reforms should primarily fall on income tax, both individual and corporate, such as companies and legal entities, complemented by stronger capital taxation. For these measures to be successful and lasting, the reforms should form part of a complex process of political negotiation between the different stakeholders around a fiscal compact that achieves a framework of consensus on the fundamental objectives—beyond simply increasing available resources—that will govern the State's public finances in years to come (Gómez-Sabaini and Morán, 2013).

Box IV.9
Fiscal policy and social investment in the framework of the tax burden in the region

Increased social investment has been accompanied by higher demand caused by regionwide demographic changes—particularly population ageing—and the expansion of service coverage and costs. This increase has been possible thanks to the improved financing capabilities of the countries. Even with the differences between countries, four complementary processes can be identified in relation to the expansion of tax collection and fiscal capacity in Latin America and the Caribbean: (i) economic growth has expanded the tax base; (ii) management reforms have led to more efficient collection systems and reduced rates of tax evasion and avoidance; (iii) new taxes have been created and existing tax rates and charges have been reformed; and (iv) a range of tax modalities have been applied to the exploitation and sale of natural resources (especially mining and hydrocarbons), including royalties, concession fees and revenue collection, against the backdrop of significant increases in commodity prices.

According to information from ECLAC (2013a), the region's total tax burden—including social security—rose, on average, by nearly 4 percentage points of GDP between 2000 and 2011 (from 15.4% to 19.1%). The tax burden of the group of countries with the highest tax burden (Argentina, Brazil and Uruguay) rose from 24.7% of GDP to 32% of GDP over the same period, while that of the group comprising the poorest countries (Guatemala and Haiti) and those with the lowest tax burden (Bolivarian Republic of Venezuela and Mexico) saw the smallest increase (11.4% of GDP in 2000 to 12.5% of GDP in 2011). With the exception of Argentina, Brazil and Uruguay, the countries of the region are far from achieving the average recorded for the high-income countries of the Organization for Economic Cooperation and Development (OECD) (see table).

**Latin America, the Caribbean and the Organization for Economic Cooperation and Development:
tax revenues by type of tax**
(Percentages of GDP)

	Latin America (19 countries)		Group 1 ^a		Group 2 ^b		Group 3 ^c		The Caribbean (13 countries)		Organization for Economic Cooperation and Development (34 countries)	
	2000	2011	2000	2011	2000	2011	2000	2011	2000	2011	2000	2010
Total tax revenues (excluding social security)	12.7	15.7	18.6	24.0	12.1	15.2	10.5	11.7	19.3	23.0	26.2	24.7
Direct tax revenues	3.8	5.7	6.0	8.8	3.3	5.6	3.7	3.9	6.8	8.3	14.7	13.5
Income, profits and capital gains	3.2	4.9	4.0	6.2	2.9	5.0	3.4	3.7	6.3	7.7	12.5	11.3
Property	0.6	0.7	1.8	2.3	0.4	0.6	0.2	0.2	0.4	0.4	1.8	1.8
Other direct taxes	0.0	0.1	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.4
Indirect tax revenues	8.6	9.6	12.3	14.9	8.5	9.3	6.4	7.2	12.5	14.6	11.3	11.0
General taxes on goods and services	5.1	6.7	9.6	11.4	4.8	6.4	3.4	4.6	5.4	7.1	6.8	6.9
Specific taxes on goods and services	1.9	1.6	1.9	1.6	2.2	1.9	1.3	1.0	1.0	1.2	4.2	4.0
International trade and transactions	1.5	1.3	0.8	1.9	1.6	1.0	1.8	1.6	5.2	5.4	0.3	0.1
Other indirect taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.7	0.3	0.1
Other taxes	0.3	0.3	0.2	0.3	0.2	0.2	0.4	0.6	0.2	0.2	0.2	0.2
Social Security	2.7	3.4	6.1	8.0	2.6	3.3	0.9	0.8	...	...	8.9	9.1
Total tax revenues (including social security)	15.4	19.1	24.7	32.0	14.7	18.5	11.4	12.5	...	...	35.2	33.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Fiscal Panorama of Latin America and the Caribbean: tax reform and renewal of the fiscal covenant* (LC/L.3580), Santiago, 2013, and Organization for Economic Cooperation and Development (OECD), OECD Tax Statistics Database.

^a Argentina, Brazil and Uruguay.

^b Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Nicaragua, Panama, Paraguay, Peru and Plurinational State of Bolivia.

^c Bolivarian Republic of Venezuela, Dominican Republic, Guatemala, Haiti and Mexico.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Fiscal Panorama of Latin America and the Caribbean: tax reform and renewal of the fiscal covenant* (LC/L.3580), Santiago, 2013.

A fiscal compact that is based on social and political compacts is crucial to enable States to honour their commitment to expand economic, social and cultural rights, by weighing the costs and benefits involved in the social policy itself, and understanding that social investment makes it possible to address the three dimensions of sustainable development (economic, social and environmental) included in the 2030 Agenda for Sustainable Development.

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The 2030 Agenda for Sustainable Development and the regional agenda for inclusive social development: Latin American and Caribbean challenges and synergies

Introduction

Despite the progress made in recent decades, Latin America and the Caribbean continue to face considerable social challenges. As ECLAC noted in its most recent monitoring report on the Millennium Development Goals, overall the countries of Latin America and the Caribbean have made major strides in reducing extreme poverty, hunger, undernourishment and child mortality and in providing better access to improved drinking water and sanitation facilities. Conversely, not enough progress has been made on universal primary education, gender equality in the labour market and in national parliaments, maternal mortality, access to reproductive health services, and forest loss (ECLAC, 2015). The 2030 Agenda for Sustainable Development is therefore an opportunity to bridge the gaps that remain unresolved under the Millennium Development Goals.

The new Agenda is also an opportunity to take steps towards stronger commitments to eradicate poverty, reduce inequality and build social protection systems. Compared to the Millennium Development Goals, the social pillar of the new Agenda is much broader and more ambitious, while establishing a stronger connection with the economic and environmental pillars of sustainable development.

Poverty, in particular, is a multidimensional phenomenon caused by many factors. The Agenda calls for the eradication of extreme poverty and sets out various targets related to the means of implementation, including mobilization of resources from a variety of national and international sources (Sustainable Development Goal 1). Inequality within and among countries is also a central sustainable development issue. Importantly, this Goal refers to equal outcomes, not just equal opportunities, and focuses on implementing the principle of common but differentiated responsibilities. It also emphasizes the development of instruments to combat all forms of discrimination and to promote guaranteed, universal levels of well-being and greater social, economic and political inclusion (Goal 10 and Goal 16). Social protection is a cross-cutting theme of the new agenda, particularly the Goals and targets for eradicating poverty and mitigating the vulnerability of the poorest members of society to climate-related extreme events and natural disasters (Goal 1); ending hunger and achieving food security (Goal 2); ensuring healthy lives (Goal 3); achieving gender equality and recognizing unpaid care and domestic work performed by women (Goal 5); ensuring universal access to water and sanitation (Goal 6); promoting productive employment and decent work (Goal 8); and making cities and human settlements inclusive (Goal 11). Inclusive education is also a priority of the new Agenda, under Goal 4, covering, among other targets, universal access to quality education, with mechanisms

and incentives to stop pupils dropping out. The new Agenda is therefore challenging but, at same time, offers an opportunity to shape more substantive and structural developments in response to the region's social challenges. Compared to the Millennium Development Goals, the new Agenda is a challenging project that seeks to mobilize responses and resources within countries.

The Sustainable Development Goals are a significant step forward in the development of a universal agenda, based on the principle of common but differentiated responsibilities, and which sets goals and targets for all countries. Unlike the Millennium Development Goals, the Sustainable Development Goals are not prescriptive, they do not primarily target less developed countries or seek to achieve minimum levels of development. The Sustainable Development Goals are intended to be—and largely are—a transformative agenda with aims that the countries can aspire to, as well as an inspiration to achieve them.

Table V.1
The Sustainable Development Goals: an expanded social agenda as part of sustainable development

Sustainable Development Goals
Goal 1. End poverty in all its forms everywhere
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3. Ensure healthy lives and promote well-being for all at all ages
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5. Achieve gender equality and empower all women and girls
Goal 6. Ensure availability and sustainable management of water and sanitation for all
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10. Reduce inequality within and among countries
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12. Ensure sustainable consumption and production patterns
Goal 13. Take urgent action to combat climate change and its impacts
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: United Nations, "Transforming our world: the 2030 Agenda for Sustainable Development. Draft resolution referred to the United Nations summit for the adoption of the post-2015 development agenda by the General Assembly at its sixty-ninth session" (A/70/L.1), New York, September 2015.

This chapter first examines the social content of the new Agenda, in the light of the situation in the region, looking in particular at the advances it represents with respect to the Millennium Development Goals framework. Second, it considers the importance of the Sustainable Development Goals for the social agenda and sustainable development in Latin America and the Caribbean, looking at the convergences between the region's social and economic agenda and the 2030 Agenda, and highlighting the importance of regional and subregional forums in aligning this new global agenda with the needs and challenges specific to the region.

Table V.1 sets out the Sustainable Development Goals in their entirety. Notwithstanding that the Goals are understood to be interrelated and interlinked—and progress in all of them is needed in order to achieve equal and sustainable development—table V.2 sets out the targets that are most relevant to the region's social agenda.

Table V.2
Goals and targets of the 2030 Agenda for Sustainable Development that are most relevant to the social agenda of Latin America and the Caribbean

Goal 1. End poverty in all its forms everywhere	
Outcome targets	Means of implementation targets
<p>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day^a</p> <p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</p> <p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p> <p>1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p>	<p>1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions</p> <p>1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions</p>
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
Outcome targets	Means of implementation targets
<p>2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</p> <p>2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons</p> <p>2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p> <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p> <p>2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed</p>	<p>2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries</p> <p>2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round</p> <p>2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility</p>

Table V.2 (continued)

Goal 3. Ensure healthy lives and promote well-being for all at all ages	
Outcome targets	Means of implementation targets
3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births	3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate
3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births	3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all
3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks
3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol	
3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	
3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes	
3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	
3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
Outcome targets	Means of implementation targets
4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	
4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	
4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	
4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	
Goal 5. Achieve gender equality and empower all women and girls	
Outcome targets	Means of implementation targets
5.1 End all forms of discrimination against all women and girls everywhere	5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws
5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women
5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation	5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
5.4 Recognize and value unpaid care and domestic work through the provision of shared services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	
5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences	

Table V.2 (continued)

Goal 6. Ensure availability and sustainable management of water and sanitation for all	
Outcome targets	Means of implementation targets
6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies 6.b Support and strengthen the participation of local communities in improving water and sanitation management
6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	
6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	
6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Outcome targets	Means of implementation targets
8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries 8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	
Goal 10. Reduce inequality within and among countries	
Outcome targets	Means of implementation targets
10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements 10.b Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes 10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent
10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	
10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	
10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	
10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	
10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions	
10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies	

Table V.2 (concluded)

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	
Outcome targets	Means of implementation targets
11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning
11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels
11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials
11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	
11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations	
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	
Outcome targets	Means of implementation targets
16.1 Significantly reduce all forms of violence and related death rates everywhere	16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children	16.b Promote and enforce non-discriminatory laws and policies for sustainable development
16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	
16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime	
16.5 Substantially reduce corruption and bribery in all their forms	
16.6 Develop effective, accountable and transparent institutions at all levels	
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	
16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance	
16.9 By 2030, provide legal identity for all, including birth registration	
16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "Transforming our world: the 2030 Agenda for Sustainable Development. Draft resolution referred to the United Nations summit for the adoption of the post-2015 development agenda by the General Assembly at its sixty-ninth session" (A/70/L.1), New York, September 2015.

^a The World Bank, which is responsible for providing internationally comparable estimates of extreme poverty in all countries, regularly updates the thresholds used, depending on the availability of new comparable purchasing power parity estimates. Between the late 1990s and 2008, people living on less than \$1.08 a day, at 1993 prices, were considered to be living in extreme poverty. Between 2008 and September 2015, the threshold used was \$1.25 per person per day, at 2005 prices. From October 2015, the World Bank has increased the threshold to \$1.90 per person per day, at 2011 prices (Cruz and others, 2015).

A. The social content of the 2030 Agenda for Sustainable Development and advances with respect to the Millennium Development Goals framework

Detailed analysis of the Sustainable Development Goals shows clear advances as compared with the framework of the Millennium Development Goals. In particular, poverty and inequality, two of the main challenges facing Latin America and the Caribbean, are addressed more broadly, as can be seen in table V.2. However, the more ambitious nature of the new Agenda poses a double challenge, namely the need to close the remaining gaps under the Millennium

Development Goals and to mainstream the new Agenda's priorities and provisions into national and regional public policies. Therefore, the entry into force of the Sustainable Development Goals does not exempt countries from achieving the Millennium Development Goals that were not met.

1. A more comprehensive and multidimensional approach to poverty

Poverty is a combination of deprivations that prevent individuals from attaining a reasonable standard of living and thus constitutes a violation of fundamental human rights. Poverty has a major impact on individuals and societies, it reduces the life expectancy of population groups who, under different circumstances, would live longer and in better conditions, and generally hampers the development of human capabilities and potential. Extreme poverty is a critical level of deprivation that puts the very survival of those living in such conditions in doubt. The interrelated phenomena of poverty and extreme poverty are also linked to inequality. Experience has shown that to combat extreme poverty we must address the broader issue of poverty, and that to reduce poverty in the long term we must tackle inequality.

Poverty remains a defining feature of Latin America and the Caribbean and a structural challenge that requires an immediate and large-scale response. In order to achieve Sustainable Development Goal 1, to end poverty in all its forms everywhere, the region must work seriously and conscientiously towards achieving the related targets. If we examine efforts to reduce poverty between 1990 and 2015, an objective that was more in line with level of relative development in Latin America and the Caribbean compared to the rest of the developing world, clearly less progress was achieved than towards target 1A of Millennium Development Goal 1, to halve extreme poverty (United Nations, 2010a and 2013).

Therefore, the targets under Sustainable Development Goal 1 represent a step forward for the region, as they are a little more ambitious than those of the Millennium Development Goals and take a multidimensional approach. They link poverty reduction to social protection, to vulnerability to climate-related and other extreme events (of particular relevance to the Caribbean, a subregion that suffers from extreme natural phenomena, magnified by climate change and environmental degradation), to the guaranteed right to basic services and to economic resources. The targets also focus specifically on those groups who are overrepresented in these situations, such as women and children. The eradication of extreme poverty by 2030 (as called for in target 1.1) in the region is feasible, so the countries of the region could agree to more ambitious regional or national objectives (see table V.2). Certainly, the possibility of using national definitions of poverty, as stated in target 1.2, would allow more effective follow-up of the Agenda in this area and efforts to be better targeted to address national realities.

Target 1.2, "By 2030 reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions, according to national definitions", is closer in spirit to Sustainable Development Goal 1 (to end poverty in all its forms everywhere, not just extreme poverty) and might provide a platform for the region to put forward more ambitious absolute targets (for example, a significant reduction in the absolute number of people living in poverty), to make every effort to get close to achieving the Goal's central aim, and to develop national definitions of poverty from a rights perspective.

Likewise, poverty reduction is related to reducing inequality. Creating social protection systems that guarantee universal standards of well-being and access to public and social services will allow progress to be made on both fronts. However, the targets provide a very general framework.¹ Achieving one of the central aims of the Sustainable Development Goals, namely the reduction of inequality, will require greater clarification and coordination of policies, means of implementation and nationally and regionally defined indicators.

Therefore, Sustainable Development Goal 1 moves away from the mindset that once characterized the Millennium Development Goals, which focused on reducing extreme income poverty and, later, on employment and decent work. Sustainable Development Goal 1:

- Calls for the eradication of extreme poverty by 2030, a feasible target in Latin America, if it is measured according to the indicator given in target 1.1. As several reports on the Millennium Development Goals have noted, this indicator was relatively low for the region (United Nations, 2005, 2010b, 2013).

¹ For example, the rights-based approach is not evoked in all the targets that aim to overcome poverty (such as the right to education, health or social security), nor are the scope and provisions of social protection systems clearly defined.

- Opens the door to a multidimensional perspective of well-being that goes beyond income and employment. It is linked to a wider spectrum of policies and associates poverty reduction with other areas, such as education, housing, the provision of basic services, access to social protection, and risk management in catastrophic events.
- Highlights the need to reduce poverty among overrepresented population groups, such as women and children.
- Links poverty reduction to establishing social protection systems, defining universal standards of well-being, and extending social protection provisions to vulnerable groups and those living in poverty. The relationship between poverty reduction to efforts to combat inequality is thus established, by making the establishment of universal social protection systems an instrument for progress on both fronts.
- Links halving the total number of people living in poverty to the target of eradicating poverty in all its forms everywhere, according to national definitions, which might encourage countries to make further commitments.
- Introduces the notion of rights, such as the right to access basic services and revenue-generating assets.
- Links poverty reduction and peoples' vulnerability to catastrophic events.²
- Focuses on the domestic mobilization of resources as the main source of means of implementation (particularly important for maintaining social investment), and the adoption of political frameworks that seek to help those living in poverty and address gender inequalities.

2. Beyond combating hunger: food security and eradicating malnutrition in all its forms

Food security, which is addressed by Sustainable Development Goal 2 (to end hunger, achieve food security and improved nutrition and promote sustainable agriculture), is deemed a fundamental human right and its achievement appears to depend more on political decisions than technical and economic restrictions. This is the case in Latin America and the Caribbean, a region with a food production surplus, although there are differences among countries. The main problem facing the region with regard to food security is access, owing to a lack of income or unstable food prices.

Goal 2 provides a framework for the development of policies that go beyond food security and alleviating hunger, as defined in the Millennium Development Goals; it addresses the issue of food and nutrition in a holistic manner, by considering the links with the production of and access to healthy foods as part of traditional food security and hunger alleviation policies, and with health and education policies to promote healthy food and nutrition habits. In particular, it builds on the Millennium Development Goals' targets by developing analysis of inadequate nutrition, which will provide a more comprehensive overview of the issue.

The region achieved the Millennium Development Goal to reduce hunger, and undernourishment is now only a problem in a limited number of countries, notably Haiti. Malnutrition continues to affect certain areas within countries, undermining the well-being and health of the population, particularly children. In addition, poor nutrition is a growing problem, as evidenced by higher levels of obesity, particularly among women and children, and micronutrient deficiencies.

However, eradicating all forms of hunger and malnutrition will not only lead to progress in guaranteeing peoples', particularly children's, rights and advancing their well-being, it would also produce significant savings in public health costs and considerable benefits as a result of increased productivity. As various ECLAC studies on the cost of hunger and undernutrition have pointed out, inaction in this area is undermining the rights of many people, and has long-term consequences, such as higher public expenditure on health and lower productivity owing to educational underperformance, low labour market and economic participation, and the health problems related to hunger or malnutrition (Martínez and Fernández, 2007, 2009). In addition, the region is currently dealing with two, seemingly paradoxical, problems: many children still suffer from undernutrition while obesity among young

² Additional efforts must be made to mitigate and prevent the exposure of the most vulnerable groups to catastrophic events, to establish assistance and compensation mechanisms to deal with such events should they occur and to adopt environmental conservation and sustainability policies. Social protection systems play a central role in channeling emergency resources and services to the most vulnerable people at critical moments, as do insurance, compensation and reconstruction systems or funds for climate-related events and natural disasters, based on national and international public funds, in high-risk countries.

people and adults is increasing. Policies must therefore be adopted that address both problems, by analysing and combating nutritional problems caused by a deficiency or excess of food consumption, in accordance with the current situation in the region and the changes it has undergone in the last decade. Particular attention should therefore be paid to the availability, consumption and shelf-life of and access to quality food, which are all linked to food security.

3. Universal health care as a basis for a shared well-being

Sustainable Development Goal 3 (to ensure healthy lives and promote well-being for all at all ages) focuses on health issues and encompasses three of the Millennium Development Goals (Goal 4 to reduce child mortality; Goal 5 to improve maternal health; and Goal 6 to combat HIV/AIDS, malaria and other diseases). It calls for specific policies on sexual and reproductive health that mainstream a human-rights and gender perspective, and expands the focus to emerging issues (such as the mortality rates for non-communicable diseases; certain harmful habits, such as smoking; road traffic accidents; substance abuse, including alcohol; and pollution-related diseases). In addition, target 3.8 calls for universal health coverage, which marks a turning point with respect to the targets of the Millennium Development Goals, which focused on specific population groups. This Sustainable Development Goal is therefore challenging, but is, undoubtedly, better adapted to the regional reality of the epidemiological transition and gradually decreasing child mortality rates that we have witnessed over the last two decades.

Sustainable Development Goal 3 sets out a more systematic approach, by recognizing the health achievements under the Millennium Development Goals, but also the challenges and the need to focus on more than a limited number of illnesses. It is also more explicit on the importance of moving towards universal, quality health coverage. In addition to the challenge of generally expanding health coverage, consideration should also be given to the special needs of certain groups, for example, by adapting health services to indigenous peoples' customs or developing specific policies and services for persons with disabilities. Progress has been made in the area of sexual and reproductive health as, despite the reservations of some countries, Goal 3 includes targets that, to an extent, address this issue which is a relevant one for many in Latin America and the Caribbean, particularly adolescents.

However, in general, investment in health in the region has barely increased; this should be redressed through long-term public policies, in order to tackle both traditional health challenges, such as communicable diseases, and those related to non-communicable diseases or aging. Above and beyond the aim of expanding health coverage to the entire population, ensuring good-quality services for vulnerable populations will require specific programmes for each group and specific disease, with differentiated indicators and financing, in order to ensure access to treatment, preventive care and supplies and services.

4. Education and lifelong learning for all

Education, covered in Sustainable Development Goal 4 (to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all), is a fundamental human right and a condition for sustainable development. In general, education and lifelong learning opportunities are key factors in improving a country's social, economic and cultural conditions. Education also plays a central role in economic growth, as it is an investment with a high rate of return and stimulates value creation. More educated individuals are better able to contribute to a country's productive development in a more diverse and efficient manner. Despite the progress made under the Millennium Development Goals, universal primary education was not achieved and is one of the gaps remaining to be addressed (ECLAC, 2015).

Sustainable Development Goal 4 better reflects the educational challenges that Latin America and the Caribbean face. It expands the agenda to cover the entire educational cycle, not just primary education, and repeatedly stresses the importance of quality. Access to early childhood (0 to 3 years) and pre-primary education (4 to 5 years) is one of the region's main challenges, which has an impact on early childhood development and efforts to reduce socioeconomic, gender, race and ethnic inequalities, for example. It also covers aspects that were hitherto absent, such as tertiary education and technical and vocational training, which are particularly relevant

to other development priorities, such as job quality and creation. It addresses more fundamental challenges, moving the agenda of educational investment to more complex matters, such as achieving higher levels of training, improving the quality of education provided and involving groups that are usually excluded from the process, such as indigenous peoples and Afro-descendants. The different issues and needs specific to persons with disabilities are referred to explicitly in this Goal and others, as box V.1 shows.

Box V.1

Disability in the 2030 Agenda for Sustainable Development

The proposed framework for the 2030 Agenda for Sustainable Development represents an important step forward in promoting the inclusion and rights of persons with disabilities. However, closing the gap between this vision and its implementation will be a major challenge.

Persons with disabilities are mentioned explicitly in Sustainable Development Goal 4 (to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all), Goal 8 (to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Goal 10 (to reduce inequality within and among countries), Goal 11 (to make cities and human settlements inclusive, safe, resilient and sustainable) and Goal 17 (to strengthen the means of implementation and revitalize the global partnership for sustainable development). Goals 4 and 8 are particularly relevant to promoting the inclusion of persons with disabilities.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

One of the main challenges concerning persons with disabilities in the context of the Sustainable Development Goals is the availability of data to measure progress. It is difficult to estimate the number of persons with disabilities as there is no standard definition of disability, there is disagreement over which aspects of disability should be measured and the quality of available information sources varies. While persons with disabilities have been increasingly included in Latin American and Caribbean information systems (mainly since the censuses of 2000), owing to conceptual, methodological and operational differences in the data collection methods among the countries of the region, it is still difficult to get a good overall view of the situation, to measure progress and to identify long-term trends. The Inter-Agency Support Group on the Convention on the Rights of Persons with Disabilities has called for all human development indicators to be disaggregated by disability.

Young people will continue to make up a significant proportion of the population of Latin America and the Caribbean in the coming decades. The youth population needs a higher level of education, relevant training and better preparation for lifelong learning. In addition to persistent structural divides, ECLAC has noted inequalities in capacity-building and the sphere of work, which affect young people in particular and will need to be addressed if progress is to be made along the path of sustainability with equality.

A more highly educated population leads to improvements in other areas that are critical for human development and well-being, such as productivity, income, social mobility, poverty reduction and social cohesion. Universal access to quality education helps to build greater equality in the future. Quality education systems and curriculums adapted to the current environmental and economic challenges are needed to bring about the necessary cultural and technological changes that will put the region on the path to much-needed sustainable development.

5. Gender equality and the autonomy and empowerment of women

Sustainable Development Goal 5 (to achieve gender equality and empower all women and girls) addresses three fundamental aspects of women's empowerment that are essential to achieving equality, namely economic, political and physical autonomy. As ECLAC has pointed out in the past, autonomy in these three areas, in both the public and private spheres, is interdependent. For example, economic autonomy affects other aspects of women's empowerment, in the same way that reproductive autonomy affects economic independence (ECLAC, 2010b). By addressing broader issues than the Millennium Development Goals, Goal 5 is a gateway to a more comprehensive approach to autonomy.

Goal 5 and other Sustainable Development Goals seek to advance the gender equality agenda, which in the framework of the Millennium Development Goals focused mainly on access to education and reducing maternal mortality rates. The focus of the Sustainable Development Goals on the following shows that significant progress has been made: (i) recognizing and valuing unpaid care and domestic work; (ii) realizing women's rights to access and control natural and productive resources and credit; (iii) recognizing the vulnerability of certain groups of women to climate change and natural disasters; (iv) prioritizing the eradication of violence against women and girls (a phenomenon that prevents their empowerment and has devastating consequences for individuals, societies and communities around

the world); and (v) eradicating all forms of discrimination. Target 5.1, “end all forms of discrimination against all women and girls everywhere”, could represent a strategic opportunity, providing the normative frameworks in place to prevent discrimination contribute substantively to achieving women’s full autonomy.

By addressing the uneven distribution of unpaid work between men and women, a factor underlying the persistence of gender inequality, this Goal offers the region an opportunity to make substantive progress on efforts to measure unpaid work, its economic value and how it is distributed within households, and to provide comprehensive, adequate and quality public care services. To transform the unequal power relations between men and women in Latin America and the Caribbean, the structural barriers that undermine women’s autonomy in the public and private spheres must be broken down.

Over the past few sessions of the Regional Conference on Women in Latin America and the Caribbean, the region has developed a ground-breaking gender equality agenda that tackles issues only recently included in the global agenda. One recent example of the commitments undertaken by countries is the Santo Domingo Consensus, adopted at the twelfth session of the Regional Conference in 2013, which sets out detailed political commitments regarding, among other matters, women’s economic and political empowerment, their sexual and reproductive health, and the role of information and communications technologies in promoting women’s empowerment and gender equality in general (ECLAC, 2013). The same is true of efforts to combat violence against women; since 1994, the Inter-American Convention on the Prevention, Punishment, and Eradication of Violence against Women (Convention of Belém do Pará) has been a platform that puts these efforts at the heart of the regional agenda. Violence against women was not covered by the Millennium Development Goals, but does feature in the 2030 Agenda for Sustainable Development (OAS, 1994).

6. The universal availability of water and sanitation as a pillar for social well-being and sustainable development

Most countries in the region have achieved or are likely to achieve target 7C of Millennium Development Goal 7 regarding access to improved drinking water sources; however, it is unlikely that the majority will achieve the target on access to improved sanitation facilities. According to available data, significant progress appears to have been made, particularly with regard to expanding access to improved drinking water sources, but, in fact, the methodology used to calculate coverage levels and the failure to take into account qualitative aspects of access to services distorts the data, meaning that the region’s real achievements are much more modest. Sustainable Development Goal 6 therefore seeks to ensure availability and sustainable management of water and sanitation for all, while taking into account environmental sustainability considerations, such as minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, substantially increasing recycling and safe reuse globally, implementing integrated water resources management, and protecting and restoring water-related ecosystems.

This is particularly important to the Caribbean, where water is scarce, according to the benchmark indicator of 1,000 m³ per capita per year. On average, freshwater resources in the subregion are 2,532 m³ per capita, which is considerably less than in other regions with small island developing States. For example, in the Indian Ocean, the average is 17,607 m³ and in the South Pacific it is 127,066 m³ per capita. Moreover, there are countries in the Caribbean that are considered “water scarce”, such as Antigua and Barbuda (800 m³ per capita), Barbados (301 m³ per capita) and Saint Kitts and Nevis (621 m³ per capita) (UNEP, 2008). Climate change also has a negative impact on the availability of water, which is exacerbated by unsustainable levels of extraction and inadequate infrastructure, which results in water leaks, illegal connections and, more generally, high levels of unaccounted-for water (as much as 67% in Jamaica, 40% in Trinidad and Tobago, and 50% in Barbados). While the subregion has made significant progress in improving access to water and sanitation, considerable institutional weaknesses and fragmentation remain, both with regard to policies and regulations and service delivery, owing to the state of the infrastructure. As a result, 85% of wastewater entering the Caribbean Sea remains untreated and 51.5% of households lack sewer connections, while only 17% of households are connected to treatment systems (CREW, 2015). This not only has a negative impact on biodiversity and ecosystems, but also further degrades water quality by polluting ground and surface waters (Cashman, 2014).

7. Sustained and inclusive growth, full and productive employment and decent work for all are the keys to open the door to sustainable development with less inequality

Latin American and Caribbean countries face considerable challenges to achieving sustained and inclusive growth that generates full and productive employment and decent work for all, as called for in Sustainable Development Goal 8.

Sustainable Development Goal 8 is related to Millennium Development Goal 1, to eradicate extreme poverty and hunger, target 1B of which sought to achieve full and productive employment and decent work for all, including women and young people. However, the 2030 Agenda for Sustainable Development goes a step further, by giving greater prominence to the issue of work, which is consistent with view of ECLAC that employment is the master key for achieving equality (ECLAC, 2010a, 2012 and 2014b). The 2030 Agenda includes a theme that has been central to the Millennium Development Goals since 2005, namely that full and productive employment and decent work for all are very important steps on the road to eradicating poverty, a priority for the region. It also advances the idea that economic growth is an essential tool for achieving better working conditions. In addition, as is detailed in box V.2, employment is, together with education, one of the most pressing priorities for young people in Latin America and the Caribbean, and various regional forums have noted some employment-related matters specific to the region.

Box V.2

Young people in the 2030 Agenda for Sustainable Development

The success of the 2030 Agenda for Sustainable Development will depend largely on upholding young people's human, economic, social and cultural rights, and including them fully in society. Unlike the process that gave rise to the Millennium Development Goals, the path to the Sustainable Development Goals has been marked by numerous consultations with young people, to gather their opinions and views through their active participation in discussion and feedback mechanisms on the Agenda. Between October 2012 and January 2013, a series of consultations were carried out with young people in 12 countries to hear their opinions on the 2030 Agenda. More than 340 young people participated in those consultations and presented their views, solutions and hopes for the world beyond 2015.

Meetings and forums were also held to identify the priorities for the 2030 Agenda and regional challenges. The Colombo Declaration on Youth, "Mainstreaming Youth in the Post-2015 Development Agenda," adopted at the World Conference on Youth held in Colombo, in May 2014, sets out guidelines for action based on 14 thematic areas and a commitment by participants to implement the priorities identified in the Declaration.

At the regional level, the Regional Youth Forum for Latin America and the Caribbean was held in Quito, in May 2014. This Forum provided a space for dialogue among young people interested in the post-2015 development agenda and representatives of national and international bodies and civil society, allowing them to share their opinions, concerns and priorities on five thematic areas, namely employment and work, health, education, youth participation and violence, issues that were also identified as priorities in the Colombo Declaration.

Lastly, with the establishment of the Major Group for Children and Youth, a formal mechanism was created to facilitate the inclusion of children's and young people's opinions in the post-2015 development agenda process. The Major Group is a self-organized space that effectively coordinates child and youth participation in United Nations sustainable development mechanisms and other related processes. The Group strives to ensure diversity and to include all children and young people,

taking into account region, geography, gender, (dis)ability and marginalization, among other factors.

Four of the Sustainable Development Goals refer explicitly to young people, namely Goal 2 (to end hunger, achieve food security and improved nutrition and promote sustainable agriculture), Goal 4 (to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all), Goal 8 (to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and Goal 13 (to take urgent action to combat climate change and its impacts). The targets coincide with some of the priorities identified by young people at the aforementioned forums. However, with regard to the education targets, young people are concerned that they do not mention sexual and reproductive health education, and fail to address issues such as informal education or indigenous peoples' knowledge.

While it is also true that, by seeking to strengthen the central pillars of youth social inclusion – education and work – the targets partially coincide with the views of young people, a more comprehensive and holistic view of young people is needed in order for them to exercise their rights and be fully included in society, and thus realize their potential and contribute to building more egalitarian and productive societies. All the indicators should therefore be disaggregated by age group, in increments of no more than five years, in order to measure the progress of the youth population (and other population groups) with regard to all goals, not just the ones that specifically mention young people.

Some of the challenges identified are related to accountability mechanisms and the participation of young people in monitoring the Sustainable Development Goals. Measures should be enshrined in law, with sufficient and specifically allocated resources, to encourage young peoples' meaningful and effective participation in the follow-up and review mechanisms for the Sustainable Development Goals, including the High-level Political Forum on Sustainable Development (HLPF). Shadow reports should also be a formal part of the follow-up and review of the Sustainable Development Goals.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Youth Working Group, "Youth Voices on a Post-2015 World," 2014 [online] <http://www.youthpost2015.org/wordpress/report/youthvoices.pdf>; Colombo Declaration on Youth, 2014 [online] <http://wcy2014.com/pdf/colombo-declaration-on-youth-final.pdf>; Regional Youth Forum for Latin America and the Caribbean, "Recommendations by the Youth of Latin America and the Caribbean for the Post-2015 Agenda," 2014 [online] <http://lac.unfpa.org/sites/lac.unfpa.org/files/pub-pdf/ENGRcomendaciones%20Foro%20de%20Juventudes%20LAC.pdf>.

The 2030 Agenda also sets targets that are in line with the central aim of Sustainable Development Goal 8, including achieving higher levels of economic productivity; promoting development-oriented policies that support productive activities; making the consumption and production of global resources more efficient; achieving full and productive employment and decent work for all, including for young people and persons with disabilities, and equal pay for work of equal value; reducing the proportion of youth not in employment, education or training; eliminating child labour, forced labour and human trafficking; protecting labour rights and promoting safe and secure working environments for all workers, including migrant workers; promoting sustainable tourism; and strengthening the capacity of financial institutions to expand access to their services to all. Target 8.b of the means of implementation seeks to develop and operationalize a global strategy for youth employment.

As mentioned above, ECLAC has argued that employment is the master key for achieving equality (ECLAC, 2010a, 2012 and 2014b). It is therefore right and proper that the Sustainable Development Goals attach importance to the world of work and that the targets under Goal 8 are in line with that key objective, notably target 8.5, which aims, by 2030, to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

In this connection, investment—public and private—will play a key role, as it will give an immediate stimulus to domestic demand and promote future growth, by increasing productive capacity and related productive growth. In fact, investment is one of the main means of promoting industrial change and incorporating the technological progress and scientific knowledge needed for that change.

In the current economic downturn, boosting public investment, the backbone of countercyclical financial architecture, will act as a bridge between the cyclical economic challenges and medium- and long-term growth and development. Latin America and the Caribbean are not well integrated into international trade, owing to their heavy reliance on exporting raw materials and manufactured products with little local added value. Similarly, exports are limited to a small number of products and companies. Diversifying exports is fundamental to promoting sustained, inclusive and sustainable economic growth.

In addition, as discussed in Chapter I, better access for individuals and companies to formal financial services, training (including lifelong learning) and labour protection, with a special focus on young people, is indispensable to achieving inclusive growth and decent and productive employment for all. In the region, the vast majority of young people who are not in employment education or training are women who have domestic and care responsibilities, and who do not have options to help them fit these tasks around work or study, a challenge that must be addressed by labour and educational policies (ECLAC, 2014a). The 2030 Agenda for Sustainable Development focuses attention on this issue which remains unresolved in the region.

8. Equality as a factor for sustainable development

Making equality an explicit aspiration of the 2030 Agenda for Sustainable Development is one of its most remarkable innovations. In that connection, the specific targets under Sustainable Development Goal 10 (to reduce inequality within and among countries) relate to five major topics, which play an important role in achieving more equal and sustainable development, namely labour markets and social protection; inclusion, non-discrimination and equal opportunities and outcomes, based on economic and social rights; fiscal policy; global economic and financial governance; and foreign financial flows, particularly official development assistance and direct foreign investment, as well as facilitation of migrant remittances.

Target 10.3, which aims to ensure equal opportunities and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard, is an important conceptual breakthrough, since it challenges the dominant paradigm of equal opportunities, which is a necessary principle but one that has been unable to significantly reduce inequalities. The principle of equality of outcome promotes approaches that seek to close substantive gaps and recognize the complexity of social mobility, in a region where birth and inherited outcomes essentially determine a person's present or future opportunities.

Unlike the Millennium Development Goals, Sustainable Development Goal 10 addresses various aspects of inequality, a key topic for the region (see Chapter I). Progress, albeit very uneven progress, has been made in Latin America and the Caribbean, the most unequal region in the world, towards reducing the most basic inequalities,

covered implicitly in the Millennium Development Goals (in the Goals to reduce extreme poverty and ensure universal access to primary education). However, much remains to be done to ensure economic, social and political inclusion and rights-based equality is still far from becoming a reality.

Sustainable Development Goal 10 also deals with inequalities among countries, particularly among developing and developed countries. It highlights the importance of including developing countries in decision-making at the global level. In recent years, ECLAC has repeatedly called for development based on equity, together with equality pacts that ensure that development is socially, politically and economically sustainable. This Sustainable Development Goal is another step in that direction. In future, closing the gaps among countries will probably require specific or additional targets, both globally and regionally.

Sustainable Development Goal 10 also deals with ethnic and racial equality, which is particularly relevant to the region and is linked to other Sustainable Development Goals. Sustainable Development Goal 11, to make cities and human settlements inclusive, safe, resilient and sustainable, is perhaps less obviously linked to inequality, but it aims to ensure access for all to adequate, safe and affordable housing and basic services, to upgrade slums and to provide access to safe, affordable, accessible and sustainable transport systems for all, among other targets. As the most urbanized region in the developing world, reducing inequalities in access to basic services in a sustainable manner in cities (and more generally throughout the country) is central to achieving greater social equality in Latin America and the Caribbean.

All of the above does not mean that everything is positive on all fronts. While the aims of Goal 10 are very clear (to reduce inequality within and among countries), the targets under this Goal are not very ambitious. For example, to reduce income inequality within countries, target 10.1 aims to progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average. Although this target is welcome, more ambitious commitments will also be needed, such as capping the number of people in the highest earning decile or percentile. Undoubtedly, the region's future efforts and experiences will inform discussions on reducing inequality within and among countries.

Lastly, Sustainable Development Goal 10 calls for the countries of the region that still have the policy space to do so, to adopt labour and social protection policies that will improve the distributive impact of and access to quality social services and goods, such as fiscal reforms that promote greater equality and allow for the better redistribution of income. It also calls for countries to examine gaps in the promotion of all forms of inclusive and non-discriminatory action.

B. The relevance of the Sustainable Development Goals to the Latin American and Caribbean social agenda and sustainable development

In addition to setting out a broader social agenda compared to the Millennium Development Goals, the Sustainable Development Goals have clear synergies with the development agenda of Latin America and the Caribbean. First, as detailed in Chapter I, poverty —addressed in Sustainable Development Goal 1— is still a structural feature of the region. It is estimated that 28% of the region's population lived in poverty and 12% in extreme poverty in 2014. The majority of those living in poverty or extreme poverty are children, working age and indigenous women, and women of African descent. Poverty rates are often higher in rural areas, although the absolute number of people living in poverty is increasingly concentrated in urban areas (ECLAC, 2014a). It will also prove challenging to maintain the progress made since 1990 (when poverty and extreme poverty affected 48.4% and 22.6% of the population respectively), but which has stalled since 2012, and to reduce poverty rates substantially in an economic environment that is less auspicious than in recent years.

At the same time, poverty rates are volatile owing to great social vulnerability and the major shortcomings and inequalities that persist in the region with regard to access to quality public services and social protection mechanisms. This means that a high percentage of non-poor people and households are at high risk of falling into poverty during their lifetimes, in the event of shocks linked to their economic situation, employment and productive activities, catastrophic events, changes in the composition of the household, or health problems that incur ruinous expenses or restrict a person's earning capacity temporarily or permanently. Given the multidimensional nature of poverty, efforts to overcome it must focus not only on ensuring adequate income levels, but also on improving access to health, education, decent housing and basic and social services, particularly in the countries in the region that have made least progress in these areas.

Sustainable Development Goal 2, which addresses the issues of hunger, food security, nutrition and sustainable agriculture, is fundamental for Latin America and the Caribbean, as it has ethical, social, economic and political implications. These implications include recognizing that food security is a fundamental human right; that it is a key contributory factor to peoples' psychological, physical and intellectual development, leading to positive social inclusion and cohesion that promotes human and social development; that it would produce direct economic savings and benefits, by reducing health costs and improving productivity; and that violating a fundamental right, such as the right to food, curtails peoples' political rights and the development of a participatory democracy.

Moreover, although Latin America and the Caribbean produce a surplus of food and met the Millennium Development Goal to eradicate hunger, the prevalence of undernourishment in some countries and increasing obesity as a result of a poor diet in others, means that Sustainable Development Goal 2 is relevant to the region. The regional focus should be on the right to food and nutrition, rather than food security or hunger. Each country's approach will depend on the relative weight of the different problems (production of and access to food; hunger and undernourishment; malnutrition owing to food shortages or excessive consumption of foods with little or no nutritional value). Regional efforts to promote greater intraregional food trade are needed to tackle uneven food production. Sustainable Development Goal 2 is also in line with the provisions of the Plan for Food and Nutrition Security and the Eradication of Hunger 2025, adopted at the Third Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC), held in Costa Rica, in January 2015 (CELAC, 2015).

Sustainable Development Goal 3 is very relevant to Latin America and the Caribbean because, although public health and coverage have improved significantly in recent years, progress has been insufficient and uneven. Appropriate, measurable and attainable indicators for the region must be adopted to enable significant progress to be made in the health and well-being of people in Latin America in the next 15 years. Including the targets under this Goal in the national plans and programmes of the region would be a major step towards ending preventable deaths of mothers, newborns and children under 5 years of age, eradicating epidemics and some communicable diseases, and reducing the number of deaths from non-communicable diseases. Target 3.1, to reduce the global maternal mortality ratio to less than 70 per 100,000 live births, is not a very challenging objective for many countries of the region and more demanding commitments will probably have to be adopted, in line with the needs of Latin America and the Caribbean.

Improvements in health and well-being among and within the countries of the region have been uneven and more in-depth analysis is needed of efforts to date in those areas. For example, with regard to target 3.7, to ensure universal access to sexual and reproductive health-care services, the birth rate in the region is declining. However, the number of unwanted or adolescent pregnancies remains high, particularly among the lowest-income households, which indicates that these women's reproductive rights are inherently restricted and contributes to an intergenerational cycle of poverty and inequality in the region. Within countries, the gaps in fertility and infant mortality rates are particularly wide between indigenous peoples and the rest of the population. Although progress has been made in the last decade with regard to infant mortality rates, "the inequalities in infant and child mortality reflect the structural inequalities that continue to affect indigenous peoples in the region. These gaps will not be resolved until the health of indigenous children is addressed synergistically with the rest of sector policies" (ECLAC, 2014c, p. 77).

The case of English-speaking Caribbean countries highlights the importance of broadening the health agenda, while continuing to focus on diseases already covered by the Millennium Development Goals. The Caribbean has the highest prevalence of human immunodeficiency virus (HIV) in the world, after sub-Saharan Africa, with 1.1% of the adult population infected (compared with 0.4% in Latin America). HIV prevalence is above 1.5% in the Bahamas, Haiti, Jamaica and Trinidad and Tobago.³ Solving this problem in the future will require better access to treatments and information through awareness-raising campaigns. The burden of non-communicable diseases is also considerable. According to the World Health Organization (WHO, 2014), the burden of diabetes, measured by years of healthy life lost, is 16% higher in Latin America. Diabetes is also very prevalent in Caribbean countries. It is estimated that the costs of diabetes and high blood pressure are between 5% of GDP, in Barbados, and 8% of GDP, in Trinidad and Tobago. Most Caribbean countries offer free or highly subsidized health care, as part of the drive towards universal access. Health care already accounts for a significant proportion of public spending and is expected to increase as a result of the aging population, which will be a major challenge in the future.

³ See [online] <http://www.avert.org/hiv-aids-caribbean.htm#sthash.oWaQivKV.dpuf>.

Latin America and the Caribbean have made significant progress in the area of education (Sustainable Development Goal 4), especially with regard to access to primary education. However, in order to uphold the right to education, attention must be paid to access to and the coverage and quality of secondary education. The region's education systems have been opened up to everyone, but have also been structured in an unbalanced, segregated manner. The main problem in many countries, particularly at the primary level, is no longer exclusion from the education system, but rather that the education system segregates pupils according to their social and educational backgrounds, meaning that lower socioeconomic groups or certain populations, such as indigenous peoples and Afro-descendants, have fewer opportunities to stay in the education system and to obtain a satisfactory level of education. For example, in six of the countries where sufficient statistical information is available, between 22% and 28% of indigenous adolescents aged between 12 and 17 are not enrolled in school (ECLAC, 2014c, p. 89). Sustainable Development Goal 4 is therefore particularly relevant to Latin America and the Caribbean and, as is detailed in box V.3, this Goal has been the subject of intense discussions at the regional and global level.

Box V.3

Education in the 2030 Agenda for Sustainable Development and other global and regional forums

Global consultations with governments, civil society, the private sector and young people, have identified education as a central priority for the post-2015 development agenda. Education is recognized as an essential condition for human fulfilment, peace, sustainable development, economic growth, decent work, gender equality and responsible global citizenship. It also contributes to reducing inequalities and eradicating poverty, by bequeathing the conditions and generating the opportunities for just, inclusive and sustainable societies (UNESCO/UNICEF, 2015).

As part of the discussions on the new agenda, the Latin American Campaign for the Right to Education (CLADE), a network of civil society organizations working in 15 Latin American and Caribbean countries, has been very active in collating the views of civil society at a series of debates and consultations. CLADE believes that the aims of the post-2015 development agenda should be reaffirmed, consolidated and promoted within the framework of the international human rights instruments, already widely ratified by States, which guarantee the right to free, universal and non-discriminatory education, geared towards social and environmental justice and dignity for all.

Its position highlights the following considerations:

1. Education is a fundamental human right that seeks to enable individuals to develop fully; to participate actively in society; to find decent work; to live freely in a diverse society, in harmony with nature; to overcome all forms of discrimination; to consolidate democracy; and to resolve conflicts peacefully.
2. States are the guarantors of human rights, including the right to lifelong learning. Public education systems must be strengthened and valued by the general public, by correcting common misconceptions, often spread by mass media.
3. Girls, boys, young people and adults have rights.
4. The right to education begins at birth and is lifelong. This includes early childhood, primary, secondary, and university education, as well as education and literacy programmes for young people and adults in formal and non-formal settings.
5. Public education should be free and open to all, transformative, without gender bias, and should promote an intercultural perspective and critical thought.
6. Education must be available and accessible to all, without discrimination, nationwide, whether in urban or rural settings, and imparted in a suitable environment and with the necessary infrastructure. There should be no obstacles to education, whether geographic, economic or of another nature.
7. Education should be inclusive and non-discriminatory, it should recognize and value differences and diversity, seek to

overcome inequalities and build new egalitarian relationships between people. Schools should act as places of encounter, for the exercise of democracy and the realization of human rights, and should promote learning and meaningful experiences for the lives of individuals and communities, and a culture that rejects violence.

8. Education curricula and political-pedagogical plans must be developed collectively, with well-trained and well-paid teachers and comprehensive and instructive evaluation systems, grounded in national parameters and human rights, and with input from stakeholders, while respecting national particularities.

9. Public education should be financed with sufficient public resources to guarantee the right to education.

10. Education must be managed democratically, with the broad participation of civil society, teachers, students and parents, from the micro level to the definition and monitoring of education policy and budgetary performance.

In connection with point 6, within the region, countries such as Brazil have adopted policies that actively promote equality through affirmative action in public and private tertiary education, as well as vocational training and qualifications.

At the global level, the World Education Forum 2015 was held in Incheon (Republic of Korea), in May 2015, which brought together ministers from more than 130 governments, senior government officials, Nobel laureates, heads of international and non-governmental organizations, academics and representatives of the private sector and other stakeholders. The Incheon Declaration was adopted at that meeting, which urges countries to provide inclusive and equitable quality education and lifelong learning opportunities for all. The text forms the basis for new educational targets under the Sustainable Development Goals. It also reaffirms that education is essential for global peace and sustainable development.

The Incheon Declaration will be implemented through the Education 2030 Framework for Action, a road map that governments will adopt at the end of 2015. This will guide the implementation of effective education policies and legal frameworks, based on the principles of accountability, transparency and participation. Their effective implementation will require close regional coordination and rigorous follow-up and monitoring of the education agenda. They will also require more funding, particularly in countries that are far from being able to offer inclusive, quality education. The Incheon Declaration and the Framework for Action will encourage countries to establish appropriate national investment targets and to increase official development assistance for low-income countries.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO/UNICEF, "Beyond 2015: The Education We Want" [online] http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/ED/ED_new/Beyond2015_UNESCO-UNICEF-Flyer.pdf; "Public position papers" [online] <http://www.campanaderechoeducacion.org/v2/en/publications/clade/public-position-papers.html>; Incheon Declaration, May 2015 [online] <https://en.unesco.org/world-education-forum-2015/incheon-declaration>.

Despite the recent significant economic and social progress, gender inequality in Latin America and the Caribbean remains at the root of social inequality. Gender inequality accentuates other inequalities, such as economic, ethnic and racial or territorial inequalities, proving that gender equality and the empowerment of women and girls (Sustainable Development Goal 5) is crucial to achieving equality in Latin America and the Caribbean.

To recognize the centrality of gender equality in the development debate, both productive and reproductive work should be taken into account. Discussions of reproductive matters cover fundamental aspects of development, such as the need to reconfigure the gender division of labour according to a model that reconciles productive and reproductive life; the distribution of care work among the State, families (and, within them, between men and women), and the market; parenting; and the formation lifespan patterns (consumption, production, reproduction and care). Issues such as violence and discrimination against women prove that, today, thousands of women in the region cannot take decisions freely, or in a confident and timely manner, about their reproductive health, which prevents them from escaping the cycle of poverty, marginalization and inequality. Sustainable Development Goal 5 is therefore critical to the region in the light of the provisions of binding human rights frameworks, particularly those on women's rights, such as the Convention on the Elimination of All Forms of Discrimination against Women (United Nations, 1979), the Convention of Belém do Pará and the Protocol of San Salvador (OAS, 1988), which can be advanced by the effective implementation of the Sustainable Development Goals.

Sustainable Development Goal 8, which calls for sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, is crucial for the region, which is currently on a path of insufficient growth, marked by high volatility, little inclination towards structural change in an environment with high levels of inequality and, despite recent progress, a considerable and persistent lack of decent work in many fields. In the present circumstances, the region is also facing considerable challenges to boosting economic growth and redressing the negative effects of the global economic slowdown.

The region must address the significant external constraints and endogenous factors that could curb both its economic growth and long-term development. The external constraints that it must learn to cope with include slowing international trade, stagnating global demand, increased uncertainty about the signals coming from financial markets and about future access to financing, and the region's lack of sufficient linkages with today's shifting global value chains. The region's internal problems include an outmoded, disjointed production structure that lacks diversity, labour markets with large informal sectors, low investment and a failure to incorporate technical progress, gaps in goods and capacities, poor natural resource governance, consumption patterns that reflect shortfalls in public services and that put a great deal of pressure on the environment and the energy supply, and institutional shortcomings in terms of the ability to capture, regulate and allocate resources.

Given the highly informal and precarious nature of the region's labour markets, its correlation with poverty, the greater social vulnerability and lack of access to social protection mechanisms, improving access to productive employment and decent work would have a positive effect on various aspects of well-being, on the exercise of rights and on closing inequality gaps.

Sustainable Development Goal 10, on reducing inequality, is one of the most important goals for Latin American and Caribbean countries. Despite moderate progress in reducing income inequality in recent years, the region remains the most unequal in the world. As is noted in box V.4, steps towards achieving many of the social, economic and environmental targets of the 2030 Agenda for Sustainable Development are closely linked to the establishment of universal social protection and redistributive tax systems.

Box V.4

Social protection and the 2030 Agenda for Sustainable Development

ECLAC has promoted the idea of social protection systems based on incremental and universal minimum standards, as a citizen guarantee (Cecchini and Martínez, 2011; Cecchini and others, 2015). This means that the main functions of social protection within social policy are linked to a set of regulations, resources and policies aimed at mitigating the employment, natural and personal risks people face throughout their lives. Measures include ensuring a basic income floor over the course of a person's life, through a combination of insurance and contributory and non-contributory transfer systems; guaranteeing access to quality

public education, health and sanitation services, and decent housing; and, lastly, promoting decent work in the labour market.

From this broad perspective, which includes innovative ideas regarding care systems, the social pillar of the 2030 Agenda for Sustainable Development is closely linked to the establishment of universal social protection and redistributive tax systems. Adopting a rights-based approach to social protection, that is to say that it is seen as a citizen guarantee, links the targets regarding access to justice and the performance of institutions to progress in social protection. As discussed in

Box V.4 (concluded)

Chapter II, institutionalizing social policies in general, and social protection in particular, is a variable that is critical to the performance and effectiveness of public policy. The targets of the Sustainable Development Goals related to core social

protection functions are set out below. This is of strategic importance to Latin American and Caribbean countries on the road towards sustainable development with equality.

Main targets of the Sustainable Development Goals whose attainment is linked to the improvement of social protection systems

Sustainable Development Goal 1

Target 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

Target 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

Sustainable Development Goal 2

Target 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

Target 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

Sustainable Development Goal 3

Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Sustainable Development Goal 4

Target 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Target 4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

Sustainable Development Goal 5

Target 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

Sustainable Development Goal 6

Target 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

Sustainable Development Goal 8

Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Sustainable Development Goal 10

Target 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Sustainable Development Goal 11

Target 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Sustainable Development Goal 16

Target 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.

Target 16.6 Develop effective, accountable and transparent institutions at all levels.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "Transforming our world: the 2030 Agenda for Sustainable Development. Draft resolution referred to the United Nations summit for the adoption of the post-2015 development agenda by the General Assembly at its sixty-ninth session" (A/70/L.1), New York, September 2015.

In addition to income, inequalities concern several aspects of social and political life. These areas could be made more inclusive by expanding access to quality public and social services, something which many countries in the region have yet to accomplish and which requires incremental budgetary resources. Similarly, consolidating public institutions that actively and systematically promote non-discrimination and equality, based on guaranteed rights, is another key area that must be strengthened in the future.

This goes far beyond the institutional framework and calls for policies and actions to be carried out in all areas of public policy. This is particularly evident in the light of the inequalities that certain historically marginalized groups, such as women and, more specifically, indigenous peoples and people of African descent, continue to face. Box V.5 illustrates how gender and ethnic stratification exacerbates social inequality, which can be seen in the unequal access to basic services and employment and in the income gaps.

Box V.5

Latin America: inequalities in access to basic services, employment type and income level by race, ethnic group and gender

Examining both the unequal access to various basic services and extreme poverty, by population groups, stratified by class, race and gender, illustrates the deep inequalities that exist within countries.

Figure 1
Latin America (8 countries): proportion of people with access to water in their home, by race and ethnic group, around 2011
(Percentages)

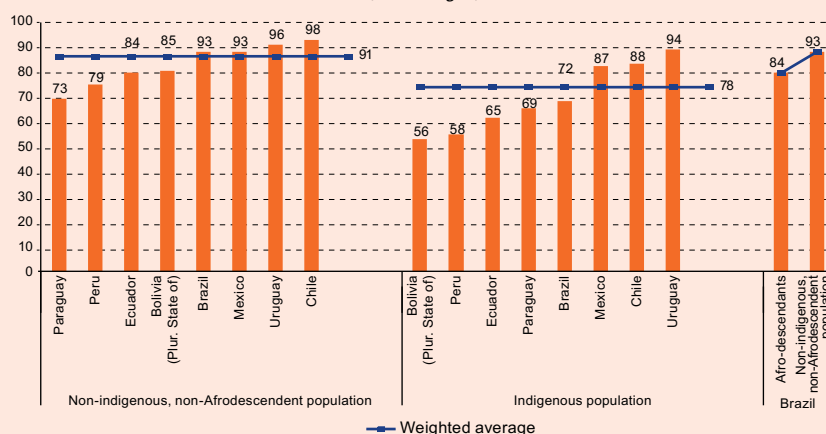
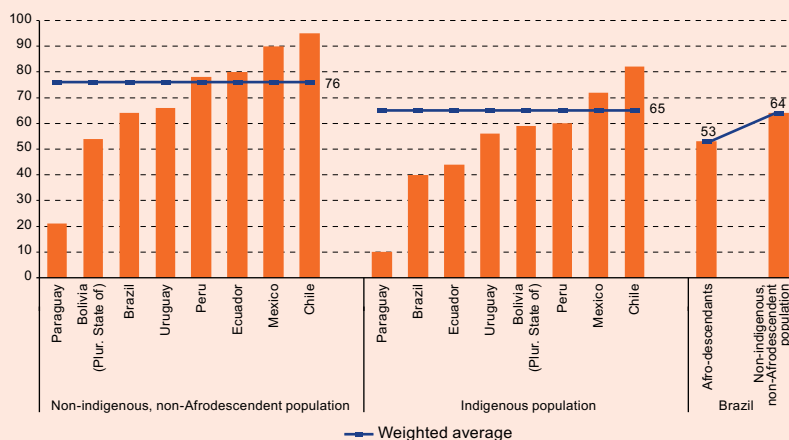


Figure 2
Latin America (8 countries): proportion of people with access to a sewer system in their homes, by race and ethnic group, around 2011
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Box V.5 (concluded)

Figures 1 and 2 highlight the patent inequalities that exist among indigenous peoples, Afro-descendants and the rest of the population with regard to access to two important elements of the Millennium Development Goals and the Sustainable Development Goals (drinking water and sewage systems). Therefore, despite progress made at the national level, there are still significant gaps within countries that will have to be closed in the coming years. Moreover, the employment

conditions of Afro-descendants and indigenous peoples are much more precarious than those of the rest of the population and, within those groups, in most cases, women's employment conditions are still the most precarious. This situation is illustrated in figures 3 and 4, which set out the percentage of self-employed and the percentage of employed whose income is below the poverty line, respectively, disaggregated by ethnic group and gender.

Figure 3
Latin America (8 countries): proportion of self-employed workers, by race, ethnic group and gender, around 2011 (Percentages)

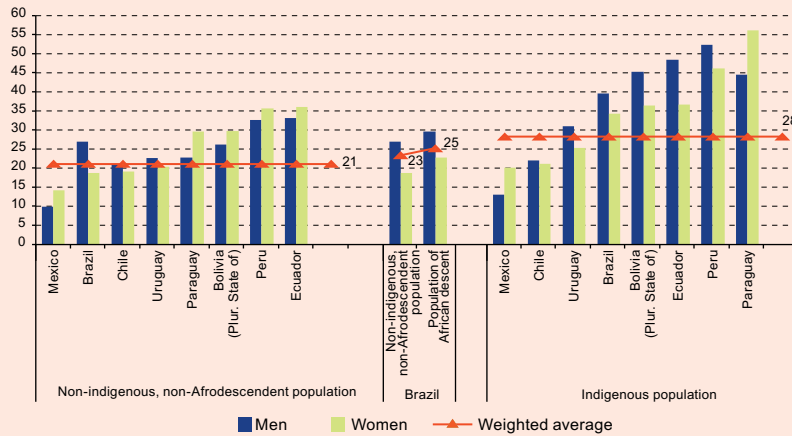
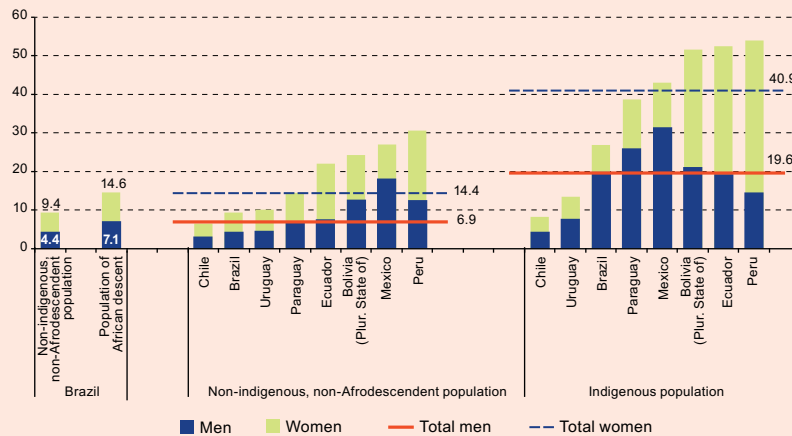


Figure 4
Latin America (8 countries): population with income below the poverty line, by race, ethnic group and gender, around 2011 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

These indicators highlight the need for greater equality on many fronts and in many areas, which is called for in the targets under Sustainable Development Goal 10, but which must

be adapted to the particular context, depending on the gaps and needs of specific population groups, of specific countries.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

With regard to inequality among countries, the 2030 Agenda for Sustainable Development must seek to reduce existing imbalances in the international financial system and global trade. The asymmetrical governance mechanisms of the international financial system fail to recognize the importance and weight of developing economies, including those in Latin America and the Caribbean. Countries' access to financing and the cost of that financing is also uneven. Global trade is unbalanced, reflecting the discord between developing economies' importance and their level of participation in global trade or their access to markets. Moreover, developing economies have limited opportunities to obtain and enjoy the benefits of technology transfers and knowledge acquisition. Decisions still have to be taken on crucial issues, such as the reform of the international monetary system and the feasibility of a proposal submitted by some countries for an international tax authority under the auspices of the United Nations systems, which are not explicitly addressed in the Sustainable Development Goals.

With regard to the diverse and invaluable regional social development forums, as stated in chapter III, these regional and subregional forums are an important component of the framework of social policy institutions, in which Latin American and Caribbean governments are building a regional social agenda comprising specific commitments. Under the 2030 Agenda for Sustainable Development, these forums will act as stepping-stones in monitoring and adapting the Agenda to the needs and aspirations of the region.

There are numerous regional and subregional social development forums in Latin America and the Caribbean (see box III.2 in Chapter III), including the Meetings of Ministers and High Authorities of Social Development of the Organization of American States (OAS), the Meetings of Social Development Ministers and Authorities to eradicate hunger and poverty of the Community of Latin American and Caribbean States (CELAC), the Meetings of Social Development Ministers of member States of the Latin American Integration Association (ALADI), the Ibero-American Meetings of Social Affairs Ministers, the Meetings of Social Development Ministers and Authorities of the Southern Common Market (MERCOSUR), the Andean Council of Social Development Ministers of the Andean Community and the Meetings of the Ministerial Council on social issues of the Bolivarian Alliance for the Peoples of Our America (ALBA). In addition to these forums are bodies that specialize in health matters, such as the Pan American Sanitary Conference of the Pan American Health Organization (PAHO), or employment issues, such as the American Regional Meeting of the International Labour Organization (ILO).

The Ministerial Forum for Development in Latin America and the Caribbean, organized by the United Nations Development Programme (UNDP) since 2007, offers an opportunity to discuss social policies and to envisage responses to new regional challenges. At the seventh Ministerial Forum, held in Mexico in 2014, ECLAC became a partner organization and stressed, *inter alia*, the need for the region to transit to sustainable development, which merges economic and social progress while protecting the environment.

The subsidiary bodies of ECLAC, such as the Regional Conference on Social Development in Latin America and the Caribbean, the Regional Conference on Women in Latin America and the Caribbean, the Regional Conference on Population and Development in Latin America and the Caribbean, the Caribbean Development and Cooperation Committee (CDCC), the Committee on South-South Cooperation, the Conference on Science, Innovation and Information and Communications Technologies, the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and the Statistical Conference of the Americas, provide the countries of the region with opportunities for discussion and cooperation, and shaping regional commitments.⁴

For example, in the social sphere, historically the agenda on gender equality and women's rights has been established in parallel with meetings of the Regional Conference on Women in Latin America and the Caribbean, held every three years since 1977 and attended by governments of the region. Compared to the development of the global gender equality agenda, at each Conference, countries have agreed to incremental commitments to gender equality that have led to the aforementioned regional developments and innovations. At the twelfth Regional Conference on Women in Latin America and the Caribbean, held in Santo Domingo in 2013, member States adopted the Santo Domingo Consensus, which includes a number of commitments on women's empowerment and autonomy in the new digital economy, including access to new information and communications technologies, the eradication of violence in all its forms, public and domestic, participation in political decision-making and access to sexual and reproductive health services.⁵

⁴ See the matters addressed and the agreements adopted by these forums [online] at: <http://www.cepal.org/es/organos-subsidiarios>.

⁵ See the Santo Domingo Consensus [online] at <http://www.cepal.org/cgi-bin/getProd.asp?xml=/12conferenciamujer/noticias/paginas/5/49995/P49995.xml&xsl=/12conferenciamujer/tpl-i/p18f.xsl&base=/12conferenciamujer/tpl-i/top-bottom.xsl>.

Another more recent example is the Regional Conference on Population and Development in Latin America and the Caribbean, which superseded the Ad Hoc Committee on Population and Development of ECLAC, which since 1993 had been responsible for the regional preparation, implementation and monitoring of the International Conference on Population and Development, held in Cairo in 1994. At the first meeting of the Regional Conference on Population and Development in Latin America and the Caribbean, held in Montevideo, in 2013, the countries adopted the Montevideo Consensus on Population and Development, which identifies a number of priority measures to address people's lifecycle needs and rights, focusing on groups that have been discriminated against historically, such as indigenous peoples and people of African descent. These measures cover key areas, including social protection, gender equality, sexual and reproductive health and migration.⁶

The aim of the Statistical Conference of the Americas of ECLAC, which has gathered together the national statistics offices from around the region every two years since 2002, is to promote the development and improvement of national statistics and their international comparability, in accordance with the recommendations of the United Nations Statistical Commission and other relevant bodies, as well as to develop international, regional and bilateral cooperation among national offices and international and regional organizations. The Conference has helped to improve and harmonize statistical measurements of economic and social development and of major demographic trends, highlighted by population censuses, and to monitor the main international commitments undertaken by countries at the regional and global level, such as the Millennium Development Goals. In that connection, thematic working groups have been set up, where countries work on developing statistics in specific areas, for example mainstreaming a gender approach into statistics, national accounts or measuring specific issues, such as disability. The challenges surrounding national statistical systems in the region with a view to achieving the Millennium Development Goals and to establishing the post-2015 development agenda were among the substantive issues highlighted at the seventh meeting of the Statistical Conference of the Americas of ECLAC, held in Santiago, in 2013 (ECLAC, 2014d).

All of these forums are open to countries and could play an important role in monitoring and adapting the 2030 Agenda for Sustainable Development to the circumstances and needs of Latin America and the Caribbean.

A challenge will be to coordinate the work of these multiple forums in order to devise and consolidate a regional social development agenda that is consistent with the 2030 Agenda. The development of this agenda will naturally draw upon the interests and concerns of the countries in each regional or subregional scenario, but must also address cross-cutting issues, such as the need to tackle high levels of inequality or to eradicate poverty.

C. Final remarks

The 2030 Agenda for Sustainable Development has expanded the global social agenda. It now includes key issues and challenges facing Latin America and the Caribbean that were not addressed fully by the Millennium Development Goals. Many of the targets contained in the Millennium Development Goals were relatively limited in relation to the region's level of development; accordingly, the 2030 Agenda represents an opportunity to anchor issues that are particularly important for the region in the global agenda.

Challenges identified in this document, such as alleviating and eventually eradicating poverty in its many forms, reducing inequality in all dimensions, extending social protection through improved social policies, promoting productive employment and decent work, achieving universal, quality health coverage, and improving the quality and scope of all levels of education beyond the primary level, are crucial to the new Agenda and represent front lines for all countries of the region.

Monitoring and achieving progress in every aspect of the new Agenda will also be a major challenge, since there are still a number of unmet targets under the Millennium Development Goals. This will require serious interregional dialogue and cooperation. In this connection, regional and subregional forums are valuable mechanisms for aligning the fulfilment of the global Agenda with the needs and priorities of the countries of the region. The consolidation of universal social protection and redistributive tax systems will be a crucial area of structural work for achieving progress on the social, economic and environmental pillars of the Agenda.

⁶ See the Montevideo Consensus [online] at <http://www.cepal.org/en/publications/montevideo-consensus-population-and-development>.

Latin America and the Caribbean, with the exception of Haiti, is a region of middle income countries. This does not mean that they have achieved the levels of development and well-being to which their peoples aspire. Middle-income countries remain very unequal, with high levels of poverty and significant social hardships. It is therefore important that the region's implementation of the universal Sustainable Development Goals avoids the middle-income trap countries face, namely that they are no longer considered a priority for international cooperation resources or special considerations to integrate them into global trade and financial systems, and that it is assumed that development tasks should be financed solely by a combination of domestic resources and direct foreign investment, primarily from large multinational companies.

The problems Latin America and the Caribbean face are too broad, complex and challenging to ignore the systemic and structural aspects that should be part of the regional development agenda. The Sustainable Development Goals are in line with key elements of the development proposal put forward by ECLAC, but the region still needs a comprehensive development plan and approach. Latin America and the Caribbean must therefore interpret and adapt the Sustainable Development Goals according to the region's needs, circumstances and ambitions, by articulating a transformative view of the Goals and targets adopted that is both aspirational and inspirational, by supplementing the Goals with issues that were not addressed sufficiently or at all, and by establishing the diverse and promising Sustainable Development Goals as a means of structural change to promote equality in a region that is increasingly integrated and has ever more influence on major global decisions.

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The Latin American and Caribbean region has achieved notable social development in the past decade. However, much remains to be done. The persisting challenges of defeating poverty once and for all and significantly reducing inequality are not only ethical imperatives but also conditions for making progress toward sustainable development, consistently with the recently adopted 2030 Agenda for Sustainable Development.

Although the global economy is more complex and uncertain now than in previous years, and prospects for the region are not—in the short term, at least—particularly bright, it is crucial to secure the progress made in social development in the past decade and lose no time in tackling unresolved issues in areas where progress has been insufficient.

Social issues are not played out in the social sphere alone, however, but also in the economy, politics and the environment. Neither are production diversification and structural change achieved exclusively through the economy; economic prosperity also hinges on inclusive social development and better living standards. This view is one which weaves together the Goals set forth in the 2030 Agenda for Sustainable Development, to which the countries of Latin America and the Caribbean have pledged. The Economic Commission for Latin America and the Caribbean (ECLAC), in turn, has pledged to support and accompany them in this task and the Regional Conference on Social Development in Latin America and the Caribbean, to be held in Lima, on 2-4 November 2015, represents a contribution to that end. The Commission's analysis of the themes to be discussed at the Conference are set forth in this document.