

Universal Social Protection in Latin America and the Caribbean

Selected texts 2006-2019

Simone Cecchini (compiler)



UNITED NATIONS

ECLAC

Thank you for your interest in this ECLAC publication



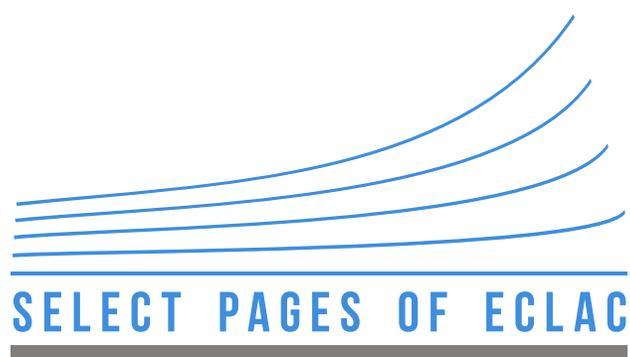
Please register if you would like to receive information on our editorial products and activities. When you register, you may specify your particular areas of interest and you will gain access to our products in other formats.



www.cepal.org/en/publications



www.cepal.org/apps



Select Pages of ECLAC is an innovative editorial collection from the Commission, in keeping with the new ways of disseminating and reading publications in the digital era.

The titles included in this electronic collection are compilations of texts on the latest topics that make up the Organization's main areas of work. The full versions of the original articles can be accessed through the links in the publication and in the final section "Documents included in this compilation".

Alicia Bárcena
Executive Secretary

Mario Cimoli
Deputy Executive Secretary

Raúl García-Buchaca
Deputy Executive Secretary for Management and Programme Analysis

Ricardo Pérez
Chief, Publications and Web Services Division

The selected texts in this volume are taken from institutional documents of the Economic Commission for Latin America and the Caribbean, ECLAC (annual reports and meeting and session documents) and books or documents produced by the following authors and editors: Laís Abramo, Alberto Arenas, Carla Bronzo, Simone Cecchini, Nuria Cunill-Grau, Fernando Filgueira, Carlos Maldonado, Rodrigo Martínez, Beatriz Morales, Fabián Repetto, Nieves Rico, Claudia Robles, Cecilia Rossel, Ana Sojo, Andras Uthoff and Mario Velásquez.

LC/M.2019/5

ISBN: 978-92-1-004735-7 (pdf version)

Copyright © United Nations, January 2020
All rights reserved
Digital publication of United Nations, Santiago

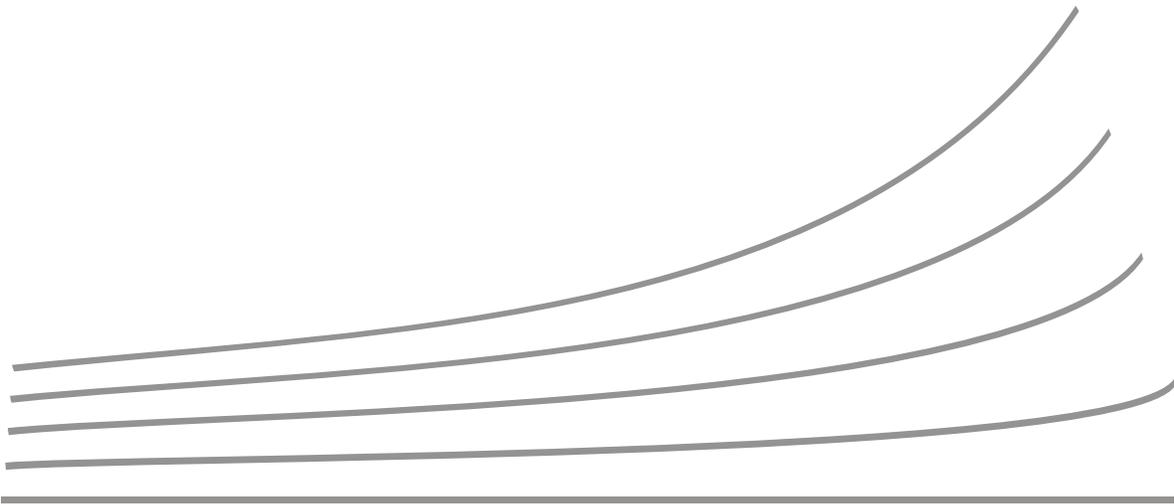
S.19-01140

Applications for authorization to reproduce this work in whole or in part should be sent to the Economic Commission for Latin America and the Caribbean (ECLAC), Publications and Web Services Division, publicaciones.cepal@un.org. Member States and their governmental institutions may reproduce this work without prior authorization, but are requested to mention the source and to inform ECLAC of such reproduction.

Índice

| | |
|---|------------|
| Foreword | 7 |
| Introduction | 9 |
| Chapter I | |
| Concepts: what do we understand by social protection? | 13 |
| Introduction | 14 |
| A. The social protection concept | 15 |
| B. Social policy: protection, promotion and sectoral policies | 17 |
| C. Functions of a comprehensive social protection system | 18 |
| D. Axes of social protection integration | 20 |
| E. Social protection: universal rights tailored to people's differing needs | 21 |
| F. Social protection components and instruments | 22 |
| Chapter II | |
| The historical trajectory of social protection and welfare regimes | 29 |
| Introduction | 30 |
| A. Forms of social protection in welfare States | 31 |
| B. Brief history of social protection in Latin America | 33 |
| C. Welfare gaps: a classification of capacities, effort and limits | 37 |
| Chapter III | |
| Approaches, orientations and debates regarding social protection | 49 |
| Introduction | 50 |
| A. The social welfare regime paradigm and the role of the State | 51 |
| B. The life cycle approach | 55 |
| C. Essential elements of the rights-based approach | 57 |
| D. The rights-based approach in development and social protection | 58 |
| E. Social rights and litigation | 63 |
| F. Gender bias in social protection | 66 |
| G. Conditionality and targeting | 69 |
| Chapter IV | |
| The contributory pillar | 71 |
| Introduction | 72 |
| A. Institutional aspects of Latin America's pension systems | 73 |
| B. New trends in pension system reforms in Latin America | 80 |
| C. Current debates in the region on the sustainability of pension systems | 91 |
| D. Social protection and health systems | 92 |
| E. Health insurance | 93 |
| Chapter V | |
| The non-contributory pillar | 95 |
| Introduction | 96 |
| A. An overview of conditional cash transfer programmes in Latin America and the Caribbean | 97 |
| B. Social pensions and labour inclusion | 103 |
| C. Labour and productive inclusion programmes | 111 |
| Chapter VI | |
| Decent work and labor market regulation | 117 |
| Introduction | 118 |
| A. Decent work as a response to the challenges of poverty and exclusion | 119 |
| B. Labour market regulation and social protection: institutional challenges | 122 |

| | |
|--|------------|
| Chapter VII | |
| Care and social protection..... | 131 |
| Introduction..... | 132 |
| A. The care, pillar of social protection..... | 133 |
| B. The basis of care as a pillar of social protection..... | 139 |
| Chapter VIII | |
| Universal social protection institutions..... | 141 |
| Introducción..... | 142 |
| A. Social protection institutions..... | 143 |
| B. The challenges of coordination and articulation between social protection actors..... | 154 |
| C. Social complexity and the challenges of a cross-sectoral approach..... | 156 |
| Chapter IX | |
| Universal social protection financing..... | 163 |
| Introduction..... | 164 |
| A. State action in social protection..... | 165 |
| B. Financing social protection..... | 166 |
| C. Types of financing for social protection..... | 170 |
| D. Connections between fiscal policy and pension systems..... | 174 |
| E. Out-of-pocket health spending and inequality..... | 176 |
| Chapter X | |
| Compacts for universal social protection..... | 183 |
| Introduction..... | 184 |
| A. Towards a social protection covenant..... | 185 |
| B. Social policy and social protection system reforms backed by broad-ranging consensus in the region..... | 190 |
| Chapter XI..... | 207 |
| Impacts of social protection on well-being..... | 207 |
| Introduction..... | 208 |
| A. The positive effects of social protection and care on growth and employment..... | 209 |
| B. Conditional transfer programmes and their social and economic effects..... | 213 |
| C. Impact evaluations of labour and productive inclusion programmes..... | 217 |
| D. Poverty and pension income..... | 223 |
| Chapter XII | |
| Emerging challenges..... | 227 |
| Introduction..... | 228 |
| A. The ageing of the region's population..... | 229 |
| B. The technological revolution and the future of work..... | 231 |
| C. The new dynamics of migration and the challenges they pose..... | 234 |
| D. Disasters..... | 236 |
| Chapter XIII | |
| Policy proposals..... | 237 |
| Introduction..... | 238 |
| A. Strengthening social protection and care systems..... | 239 |
| B. Universal and comprehensive social protection systems..... | 240 |
| C. Towards a redistributive system of monetary transfers: when ethical and pragmatic concerns coincide..... | 242 |
| D. Basic income: an option?..... | 244 |
| Bibliography..... | 247 |
| Documents included in this compilation..... | 273 |
| Additional ECLAC bibliography on the subject..... | 274 |



Foreword

Over the past decade, the Economic Commission for Latin America and the Caribbean (ECLAC) has repeatedly stated its belief that equality of rights is an inescapable ethical commitment and an intrinsic value of citizenship and modern humanism, and that it requires further consolidation through institutions, structures and policies that allow progress to be made with closing the yawning economic and social gaps that characterize the region. It has also stressed that progress towards greater equality is a prerequisite for accelerating growth, development and sustainability, whereas lags within society have a negative impact on productivity, fiscal revenues, environmental sustainability and the knowledge-based society. Inequality, therefore, is inefficient.

Ensuring equal rights requires redistributive tools that offer specific guarantees of social protection and universal access to health and education, so that, in line with the specific problems and needs of each country, no one is left behind. In particular, Latin American and Caribbean societies must place particular emphasis on the needs of various population groups, be they children, adolescents or young people, older persons, women, persons with disabilities, indigenous peoples, populations of African descent, people living in underdeveloped territories, migrants, populations affected by disasters and climate change, or other sectors.

Creating comprehensive and universal social protection systems is one of the key policies for helping bring about greater levels of equality and well-being and eradicating poverty in the region. Social protection, designed with a rights-based approach, is connected to efforts to fight inequality in several ways: it considerably reduces or eliminates the probability of being unable to cope with an unforeseen risk, it encourages the implementation of strategies aimed at empowering the vulnerable in confronting risks, and it limits the reproduction of the vicious circle of poverty and inequality by preventing families from mortgaging their key human development assets, such as health and education.

Social protection is the first axis of the Regional Agenda for Inclusive Social Development, which was recently adopted at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, held in Mexico City in October 2019. This Agenda, through which the countries aim to make progress with the implementation of the social dimension of the 2030 Agenda for Sustainable Development, acknowledges the progress the region has made since the turn of the century, when most of the governments of Latin America and the Caribbean —at different times, according to their national realities— abandoned the residual approach to social policy, increased their social investment and strengthened their social protection systems. Today

we must recognize and defend the progress made with social protection policies and programmes in the region and meet the challenges still pending to promote the welfare State, strengthen social protection systems and work towards their universal coverage.

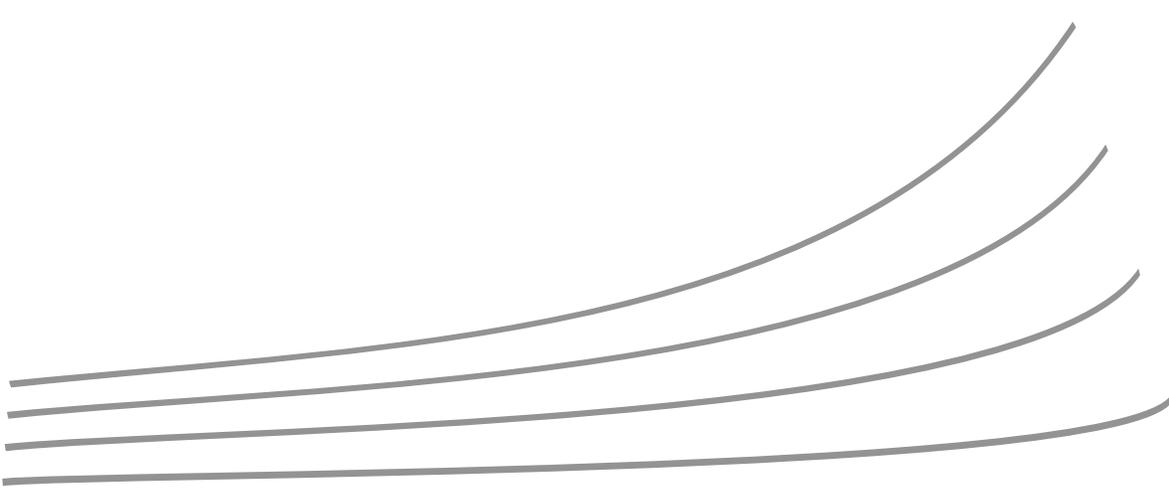
The works collected in this publication contribute to a better understanding of the scope and limitations of social protection policies and programmes in the region and offer the reader access to the vast corpus of knowledge ECLAC has produced on the topic of social protection between 2006 and 2019, covering everything from conceptual considerations to the emerging challenges and current debates and proposals for social protection policy in Latin America and the Caribbean.

We hope that this work aids readers in furthering their knowledge of an area of public policy that is fundamental in achieving the Sustainable Development Goals by 2030.

Alicia Bárcena

Executive Secretary

Economic Commission for Latin America and the Caribbean
(ECLAC)



Introduction

These *Select Pages* from the Economic Commission for Latin America and the Caribbean (ECLAC) contain a wide variety of contributions on social protection, taken from both ECLAC institutional documents and publications by authors with ties to the organization. The texts have been used, over the years, for a range of purposes: for example, to conduct national and regional studies, to raise governments' awareness of the importance of social protection policies and programmes for equality and sustainable development, to provide technical assistance on the design, implementation, reform and evaluation of social protection policies and programmes, and to prepare training courses and workshops for public officials.

The period covered by this book's analyses (2006–2019) was not chosen at random: social protection has been at the forefront of the Commission's agenda to examine and promote public policies for development since 2006, as reflected in the document *Shaping the future of social protection: access, financing and solidarity*, presented at the thirty-first session of ECLAC. On that occasion, the States were urged to honour the commitments made in a series of national and international regulatory instruments on respecting, protecting and promoting economic, social and cultural rights, and to adopt specific measures through social protection policies.

Since 2010, the various documents presented at ECLAC sessions have placed the issue of equality at the centre of the region's discussions, thereby raising the profile and strengthening the role of social protection as a key public policy for regional development. That same year, for example, *Time for equality: closing gaps, opening trails* urged the region's countries to redistribute income by adopting or expanding, depending on their individual contexts, a system of monetary transfers for children, older persons and the unemployed. Similarly, in 2018, *The Inefficiency of Inequality* called for the strengthening of social protection and care systems, on the grounds that in addition to furthering the realization of the population's economic, social and cultural rights, they have a positive effect on growth and employment.

The 2030 Agenda for Sustainable Development of the United Nations also acknowledges the leading role of social protection in eradicating poverty, promoting gender equality and reducing the inequalities found within countries. For that reason —and in contrast to the Millennium Development Goals, which did not address the topic— three of the Sustainable Development Goals (SDGs), to be achieved by 2030, contain express references to social protection:

- Under SDG 1 (“End poverty in all its forms everywhere”), target 1.3 calls for the implementation of “nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”.

- Under SDG 5 (“Achieve gender equality and empower all women and girls”), target 5.4 urges States to “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”.
- Under SDG 10 (“Reduce inequality within and among countries”), target 10.4 calls on States to “adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality”.

In addition, the regional agenda for inclusive social development —adopted by the countries in 2019 under the aegis of the Regional Conference on Social Development in Latin America and the Caribbean in order to support implementation of the social dimension of the 2030 Agenda—acknowledges that “social protection is also linked to other Goals through its role in ending hunger (SDG 2) and in facilitating access to health and well-being (SDG 3), quality education (SDG 4), care policies (SDG 5), clean water and sanitation (SDG 6), decent work (SDG 8) and housing (SDG 11). In addition, such policies contribute to resilience to climate-related risks and disasters (SDG 13), non-discriminatory policies (SDG 16) and policy coherence for sustainable development (SDG 17)”.

The global importance of social protection on the 2030 Agenda is mirrored at the regional level in the region’s own agenda for inclusive social development, the first axis for action of which is universal and comprehensive social protection systems to end poverty and significantly reduce inequalities.

In order to provide the reader with an insight into the extensive social protection output published by ECLAC between 2006 and 2019, this document comprises 13 chapters.

Chapter I covers the conceptual aspects of social protection, in particular its components, functions and interactions with other sectoral social policies. It examines the idea that a social protection system has contributory, non-contributory and labour market regulation pillars, to which the pillar of care has been added more recently, and that, as a whole, it performs three main functions: (i) protecting and guaranteeing income; (ii) identifying demand for social services and ensuring access to them; and (iii) promoting decent work. This chapter suggests that social protection performs a specific role and functions, and that it is not synonymous with social policy.

Chapter II provides a historical overview of social protection and welfare regimes in the region, highlighting the major differences that exist among countries.

Chapter III outlines the approach to social protection adopted by ECLAC, which calls for strong State leadership on the topic and is based on rights and the life cycle, with gender equality. It also addresses some of the main discussions regarding the judicialization of social rights, together with the conditionalities and targeting mechanisms used in poverty reduction programmes.

Chapter IV offers a detailed analysis of two vitally important components of contributory social protection (or “social security”): pension systems and health systems. In particular, it discusses options for their design, their recent reforms and the topic of pension system sustainability in the region, and provides a brief description of key aspects of health systems and insurance.

Chapter V examines three types of non-contributory social protection programmes (or “social assistance”) that have been central to poverty eradication strategies in the region’s countries over recent years: conditional transfer programmes, social pensions, and labour and productive inclusion programmes.

Chapter VI tackles the role of labour market regulation, underscoring the importance of decent work as a response to the challenges of poverty and exclusion, and analysing the institutional framework for labour regulations as a component of social protection.

Chapter VII explains why care should be a pillar of social protection, and analyses elements to be considered when designing care policies and the challenges of creating a care institutional framework.

Chapter VIII provides an overview of the institutions responsible for social protection and its oversight, and analyses the elements needed for effective coordination, by addressing the challenges of coordination and interconnection, together with the different degrees of intersectoral cooperation. This is intended to encourage an approach to social protection systems with comprehensive interventions that require proper levels of coordination, in order to overcome their fragmentation into numerous, low impact programmes.

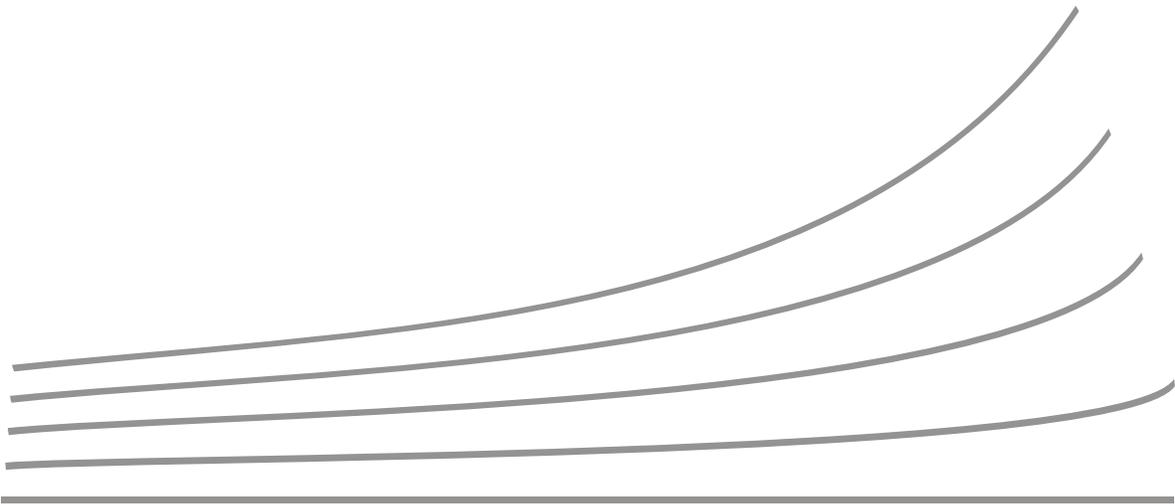
Chapter IX deals with the funding of social protection: it identifies criteria for classifying social investment and examines the sources of funding for contributory and non-contributory social protection, along with different funding models and some of the challenges faced by both pension systems and health systems in this regard.

Chapter X sets out the ECLAC proposal for a social protection compact and discusses some of the reforms to social policies and social protection systems that have enjoyed broad consensus in various countries of the region.

Chapter XI examines the positive effects of social protection and care on growth and employment, and describes the impact of conditional transfer programmes, productive and labour inclusion programmes, and pensions on poverty, inequality and other social indicators.

Chapter XII discusses four emerging challenges that have a direct impact on social protection systems: ageing, the technological revolution, migration and disasters.

Finally, chapter XIII calls for social protection and care systems to be strengthened, proposes a shift towards a system of redistributive monetary transfers for citizens and examines the basic income option.



Chapter I

Concepts: what do we understand by social protection?

Source

Part I. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*

https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Part II. S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*

https://repositorio.cepal.org/bitstream/handle/11362/2596/1/S1100566_en.pdf

Introduction

Although it has become one of the pillars of social development strategies in both the region and the rest of the world, no single approach to social protection exists: on the contrary, countries, international organizations and experts see it from different perspectives and different analytical and political viewpoints. The Economic Commission for Latin America and the Caribbean (ECLAC) recognizes that social protection is an evolving concept but that it has deep roots in a series of international regulatory instruments that seek to ensure the full realization of economic, social and cultural rights for the entire population. Social protection is geared towards tackling the risks faced by the population over the life cycle and the structural problems of poverty and inequality.

Chapter I covers the conceptual aspects of social protection, in particular its objectives, components, role and functions within the broader framework of social policy. It also deals with the issues that must be taken into account to promote a comprehensive approach to social protection policies and programmes.

Part I

S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*; A, pp. 27-29.

A. The social protection concept

The contents of this book centre on what can be characterized as the social protection dimensions of social policy. The idea of social protection has emerged in recent years as a core concept into which a variety of measures designed to ensure basic living standards for all and build fairer and more inclusive societies can be integrated.

In particular, social protection policy is essential for contributing to the full realization of people's economic and social rights as recognized in a number of national and international legal instruments, such as the 1948 United Nations Universal Declaration of Human Rights and the 1966 International Covenant on Economic, Social and Cultural Rights. These instruments recognize the right to social security, to work and to the protection of adequate living standards for individuals and families, as well as to the enjoyment of the greatest physical and mental well-being and to education.

Social protection is also a vital instrument for accelerating progress towards globally agreed development objectives, such as the Millennium Development Goals (MDGs). As part of the global debates on the post-2015 development agenda, it is increasingly being recognized too as a new area that needs to be explicitly included in the Sustainable Development Goals (SDGs) (United Nations, 2013a, 2013b and 2013c).

Not all social policies are predominantly oriented towards a social protection objective, although, broadly speaking, they do all possess social protection aspects. Social protection is at the heart of social policy, and this in turn is a vital part of welfare regimes, which encompass not just State action but also the operation of markets, families and community organizations.

Social protection centres on three fundamental ideas: basic welfare guarantees, insurance against risks arising from the context or the life cycle, and moderation or repair of social harm that occurs when social problems or risks materialize. As defined in this book, therefore, social protection is designed to respond not just to the risks facing the whole population (such as unemployment, disability and old age), but also structural problems such as poverty and inequality.

The characteristics of social protection differ with the social problems it addresses. Accordingly, it does not cover all areas of social policy, but is one of its components along with sectoral policies (such as health, education or housing) and social promotion¹ policies (such as skills development, labour intermediation and the promotion of new enterprises, financing and technical assistance for microenterprises and small businesses). While sectoral policies are responsible for providing social services designed to strengthen human development² and social promotion policies aim to strengthen capacities to improve autonomous income generation among the population, social protection seeks to ensure a basic level of economic and social well-being for all members of society. In particular, social protection should guarantee a sufficient level of welfare to sustain living standards that are considered basic for a person's development, while also facilitating access to social services and promoting decent work (Cecchini and Martínez, 2011).

¹ The concept of social promotion (*promoción social*) is widely used in Latin America to refer to policies and programmes geared to strengthening the capacities of poor and vulnerable groups to autonomously improve their living conditions and generate income.

² It is important to stress that while education and health promotion cannot be regarded as social protection mechanisms in themselves (whereas health insurance clearly is one), their effects do partly qualify them as such, insofar as they endow people with tools for earning incomes and protect them against adverse events. Most particularly, they qualify in some of the dimensions where there has been most innovation, such as the increase in education time and coverage at the earliest ages. These innovations not only serve to develop human capabilities, but are also mechanisms for protecting children and families, as they provide expanded care spaces at ages when such protection used to depend exclusively on families or their ability to buy services in the market.

Lastly, this book propounds an integral approach to social protection, looking at both the supply of programmes and policies and the demand from individuals, families and communities. This means that two dimensions of integration need to be given special consideration in the design, implementation and operation of social protection systems: the horizontal (or sectoral) dimension and the vertical dimension (the administrative levels at which policies and programmes are executed). In turn, social protection systems must set out to ensure that social policies and programmes comprehensively address the requirements identified when the demand generated by individuals, families and communities is analysed. For this, account needs to be taken of both transversal and longitudinal integration needs. Transversal integration means providing and coordinating differentiated types of provision to meet the various social protection and promotion needs of different population groups (by area of residence, income level, activity, employment type and ethnicity, among other factors). Longitudinal integration, meanwhile, means covering the requirements that arise over the whole life cycle of individuals and families, from early childhood to old age (Cecchini and Martínez, 2011). With this integral approach, proper consideration must always be given as well to the relationships between social protection, economic policy and the environment.

Part II S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*; B, pp. 115-117; C, pp. 117-119; D, pp. 120-122; E, pp. 122-123; F, pp. 133-143.

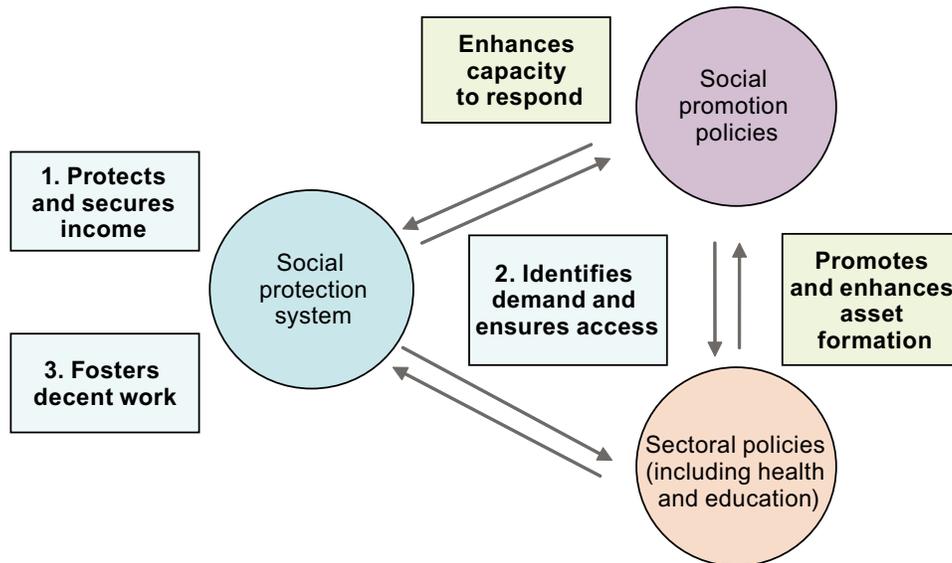
B. Social policy: protection, promotion and sectoral policies

Social policy includes the design, financing, implementation, monitoring and evaluation of strategies and activities for improving the quality of life of residents of a country, region or area. It therefore encompasses all interventions –primarily by the State but also by other actors such as civic and community organizations or the market– that have a direct impact on people’s welfare, institutions and their relations: health and education services; subsidies and cash or in-kind benefits; social security and pensions; labour market measures; progressive tax collection; and redistributive policies (Franco, 2010; Mkandawire, 2006).

The components of social policy are social protection, social promotion and sectoral policies, such as education and health. Social protection, whose primary objective is to provide a minimum level of social and economic welfare to all members of society, is central to social policy but is distinctive in terms of the social problems it addresses. Social promotion encompasses all policies relating to capacity-building, by building human capital (education and training) or improving conditions in the environment where human capital is required to operate (labour intermediation, promotion of production, financing and technical assistance to micro- and small enterprises and the identification and promotion of business start-ups). In short, social promotion includes all policies and programmes intended to improve people’s quality of life through increased productivity and independently generated incomes. The third component –sectoral policies in such areas as education, health and housing– contributes directly to enhancing human development and building human capital, as well as, indirectly, to fostering social cohesion. Clearly, in such a framework, each component must be coordinated with the others in order to achieve social policy objectives (see diagram I.1).

■ **Diagram I.1**

Social protection within broader social policy



Source: Prepared by the authors.

Social protection systems, in particular, make it possible to link social protection and promotion policies, assigning them –and sectoral policies– with the role of managing and delivering services. Social protection is therefore responsible for protecting and securing income and fostering decent

work, as well as for identifying unmet demand (and critical points in existing public provision). It is also responsible for ensuring that the entire population has access to social services and making sure that the services are adequate in terms of coverage and quality. However, social protection is not responsible for service delivery, which requires specialist management.

Social protection systems should not be viewed merely in terms of the recipients in the population segment which is vulnerable to the social deficits of economic development, crises and/or market failures, but as proactive agents for providing people with access to better economic and social conditions. Social protection systems therefore play a key role in identifying new needs and assessing the scale and characteristics of demand, becoming facilitators of the quality management of other policies.

For the smooth operation of social policy and, hence, social protection policy, it is also crucial to consider its relationship with economic policies (micro and macro) and its impact on the promotion of productive, rural and infrastructure development, as well as on improving the quantity and quality of employment. All these elements impact heavily on existing capabilities for lifting people out of their critical condition of poverty and responding to the risks facing families.

C. Functions of a comprehensive social protection system

The roles that social protection is called upon to play in broader social policy, in terms of protecting and securing income, ensuring access to promotion policies and other social services and fostering decent work, find their substantive basis in economic, social and cultural rights (see annex I). Below is a list of social protection functions and the specific rights they seek to ensure.

- (i) To guarantee an income that makes it possible to sustain the basic quality of life deemed essential for personal development. This function includes two components:
 - Facilitating the minimum socio-economic conditions that ensure the basic rights of individuals in such matters as income, food, health, education, housing and essential social services. This means safeguarding certain minimum social standards and basic needs, in line with articles 22, 25 and 26 of the Universal Declaration of Human Rights (United Nations, 1948) and articles 10 and 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR)(United Nations, 1966), to make it possible to eradicate critical conditions of extreme poverty and to provide protection and care to economically inactive people.
 - Offsetting a fall in incomes below the agreed essential standards. This entails ensuring access to mechanisms of continuous insurance against varying types of critical events in order to curb sudden drops in income that threaten people's ability to meet the costs of a minimum level of welfare. Such events include loss of independent income and labour constraints imposed by health problems (either of employees themselves or their dependents), pregnancy and childbirth, natural disasters, armed conflict and other factors. That is to say, this function is intended to ensure a minimum income level by a variety of means, as indicated in articles 22 and 25 of the Universal Declaration of Human Rights (United Nations, 1948) and articles 9 and 10 of the ICESCR (United Nations, 1966).

- (ii) To identify unmet demand and ensure access to social services (including health, education and housing), as well as to promotion services to build people's human capital and self-reliance. The aim of promoting access to basic social services that improve quality of life and the ability to accumulate assets is consistent with article 25 of the Universal Declaration of Human Rights and articles 11, 12, 13 and 14 of the ICESCR. This includes providing care to children, older adults and sick and disabled people.³
- (iii) To foster decent work by promoting better labour policies to help overcome labour market risks, ensuring the realization of workers' rights and progressively integrating into the formal labour market the bulk of a country's economically active population.⁴ This function includes issues related to: (a) the formalization of employment by means of clear and informed contracts with just and favourable conditions (pay commensurate with work performed; equal conditions for men and women; occupational health and safety regulations; access to opportunities for career advancement; working hours and rest periods); (b) access to vocational guidance, technical training and training programmes for the promotion of economic, social and cultural development and productive employment; (c) the right to form and join a trade union, to strike, to form trade union confederations and to join international trade union organizations; and (d) the eradication of child labour and labour exploitation. All these aims figure in articles 23 and 24 of the Universal Declaration of Human Rights and in articles 6, 7, 8, 9 and 10 of the ICESCR.

Social protection should be universal in scope, meaning that it includes people working in the formal labour market as well as those outside it. This does not preclude the implementation of targeting mechanisms to allow social protection to address the resource shortage and prioritize those in situations of greatest poverty and vulnerability.

Social protection can therefore contribute significantly to alleviating the most urgent symptoms of poverty by building permanent pathways for overcoming it (although this is not enough on its own to eliminate poverty altogether) and to enhance the coping capacity to the risks of a sudden drop in income, favouring the development of a more inclusive society that promotes equal access to opportunities.

A key consideration that needs to be borne in mind when implementing comprehensive social protection systems is to ensure that they are sustainable financially and over time. One of the biggest criticisms levelled at the concept of protection as a citizen guarantee is that it could jeopardize the fiscal ability to defray its cost. Each country must therefore define the quantity and quality of the social protection components that it considers important to guarantee, in keeping with its own financial capacity. This leads to the establishment of a system of incremental guarantees, access to which must continue to be universal. In compliance with the ICESCR, preference is given to ensuring a minimum level for all (accessed through the State and/or the market), rather than high levels for just a handful of people with no protection for the rest.

The functions described above, which are rights-based, can be used to define standards and explicit guarantees of security in each area that can be translated into concrete instruments. While these instruments can be geared to meeting the specific needs of certain population groups, including people living in poverty or extreme poverty and highly vulnerable groups such as indigenous peoples, in principle they are available to all citizens.

³ Care provision is not the sole province of social protection. Sectoral policies, such as education, also make a significant contribution to care. For example, the full school day not only benefits pupils' learning, it also relieves the burden of parental care, making it easier for parents to participate in the labour market.

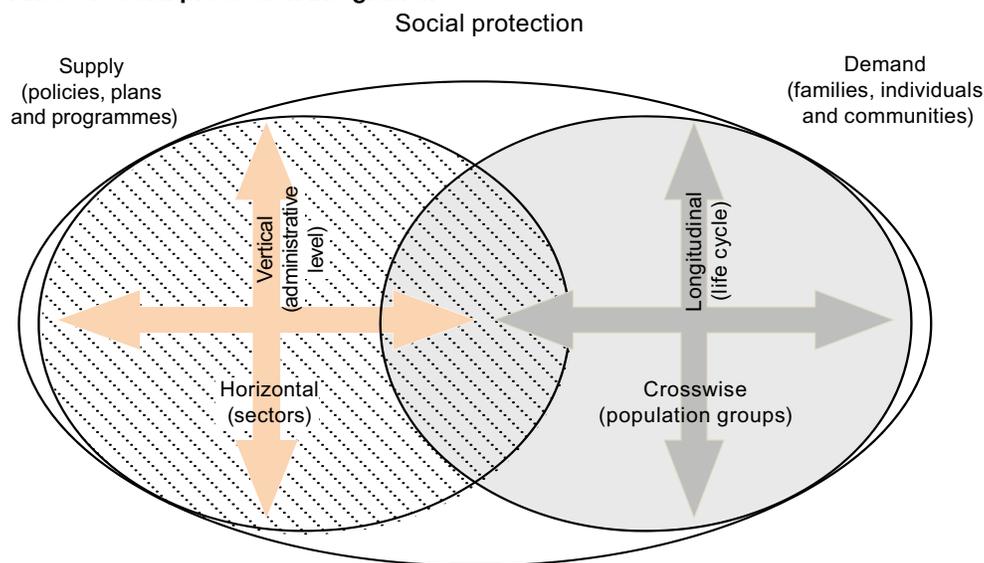
⁴ The "decent work" concept, introduced in 1999 by the International Labour Organization (ILO), reflects the broad goal of providing women and men with opportunities to obtain productive work in conditions of freedom, social justice, security and human dignity. It therefore includes the need to protect workers' health, as well as to provide workers with adequate pensions (ECLAC, 2009a).

D. Axes of social protection integration

Conceptually, the comprehensiveness of social protection systems can be considered from two standpoints: that of policies, plans and programmes (supply) and that of individuals, families and communities (demand). As regards the supply of policies and programmes, there are two axes of integration that should be given special consideration during the design, implementation and operation of social protection systems: horizontal (or sectoral) integration and vertical integration (according to the administrative levels at which policies and programmes are implemented) (see diagram I.2).

■ Diagram I.2

Axes of social protection integration



Source: Prepared by the authors.

The horizontal axis represents coordination between the different sectors of social policy action (such as social development, work, health and education), which has become necessary as a result of the role played by social protection policies in forging links with sectoral and social promotion policies (such as education and health or labour-intermediation services and active labour market policies). The vertical axis represents coordination between the different administrative levels (from central level down to States, provinces or departments (depending on the country) and, lastly, municipalities) and may or may not incorporate components of coordination with other stakeholders (private sector and civil society). With regard to the vertical axis, there has been a significant increase in the participation of different jurisdictions in the region's policy formulation and implementation as a result of institutional reforms leading to greater decentralization and regionalization (Franco, 2010; Martínez Nogueira, 2010; Ramírez and Peñaloza, 2007). However, the importance of the different levels of jurisdiction varies greatly depending on country size and the actual degree of decentralization achieved.

Social protection systems must also ensure that social policies and programmes —coordinated with one another in the two dimensions described— meet in full the requirements identified after analysing demand from individuals, families and communities. To do this, they must take into account the needs of both “crosswise” integration and “longitudinal” integration (see diagram I.2). Crosswise

integration relates to the requirement to provide and coordinate differentiated benefits to meet the differing social protection and promotion needs of extremely heterogeneous population groups. These groups may be defined in different ways, depending on such factors as area of residence, income, activity, type of employment or ethnicity. Crosswise integration therefore refers to the incorporation of families into social protection system through participation in various specific programmes, as well as to the management aspects associated with building the institutional capability to coordinate such interventions across sectors. In the case of poor families, this type of integration has been promoted fairly successfully through a number of co-responsibility transfer programmes (CTPs).

Longitudinal integration takes into account the requirements that arise throughout the life cycle of individuals and families —from early childhood to old age— and draws attention to the need to follow social protection interventions through the various programmes. This gives prominence to the pathways by which families and individuals reinforce their rights and their ability to access areas of contributory social protection or, where this is not possible, non-contributory social protection mechanisms to cover these needs with differentiated actions tailored to their profile.

So, for a protection system to be truly comprehensive there must be a sustainable linkage over time between demand and supply, as well as between the axes in which demand and supply are integrated.

E. Social protection: universal rights tailored to people's differing needs

The conclusion to be drawn from the above points is that there needs to be an inclusive social protection policy catering simultaneously to: people in a situation of poverty who require guaranteed income and access to promotion mechanisms; people who, while not poor, are vulnerable and require policies of continuous insurance; and people who are more self-reliant but who believe that a guaranteed minimum level of protection —in conjunction with public and private insurance mechanisms— provides a common basis for social citizenship. By being guaranteed for all citizens, these minimum levels are universal and establish a framework in which citizens not only demand and consume services, they are also holders and subjects of rights, with the capacity to demand that these rights be realized.

From a rights-based perspective, inclusive social protection therefore relies on an appropriate combination of universal social policy, which includes the provision of compensatory protection, and an economic policy that addresses social objectives explicitly (ECLAC, 2008a, p. 35; Mesa-Lago, 2000; Barrientos and Santibáñez, 2009), in addition to interventions that incorporate different population groups and build capacity to overcome the risk situations to which they are vulnerable (Serrano, 2005). This type of social protection does not set ceilings for protection or insurance but, rather, incremental minimum levels that can be extended in accordance with the social and fiscal covenants established by each society.

From the perspective of crosswise integration (see diagram I.2), the fact that the social protection requirements of the various population groups differ both qualitatively and quantitatively means that protection must be tailored to this diversity in order to realize their economic, social and cultural rights.⁵ A key challenge is therefore to meet each group's specific requirements to reduce their vulnerability, particularly where they have little self-reliance, while at the same time protecting the system's financial sustainability in line with each country's budgetary constraints.

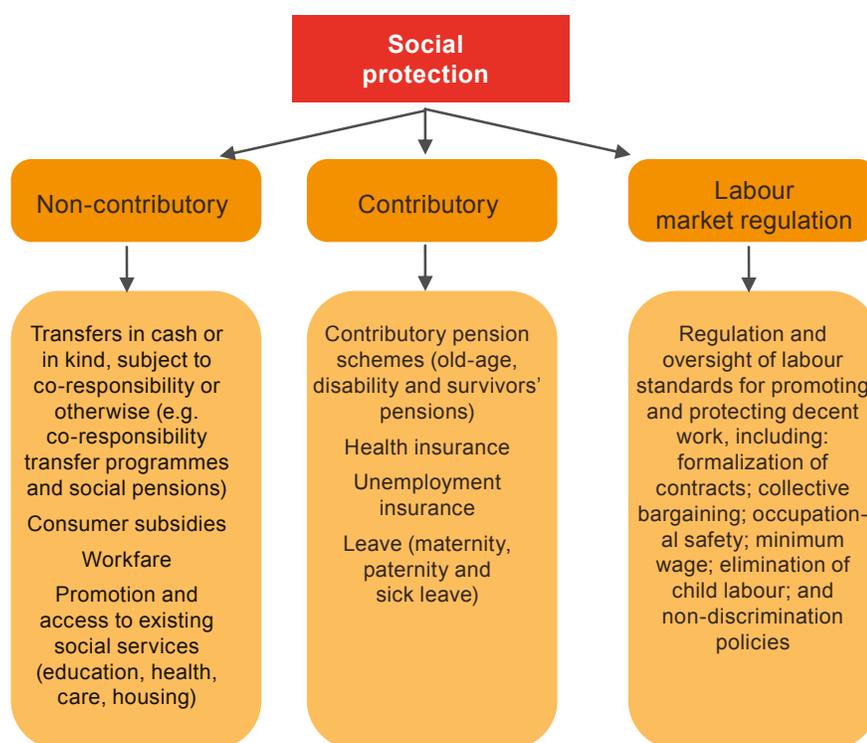
⁵ For example, the protection requirements of a street child will differ from those of an adult covered by formal insurance mechanisms who suffers an industrial accident. While the street child requires increased access to human capital formation systems, along with care and income guarantees to help raise his or her living standards to an agreed minimum and enable the child to accumulate long-term assets, in the case of the adult, the State will assume the role of regulating the operation of the pledged social insurance instruments, where necessary supplementing income and other assets to guarantee minimum social protection levels.

F. Social protection components and instruments

After reviewing the objectives and characteristics of a rights-based social protection system, this section goes on to discuss the lines of policy and programme intervention that shape such a system. As stated earlier, the functions of social protection are to guarantee a sufficient income to sustain a decent quality of life, facilitate access to social and promotion services and foster decent work. It is possible to identify three key social protection components that fulfil these functions: non-contributory social protection (commonly referred to as social assistance); contributory social protection (known as social security) (ECLAC, 2006 and 2010b; Cetrángolo and Goldschmit, 2009) and labour market regulation. These components aim, to varying degrees, to cover the heterogeneous social protection requirements of the aforementioned population groups (see diagram I.3).⁶

■ Diagram I.3

Social protection components and instruments



Source: Prepared by the authors.

As diagram I.3 shows, a variety of instruments can be distinguished in each social protection component, which in turn can be combined to form a range of alternatives. Indeed, it is by their interaction –rather than individually– that these instruments contribute to realizing the rights underpinning the notion of inclusive social protection.

⁶ These three components of social protection are also identified in Barrientos and Hulme (2008) and Barrientos and Santibáñez (2009).

As the notion of protection has been linked historically with social security, this is the component that has been studied the most extensively and has been included in a variety of pension schemes and health and welfare systems in Latin America (Bertranou, 2008; J. Martínez, 2008a, 2008b; Mesa-Lago, 2004a, 2008, 2009). Meanwhile, non-contributory social protection, which is associated more closely with mitigating poverty risks, has received less attention and, in recent years, has often been identified with CTPs (León, 2008; Mesa-Lago, 2009). Labour market regulation has only recently begun to be included in the social protection debate in relation to concrete lines of action for Governments (Espinoza, 2003; OECD, 2009; ILO, 2008d).

1. Non-contributory social protection

Non-contributory social protection can be defined as a set of transfer and public subsidy programmes, normally financed from general tax revenue (Bertranou, Solorio and van Ginneken, 2002) under the principle of solidarity. Its benefits are unrelated to previous contributions (ECLAC, 2006; Cetrángolo and Goldschmit, 2010).

These programmes are often targeted at those living in extreme poverty, poverty and vulnerability, to meet the most basic needs of individuals and households, providing a minimum income to those living in poverty or halting the decline in the incomes and consumption capacity of those in vulnerable situations (Grosh and others, 2008). At the same time, they play a key role of liaison and facilitating access to social policies and services and to social promotion policies and services for human capital formation. Their interventions are aimed mainly at transferring resources or building assets and preventing their loss, as well as promoting resource and asset accumulation. However, non-contributory social protection may also be universal in nature, as exemplified by general food or energy subsidies and some social pensions or the proposed universal (or “citizen’s”) basic income, for instance.

The main instruments of non-contributory social protection include: (i) cash transfers, as in CTPs and social pensions; (ii) transfers in kind; (iii) consumer subsidies (e.g. for energy or water), which are frequently introduced to cope with emergencies stemming from high inflation rates or high prices on specific goods; (iv) workfare programmes, which, while they can also be seen as an active labour market policy, play a primary role in protecting income in times of high unemployment; and (v) promotion mechanisms via existing social services, including a range of educational scholarships and specialized bonuses designed to protect the poorest and most vulnerable sectors and ensure their access to human capital formation systems (see table I.1).

■ Table I.1

Non-contributory social protection instruments

| Instruments | Criteria | Areas covered | Examples |
|---------------------------------------|---|---|---|
| Cash transfers | Targeted in line with means/income level or universal benefit | Incomes Access to the full range of social services, benefits and sectoral policies; human capital formation | Co-responsibility transfer programmes: Universal Child Allowance for Social Protection (AUH) established in Argentina in October 2009, which delivers a non-contributory benefit to families with children whose members are unemployed or working in the informal economy Social pensions: Mexico's "70 and over" pension programme implemented by the Federal Government since 2007, which provides economic and social promotion support to older adults living in towns of fewer than 30,000 inhabitants |
| Transfers in kind | Targeted in line with income level or category: territorial unit, stage of life cycle (children, older adults, etc.), specific causes of vulnerability (e.g. women, indigenous peoples) | Food | Emergency food aid programmes (Nicaragua): daily delivery of food for six months to those affected by Hurricane Mitch |
| Consumer subsidies | Granted mainly to poor and vulnerable households, although in some cases they are universal | Food Electricity Fuel Transport | Subsidy on electricity and fuel gas for lower-income users of services distributed via the physical grid (Colombia), financed through the Solidarity Fund for Subsidies and Income Redistribution (FSSRI) |
| Workfare | Unemployed heads of household Unskilled workers | Incomes | Employment in Action (Colombia): supplements the incomes of those in the poorest 20% of the population through temporary employment schemes for building community infrastructure |
| Promotion of existing social services | Targeted mainly at poor households, although in some cases it is extended to include middle-income households | Education Health Housing Care | Educational scholarships, homebuyer grants, etc. |

Source: Prepared by the authors.

As a result of limited access to contributory social protection through the formal labour market, one instrument of non-contributory social protection being incorporated increasingly into Latin American social protection schemes —apart from the CTPs mentioned earlier— is the social pension.⁷ Although pensions have traditionally been included in the wider set of social security policies, in that they are closely linked with the contributions paid during an employee's working life, it has become necessary to introduce non-contributory (or "solidarity") pensions owing to the duality of the production and employment structure and the weakness of contributory social protection (cf. Bertranou, 2008; ECLAC, 2006, 2008a; Filgueira, 2007; Ribe, Robalino and Walker, 2010; Sojo,

⁷ According to Kidd (2008), social pensions should be considered as contributory, in the sense that all citizens have contributed to funding them to varying degrees. Kidd says that one of the main advantages of social pensions is that they induce families to invest more in child care and education, in the knowledge that the parents will have a guaranteed old-age pension.

2009, 2003). Social pensions are transfers (defined benefits) for old age or disability, which the State provides to those who have not worked in the formal labour market or who have paid no contributions during their working lives. They consist of a solidarity benefit paid for by society as a whole, as they are usually funded from general, consumer or income taxes (ECLAC 2010a, p. 108; Uthoff, 2006, p. 29). Furthermore, they are pay-as-you go (PAYG) pensions, that is to say, they are funded from taxes on the current generation of people.

In some countries, social pensions also cover the risk of illness and may become a vehicle for other benefits (such as family allowances) (Bertranou, 2008). Countries with social pensions include Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Mexico, Panama, Plurinational State of Bolivia and Uruguay (Barrientos and Hinojosa-Valencia, 2009; Bertranou, Solorio and van Ginneken, 2002; ECLAC, 2010a, p. 165). Social pensions can be either universal (as with the Plurinational State of Bolivia's Dignity Income) or targeted in line with criteria such as income or specific categories (for example, pensions for war veterans or victims of human rights violations, as in Argentina and Chile).

The implementation of non-contributory pensions calls for an analysis of their complementarity with the contributory pension systems discussed in the next section. There are misgivings about their ability to operate in conjunction, in that generous non-contributory benefits could act as a disincentive to paying contributions, which in turn could affect the long-term funding of minimum pensions (Filgueira, 2007).⁸ Another concern is that non-contributory pensions may, in the long term, be used as a way to avoid discussing labour market reforms that would improve the contributory structure from the private sector (Levy, 2009). It is also possible to identify mixed (semi-contributory) models that are based on a worker's history of contributions but where a significant portion of the benefits are non-contributory (Bertranou, Solorio and van Ginneken, 2002). However, given that the region's employment structure is marked by high levels of informality and insecurity, non-contributory instruments are clearly key to reducing inequality and preventing the exclusion of vast sectors of the population.

2. Contributory social protection

Traditionally, contributory social protection (social security) includes all programmes designed to provide workers and their dependents with current and future insurance to enable them to maintain a minimum quality of life during their active and inactive stages of life, for example in times of unemployment, retirement, illness or disability. This component also includes health insurance, the set of maternity-related benefits and safeguards and, in some cases, other benefits, such as family allowances.⁹ Basically they are contributory benefits, although the contribution amount may vary significantly —and may or may not be offset by non-contributory State contributions— depending on workers' socio-economic status and their length of time in the formal labour market.

⁸ Uthoff (2006, p. 29) believes that the private sector should be included as a key player in the design of any pension solidarity pillar, planning a system of voluntary top-up savings for anyone seeking higher benefits than those guaranteed by the State.

⁹ In recent years some countries have begun to provide non-contributory family allowances. One such is Uruguay, where family allowances have been incorporated into its Equity Plan (see II.F).

This component encompasses a wide variety of instruments (including insurance, security plans and other forms of contribution), stakeholders (private, public and mixed) and areas covered (access to health systems, pension schemes and unemployment, disability and survivors' insurance). According to Mesa-Lago (2008), the two most important social security programmes —based on the number of affiliates and beneficiaries and the percentage of investment involved— are old age, disability and survivors' pensions and maternity/paternity, sickness and health care benefits.¹⁰

A number of organizations and authors have pointed to the weakness of contributory social security systems in Latin America (Bertranou, 2008; ECLAC, 2006, 2008a; Filgueira, 2007; Sojo, 2009, 2003) and, to remedy this, increasing attention is being paid to various types of non-contributory social protection. The issue of expanding access to unemployment and health protection mechanisms should also be given urgent consideration, as social protection analysis has focused little on it to date.

In recent years, countries such as Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile and Uruguay have implemented a series of unemployment insurance reforms aimed at supporting redundant workers in finding work, while protecting income levels in the event of dismissal. The reforms are designed to improve the efficiency and coverage of unemployment insurance and boost affiliates' access to a set of active labour market policies (including training and labour intermediation). Apart from unemployment insurance, a number of associated instruments are important in protecting workers in the event of redundancy, including severance pay (which operates as a disincentive to dismissal), individual savings accounts (allowing workers to accumulate cash resources while they are employed), notice of termination (prior notification of dismissal in order to prevent sharp falls in income) and early retirement benefits (Bertranou and Paz, 2007; Velásquez, 2010).

Thus, strategies must be developed to extend coverage in every area of social security to groups that are particularly hard to reach. Among such groups, Mesa-Lago (2009) identifies those working in the informal sector or on their own account in urban areas and, in particular, rural areas. The inequalities created by the structure of care, which affect women disproportionately, should be addressed with special urgency.¹¹ As for indigenous peoples, in a number of Latin American countries they are almost totally excluded from social security schemes (Patrinos and Skoufias, 2007; León, 2008; Mesa-Lago, 2009, pp. 238-239). The ongoing challenge is to explore ways of incorporating these groups into current social protection schemes.

¹⁰ There is often confusion between the concepts of pension and retirement. Retirement refers to the action of a person claiming a benefit upon ceasing their work activity. Retirement benefits can be defined as deferred payment for work performed in the past, based on a system of contributions to a social security fund managed by the State or the private sector (ECLAC, 2010a, p. 98). A pension includes a set of benefits that may or may not provide a direct return to the employee and that may be contributory or non-contributory (referred to in this book as "social pensions"). The use of both terms varies among countries in the region. Pensions may be based on contributory mechanisms (such as dependants' pensions and old-age pensions funded by the spouse's contributions) or on compensation between private agents (such as alimony and child support), or else they may be solidarity- or welfare-based or both (ECLAC, 2010a). For example, Chile has created a privatized "system of old-age, disability and survivors' pensions" based on pre-funded individual accounts (article 1 of Decree Law No. 3500), which is administered by entities called "pension fund managers" (AFPs). The system defines old-age and disability pensions and survivors' pensions for the children and spouse of the person affiliated to the system. In Mexico, there is the Pension and Retirement Regime (RPJ) (Mexican Social Security Institute, 2009).

¹¹ According to Mesa-Lago (2009, p. 229), in around 2000-2003, women had lower social insurance coverage than men in 8 of 14 countries; only in Costa Rica and Uruguay did they have higher coverage. In the case of health, women are often at a disadvantage compared with men in terms of the length of time they are covered by health insurance schemes, having lost coverage during the years they spent outside the labour market to undertake care work, while health coverage as dependents of their male spouse is often indirect and, in some countries, impartial and likely to be forfeited in the event of a divorce or abandonment (Mesa-Lago, 2009). The costs of private health services are higher for women and, in the public system, women and their children have to pay higher user fees because they use the services more often.

3. Labour market regulation

The third component of social protection is labour market regulation. This is a particularly sensitive area that has received little attention in the debate on social protection, in a region where formal sector employment is in short supply and there are many deep-seated problems in expanding it.

Labour market regulation refers to the protection of workers' individual and collective rights and plays a key role in reducing and mitigating the risks associated with unemployment and the decent work deficit (Barrientos and Hulme, 2008). This component of social protection encompasses a set of regulations and standards designed to promote and protect decent work, that is to say, work in conditions of freedom, social justice, security and human dignity (ILO, 2008d). This set of regulations includes those aimed at formalizing contractual relations, guaranteeing rights to form and join trade unions and to occupational safety, regulations and prohibitions on child and adolescent labour and regulations on employment and the minimum wage (World Bank, 2001b), as well as regulations to prevent discrimination at work, especially against women. The existence of this set of regulations is crucial to overcoming the risks that contributory and non-contributory social protection policies seek to resolve. Indeed, in a region marked by persistent structures of inequality, it is essential to focus more attention on incorporating employment discrimination measures to boost the labour force participation of women, indigenous peoples and other vulnerable groups (ECLAC, 2010a).

It is therefore critical to address the issue of informal-sector and own-account workers. As Bertranou and Saravia (2009) point out, own-account work is particularly complex to conceptualize and measure. Some argue that own-account workers are fulfilling a personal desire for entrepreneurship and believe that many own-account workers engage in informal employment of their own volition (IDB, 2004). In contrast, others hold that own-account work is mainly the result of situations of crisis or severe vulnerability to poverty and that the great majority of own-account work and self-employment is associated with inadequate working conditions and protection (ECLAC, 2009a). While benefits for own-account workers have been seen as a key element in guaranteeing rights, they are also a factor inhibiting growth of the formal employment sector by erecting major budget-related barriers that hinder the formalization of employment relationships, particularly in smaller firms.

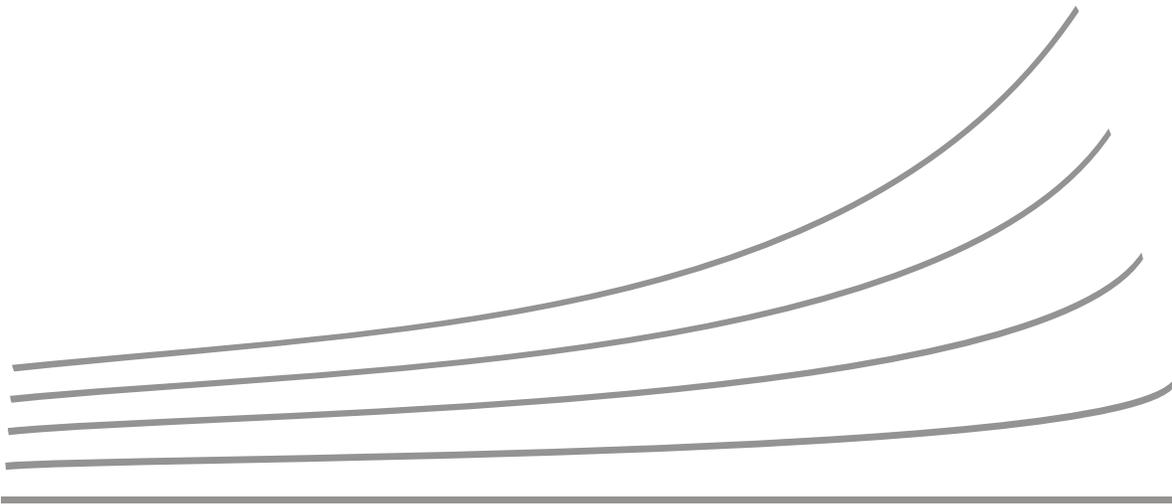
This not only points to a need to develop appropriate strategies for protecting unemployed and informal-sector workers against risks and for guaranteeing them a minimum income, it also shows what an important role labour and labour market regulation policies play in social protection. While Ribe, Robalino and Walker (2010) call for the development of systems for labour market risk management, authors like Bertranou (2009) and Uthoff (2006) stress the importance for social protection of strengthening labour market regulation.

Bertranou and Saravia (2009) echo Tokman (2001) and Daza (2008) in acknowledging the need to distinguish between informality and illegality, arguing that illegality and non-compliance with labour regulations is just as much a feature of the formal sector as it is of the informal sector. The first step is to increase compliance with these regulations, labour law and workers' rights. This is an area where social protection systems can play a coordinating role between the entities directly in charge of labour matters (ministries of labour, welfare and social security, as the case may be) and those responsible for designing social policies, by strengthening the necessary link between the two. At the same time, it is necessary to identify the dynamics of labour market exclusion and of protection benefits associated with formal employment (Bertranou and Saravia, 2009, p. 14).

The challenge lies in determining which institutions and management processes should be used to implement this component. Weller (2008, p. 21), describes labour-market institutions as "mechanisms with differing degrees of formality that establish the rules of behaviour for participants in the labour market". The ultimate goal of labour-market institutions is to generate high-quality

employment by means of labour market regulation, unemployment protection systems and active labour market policies (which are not part of social protection *per se*). To achieve this goal, institutions must meet two objectives: “they must ensure an efficiently functioning labour market, i.e. the optimal allocation of resources, and they must guarantee protection and support for the weakest players in a market characterized by structural inequalities among participants” (Weller, 2008).

All this calls for regulations on the implementation of certain standards and for monitoring compliance with labour regulations, a process that requires the extensive participation of the institutions responsible for defining social protection instruments and programmes.



Chapter II

The historical trajectory of social protection and welfare regimes

Source:

Part I. ECLAC (2006), *Shaping the future of social protection: access, financing and solidarity*
https://repositorio.cepal.org/bitstream/handle/11362/2807/S2006001_en.pdf

Part II. S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*
https://repositorio.cepal.org/bitstream/handle/11362/2596/1/S1100566_en.pdf

Part III. S. Cecchini, F. Filgueira and C. Robles (2014), *Social protection systems in Latin America and the Caribbean: a comparative view* (ECLAC, 2014)
https://repositorio.cepal.org/bitstream/handle/11362/37340/1/S1420689_en.pdf

Introduction

Strengthening social protection systems is one way to progress towards the construction of a genuine welfare state, which the vast majority of Latin American and Caribbean countries have yet to achieve. Each stage in the regional development process has been marked by different visions of the State's role in the economy and society and of the scope of social protection, with the approach evolving from one based on charity to one centred on citizen guarantees. Given the wide variation in political, economic and social conditions among the different countries, when guiding the design of social protection systems it is useful to categorize the countries according to whether they report wide, moderate or only slight gaps in well-being.

Chapter II introduces the concept of the welfare state, offers a brief historical overview of social protection in Latin America and examines the gaps in well-being found among the region's countries, which are linked to their societies' ability to generate income through the labour market and the State's capacity to extend protection to those who receive no or insufficient income.

A. Forms of social protection in welfare States

The first social protection covenant was established under the aegis of the welfare State in Europe and North America. As pointed out by Esping-Andersen (1993, 1996 and 2000), it is possible to have social policies without a welfare State, but there can be no welfare State without social policies. The difference between European and North American countries, as opposed to their Latin American counterparts, is that, in the former group, the welfare State has a strong and stable institutional nucleus that guides change, while Latin American institutions and programmes are not structured around a strategic set of long-term social measures and objectives (Galiani, 2006).

In Europe, the United States and Canada, social policies are implemented as part of the ideological framework of social and political agreements that make up their welfare systems. In Latin America, on the other hand, social policies need to be more closely interlinked on the basis of an ideological foundation capable of providing strategic guidelines, continuity and coherence that extend beyond the horizon of individual presidential Administrations. In Europe and North America, the contract between the State and society includes an agreement about the way each country has historically upheld its citizens' rights. In Latin America, on the other hand, social policies do not have the status of State policies (except in the few cases where sectoral budgets are "armour-plated"), and there is no social authority of the same rank as the most senior economic decision-makers.

The welfare States that emerged in the developed world between the 1930s and 1960s were established in response to the need for social protection systems capable of dealing with the risks of the time, which were tied in with the central role of employment in the definition and satisfaction of individual rights (see box I.2). Since the 1970s, however, changes in terms of production, employment, epidemiological and demographic profiles, families and gender roles have cast doubt upon the validity of the traditional employment-based welfare State (the Bismarckian model). These changes forced the issue of the need for reforms to protect citizens' rights from the new social risks they brought with them. These reforms would have to be carefully crafted in order to ensure that they did not exclude portions of the population from the social protection system (Titelman and Uthoff, 2005).

Within this context, the concept of security goes beyond the bounds of its traditional definition to include new factors such as age and ascriptive categories such as gender and ethnic minorities. This concept is increasingly linked to citizenship, human rights and the deepening of democracy, and it comes into conflict with the new economic constraints stemming from the emerging global order and the present degree of financial volatility.

■ Box I.2

Three paradigmatic models of the welfare state

In analysing the development of the welfare State since the 1930s, Esping Andersen identifies three types of welfare regimes in the industrialized world. Each of these regimes corresponds to a solidarity model that reflects the way in which the welfare State deals with risks.

The liberal welfare regime minimizes the State, individualizes risks and promotes market solutions within a framework of residual risk management. The United States is an emblematic example of this model, which has three main characteristics. First, it is residual (in Latin America, this concept is referred to as the “subsidiary role” of the State), in that it deals only with unacceptable risks and tailors its protective measures to the groups exposed to those risks. Second, it often involves social policies that target extreme poverty and whose focus is based on people’s needs rather than their rights. Third, there is a tendency to apply welfare policies that use means testing to determine the presence of need. This criterion is used not only in the United States but also, to varying degrees, in other countries whose welfare States have originated from liberal regimes, such as Australia, the United Kingdom, New Zealand, Canada and Ireland.

The social democratic regime used by the Nordic European countries has a universalist, egalitarian orientation and is committed to the notion of rights. Rights are linked to individuals and are based on citizenship; in the United Kingdom and the Netherlands, in contrast, pensions are based on effective contributions rather than on demonstrated need or employment contracts. The system seeks to decommodify welfare or well-being in order to minimize dependency on the market. Some countries (such as Belgium and Italy) have subsidies that are almost as high as in the Nordic countries, but what distinguishes the Nordic countries’ social democratic regime is its fusion of universalism and of the overall socialization of risk with generous subsidies and universal coverage.

The conservative (corporatist) regime. The most obviously conservative aspects of this system are its risk distribution (corporatist solidarity) system and familialism. The former is reflected in a distinctly Statist historical legacy that provides special treatment to civil servants and additional social security resources based on corporatist interests. Although the basis of pensions is not strongly corporatist in Germany, there are thousands of special health funds for particular regions, professions or companies. Italy, on the other hand, has a unified health system but over a hundred pension plans for various professions. Such systems can also be based on familialism, which prioritizes the central role of the family as caregiver and, ultimately, as the unit responsible for the well-being of its members. As with the liberal model, the conservative regime is also residual. However, while the liberal system provides coverage for market failures, the conservative model provides for “family failures”. In both cases (and unlike the social democratic system), assistance (need) takes precedence over rights.

Source: Gosta Esping-Andersen, *Fundamentos sociales de las economías postindustriales*, Barcelona, Ariel, 2000; *Welfare States in Transition*, London, Sage, 1996; *Changing Classes. Stratification and Mobility in Postindustrial Societies*, London, Sage, 1993.

Part II S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*; B, pp. 23-39.

B. Brief history of social protection in Latin America

While social issues have always been part of Government functions in Latin American countries, the form that they have taken and the emphasis and priorities assigned to them have changed over time in response to the different currents of economic and social thought that have prevailed at given periods in history and to how powerful these currents were.

Although national processes in Latin America cannot strictly be described as homogeneous, according to a number of authors, social policy development can be divided into three main periods: (i) the period prior to the Great Depression of 1929; (ii) the period of greater industrialization and inward growth between the Great Depression and the 1980s; and (iii) the period of market economy and globalization, which began in the 1980s (Marchesi, 2004; Cohen and Franco, 2005; Andrenacci and Repetto, 2006). As table II.1 shows, these successive periods have been named after their prevailing development model: primary liberal; import substitution; and fiscal discipline and austerity. Each period has distinctive characteristics in terms of the development of contributory social protection policies (social security), as well as the principal guidelines governing non-contributory social protection (social assistance) and sectoral policies in the region. In turn, these models give rise to specific conceptions about the role of the State and of social protection.¹

Table II.1
Social protection in four periods of social policy

| | 1. Early 19th century | 2. Great Depression of 1929 | 3. Debt crisis of the early 1980s | 4. 21st century |
|---|--|---|---|--|
| Development model | Primary liberal | Import substitution | Fiscal discipline and austerity | Systemic competitiveness |
| Main characteristics of social protection and advocacy | <p>First examples of social security in the urban formal sector</p> <p>Assistance: viewed as charity</p> <p>Start of sectoral policies for education and health</p> <p>Little State regulation</p> | <p>Social security in the urban formal sector</p> <p>Assistance: consumer subsidies for food and energy</p> <p>Centralism and growth of the health and education sectors</p> <p>Welfare State</p> <p>Protection based on formal employment</p> | <p>Social security with pre-funded individual accounts</p> <p>Assistance: targeting the poor, social investment funds</p> <p>Oriented to demand, decentralization, outsourcing of social services</p> <p>State as subsidizer and mitigator</p> <p>Protection against emergencies</p> | <p>Assistance: breaking the intergenerational transmission of poverty</p> <p>State as subsidizer and promoter</p> <p>Protection as assistance and access to promotion</p> <p>Social protection systems based on incremental minimum standards</p> <p>State as guarantor</p> <p>Protection as a citizen guarantee</p> |

Source: Prepared by the authors.

¹ As there is no strict correlation between the evolution of development models and social policies, a given development model may be underpinned by different social policy directions. Table I.1 shows only broad trends.

The final column of table I.1 depicts a fourth period that is unfolding this century. The theory is that two social policy approaches currently coexist in the region: the first is linked with systemic competitiveness and features important concepts such as human capital and intergenerational transmission of poverty; the second, linked with a rights-based approach and citizen guarantees, is supported by international covenants and treaties concluded by States. These approaches are not mutually exclusive, although the second has achieved greater prominence in recent years. The following chapters describe the policy elements arising from the differing concepts of development, State and social protection underpinning these approaches.

The first period, beginning in the 19th century and lasting into the first few decades of the 20th century, was marked by the primary liberal model, with outward growth. In social terms, its characteristics included, first, the formation of national societies and citizens' sense of belonging to a country and, second, charity, where attention to social problems was viewed as humanitarian aid for the needy, with broad participation from civil society organizations and the Church. It led to a non-secular, non-institutionalized social policy where political, economic and social elites were the service providers and financiers. The earliest institutions for contributory social protection began to emerge at the end of this period, such as mutual societies and insurance associations, aimed mainly at urban wage earners and subject to little State regulation, simultaneously with a phase of growing social service coverage in the areas of public health and education. The first social security systems inspired by the Bismarckian model started to appear in Southern Cone countries in the early 1920s.²

The second period began with the Great Depression and continued through the post-War and Cold War period. It was characterized by the development of a model of import substitution industrialization, with inward growth, where the emphasis was on State planning. Justice, social order and social security were the main social policy issues and pressure from organized society and trade unions had a great impact on them. Added to this was the steady growth of the education and health sectors, as well as the debate over access to land and land reforms. Although the social policy approach was based on universalism, coverage was severely limited, which led to priority being given to wage earners, the middle class and organized sectors. Duhau (1997) refers to it as "fragmented" or "stratified" universalism. Emphasis was placed on protection for salaried workers (Franco, 1996), by means of such instruments as Uruguay's unemployment insurance (1958), family allowances for private employees from the Mexican Social Security Institute (IMSS) (1943), or Argentina's enshrinement of the right to social security in law 14370 (1954).³ Non-contributory social protection was confined mainly to food and energy subsidies, although a few feeding programmes and small transfer programmes were starting to emerge for vulnerable groups, such as disabled persons (Ferreira and Robalino, 2010).⁴

The social policy management model of the time was characterized by central planning, a historical trend in Latin America determined by the political context, as well as the unitary organization of most countries and 'latent centralism' of those with a federal structure (Franco, 2003). There was also a bureaucratic-type organization and a marked impetus given to government sectors and, although this was positive in terms of knowledge and the development of specialized policies, their lack of coordination made it difficult to set up comprehensive interventions. Social

² In Uruguay, the earliest debates on social security mechanisms took place in the first half of the 19th century (Bonino, Kwon and Peyre Dutrey, 2007). The social security systems that emerged throughout Latin America in the 20th century were basically of the corporate and contributory variety and excluded vast segments of the population that did not belong to organizations linked with the formal labour market (such as associations or trade unions) or had no means for accessing power structures (mainly political parties).

³ Argentina's first instance of contributory social security was law 4349 of 1904, which established the Civil Fund (*Caja Civil*) for permanent employees of the State administration: teachers and employees of the National Educational Council, employees of official banks and Argentine railways, magistrates and elected officials (Abritta and others, 2010).

⁴ Feeding programmes included the Costa Rican Supplementary Feeding Programme of 1951, Chile's National Supplementary Feeding Programme (PNAC), which began delivering milk to children and pregnant women in 1954, and Brazil's National School Feeding Programme (PNAE) of 1955.

policy was funded mainly by the State and resources were distributed primarily through supply-side subsidies, which, in several countries led to an increased State share in service provision, with little private sector involvement. During this period, social sectors exerted intense pressure on the State to meet their demands.

Finally, this period was characterized by the protection of some prices and the provision of subsidies to facilitate access to certain goods and services, as well as by high inflation, rising external debt and corporatism. There was also a social divide between formal-sector workers (and their families) and informal, urban and rural workers, which, as discussed, had a very strong impact on the design of social protection and on the way in which these policies were organized in the region.

The debt crisis of the early 1980s marked the third period, characterized by a neoliberal approach of outward growth with fiscal discipline and austerity, where reforms introduced to reduce inflation and promote economic growth neglected the problem of unequal income distribution (Cornia, Stewart and Jolly, 1987). The assumption was that the benefits of growth would be distributed gradually among the population (trickle-down effect). The idea that the market was the best means for allocating goods and services played a key role, as did the Washington Consensus.⁵

Social policy in this period was characterized by targeting the poorest sectors to rationalize the use of scarce resources, as illustrated by the school feeding programme of Chile's National School Support and Scholarships Board (JUNAEB) and Mexico's Social Milk Supply Programme. A priority concern was management efficiency, associated with fiscal discipline requirements, which over time came to be a major additional —but not the sole— component in the objective of maximizing the impact or effectiveness of programmes. So, not only was it important to spend in order to produce goods and services, but to spend wisely to achieve the desired objectives.

All this was coupled with a market rationale for social services that included the promotion of demand-side subsidies to foster competition among service providers, whether public or private, through a system of free choice. One example was Chile's education system, where pupils received a State education grant that they could choose to spend on studying in a State or private school. Competition also featured in resource distribution, through procurement and competitive bidding to fund both public and private programmes and projects. This led to the development of safety nets, as well as the famous social investment funds, which were a prominent component of social management in the region, as they were considered a more flexible tool than line ministries for distributing public investment resources for health, primary education and water and sanitation services, even though, in many cases, social investment funds failed to make the leap from a rationale of budget implementation and production efficiency to one of social effectiveness and efficiency.⁶

Under this rationalization and competitiveness policy, decentralization played an important role during the period, arising from a desire to make resource and project management more independent from central government. Outsourcing of production was another important feature of this policy, boosting the participation of private and non-governmental organizations in management.

This rationalization and competitiveness policy was also reflected in social protection. There was a major transformation in retirement and pension funds and health insurance in the formal sector during the period. The problem of fiscal sustainability of pay-as-you-go social security led to the idea of individual funds, under the assumption that, with a formal labour market and job security,

⁵ The Washington Consensus consisted of 10 key policy recommendations: fiscal discipline; reordering public expenditure priorities; tax reform; liberalizing interest rates; competitive exchange rates; liberalization of international trade; liberalization of inward foreign direct investment; privatization of State-owned companies; deregulation (especially of labour markets); and property rights (Williamson, 1994).

⁶ The first ever social investment fund was the Plurinational State of Bolivia's Social Emergency Fund (FSE), established in 1985 and renamed Social Investment Fund (FIS) in 1990 (Aranibar, 2010). Further examples are the Honduran Social Investment Fund (FHIS), Peru's Social Development Cooperation Fund (FONCODES) and the Bolivarian Republic of Venezuela's Social Investment Fund (FONVIS).

individuals could amass the required resources for a decent retirement and would also be able to finance their family's health insurance. This meant that the existing rationale of fragmented universalism was sidelined to some extent and private fund managers emerged (including Chile's Association of Pension Fund Managers (AFP) and Argentina's Retirement and Pension Fund Management Companies (AFJP)), and health insurance institutions (such as Chile's ISAPREs) were encouraged to participate. Social protection in this period was therefore marked by a dual approach. On the one hand, there was contributory social protection of employees based on pre-funded individual accounts and insurance, operating under the aegis of the ministries of labour and health and, on the other, non-contributory social protection aimed at meeting certain minimum welfare standards and mitigating the consequences of extreme poverty, administered by the ministries responsible for social development. Over this period, the State took an increasingly secondary monitoring and evaluation role, while its role as provider diminished, at least proportionately, as the case of Chile illustrates very clearly.

A new development approach has been taking shape since the mid-1990s, with the 'paradigm of systemic competitiveness', where integration into a global economy depends on a country's organizational and management ability to combine a variety of economic and non-economic factors and to coordinate various stakeholders (Lechner and Calderón, 1998). This is a period of consolidation of democratic institutions, in which 'second-generation' State reforms are being introduced (Marchesi, 2004) and the political leadership seeks to embody in a number of concrete actions the idea of a more present State, with greater capacity to intervene in economic and social development (Repetto, 2010a). Around 2000, concepts such as guaranteed human, economic, social and cultural rights, full citizenship and social cohesion started to gain a strong foothold among the approaches guiding social policy (ECLAC, 2007). They reflect an explicit concern to distribute the benefits of economic development more evenly and to reduce the existing high levels of inequality. This means that individuals are no longer considered as consumers and beneficiaries but as citizens with rights.

Although it is difficult to make a definitive analysis because social policy is only one stage in the development process, a number of elements can be said to characterize it. First, the clash between universalism and targeting has returned to the agenda, but with the idea of targeting resources in order to achieve universal social rights or minimum social standards (ECLAC, 2000; Ocampo, 2001): no longer the same product for everyone (or only a few) but universal policies with differentiated services for a heterogeneous population, to meet diverse needs and close gaps. Differences of ethnicity, culture, gender, age and place of residence, not just socio-economic differences, have come to be considered as key variables in substantive and administrative aspects of policy. Second, there is an increased concern for objective and subjective service quality and the principles of effectiveness and efficiency, as well as for creating synergies among care and protection networks.

In terms of stakeholders, not only have public-private linkages been maintained, they are being boosted, with public and private organizations participating alongside non-governmental and other civil society organizations. However, the State is strengthening its regulatory role, gradually becoming a guarantor and, while it is not necessarily a provider, neither does it play a secondary role.

This has opened up new opportunities for debate on social protection, such as linking pre-funded individual account models with solidarity (ECLAC, 2006; Uthoff, 2006), flexicurity and the right to a minimum income, at least to lift people out of extreme poverty, with approaches focusing on short- and long-term action. The following section identifies the contexts and debates that have inspired the emergence of different social protection approaches and proposals.

Part III S. Cecchini, F. Filgueira and C. Robles (2014), *Social protection systems in Latin America and the Caribbean: a comparative view*; C, pp. 18-29.

C. Welfare gaps: a classification of capacities, effort and limits

There is a wide-ranging literature that has characterized, typified and/or organized social protection systems and welfare states in the region⁷. Based on such contributions and recent data produced in the region on social spending, the coverage of protection systems and social services, the capacity of the labour market to offer adequate income to the population and the role of families in social protection, this document sets forth a new classification of social-welfare regimes in the region.

This does not aim to replace either the overview studies based on key variables or the case studies presented here. Essentially it represents an intermediate strategy that draws on the standardized data contained in the various editions of ECLAC *Social Panorama of Latin America*, and the contextualized data and information provided in the case studies. Its purpose is to offer an initial guiding taxonomy for reviewing the overview studies and for interpreting the national case studies on the basis of theoretical and comparative categories.

The capacities of governments, labour markets and goods and services markets to provide individuals with adequate access to basic material and symbolic consumption reflect long-term economic, political and demographic processes. These capacities are the result of the transformation of societies that are transiting from a situation in which productive activity is undertaken in traditional rural economies towards one in which that activity is carried out in modern urban economies. Each stage corresponds to a historical moment associated with the level and style of the country's development. In each stage, labour issues interact and are reinforced by citizens' behaviour in terms of reproduction, family composition and the human capital formation of their members. In traditional societies, the family is extended, with high levels of fertility; the predominant roles in the household are linked to work, but are not considered as paid employment; the main income-earners work predominantly in conditions of underemployment and attach little importance to improving their skills. In modern societies, families are predominantly nuclear and increasingly single-parent; fertility has declined; there are better conditions for reconciling household and labour-market roles; underemployment is correlated with skill deficiencies; and, although the number of income-earners in the families is larger, they are starting to become vulnerable to problems of open unemployment.

When fertility starts to decline, the number of individuals in potentially productive age groups (between 15 and 64 years of age) increases more than the rest of the population. In fact, in all Latin American and Caribbean countries, we are still living in a period of demographic opportunities (the "demographic bonus") characterized by a large increase in the potentially productive population (between 15 and 64 years of age) and the so-called "dependent" population (under 16 and over 65 years old). This period comes to an end when the dependent population starts to grow faster than the potentially productive population, thereby launching a phase of ageing in which older adults (over 65 years of age) start to predominate among the dependent sector. From the standpoint of financing social protection, the demographic bonus starts in phases of high levels of underemployment and weak tax bases, so social protection has minimal coverage. The persistence of underemployment and the slow growth of tax revenue during those stages means that little progress is made in increasing the coverage of social protection.

⁷ See, in this regard, the pioneering work of Carmelo Mesa-Lago (1977), as well as Filgueira (1998, 2005), Uthoff, Vera and Ruedi (2006), Martínez Franzoni (2008), Barba (2003) and Cecchini and Martínez (2011). Although Cuba, Haiti, Trinidad and Tobago, and Jamaica have not generally been included in previous analyses, they are incorporated here through basic variables (GDP, combined dependency rate). Nonetheless, owing to a lack of substantive information, they generally do not form part of the original analysis of groups or of the averages in descriptive variables presented below.

Understanding the context of each country as a result of the specific transition processes unfolding in its labour market, along with the transition in fertility and the age structure, is essential for analysing the strengths and weaknesses of its social protection systems and suggesting ways to reform them. Moreover, the individual revenue and spending capacities of countries should be taken into account when considering reforms and potential courses for their social protection systems.

In short, two broad dimensions can be used to classify countries by what could be defined as a “welfare gap”. Firstly, it is necessary to consider a society’s capacity to generate income through the labour market to sustain its members. Secondly, account needs to be taken of government capacities to provide sustenance and protection to those who lack income or have insufficient income.

In addition to the population group that has traditionally been considered dependent on the grounds of age, not all of the 15-65-year-old population of Latin America and the Caribbean succeeds in gaining access to paid productive activities.⁸ In fact, apart from the traditional distinction between the economically active and inactive population, dependants also include those who, while in the productive age bracket, are not participating in the labour market, or are doing so in a precarious manner and with low incomes. This population therefore “depends” on workers who are engaged in medium- or highproductivity sectors (Uthoff, Vera and Ruedi, 2006).

In particular, there are three situations related to the link individuals have with the labour market, in which society (that is, family or government) would need to transfer resources to them to satisfy their consumption needs, and who are to some extent “dependent”, or at least partially so.

Firstly, there are people of working age who do not work, either because they do not need to, or because they have insufficient incentive to do so, or because they face major difficulties in doing so. There are also people who, while wishing to be employed and actively seeking job opportunities, cannot find jobs and are classified as unemployed. Lastly, there are people who are employed in jobs that either lack suitable conditions for fulfilling their productive potential and/or do not give access to social protection.

“Dependants” are therefore defined through a combination of two factors: demographic factors (associated with the age structure); and factors relating to employment status (associated with the individual’s involvement in the labour market). This combination can be used to define a status of labour dependency, to refer to the number of people who are dependent for demographic reasons (individuals under 15 years of age and older than 65), plus those who would be wholly or partially dependent owing to their labour market status (inactive between 15 and 59 years of age, unemployed, and those who are employed in low productivity or informal jobs between 15 and 59 years of age). This can be used to define a first “welfare curve”, in which countries can be ranked by their capacity to generate sufficient income from the labour market, because the number of dependants per formal worker declines as the country’s per capita GDP rises.

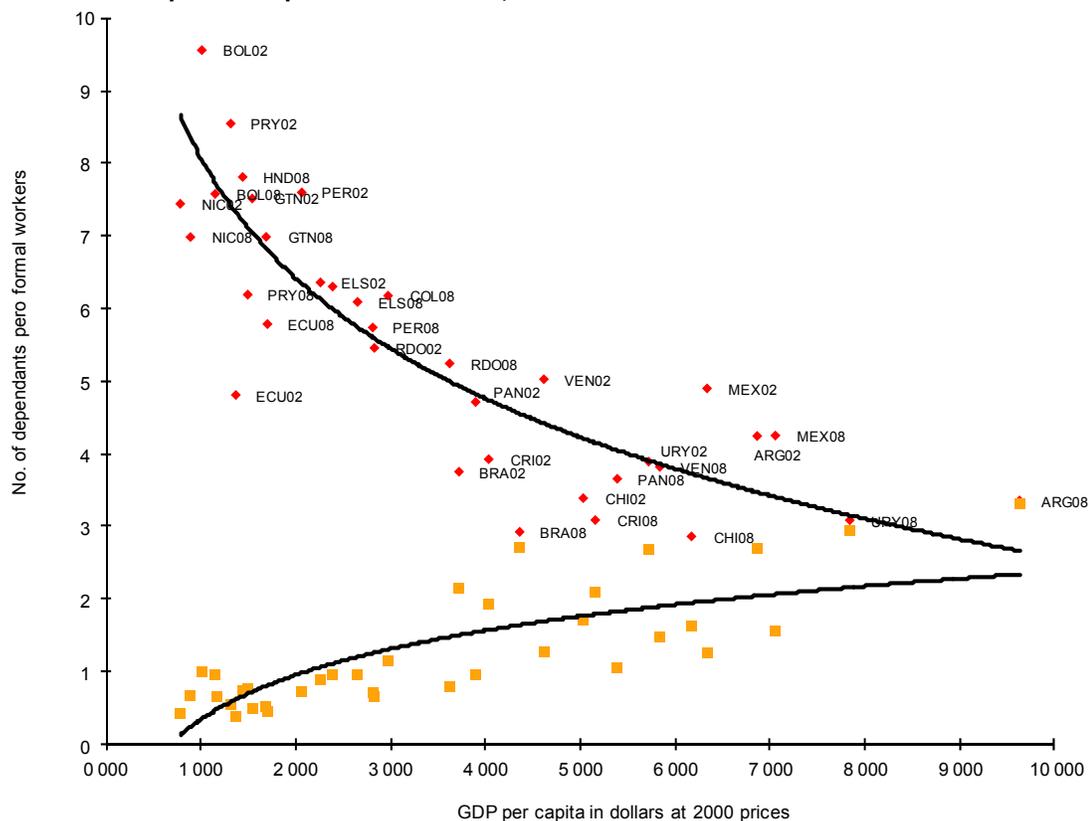
The second “welfare curve” focuses on the countries’ fiscal capacities and fiscal effort. Given a certain level of wealth in each country, it is possible to estimate a potential taxation level, which, in turn, translates into a potential level of social spending. Considering a basic provision considered decent, it is therefore possible to estimate how many of the dependants that cannot be covered by income provided from persons who are active in the labour market, it would be possible to cover through the States’ fiscal capacities. This defines a second “welfare curve” related to the welfare guarantees that the government could provide to the dependent population, through income transfers.

⁸ The distinction reflects conventional definitions of what is a productive economic activity and what is not. Usually, productive activities encompass workers who engage in economic activity outside or inside the home and for which they receive remuneration. In fact, remuneration is seen as the way society values their contribution to the productive process. This approach is seriously criticized by those who value the contribution made to the development process by the care economy.

This exercise was conducted by Uthoff, Vera and Ruedi (2006); and figure II.1 shows the updated version published in ECLAC (2010). The results obtained from data spanning 2002 to 2006, make it possible to distinguish three large groups of countries: those with severe, moderate and small welfare gaps (see table II.1). This grouping was used in ECLAC (2010) in its document *Time for equality: closing gaps, opening trails* which Cecchini and Martinez (2011) then used with a number of amendments to take account of newly available data.⁹

■ Figure II.1

Number of dependants per formal^a worker, around 2002 and 2008



Source: Economic Commission for Latin America and the Caribbean (ECLAC) (2010).

^a Population of under 15 years of age plus the population of 15-64 years of age (inactive, plus unemployed, plus informal workers), plus the population over 65 years of age, with respect to the population of 15-65 years of age (formal workers).

⁹ In particular, both in ECLAC (2010) and in Cecchini and Martínez (2011), Colombia was added to the group of countries with moderate welfare gaps, and Panama joined the group with small gaps.

■ **Table II.2****Groups of countries according to the formal dependency indicator, around 2006**

| Severe gaps | Moderate gaps | Small gaps |
|--|--|---|
| Bolivia (Plurational State of), Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Paraguay, Peru, Dominican Republic | Mexico, Panama, Venezuela (Bolivarian Republic of) | Argentina, Brazil, Costa Rica, Chile, Uruguay |

Source: Prepared by the authors, on the basis of Uthoff, Vera and Ruedi (2006).

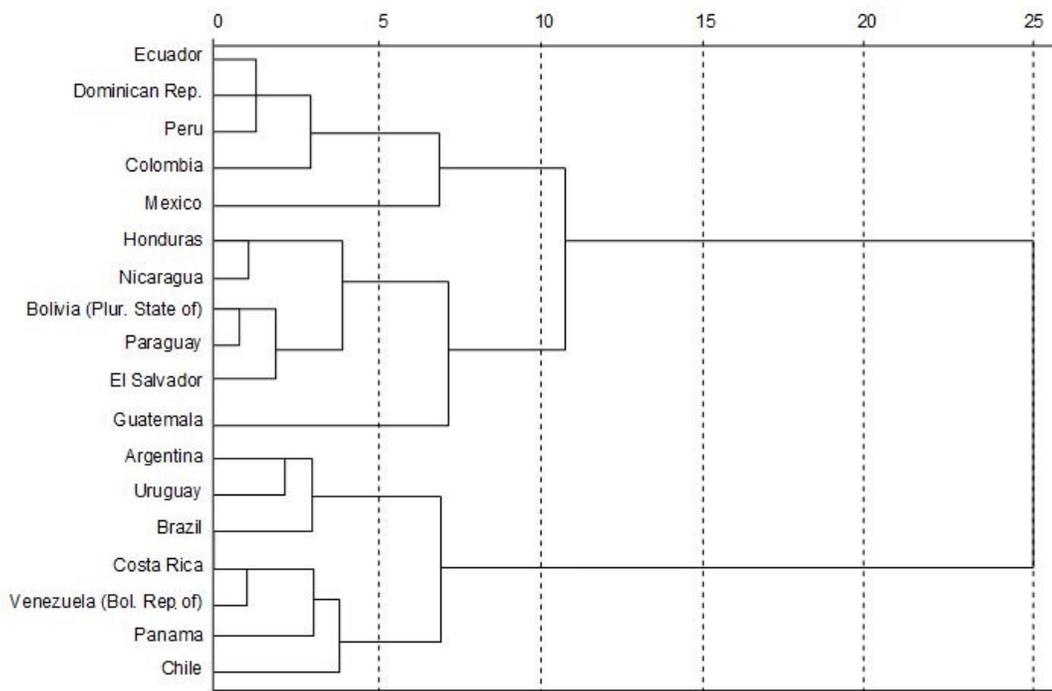
The variables considered in this document are per capita GDP, the combined demographic dependency rates, wage-earning workers who contribute to the social security system, per capita real social spending, expenditure on social security and social assistance as a percentage of GDP, and the percentage of individuals over 15 years of age who are employed but below the poverty line. The latter is a proxy measure for persons who are employed but do not have the capacity to generate adequate income, which is part of the assumption made by Uthoff, Vera and Ruedi (2006) when considering the relation between wage-earners and dependants, defining the latter not only as demographic dependants but also those who are dependent because they are not working or because they do not earn sufficient income.

In this way, the conglomerates analysis model combines a first dimension which relates to, or is equivalent to, the first welfare gap curve in the analysis of Uthoff, Vera and Ruedi (2006). This dimension is represented by the wealth of the country (per capita GDP) and the (in)ability of its labour market to generate adequate jobs (percentage of employed persons living below the poverty line and wage-earners in formal jobs making contributions), together with the relative size of its dependent population (the demographic dependency rate). In addition, the capacity and effort the country displays in addressing this gap is represented by per capita real social spending and expenditure on income transfers as a percentage of GDP.

The study uses the hierarchical conglomerates method, which groups countries together on the basis of similarity, starting from the individual case and performing iterations that successively relax the similarity criteria to reach a single final conglomerate. The analyst can define a number (or range) of desirable conglomerates. On that basis and a number of iterations that arises from the real distances between cases in terms of the variables considered, the technique produces the corresponding groupings. The most immediate graphical way to observe these groupings is in a tree-diagram. Diagram II.1 shows that in iteration zero, each case is a conglomerate, but before the fifth iteration, four large conglomerates can be identified (although some countries do not adapt to any of these conglomerates). In the seventh iteration, there are three large conglomerates which now encompass all countries.

■ Diagram II.1

Conglomerate analysis^a



Source: Prepared by the authors on the basis of data from the Economic Commission for Latin America and the Caribbean (ECLAC), the World Bank, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Inter-American Development Bank (IDB), circa 2012.

^a Conglomerate combination with rescaled distance.

In the seventh iteration, there are clearly three large conglomerates displaying severe, moderate and small welfare gaps. The 2006 grouping is redefined, with the number of countries with severe gaps decreasing and countries with moderate gaps increasing. This is consistent both with the standardized data that show economic and social improvements, and with the case studies that display significant increases in fiscal efforts and initiatives to expand social protection coverage. In addition, three countries that were not included on the original list can be attached to one or other group, based on a conglomerates analysis performed with fewer variables (per capita GDP, dependency rate and per capita real spending), because they do not have information on the other variables. These countries are Cuba, Jamaica, and Trinidad and Tobago. Lastly, Haiti is not included in any of these conglomerates and is in the extreme gaps category. Table II.3 summarizes the new classification of the region's countries.

■ **Table II.3****Groups of countries defined by conglomerates analysis, around 2012**

| Severe gaps | Moderate gaps | Small gaps |
|---|---|---|
| Bolivia (Plurinational State of), El Salvador, Honduras, Guatemala, Nicaragua, Paraguay | Colombia, Ecuador, Mexico, Peru, Dominican Republic | Argentina, Brazil, Costa Rica, Chile, Panama, Uruguay, Venezuela (Bolivarian Republic of) |

Source: Prepared by the authors on the basis of data from the Economic Commission for Latin America and the Caribbean (ECLAC). The table does not include countries for which insufficient information was available. Jamaica belongs to the moderate-gap group owing to its GDP and dependency rates. Cuba and Trinidad and Tobago would be in the small-gap group for the same reasons.

In addition to the predictable ranking on the variables used for the conglomerates analysis, the groups rank as expected in terms of another set of characteristics of their welfare regimes. Tables II.4-II.7 use group-averages to illustrate the capacities of these countries, their dependency burden and its type, the robustness of their labour markets in achieving adequate levels of employment and remuneration, the coverage of their social protection systems and sectoral social policies, tax effort in terms of revenue and social spending, their social spending profile, and the importance of the family domain in providing social sustenance and a basic system of solidarity and protection.

■ **Table II.4****Capacity indicators by country groups, around 2010/2012^a**

| | GDP per capita (dollars at 2005 prices) ^b | Dependency rate ^c | Child dependency rate ^c | Dependency rate among adults aged 65 years and older ^c | Incidence of poverty (percentages) ^{b d} |
|---------------|---|------------------------------|------------------------------------|---|---|
| Small gaps | 7 561 | 49,5 | 36,1 | 13,4 | 15,3 |
| Moderate gaps | 4 928 | 56,9 | 47,1 | 9,9 | 33,4 |
| Severe gaps | 1 880 | 69,0 | 60,6 | 8,4 | 52,0 |

Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2012*, and *Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, Demographic Bulletin 2012*.

^a Simple averages, excluding Cuba.

^b 2012.

^c 2010.

^d The poverty averages do not include Jamaica or Trinidad and Tobago.

Capacity differences, whether owing to average wealth or to the demographic stages the countries are passing through, are pronounced: with dependency rates exploiting the demographic bonus in countries with small gaps but already significant degrees of ageing; initial demographic bonus in the case of countries with moderate gaps; and an even more significant stage of demographic dependency and a high child dependency rate in countries with severe gaps. These capacity differences are clearly reflected in the poverty levels prevailing in each country grouping (see table 3). There are also clear differences in terms of capacity to generate tax revenue and social spending between countries that have small gaps and the others. Nonetheless, distances in terms of taxation between countries with severe and moderate gaps are non-existent (in fact, the differences favour countries with severe gaps), which suggests a very low fiscal effort being made by countries with moderate gaps. Social spending as a percentage of GDP is also lower than in countries with severe gaps, demonstrating a low social effort; although, their social spending per capita is higher, given their average wealth (see table II.5).

■ **Table II.5**

Indicators of effort by country groups, around 2012^a

| | Tax revenue (percentages of GDP) ^b | Social public spending (percentages of GDP) | Social public spending per capita (dollars) |
|---------------|--|--|--|
| Small gaps | 24,1 | 22,2 | 1 558 |
| Moderate gaps | 15,9 | 9,7 | 490 |
| Severe gaps | 16,9 | 10,8 | 218 |

Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC) *Social Panorama of Latin America 2012* and *Fiscal Panorama of Latin America 2012*.

^a Simple averages, excluding Cuba.

^b Includes social security. Does not include Jamaica or Trinidad and Tobago.

The very different gaps in terms of capacities and efforts are clearly reflected in social protection coverage levels, and in the degree to which the population receives education and health benefits (see table II.6).

■ **Table II.6**

Indicators of social protection coverage by country groups, around 2011/2012^a

| | Pension coverage (percentages of population of 65 years of age and older) | Wage-earners with pension coverage | Combined primary and secondary enrolment rate (average) | Employed persons with pension coverage | Employed persons with health coverage |
|---------------|--|---------------------------------------|--|--|--|
| Small gaps | 75,7 | 72,5 | 86,0 | 67,1 | 84,8 |
| Moderate gaps | 25,0 | 55,4 | 77,2 | 35,6 | 65,6 |
| Severe gaps | 12,7 | 37,6 | 71,7 | 19,4 | 25,3 |

Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC) *Social Panorama of Latin America 2012*, and United Nations Educational, Scientific and Cultural Organization (UNESCO).

^a Simple averages, not including Cuba, Jamaica or Trinidad and Tobago.

The lack of a robust system of State-guaranteed benefits and protections necessarily entails a much more pronounced role for the market and out-of-pocket spending to gain access to benefits, and a situation in which welfare depends heavily on multiple family survival strategies ranging from child labour to immigration (see table II.7).

■ **Table II.7**

Indicators of family survival strategies by country groups, around, 2012^a

| | Private spending on health (percentages of total household expenditure) | Remittances from abroad (percentages of GDP) | Extended and composite families (percentages) | Child labour (10-14 years of age) (percentages) | Percentage of individuals declaring out-of-pocket spending on health |
|---------------|--|---|--|--|--|
| Small gaps | 3,5 | 0,85 | 20,7 | 3,3 | 23,3 |
| Moderate gaps | 4,9 | 3,55 | 25,5 | 15,8 | 57,5 |
| Severe gaps | 5,8 | 11,87 | 27,7 | 19,2 | 71,9 |

Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC) *Social Panorama of Latin America 2012*, and Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, *Demographic Bulletin 2012*.

^a Simple averages, not including Cuba, Jamaica or Trinidad and Tobago.

1. Countries with a severe welfare gap

These countries have a demographic structure that reflects relatively high levels of fertility, characterized by a young population. Their weak labour market is characterized by few formal jobs, low wages or remuneration levels, and a burden of dependants consisting not only of young people, but by a large contingent of unpaid family workers and an informal subsistence sector. As many as 75% of the “dependants” of formal workers are young and informal workers, while the remainder are inactive, unemployed, and elderly. Their development level measured by per capita GDP is below US\$ 2,000, which, in conjunction with a low tax burden, prevents them from allocating significant resources to meet the education needs of children, adolescents and young people; social security and assistance for working-age adults; and the health of the population at large. They display poverty rates in excess of 45%, in many cases affecting two thirds of the population; and social security coverage among the employed at less than 30%. The existence of labour markets dominated by underemployment, the low capacity of the State to allocate resources, concentrated access to narrow financial markets, and the low valuation attached to skill development, restrict social mobility and limit capacity to change social structures.¹⁰

The strategies deployed by households to cope with their lack of protection include higher private and out-of-pocket spending on health care, higher rates of child labour, or migration to obtain family incomes through remittances (see table II.7). These indicators raise the alert, not only in terms of welfare gaps, but also in respect of the potentially severe consequences for peace and social cohesion, as shown in the case studies of El Salvador, Guatemala and Honduras (Martínez Franzoni, 2013a; 2013b and 2013c).

¹⁰ In the case of the Plurinational State of Bolivia, it has been possible to strengthen the State through higher taxes, and to draw on revenues earned from the exploitation of natural resources. As a result, poverty has been reduced independently of the country’s demographic structure and/or the formalization of its labour market.

2. Countries with a moderate welfare gap

These countries have a demographic structure that reflects the fertility reductions that have been unfolding since the 1970s and, as a result, have a smaller proportion of young people among their dependants. They have a more formalized labour market than the previous group, but in some cases show incipient population ageing. As their education coverage extends beyond secondary school, there are more inactive individuals among dependants; and, in conjunction with young people under 15 years of age, they account to 60% of dependent people per formal worker. The remainder are older adults, persons in informal jobs and the unemployed. Their economic development level is around US\$ 5,000 per capita. Although they have very low tax burdens for their GDP level, their higher income levels make it possible to pay higher social benefits to target population groups in the areas of education, social security and assistance and health. Their poverty rates are between 40% and 30%, and they display a social security coverage of around 35% of employed people in terms of pensions and 65% in terms of health care. The main nuances in the predominance of some welfare provider again reflect the higher development levels attained by societies with governments that are supported by natural-resource revenues (Mexico, Peru and Ecuador). These countries tend to have the capacity to allocate a higher percentage of GDP to social spending.

Nonetheless, these advantages do not produce very significant improvements in their social situation, as measured by the incidence of poverty. The greater labour-market dynamic is absorbed by applicants who are selected according to the quality of their education/training, which discriminates by social class and acts as a vehicle for transmitting inequalities between generations. The State has insufficient capacity to simultaneously finance the basic social protection network and the improvements needed in the quality of public education. Moreover, the expansion of financial markets discriminates by risk, selecting customers with higher levels of collateral. Access to education is segmented by income, without suitable solidarity mechanisms for its financing. Ultimately, the development of institutions in this group of countries tends to strengthen mechanisms that transmit inequalities in society.

3. Countries with a small welfare gap

These countries have the greatest potential to develop a welfare state. They report sharp falls in fertility during or before the 1960s, and have a population with an older age structure. As they have succeeded in raising the coverage of higher education, there are more inactive people who, in conjunction with proportion of older adults, children, adolescents and young people, represent 75% of dependants per formal worker. The remainder are informal workers and the unemployed. The development level measured by per capita GDP averages more than US\$ 7,500, with a high tax burden that supports social spending in excess of 20% of GDP. Their poverty rates are around 15% of the population, and they achieve social security coverage in excess of 60% of employed persons in terms of pensions and above 80% in health care.

These countries are more aware of the need to democratize the institutions that restrict the actions of social-mobility vehicles. Nonetheless, little progress has been made in terms of effects on inequality. Social protection systems remain segmented by the contributory capacity of their affiliates, so the primary inequalities generated in the labour market are reproduced. Changes implemented under universality principles restrict coverage according to the government's budgetary constraints and the lack of solidarity in financing, which results in universal access to basic provisions only. The public-private mix in the supply of education continues to be dominated by payment systems that prioritize efficiency over solidarity. The regulatory capacity of governments is unable to create the equal-access

conditions that the original design of service provision systems fails to generate. Families are unable to express their desire to improve their education/skill levels through effective demand for an increase in the capacity of the services in question.

4. Variants within the welfare gaps

By using additional analytical variables to classify the countries,¹¹ it is possible to distinguish a number of additional typological variations within these three broad groupings. These variables aim to classify countries not only in terms of their welfare gaps but according to the orientations, efforts and levels of segmentation of their welfare regimes.

Based on an analysis of simple averages that adds to the variables considered in the gaps others related to the capacities of the State, markets and families to provide protection and access to resources, two subgroups with similar configurations can be identified within the small-gap country grouping: (i) countries with a more protectionist profile; and (ii) countries with a more productivist profile. Countries in the first category — Argentina, Brazil and Uruguay — have welfare regimes in which the State is highly protectionist, while families and markets show less inclusive and aggregative capacity than their small-gap counterparts.¹² States protect people who are outside markets, thanks to a major fiscal effort and coverage in pensions and social assistance; but the welfare regime generally displays problems relating to the weakness of markets in incorporating people, and less aggregative family structures, compounded by relatively small expenditure on provisions aimed at human capital (health and education).

The second case —the productivist model that includes Chile, Costa Rica and Panama— is characterized by a much smaller State in terms of protecting individuals outside the market, and a much heavier bias in terms of articulating with families and increasing the population's human capital. Their protectionist counterparts are more comparable to corporate-type models, albeit much more segmented than in European countries. Nonetheless, health spending is similar between the two subgroups, while spending on education is greater in the second. In the first subgroup, the general fiscal effort in terms of taxation and expenditure, particularly social security, is significantly higher than in the second; and there is a pronounced bias towards protecting persons who are not working; whereas in the second subgroup, the bias is focused on the skills of those who are working or who will work in the future.

The weight of the market and private efforts in more liberal and productivist countries is also significantly greater in terms of access to health and education, although their spending in these areas as a percentage of GDP is greater than in protectionist countries. This suggests greater segmentation in the quality of those services.

Although the indicators tend to support this general vision, the case studies add detail and context which warn against rigidifying the typology presented here. Costa Rica, for example, while displaying a lower tax burden and fewer protections through the income-transfer channel for those that do not work, has a subsidy system to encourage informal workers to access social security, together with a historical and ongoing effort on health which constitutes quite a significant protectionist base. Moreover the case study of Chile very clearly shows the shift of the productivist and strongly liberal model to another with pronounced social democratic components, albeit in a liberal framework, in terms of social protection and promotion: the System of Universal Access with Explicit Guarantees (the AUGÉ Plan), health reform, the solidarity pension, the recent reform of the licensing system and the expansion of childcare.

¹¹ The following variables were considered in the analysis of averages: public expenditure on social security and assistance, public expenditure on education, public expenditure on health, pension coverage, percentage of private enrolment in primary school, percentage declaring out-of-pocket spending on health, and tax revenues as a percentage of GDP.

¹² Data for the Bolivarian Republic of Venezuela, Cuba and Trinidad and Tobago are not available for inclusion in this analysis.

Table II.8
Selected indicators for types among small-gap countries, around 2012

| Subgroup | Protectionist | Liberal productivist |
|--|---------------|----------------------|
| Social public spending on social security and assistance (percentages of GDP) | 12,6 | 6,5 |
| Social public spending on health (percentages of GDP) | 5,79 | 4,27 |
| Social public spending on education (percentages of GDP) | 5,6 | 7,7 |
| Pension coverage (percentages of population of 65 years of age and older) | 87,0 | 73,9 |
| Percentage private enrolment in primary school ^a | 15,7 | 24,7 |
| Percentage declaring out-of-pocket health expenditure | 16,1 | 22,7 |
| Tax revenues (percentages of GDP) ^a | 32,1 | 18,2 |

Fuente: Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC) and United Nations Educational, Scientific and Cultural Organization (UNESCO).

^a Includes social security.

Among the countries with moderate welfare gaps, two clear groupings can also be identified in terms of more protectionist models (Ecuador and Colombia) and more residual, liberal and productivist models (Mexico, Peru and the Dominican Republic). These groupings again contrast tax burdens and private access to health and education services. Here it is not the wealthiest countries in the moderate gap group that are the most protectionist. In fact, the Dominican Republic, Peru, and particularly Mexico, all have higher per capita GDPs than Ecuador's; while per capita GDP in the Dominican Republic and Mexico also exceeds that of Colombia. The case study of Ecuador (Naranjo Bonilla, 2013) clearly shows the reason for the welfare-gap category change (increased taxation, expenditure and coverage), and also reveals some of its most important tools (the Human Development Grant, and efforts in education and basic health care). Nonetheless, it also shows that these additional efforts on health, basic income transfers and education, coexist with a large system of social security and consumption subsidies, which have regressive or only slightly progressive features.

Table II.9
Selected indicators for types within moderate-gap countries, around 2012

| Types | Protectionist | Liberal productivist |
|---|---------------|----------------------|
| Social public spending on social security and assistance (percentage of GDP) | 4,3 | 2,7 |
| Social public spending on health (percentage of GDP) | 1,8 | 2,2 |
| Social public spending on education (percentage of GDP) | 3,9 | 3,0 |
| Pension coverage (percentage of population of 65 years of age and older) | 28,6 | 22,5 |
| Percentage private enrolment in primary school | 14,3 | 24,6 |
| Percentage declaring out-of-pocket health expenditure | 52,5 | 60,8 |
| Tax revenues (percentage of GDP) ^a | 19,1 | 13,7 |

Source: Prepared by the authors on the basis of economic commission to Latin America and the Caribbean (ECLAC) and United Nations Educational, Scientific and Cultural Organization (UNESCO).

^a Include Social Security.

In countries of lower relative development, welfare states are fragile and small, and national labour markets inadequate; and, as noted above, families play a larger role, with greater reliance on the extended family. The importance of remittances, extended families and out-of-pocket health spending, are the other side of the coin in States with a low capacity for demercantilization and protection, and labour markets with low levels of inclusion offering highly precarious employment.¹³ This is a relatively homogeneous group of countries in terms of tax burden (low), social spending (low), coverage (low) and out-of-pocket spending on health and education (moderate to high), particularly for their very low levels of income. Nonetheless, the one major exception is the Plurinational State of Bolivia, which, despite its very low GDP displays a tax and spending effort, and an achievement in terms of coverage of pensions, education and conditional cash transfer programmes (CCTs), which are well above those of its peers.

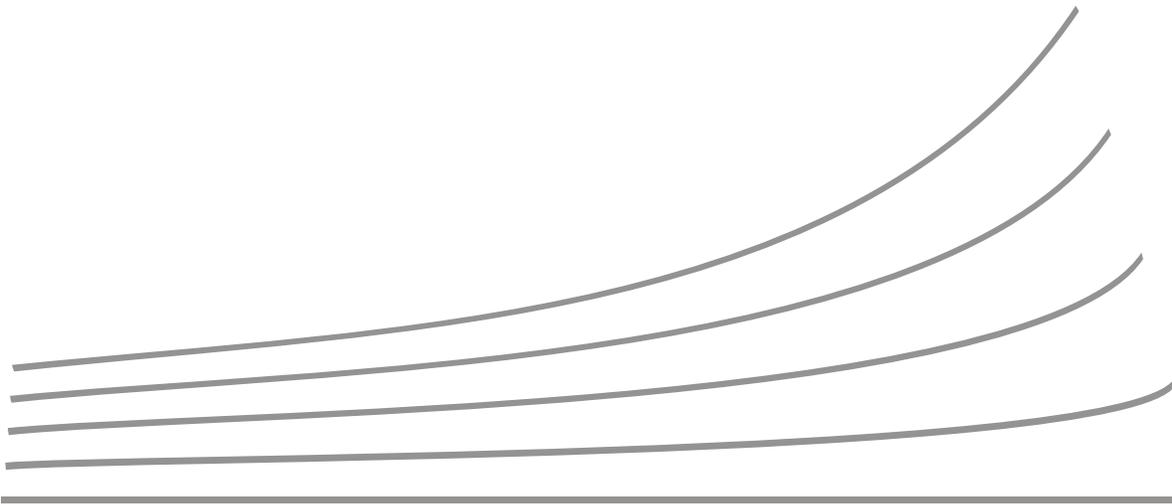
5. The dynamics of welfare gaps and types of regime: what the case studies show

Although exercises involving gaps and classifications are useful, they can prove misleading. In the case of gaps, the first reason why these exercises have serious limitations is that they assume an egalitarian pattern both in the distribution of both labour income and in social spending. Yet this is not true in either case. In the case of labour incomes, the distribution is far removed from equality; and in social spending, the distribution depends on the type of spending: when it is effectively targeted on income transfers, the pattern tends to be neutral with respect to the original income distribution, or else slightly progressive, but never egalitarian in terms of a perfect equality diagonal.

The other misperception that the gaps can foster is to suggest a determinism stemming from GDP levels and demographic stages, together with another determinism in the potential paths of the countries. The gaps do suggest that a certain level of GDP corresponds to a certain welfare gap in terms of poverty and population with sufficient income. Nonetheless, there can be significant deviations from the trend curve in individual cases. Moreover, the reader may be tempted to assume that these gaps express the potential paths of the poorest countries into the future. It should be clear that the gaps arise from placing the countries in the bidimensional space in a moment in time, rather than locating a country throughout its history on axes of capacities and needs. For example, Costa Rica in the 1940s was much closer to the poorest countries in welfare-gap terms than it is today. That would reflect both its fiscal capacity and the development of its labour markets and productivity. Brazil also displayed a value on the fiscal-capacities dimension in 1980 that would not have predicted its current position. Lastly, Chile in the 1980s displayed values on the labour-income dimension that did not presage its current values.

Through their governments, countries take political decisions that change the values in both dimensions of capacities and efforts and the interactions between factors that determine them, along with the interaction between factors and one dimension or another. How many women work in a country? What is the productivity of the active population? What are its employment and unemployment levels? The answers to these questions are not predetermined for countries in t_1 given their economic development levels in t_0 . They depend on the predominant type of development and government action. This in turn will affect fertility and mortality rates, the population's human capital, and levels of investment and consumption. The State plays a key role in these processes; and in Latin America and the Caribbean, the welfare state can do much to help close welfare gaps.

¹³ Haiti would probably be an extreme case of a family-based country with severe gaps, although the absence of data does not enable us to classify it as such. Lamaute-Brisson (2013) describes the scant and fragmented role played by the State in social protection, along with the provision of health and education services, the scope of the informal employment sector, and the heavy incidence of remittances and income from co-operation sources, among other factors.



Chapter III

Approaches, orientations and debates regarding social protection

Source:

Part I. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*
https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Part II. A. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*
https://repositorio.cepal.org/bitstream/handle/11362/41105/6/S1600819_es.pdf

Part III. ECLAC (2010), *What kind of State? what kind of equality?: XI Regional Conference on Women in Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/16527/1/S1000328_en.pdf

Part IV. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*
https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Introduction

Faced with the broad spectrum of approaches to social protection, ECLAC has adopted one based on rights and gender equality throughout the life cycle, with the State playing a central role. Nevertheless, challenges also exist with regard to the judicialization of social protection and there have been intense debates about the importance of the conditionalities and targeting mechanisms commonly used in poverty reduction programmes.

Chapter III analyses the role of the State in social protection vis-à-vis other actors such as families and the market, the essential elements of an approach based on rights and the life cycle, and gender biases in social protection. It also discusses the debates surrounding social rights and their judicialization, as well as conditionalities and targeting mechanisms.

Part I

S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*; A, pp. 32-38; B, pp.38-41; C, pp. 306-308; D, 311-316

A. The social welfare regime paradigm and the role of the State

All societies distribute their social problems and risks in ways that differ between men and women, rich and poor, educated and uneducated, children, adults and the elderly. There is thus a political economy (based on power and resources) of social problems and risks: markets, families and communities themselves produce and distribute wealth, security and opportunities in ways that vary depending on the inherent and acquired attributes of the population (Esping-Andersen, 1999). These three channels through which wealth, security and opportunities are produced and distributed are driven by an essentially decentralized logic. Individuals take decisions about how to use, add to and exploit their physical, human and social capital. In so doing, they produce general parameters of supply, demand and pricing, family arrangements and territorial distribution of the population. These parameters will then determine their future opportunities for making use of the structure of opportunities that exists.

But wealth, security and opportunities are also produced in another sphere that differs from the others because of its essentially centralized character: the State. This form of authority is based on three essential functions: extracting resources from the community, distributing and allocating resources to the community and prescribing what actions are acceptable and unacceptable, while creating incentives and disincentives in the other three decentralized spheres of action, the market, families and the community (Tilly, 1998). More specifically, States influence people's life chances because they control the tax system, public investment and the laws regulating interactions between individuals and collective entities, whether of a market, family or community nature.

The interaction of the State with the market, family and community spheres constitutes what is commonly known as the social welfare regime (Esping-Andersen, 1990 and 1999). This affirmation implies an approach different from the one that considers only the social mechanisms of the State. Social welfare regimes are much more than the instruments of the social State; they are the intersection of a structure of risk production and a State architecture of protection against the risks thus produced, and of regulation of the decentralized structures of risk production. Thus considered, evaluations of social States should not be conducted (or not solely) in terms of legal provisions or investment efforts or even comparatively *vis-à-vis* other countries. One of the keys to evaluating social policies and social States is to observe the degree to which these provide an appropriate response to the structures of risk production and the distribution of social risk (Filgueira, 2007).

This conceptual route necessarily leads to consideration of the problem of social divides between different sections of the population when it comes to exercising rights. The situation is summed up in indicators of poverty, extreme poverty and inequality, and of limitations in access to health care, education and protection.

It is well known that people's social situations do not manifest themselves as a series of static behaviours, with some being affected by welfare gaps and others unaffected. On the contrary, the situation is mobile, so that there is a flow of people moving between different levels of well-being. Vulnerability is thus a distinctive element of the region (Cecchini and others, 2012): there is no guarantee that those who have escaped poverty will not return to it, and people who have never been poor may be affected by serious contingencies such as losing their job or falling gravely ill.

This shows the need to give a central place to social risk analysis and consider the creation of institutional response capabilities in the area of social protection. All individuals go through situations where their material and emotional well-being is at risk, and this can arise from the most varied

circumstances and situations. The idea of social risk does not refer to random happenings but to differentiated but repeating situations of divides and vulnerability that can be empirically associated with population categories defined by various criteria (such as stage in the life cycle, education level, social class or sex, among others).

Children are faced with the risks of heavy dependence on their families as the basis of their personal development, sustenance and well-being, while adolescents have to cope with the challenges that come with emancipation, with all the recurrent difficulties of completing learning processes and entering the productive stages of life. Young couples are faced with the risks of poverty as they start the productive and reproductive cycles concomitantly. Adults run the risk of failing to find a job that will provide the level of well-being they need to exercise their rights, or of losing the one they have. The elderly face risks for reasons associated with physical and emotional decline, compounded by the loss of ties to the market, their families and their communities). These risk structures are predetermined and arise in the great majority of societies.

It is obvious, however, that societies vary in the degree and quality of the social risks thus produced by them, and in the extent to which they generate social mechanisms for minimizing, moderating, offsetting or dealing with situations of risk (Esping-Andersen and others, 2002; Huber and Stephens, 2004 and 2012). Thus, for example, a country where births are concentrated among lower-income and younger women is very different from one where they are concentrated among middle-class and older ones. It also makes a great difference whether labour markets are difficult for young people to enter, or are more open. Older adults living in societies where family solidarity is strong will be less unprotected than those living in societies where families only weakly perform their function as resource aggregation units.

Some of the responses to this production and distribution of social divides and risks come from the collective authority expressed in the State and its public policies. Their distribution, quantity and intensity in the different population categories is the outcome of decentralized actions by market agents, families and communities and the centralized action of the State authority. There is nothing inherently natural in this: the dynamics and decisions going to make them up are always determined, at least in large part, by State regulatory parameters or concrete State actions. Likewise, these State measures are not just determined by some all-powerful central body, but are the outcome of processes that are more or less democratic, but are in any event ultimately deconcentrated, with multiple actors expressing their interests, investing their power resources and taking what are finally aggregate decisions (see chapter X on social covenants).

It is important to realize, then, that what characterizes State decision-making is not that it is centralized but that it is binding and grounded in authority. The market and communities generate aggregate parameters that then become structural constraints on action and opportunities, but they do not take legally binding decisions to extract and distribute resources and regulate actions. This is, unquestionably, the essential and exclusive role of the State, which must play a primordial part in social protection if this is to be interpreted as a right and not as a privilege or a gift.

States, then, take differentiated actions that contribute to the structure of risk production (Esping-Andersen, 1999), while their response capacity affects the resulting vulnerability and its distribution. An older adult left unprotected in a model where family solidarity is weak will not be so placed in a social State where systems for maintaining incomes and social services in this population group are universal in coverage. What family children are born into will be less critical in a country where the State provides a robust preschool system and extended schooling. Young people who struggle to enter the labour market will fare very differently if they live in a country where unemployment insurance is available as a right from the time they start seeking work than if they live in one where this right only exists once a formal job has been held. Divorced women who were financially dependent on their husbands' income will have a very different fate depending on whether or not they live in a

country where there are systems regulating monetary transfers between former spouses, or where the State prioritizes systems of support for households with female heads.

As families and markets change, so do the distribution, type and quantity of social risk and the forms of social protection in a given society. To the extent that States are part of this structure producing risk and protection, they may or may not be a part of the answer to emerging problems and risks. When they are not (as in the 1980s and 1990s, when State responses were slow, piecemeal and sometimes simply wrong), there are two possible outcomes: either families, communities and/or markets adapt to absorb these risks, or uncovered risks increase in quantity and quality for certain social groups.

The return to the extended family that took place in the 1980s as a survival strategy in the face of declining real wages was just such a dynamic of family adaptation. When communities of intra-urban migrants living on the outskirts of cities organize neighbourhood watch schemes to safeguard their security because police assistance is not forthcoming, or implement cooperative shared transport systems because public transport is infrequent, these are methods of adaptation which internalize problems and risks originating elsewhere or within the community itself that the State is not resolving or confronting. When firms decide to hold training courses to improve their workers' mathematical literacy because little knowledge is being imparted in the public secondary education system, than the market is taking over this operation. Or when low-cost child care provision is set up in needy areas lacking in preschool services, the market is once again at work.

The problem is that certain preconditions need to be met for families, communities and markets to be able to internalize and absorb these risks. Families have to have adult human resources available to them, as well as stability and cooperation in these reciprocal arrangements. A community needs to be endowed with basic kinds of trust and reciprocity, rooted in a minimum of normative efficiency, to underpin more complex forms of cooperation. Likewise, market operators need to perceive that there is potential for profit in thus absorbing risks and that the demand for these services is there, as well as the ability to pay.

When these conditions are not in place, new risks not responded to either by the State or by methods of adaptation based on the market, family or community will manifest themselves in three problems that will affect overall welfare and social equality:¹

- The intragenerational trap: individuals are trapped in situations of poverty because they lack channels of mobility provided by the market, the State or their own families.
- The intergenerational trap: those who have grown up in vulnerable sections of society inherit their disadvantages and are as badly or worse situated, because the social edifice has no correctives or circuit breakers to interrupt the transmission of these social disadvantages.
- Catastrophic events: there is an increase in sudden processes of downward mobility triggered by unforeseen risks whose effects are devastating for individuals' ability to mobilize or access social assets.

A whole series of risks have confronted countries that have shifted from an agrarian model of extended families, low life expectancy at birth and a high proportion of low-skilled workers to an essentially urbanized one where the population is ageing and the norm is formal employment and stable two-parent families operating on a breadwinner model. These risks concern protection for the elderly, rural migrants' skills, basic literacy, the provision of social services associated with the

¹ The protest movements that have recently been a feature of a number of the region's countries, particularly among people who perceive a gap between economic development and their own opportunities for personal development and economic security, are a manifestation of discontent with the lack of adequate responses. Movements of this kind are positive insofar as they are an expression of democracy that articulates a real demand from the population. However, they can also have unfavourable consequences for public security and institutional stability.

nuclear family and the sexual division of labour, the creation of mechanisms for maintaining individual and family incomes (especially at the early and closing stages of the family cycle) and the creation of health-care and sanitary protection systems suited to urban living (Huber and Stephens, 2004).

The welfare architecture of many European social States, and likewise of many Latin American countries, developed in response to this shift from societies of country dwellers and recent migrants to urbanized industrial societies, with all the demographic and family correlates entailed. It also reflected a strong belief: that societies ensured or would be able to ensure access to social protection and welfare through the labour market and the family, with the social State acting to supplement and correct this basic welfare structure, sometimes very strongly, sometimes only residually (Esping-Andersen, 1999 and 2009). Recognizing the risks involved in a particular way of producing well-being that was limited to one type of family (the two-parent nuclear one with wider family support) and one type of market (the Fordist industrial model), mechanisms were created to remove markets and families from the equation, so that the State would step in when these failed or did not respond adequately.

Latin America was actually never an industrialized region with “traditional” nuclear family models and formal labour markets in the same way as the Western European countries that were the inspiration for the architects of Latin American social policies in the past. In the major urban centres and in the social protection architecture that accompanied urban life, it was assumed that the region would move towards this social situation. Not only did this not happen, but processes characteristic of post-industrial societies and the second demographic transition began to take place in much of the region before industrialization and the first demographic transition were complete. The growth of single parenthood and consensual unions, the mass entry of women into the labour market and the rise in divorce are incontestable realities in most of the region. Increasingly insecure employment, flexible contracts, deindustrialization and the expansion of service economies, accompanied by a technological transformation that is rendering existing knowledge obsolete at a rate unprecedented in the region, are other processes that have clearly set in over the last two decades.

These two profound and central transformations in the family and market have been combined with others linked to and in some cases deriving from them. When families incorporate some members into the labour market as a strategy for maintaining levels of well-being, the model of the family with a sole or main breadwinner is blurred. This blurring of the sole breadwinner model is indissolubly linked to the mass incorporation of women into the labour market (Kilkey and Bradshaw, 1999). Again, deindustrialization is affecting the employment of fixed capabilities and skills and raising the threshold for the educational credentials and human capital accumulation needed to participate successfully in the labour market. Social inheritance begins to weigh more heavily, keeping people who lack adequate social assets in unemployment and poverty and, in some cases, driving them to exclusion.

It is clear that a welfare model or a social State architecture grounded in formal employment and its occupational categories, oriented towards a male household head and underpinned by a hypothetically stable two-parent nuclear family model and stable demands in terms of the human capital required by the world of production is radically divorced not only from the old Latin America risk structure (which never resembled that of first world countries) but from the new one as well. This does not mean neglecting the positive legacy of the old social protection model in those Latin American countries where it has genuinely taken root (Huber and Stephens, 2001, 2004 and 2012). This model seeks to guarantee basic protection for the elderly, who inherit the revenues of the old welfare architecture. But it is also a fact, partly because of this past achievement, that risk is largely transferred to younger ages, children and women, particularly young women with children and, most especially, female household heads.

B. The life cycle approach

Age is one of the key factors in social organization and stratification (Sorokin, 1996).² Although recognition of a sociology of age is fairly recent, different authors had already stressed the importance of this factor and the impact that increasing age has on individuals by confronting them with unfamiliar requirements, roles and challenges.³

In particular, it is important to highlight three major approaches to the issues of individuals' age and life cycle. First, there is a straightforward descriptive approach to the social distribution of well-being and power among different age groups in the social structure. Second, notwithstanding profound differences between cultures, there is undeniably a close link between biological maturity, the passage of time and the roles individuals take on in society and in economic and social structures. Lastly, adults born in different decades are unlike not only because of the stage of the life cycle they are in but because they belong to different cohorts, socialized under a variety of normative systems and faced with different economic contexts, political realities and technological innovations, among other factors.⁴ Any analysis of a particular age group, then, needs to adopt this threefold analytical strategy: intergenerational stratification and indicators of well-being in each cohort, specific experiences that each is going or has gone through, and roles associated with a given stage in the life cycle.

Where the social protection literature is concerned, this approach means that social protection tools and mechanisms can be dealt with from the perspective of the rights, problems and risks entailed by each stage of the life cycle. For the second part of the book, which deals with the times and spaces of social protection, the decision was made to group social protection and promotion tools from precisely this perspective rather than from that of traditional service provision and transfers (in cash or kind), making it possible to identify how the State makes its presence felt at each stage of the life cycle, and thence how its action complements (or otherwise) that of the other three spheres providing goods, services and transfers (the market, families and the community).

The sociology of age has traditionally distinguished between four basic stages in the life cycle of individuals, and these have been adopted in this book: childhood, youth, adulthood and old age. These stages in the life cycle constitute a substantive classification system in which each is considered to have differentiated roles, connections and positions relative to the social environment, presenting specific characteristics that are not, however, necessarily homogeneous or fixed across different social groups and countries.

Thus, to simplify, it can be said that childhood, and particularly early childhood, is a time of high dependency when the outside world is related to essentially through the family, the individual's fundamental role and status being that of child and pupil. This stage combines particular dimensions of risk, then, being a time when children are largely dependent on others for their welfare and when risks that materialize into harm have lasting effects on future opportunities for welfare and integration. Accordingly, the role of the State at this stage is exercised essentially in three ways: (i) direct protection for children's goods and services, (ii) protection for families so that they can protect their children and (iii) regulation of the actions that adults may or must take with regard to minors in the family context (see chapter III).

² In his classic study *Society, Culture, and Personality: Their Structure and Dynamics*, Sorokin provides an extended treatment of the roles played by people at different ages and the expectations or standards of appropriate conduct that society places upon individuals of different ages.

³ Another classic study giving in-depth treatment to age issues and their importance in shaping collective identities and as a factor in the stratification system is that of Parsons (1942). Cain (1964) and Clausen (1988) developed the idea of the life cycle towards the form in which it is now conceived.

⁴ Riley, Johnson and Foner (1988) propose to distinguish between life cycle analysis, analysis of age and social structure and changes in this relationship, and cohort analysis as such. This book works with the idea of the life cycle.

Youth has been defined as a period of transition to adult life, a time when individuals gradually acquire adult status and roles, while leaving behind childhood ones. In view of the predominance of the family bond in childhood and individual autonomy in adulthood, youth can be regarded as a process of emancipation from dependence on the family. Five dichotomous events may be identified as marking this transition: leaving the education system, entering the labour market, leaving the parental home, forming a couple and beginning the reproductive phase. In a fashion, the predominant protective role moves from being family-centred to being increasingly market- and State-centred. There is greater exposure to the spheres where rights and access to well-being are determined by individual status and performance and the mediation of the family weakens. This withdrawal of protection from the young reflects the transition briefly described above: from student to worker, from family member to creator of new families, from child to parent.

Adult life, meanwhile, is characterized by the autonomy and completeness of its ties to society in general. Working life and the reproductive stage, with the resultant responsibility for child and adolescent dependents, is the longest stage in an individual's life and the one where the link to the market becomes most central. The traditional components of social protection have been categorized in relation to this stage,⁵ with the role of the State being oriented primarily towards supporting individuals' participation in the world of work, regulating labour relations, developing protective mechanisms so that people can cope with vicissitudes in external circumstances or their own lives, and creating non-contributory instruments to guarantee rights and close welfare gaps. Given the importance of agreement between the adults bringing resources into the family, the State does not remain inactive when these ties are dissolved, but develops systems of protection and support. At this stage, people turn capabilities built up in earlier stages into differentiated paths of productivity, access to well-being, membership of social networks and thence risks and protective resources. From this perspective, it is possible, first, to rectify the configurations of young people entering this stage through capacity-building and attachment to networks and, second, to mitigate risks arising from early life histories by adjusting social protection provision in adult life.

Lastly, the stage of old age or the "third age"⁶ is characterized by a gradual reduction in the active employment role, an increase in health-care needs associated with non-communicable chronic diseases (which have direct economic consequences) and greater dependency. For those who have had access to contributory social protection and/or the ability to save in adult life, this stock now begins to be run down, but for those who have not, a period of growing economic dependency and/or pauperization begins. At this stage, then, some key life situations or events occur: (i) withdrawal from the labour market and access to retirement, (ii) widowhood and a state of greater solitude and (iii) deterioration of health and perhaps a progressive loss of physical autonomy. Along with this comes an altered social role, often involving care for other family members. The way different people deal with these events depends on structural sociodemographic factors (sex, place of residence, education level, income level), but also on the delayed effects of earlier experiences. In the absence of determined State action, people's living conditions at this stage are the outcome of their past experiences and the type of access they had to well-being at earlier stages of the life cycle. In particular, people's employment and family history, their ability to accumulate monetary and physical assets over their lifetimes and the way opportunities and risks from the past combine with the structure of protection in the present are vital to any analysis of well-being in old age and the achievements of social protection systems at this stage of the life cycle.

⁵ See chapter IV (section E) of Cecchini and Martínez (2011) for more detail on the characteristics of social protection components.

⁶ With increased life expectancy and the changing roles of people aged over 60, some are referring to the stage between the ages of 75 and 80 as a "fourth age".

C. Essential elements of the rights-based approach

As described by ECLAC (2006 and 2007), the rights-based approach arises from the normative notion of a society of citizens and of equality. Bobbio (1996) argues, in fact, that the rationale underlying the human right to education, health or work is eminently egalitarian, since economic and social rights seek to reduce inequalities between rich and poor and place growing numbers of people on a better footing compared with those better off. Full entitlement to social rights is thus the ethical foundation for progress along a path of equality, insofar as taking that path requires a fiscal/taxation covenant and a State committed to redistribution through universal policies and benefits with progressive thresholds. In that framework, having social protection is the outcome of a basic right to belong to society, that is, to participate and be included (ECLAC, 2006).

The rights-based approach fosters social citizenship: everyone is a bearer of those rights considered inalienable, including the social and economic rights that have to do with social protection. Full citizenship, in turn, is closely bound up with social cohesion and sense of belonging, and forms the foundation for democratic life. As is seen in countries which have developed welfare States, the virtuous dialectic between the construction of social compacts between diverse parties, the negotiated settlement of conflicts, the expansion of social rights and the sense of belonging all go to make up the great lever of social cohesion.

The rights-based approach in social protection means that public policies must aim to facilitate greater enjoyment of the economic and social rights to which the entire population is entitled, based on the human rights standards and principles laid down in constitutions, legislation and international treaties. Social protection is not simply something that society or governments achieve: it is an imperative which citizens have a right to demand (ECLAC, 2006). In particular, all public policy processes —from design to implementation and evaluation— must be consistent with human rights standards, and the measures adopted must be both progressive and non-regressive (see box III.1).

■ Box III.1

Progressiveness and non-regressiveness

Economic and social rights are recognized as being part of a process, insofar as they require increased and improved human, physical, institutional and financial resources in order to make the transition from *de jure* to *de facto*. The State is bound by an obligation of progressiveness, i.e. an obligation to improve the enjoyment and exercise of economic and social rights over time, and as quickly and effectively as possible. The Committee on Economic, Social and Cultural Rights (the body responsible for overseeing compliance with the International Covenant on Economic, Social and Cultural Rights), states that policy measures “should be deliberate, concrete and targeted as clearly as possible towards meeting the obligations”. The counterpart to the obligation of progressiveness is the obligation of non-regressiveness, which means that States may not adopt policies or legal standards that worsen the population’s enjoyment of economic and social rights. Insofar as regressive measures are strongly presumed to be illegitimate, the State must be able to give adequate, well-grounded justification for adopting any such measures. The State must demonstrate, specifically, that any such measures have been adopted to achieve progress with respect to the status of other protected economic and social rights or in the interests of the general welfare of the population, that the intended purpose could not be achieved using other measures less harmful to the rights of the population, that it has made every effort to use all the resources at its disposal to meet these obligations, and that the steps taken do not undermine the minimum thresholds of protected economic and social rights.

Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Social Cohesion: Inclusion and a sense of belonging in Latin America and the Caribbean. Summary* (LC/G.2335), Santiago, 2007, and MERCOSUR Institute of Public Policy on Human Rights (IPPDH), “Ganar derechos. Lineamientos para la formulación de políticas públicas basadas en derechos”, *Documentos de Trabajo*, No. 2, 2014

The rights-based approach is not rigid and does not unduly limit the autonomy of policymakers, nor does it prescribe the precise content of social protection policies, inasmuch as States have the faculty to develop the best policies for their circumstances (Abramovich, 2006; Sepúlveda, 2014; IPPDH, 2014). The rights-based approach does not offer a single prescription that is equally applicable in all contexts, nor does it circumvent or displace policy; what it does is offer a general direction for policy discussion and provide a conceptual framework for public policy planning. The obligations flowing from constitutions and human rights treaties do not circumscribe policy interpretation and discussion; rather they pinpoint measures that States have a duty to carry out as a matter of priority (IPPDH, 2014).

Besides the State, another three parties —the market, families and social and community organizations— provide well-being and social protection. However, none of them can assume the State's central role in fostering economic and social rights. If social protection were left principally to the market, the weakest would be excluded; this is evident from the lack of coverage for informal workers and the poor in private pension systems. If social protection were left mainly to families, women would be obliged to devote much of their time to the role they have played historically: unpaid work caring for children, older persons, the sick and persons with disabilities. This would limit their options for performing paid work, earning their own income and, thus, exercising economic citizenship. Lastly, social and community organizations have too few resources and mechanisms to take full social responsibility in this area (Cecchini and Martínez, 2011).

On the basis of Sepúlveda (2014, p. 19-31), we consider the following to be essential elements in public policies and social protection programmes grounded in a rights-based approach: (i) equality and non-discrimination, (ii) comprehensiveness, (iii) institutional framework, (iv) participation, (v) transparency and access to information, and (vi) accountability.⁷

D. The rights-based approach in development and social protection

As argued by Hopenhayn (2007, pp. 17-18), development guided by human rights needs the State-society nexus to be inspired by an ethical contract of citizenship, in which full recognition of rights is part of a compact among a broad range of parties from both. The compact is based on making development compatible with notions with which it does not always go hand-in-hand in reality: the full exercise of individual freedoms; access to well-being with representative and effective ways of settling disputes, applying policies and distributing powers; economic growth with a distribution structure and provision of services that optimizes the satisfaction of basic needs for the entire population consistently with the level of socially produced resources; and a political democracy in which cultural diversity is fully respected, through suitable institutions that recognize the different collective identities and prevent discrimination of any kind. The full exercise of citizenship requires realizing not only civil and political rights, but also economic and social rights, including the right to work, health, education, a decent income, suitable housing and respect for cultural identity (Hopenhayn, 2001). These rights express such values as equality, solidarity, quality of life and non-discrimination (Hopenhayn, 2007) (see box III.2).

⁷ Abramovich (2006) and Pautassi (2009) also draw attention to several of these elements.

■ Box III.2

The rights-based approach and the concept of citizenship

The rights-based approach and the concept of citizenship have various points in common, but they also have differences. Both spotlight individuals' entitlement to rights and address the resulting implications in various dimensions of public and private life. However, while the rights-based approach affords more importance to normative and legal aspects, the citizenship perspective tends to emphasize the social and identity dimension. Identity cleavage is one of the aspects that can produce dissonance between the two conceptual frameworks. The societal character of citizenship refers to the construction of a sense of belonging to a political community (the construction of a "we" gives access to rights and obligations that distinguishes from the "them"); the rights-based approach, in contrast, while not disregarding the creation of social bonds and identity construction, traces out an egalitarian imperative that transcends belonging (for example, of nationality) and proposes equality in access to rights on a universal scale. Be this as it may, in both ideas, the State is the main political actor and guarantor of citizens' effective access to fundamental rights.

Source: Prepared by the authors, on the basis of MERCOSUR Institute of Public Policy on Human Rights (IPPDH), "Ganar derechos. Lineamientos para la formulación de políticas públicas basadas en derechos", *Documentos de Trabajo*, No. 2, 2014.

The acknowledged interdependence and indivisibility of economic, social, cultural, civil and political rights has not only an ethical basis, but also practical implications: "once economic, social and cultural rights have been established as inalienable rights ratified by governments, it is no longer possible to consider social citizenship as secondary to or contingent upon civil or political citizenship. The rights-based approach thus does away with the linear perspective by refuting the supposition that civil and political rights have to be guaranteed first, and that social rights can only be attended to once the former have been fully instituted" (ECLAC, 2006, p. 17).

Development based on social citizenship implies, in particular, a society's decision to live among equals, which does not mean homogenous forms of living and thinking, but rather an inclusionary institutionality that assures everyone the opportunity to participate in the benefits of collective living and in decisions that are made about how to steer it (Hopenhayn, 2006). For Rawls (1971), economic effectiveness must be subordinated to the political justice of equal freedoms and equality of opportunities.

Normatively speaking, the rights-based approach in social protection is based on clear legal commitments, national and international, which countries must meet. These commitments testify to the growing consensus around human rights as a basis and conceptual framework for development policies (Abramovich, 2006; Townsend, 2009), and confer a strong moral authority upon the rights-based approach. Because it is governed by universal principles that are binding in nature, and under which everyone must have access to the resources needed to live a decent life, the rights-based approach has been gaining ground as the ethical foundation of Latin American and Caribbean democracies (ECLAC, 2006).

1. National and international legal frameworks

In the literature and field of public policy, the terms "social protection" and "social security" are used with a broad variety of meanings. Conceptual discussions thus arise as to whether the rights of individuals and families are rights to social protection or to social security (see box III.3).

Regardless of any conceptual debate, the normative floor for protection requirements that States must fulfil is clearly defined in the international human rights system, and in particular by the collection of economic, social and cultural rights (see annex A1). These were first set forth in the Universal Declaration of Human Rights (United Nations, 1948), a direct predecessor to the

International Covenant on Economic, Social and Cultural Rights, which was adopted by the United Nations in 1966 and to date has been signed or ratified by 29 of the 33 countries in the region.⁸ Later, rights relating to social protection were included in the Convention on the Elimination of All Forms of Discrimination against Women (1979), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), the Convention on the Rights of Persons with Disabilities (2006) and the United Nations Declaration on the Rights of Indigenous Peoples (2007). Also important in this connection are the Convention concerning Minimum Standards of Social Security (No.102) of the International Labour Organization (ILO), which established minimum standards –which can be determined in relation to the wage levels in each country– for social security benefits and the conditions under which they may be accessed. Convention 102, which has been ratified by 10 Latin American and Caribbean countries⁹ thus far, covers nine areas of social security: (i) medical care; (ii) sickness benefit; (iii) unemployment benefit; (iv) old-age benefit; (v) employment injury benefit; (vi) family benefit; (vii) maternity benefit; (viii) invalidity benefit, and (ix) survivors' benefit.

Within the Latin American and Caribbean region, the Inter-American system of the Organization of American States (OAS) signed the American Convention on Human Rights in 1969 and the Protocol of San Salvador in 1988. The latter focuses specifically on economic and social rights and has been ratified by 16 countries. Starting in June 2014, the countries began to submit reports on fulfilment of the respective obligations in terms of economic and social rights and on progress in social policies using a series of quantitative indicators and qualitative signs of progress (OAS, 2015).

The economic and social rights enshrined in these international legal instruments form part of the internal legal affairs of States parties in Latin America and the Caribbean. In particular, they have been included in the respective constitutions, establishing their precedence over national law and in some cases even over the constitution itself (Sepúlveda, 2014). Moreover, many of the region's constitutions explicitly recognize protection of several economic and social rights (see table III.1). Table III.1 shows which countries have adopted a rights-based approach and discourse in social protection policies and which have committed to explicit social guarantees, especially regarding health care.¹⁰

⁸ Cuba has only signed the International Covenant on Economic, Social and Cultural Rights, while Antigua and Barbuda, Saint Kitts and Nevis and Saint Lucia have not signed, ratified or acceded to it.

⁹ The 10 countries of the region which have ratified Convention 102 are: Barbados, Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, Honduras, Mexico, Peru, Plurinational State of Bolivia and Uruguay.

¹⁰ Following Gacitúa-Marió, Norton and Georgieva (2009), social guarantee is understood as a mechanism set up by a government to fulfil a right, entailing immediate obligations. In particular, the guarantee covers access to services, their quality, financing, oversight and ongoing review, as well as the availability of compensatory mechanisms.

■ Box III.3

Right to social protection or to social security?

Most international treaties employ the expression “right to social security”. One of the few exceptions is article 28 of the Convention on the Rights of Persons with Disabilities, which explicitly uses the term “social protection”. This is one of the most recent conventions in the area of economic and social rights, and appears to indicate current terminology usage. However, there is still discussion on whether the right is to social security or to social protection.

Under a broad definition of social protection, which includes both the contributory component (social security) and the non-contributory component (social assistance), and in which the State plays a key role as guarantor of economic and social rights—as in Cecchini and Martínez (2011)—, it can be argued that a right to social protection exists. On this basis, the right to social protection encompasses both the right to social security and the right to an adequate standard of living that ensures the well-being of all citizens.

Sepúlveda (2014) holds that social security cannot be defined narrowly, and that the concepts of social security and social protection are synonymous. She cites General Comment No.19 of the Committee on Economic, Social and Cultural Rights, which specifies that article 9 of the Covenant indicates that the measures that are to be used to provide social security benefits cannot be defined narrowly and can include contributory and non-contributory schemes.

It must be acknowledged, however, that some countries in the region take—or have taken at some times, such as during the two decades following the debt crisis—a narrower view of social protection, as a synonym of social assistance for the poor and vulnerable, expecting communities and civil society to play a more active role in provision. Hence Pautassi (2013, p. 16-17) cautions against confusing a discourse that adds on rights-related guarantees or assistance programmes viewed through the lens of rights, with a true model of guarantees constructed around positive obligations to satisfy the demand for social security.

Source: Prepared by the authors, 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), 2011; Laura Pautassi, “Seguridad y protección social. Lecciones de la experiencia Argentina”, *Los derechos sociales en la Gran Buenos Aires: algunas aproximaciones desde la teoría, las instituciones y la acción*, Luciana Bercovich and Gustavo Maurino (coord.), Buenos Aires, Eudeba, 2013; and M. Sepúlveda, “The rights-based approach to social protection in Latin America: From rethoric to practice”, *Políticas Sociales series*, No. 189 (LC/L.3788), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

■ Table III.1

Latin America: rights-based approach in social protection

| Country | Constitutional recognition of social rights | Rights-based approach in social protection | Explicit guarantees |
|------------------------------------|---|--|---------------------|
| Argentina | Yes | Yes | Yes |
| Bolivia (Plurinational State of) | Yes | Yes | Yes |
| Brazil | Yes | Yes | Yes |
| Chile | | Yes | Yes |
| Colombia | Yes | Yes | Yes |
| Costa Rica | Yes | Yes | |
| Cuba | Yes | Yes | |
| Dominican Republic | Yes | Yes | |
| Ecuador | Yes | Yes | |
| El Salvador | | Yes | Yes |
| Guatemala | Yes | | |
| Haiti | Yes | | |
| Honduras | Yes | Yes | |
| Mexico | Yes | | |
| Nicaragua | | | |
| Panama | Yes | Yes | |
| Paraguay | Yes | Yes | Yes |
| Peru | Yes | | |
| Uruguay | Yes | Yes | Yes |
| Venezuela (Bolivarian Republic of) | Yes | Yes | |

Source: Prepared by the authors, 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), 2011; U. Giedion, R. Bitrán and I. Tristao (eds.), *Planes de beneficios en salud de América Latina: una comparación regional*, Washington, D.C., Inter-American Development Bank (IDB), 2014; and constitutions and official social development plans of the respective countries.

2. A different approach to social protection policies and programmes

Espousing a rights-based approach is not simply a matter of ensuring that public policies are consistent with national and international mandates on economic and social rights. It also means looking at things in a different way, one that makes us see the reality more clearly. An example of the shift in focus prompted by the rights-based approach is that the starting point for social protection policies and programmes is not the existence of individuals in need or at risk, but the mere existence of citizens with enforceable social rights (FAO/ECLAC/OHCHR, 2011). This means moving from a focus of risks to one of rights, from beneficiaries to rights-bearers (Rico, 2014b). These rights are basic goods or services that are conducive to dignity, autonomy and freedom, and they are preconditions for democratic participation (ECLAC, 2007). Rather than specific “beneficiaries”, social protection is concerned with all citizens, who are “recipients”, “users” or “participants” of policies and programmes. Instead of passive beneficiaries, citizens become bearers of rights and responsibilities, which are legally binding and enforceable as guarantees, and they are the main agents of their own development (IPPDH, 2014) in the Republican sense: empowered, participatory, demanding and informed.

This view enables policy makers to formulate, implement, oversee and evaluate social protection policies and programmes which are both fair and better at achieving their desired outcomes. For example, the rights-based approach is key to ensuring that people who are eligible for certain social protection benefits actually receive them, by means of transparent eligibility criteria, along with public information campaigns and accountability mechanisms (Fiszbein, 2011). The rights-based approach also promotes the development of the institutional capacities that the various public agencies need in order to truly guarantee the fulfillment of rights (IPPDH, 2014)

Part IIA. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*, E, pp. 175-180.**E. Social rights and litigation**

Social rights are a complex matter that require clear definitions of such aspects as their reach, the individuals to whom they are due, the obligations that arise from their enjoyment, the relations among those entitled to those rights, the establishment of priorities and the applicable instruments that guarantee or protect them (Courtis, 2007). While the rights of property and liberty are protected by clearly established guarantees, social rights generally lack an enforcement system that is comparable in terms of its capacity for regulation and oversight and of its suitability to their nature. Even in the welfare States of Europe, the widespread development of these rights has taken place as a result of broader margins of discretion within their bureaucracies (Ferrajoli, 2002). That shortcoming is a factor in the ineffectiveness of social rights: the absence of adequate social or positive guarantees can lead to bureaucratic practices based on the ethos of assistance and geared towards political clientelism, which offers fertile ground for corruption and arbitrary decisions. As a result, from a legal point of view, guarantees are ideal mechanisms to ensure the effectiveness of the rules whereby rights are established.

Some of the region's countries —such as Argentina, Brazil, Colombia, Ecuador and the Plurinational State of Bolivia— have incorporated into their Constitutions extensive lists of social, political, cultural and economic rights, which are due to persons such as older people and children and, among other beneficiaries, to natural assets.¹¹ Although an “inflation of rights” can be seen in those texts, along with the gulf separating current realities from the aspirations and demands they represent, it is also true that to a large extent, several rights have been asserted and secured through their existence (Gargarella and Courtis, 2011).

In addition, there are significant provisions in the field of social policy, such as charters of users' rights, that are meaningful with respect to the legal guarantees they uphold, or guarantees of health benefits, with which the region has had a range of experiences according to the evolution of the individual health systems, and the limitations of which indicate a number of pending challenges.¹² In countries with underdeveloped health systems, limited levels of coverage for the low-income population and polarized epidemiological transition processes, guaranteed benefits focus primarily on primary health care and attention for mothers and their children. In relative terms, those benefits and their guarantees have a very limited impact on the global reorganization of the health system, but they represent a starting point. In Mexico, for example, the guaranteed benefits of the Popular Insurance programme were introduced by means of a reform process that did not modify the pronounced segmentation of the insurance system, because although it is in some ways connected to the system through the service providers, it has ad hoc financial resources and its coverage is not bolstered with additional guarantees. Across the region, in only a few exceptional cases have guarantees gone beyond establishing a certain level of coverage in order to assure opportunities, access, financial protection and quality. That was the case in Chile after 2005, where high-cost benefits were also included and regulations were enacted that, by limiting the adverse selection practices of the health insurance institutions (ISAPREs) and increasing the transparency of coverage, had a positive effect on the correlation between the public and private components (Sojo, 2006).

Social rights set imperative standards for society and address inadmissible situations for its members; it is therefore important that they be set down in a consistent and enforceable legal instrument. In that same context, the use of legal instruments can assist society in embracing the

¹¹ For details on the rights enshrined in those constitutions, see Gargarella and Courtis (2011, pp. 330–331).

¹² Chile's charters of rights have been described above all as a form of protection for liberal rights in which the right to benefits has a limited presence (López, 2013).

values of solidarity and reciprocity. What are known as jurisdictional guarantees empower the holders of rights to lodge complaints for non-compliance with the obligations arising from those rights with an authority independent of the obligated entities —be they public or private— which is, when applicable, given powers to force compliance and order redress or penalties.¹³ These are secondary guarantees, which come into play and effect when the powers charged with enforcing and upholding rights fail to meet their obligations (Abramovich and Courtis, 2006; Courtis, 2007).

Given the nature of the judiciary, however, it should not be allowed to over-extend its scope of action vis-à-vis social rights. The contentious action of the judicial branch and its remedies —which entails costs, resources and time— is curtailed by its inherent institutional characteristics and by the place that the judiciary occupies in the separation of powers. Even when it addresses collective interests, it is structured around a dialectic confrontation between two opposing sides —one wins and the other loses— and that design diminishes its ability to deal with all the interests at play in the original conflict. In that it refers to a specific case, its reach is restricted, since it would be difficult for it to consider all the elements involved and the full range of associated factors. Political powers are therefore called on to play the leading role in enforcing social rights and formulating the applicable policies, and that role must not be usurped by the judiciary. The development of mechanisms for reporting, examining and resolving instances of non-compliance is important, but it must be framed by the design and improvement of mechanisms for political and juridical responsibility and by discussions on the accountability of political powers. The aspiration should therefore be for the enjoyment of rights to be subject to litigation as infrequently as is possible, be they guaranteed or not (Abramovich and Courtis, 2006, p. 249; ECLAC, 2007).

This topic invokes the complexity of “translating” certain claims and aspirations into the liberal language of rights, since the idea of rights can tend to oversimplify things that are too complex and suggest essentially juridical responses to resolve issues that are primarily not legal in nature, encourage litigation over issues that above all warrant extrajudicial attention and solutions, and individualize claims that are chiefly collective (Gargarella, 2014, p. 323).

At the same time, attention must be paid to the way in which the introduction of social rights influences the expansion or constriction of the different branches of government by increasing the powers of the judicial branch, and to how, in turn, that rebalancing of power can encourage or hamper the potential of social rights. It has been observed that with such reorganizations, progressive forces adopt a paradoxical position: they transfer additional powers to the branch of government that is the most removed from elections and citizen oversight or, to use Jeffersonian terminology, the least republic branch of all (Gargarella, 2014, p. 251).

Both the forces behind health-related litigation and its various effects are closely related to the nature of the health system and of the legal system (Gloppen, 2011, p. 19). From the analytical point of view, litigation has been associated with tax-based funding models or contributory and mixed models (Flood and Gross, 2014). In isolation, however, the funding method does not determine the way in which insurance is organized or the range of policies available (Kutzin, 2008). In Latin America, litigation plays a central role in the area of health not only within eminently contributory systems —for example, those of Costa Rica, Chile and Colombia— but also in those systems that are largely funded through taxation, such as Brazil's. Therefore, above and beyond the funding model, the determining factor is the architecture of the social protection system.

Another crucial aspect that must be addressed in analysing the region's experience is that of “temporality”. In order to fully understand the institutional change in this area, more than just the causal effects behind the moment and the sequence followed by the reform process are needed. To

¹³ Traditionally, this function fell to the judiciary, although other forms of jurisdictional guarantee are possible —such as administrative tribunals, courts of arbitration, international courts or other authorities that handle non-judicial conflict resolution methods— which are required to ensure impartiality and independence with respect to the parties (see Abramovich and Courtis, 2006, pp. 37-47).

understand temporal differences in the adoption of new provisions or reforms, reflection is needed about the possible causal effect of the duration, rhythm and speed of those transformations, because the duration and timing of events can impact costs, and the speed of change can change the nature of the lessons learned and the essence of deliberative processes. In turn, the speed of change is important in identifying the type of mechanisms that are activated to that end (Fioretos, Falletti and Sheingate, 2016).

Given the close ties between litigation and the nature of health systems, one important factor is the temporal dimension of interrelated processes: for example, the ways in which litigation is launched, the persistence and tenacity with which it is pursued, the purpose and scale of the transformations taking place, the strategies used to address litigation, and the possible transformations that may take place within the systems. If those transformations are addressed from their temporal perspective, an enormous wealth of experiences with important lessons for the region can be obtained.

Determining the global impact of litigation on the equity of health systems, in terms of their architecture and funding, is difficult on account of the presence of the many other elements involved (Mæstad, Rakner and Motta Ferraz, 2011). With respect to underprivileged groups, the countries' experiences report a varying range of results: in some cases they brought on beneficial systemic changes, such as in Argentina, Brazil, Colombia and Costa Rica, while in others they heightened inequalities in the provision of services (even in those same countries) (ibid., pp. 299 and 301; Uprimny and Durán, 2014). The quantifiable effects are more directly related to proxy variables for the socioeconomic standing of the litigants and the cost-effectiveness ratio of the approved treatments or medicines. Thus, individual suits seem to favour better-off people with easier access to the law courts and lawyers, while structural judgments related to inequalities within the systems have more positive effects from the perspective of equality (Yamin and Gloppen, 2011; Uprimny and Durán, 2014). Weak levels of knowledge prevail regarding litigants' economic status, which underscores the need for greater use to be made of, and scrutiny given to, the criterion of economic incapacity (Uprimny and Durán, 2014).

At the same time, reference has been made to the importance of a "reasonable" amount of tension between rights at the individual and social levels. Thus, the Colombian case has been seen as a paradigm of the risk of paying excessive attention to individual rights, which caused the government to lose negotiating power vis-à-vis drug companies and various service providers in connection with how prices were set (Flood and Gross, 2014). Rights at the individual level are more easily defended through litigation in circumstances when the claim is constructed by means of a social process that involves naming the right, identifying the party responsible and reclaiming the right: the sequence of "naming, blaming and claiming" coined by Felstiner, Abel and Sarat (1980), in which profit-driven agents (lawyers and drug companies, for example) can seek to overcome "grievance apathy" and transform it into a claim.

F. Gender bias in social protection

Social protection institutions in the region are mainly built around a wage relationship and are designed to protect formal workers and their families against the risk of illness, unemployment and old age and at important times of life such as birth and death (ECLAC, 2006). Although the model of the man as worker and provider has lost power, the basic assumption in the system continues to be that he will carry out that role and that through him the wife and other family members will have access to benefits such as social security, health care and housing.¹⁴ In this model, women have no independent entitlement to rights unless they are in formal employment.

In addition, although public social welfare, particularly for health, has been a long-standing feature of life in Latin America and the Caribbean, it is only since the introduction of the neo-liberal paradigm of the 1980s that it has become a basic pillar for social policies. States are now planning to target public social spending to the most disadvantaged sectors of the population and are developing subsidies and basic services for those whose access is based on poverty or social vulnerability. In this framework, women are the channel through which social welfare benefits reach households.

Over the past two decades, social protection has become a mixed scheme, with participation by the Government and the market, combining forms of access to services through a wage relationship or through certification of poverty or social vulnerability, each of which involves a specific gender bias. In the 1990s, these schemes were reformed to establish “individual capitalization and fixed-contribution schemes to replace or complement the division and fixed-benefit mechanism” (Marco, 2004, p. 241) and “were designed taking into account a typical beneficiary: male, worker in the formal sector, with a sufficient and stable income”.¹⁵

The State’s revenue collection and spending capacity was at the centre of the debates and decisions on reforming a series of social protection policies and institutions, in the context of a wider debate on the role of the State, of business and other actors in the distribution of wealth and risks. A comparative analysis of fiscal studies and gender equality in Chile, Ecuador, Guatemala and Spain (Pazos and Rodríguez, 2010) shows that, apart from the difference in the amount of social spending in these countries, social protection schemes in Latin America are weakened by the State’s limited financial capacity as a result of the low fiscal burden, the regressive collection of taxes and the very poor level of fiscal contributions.

Fiscal policy is a crucial tool for State intervention in the economy. By means of its public spending policy, the State can provide the population with the resources, goods and services needed to guarantee basic standards of living.

This also operates unequally as the structure and dynamics of the economic system place men and women in different positions. The implications of fiscal policy have a different gender impact. They can either help to lessen gender inequality or increase it.

In order to evaluate fiscal policy from the perspective of gender equality, its implications for two aspects have to be considered: (i) how it affects access to and control of economic resources by men and women; and (ii) how it affects decision-making by men and women regarding the distribution of work as a whole, both productive and reproductive.

¹⁴ In recent years, some countries have amended their family legislation and eliminated the legal marriage requirement for access to these rights (ECLAC, 2006).

¹⁵ Individual capitalization and fixed contribution schemes have been implemented in Argentina, Brazil, Colombia, Costa Rica, Chile, the Dominican Republic, El Salvador, Mexico, Nicaragua, Peru, the Plurinational State of Bolivia and Uruguay. Among this group, Brazil alone used a combination of the two schemes.

A fiscal policy that is favourable to gender equality will be one that: (i) distributes economic resources better; (ii) increases economic opportunities for men and women; (iii) creates positive incentives for women's entry into the labour market; (iv) lifts the barriers which prevent women's full integration into the labour market, especially those relating to care responsibilities; (v) promotes the involvement of men in providing care; (vi) provides better conditions to enable everyone to reconcile work and family life without having to take low-level jobs; and (vii) gradually shares out the burden of financing public policies.

Applying gender equality to the tax and benefits scheme is not contrary to the principle of economic efficiency. Quite the contrary, as explained above, gender inequality is inefficient. The principles for action by public authorities are fully compatible and complementary if they are applied coherently and without maintaining the sexual division of labour as a restriction. For example, failure to protect single-parent families is, in the first place, contrary to the principle of horizontal equity. Suffice it to consider that single-parent families are, in many instances, subject to lower taxes than married couples. With the same gross income, however, the payment capacity of a single mother with a child is less than that of a couple without children with only one wage earner because a child costs money while a housewife produces goods and services for the home. The traditional tendency to disregard housework means that this factor is not taken into account and an adult woman is viewed as a heavier economic burden than a son or daughter. The principle of vertical equity is also affected as poverty rates in these families are higher than in two-parent families. Lastly, failure to protect single-parent families is the major cause of child poverty and this is a significant factor in inefficiency and externality inasmuch as the well-being and care of children is key in forming human capital (Pazos, 2010).

The relationship between limited fiscal capacity, targeted policies and gender assumptions in the design of social protection has been seen in various forms in social policies over the past decade, and two typical cases will be analysed: social security reforms and conditional transfers.

The inequality of women's income compared with men's, work interrupted by maternity leave, higher unemployment rates and the greater difficulty of returning to the labour market when unemployed (Weller, 2007) have a negative impact on social security benefits for women, because the number and amount of their contributions is lower than for men.

In a comparative analysis of short-term transfers in various activities by sex and age group in some countries in the region, it was noted that men tend to hold more stable jobs than women and when they leave their jobs they mainly become unemployed, which is a reflection of their preference to be employed continuously. Women, on the other hand, leave their jobs more frequently and more often tend to remain economically inactive" (Weller, 2007, pp. 39-40). In Ecuador, for example, the survey of a group of unemployed persons (i.e. those seeking employment) among adults of both sexes showed that, after one month, 32.7% of men had found a job and 6.7% had become inactive. Among the women, only 16.4% had found a job over the same period, and 25.7% had become inactive.

For medium-term periods (from 24 to 36 months) as noted in Ecuador and Peru (Weller, 2007, p. 41), there were also significant differences between the experience of men and women, young and old. Adult men clearly had the most stable relationship with the market and in Ecuador, for example, the majority always worked (85%). This is not the case for women (only 38% always worked), who more frequently leave the labour market and become economically inactive (26.8% compared with 5.2% for men) because of their family responsibilities.

These examples suggest that the discrimination and fewer opportunities faced by women in the market, combined with interruptions for maternity or care, mean a lack of continuity in their work record and consequently an unfavourable social security situation compared with men, even though for men it is also insufficient.

One critical factor in the individual capitalization schemes is the use of life tables differentiated by sex, so because of their longer life expectancy, women's pensions are considerably lower than those of men who have put together a similar pension fund. This model does not include those in formal employment and those who, even though they have a formal job, do not manage to put together sufficient funds to obtain a basic pension, a situation that occurs more frequently among women.

Because of the need for political recognition of these inequalities, commitments have been included in various international agreements signed by Governments, both at the global and regional levels, in order to implement social security schemes that provide women with sufficient benefits.

The changes adopted mark an important step forward from the gender perspective. Maternity benefits can be considered as compensation, even though inadequate, for the period of work lost, while the measures which increase pensions offset a woman's lower wages. In addition, universal old-age pensions —although they do not yield sufficient income— delink pension rights from work, which can be considered as social recognition for women who have worked all their lives looking after their families and a step towards a universal concept of the right to social security. The remaining challenges concern the fiscal capacity to give a sufficient income to the adult population as a whole.

G. Conditionality and targeting*

Lastly, we must examine the discussions under way on conditionalities and targeting. These two instruments, which are common in social protection programmes in Latin America and the Caribbean –although not necessarily in other world regions, such as Africa– can be problematic from a rights perspective.

With respect to conditionalities, it has been noted that human rights are not dependent on meeting any condition: they are rights inherent to the individual (Sepúlveda, 2014) and to the exercise of citizenship. Too strict a fixation on conditionalities can generate an unfortunate distinction between poor who do or do not “deserve” assistance, which contradicts the principle of universality and undermines basic human rights in terms of an assured minimum standard of living.

One very problematic aspect in addition to the matter of conditionalities is the sanction applied in the event of non-compliance, because punishing families with temporary or permanent suspension of benefits runs the risk of leaving precisely the most poor even more vulnerable. The more punitive the controls imposed, the greater the conflict with human rights (Sepúlveda, 2014). Some countries are using conditionalities to reinforce rights in education and health and to promote intersectoral work, without using punitive measures. In the case of the *Bolsa Família* programme in Brazil, for example, the purpose of monitoring conditionalities in education and health –a function performed by the National Secretariat for Citizen Income (SENARC) of the Ministry of Social Development and Hunger Alleviation– is not to sanction families, but to understand the reasons for non-compliance, and to offer support through social workers and assistance to enter education and gain access to health care (González de la Rocha, 2010). Cash transfers under *Bolsa Família* may be suspended only if families have been non-compliant for over 12 months and have received proper assistance and monitoring by social services during that period.¹⁶ According to Soares (2012), between 2006 and 2008, only 4.5% of families failing to meet conditionalities lost their cash benefits.

The discussion on targeting and universality of social protection policies and programmes is an old one. From the sphere of rights, several arguments have been put forward against overemphasizing targeting in social protection schemes. Firstly, it is argued that, although targeting helps to base recipient selection on technical and non-clientelist criteria, this can also be achieved through universal allowances, which reduce opportunities for corruption and help to eliminate the stigma associated with social assistance. Secondly, sophisticated targeting procedures often obscure selection criteria, which can make it difficult for recipients to understand how the programme works. It has also been argued with some force that, where poverty is widespread, the administrative costs and problems frequently associated with targeting can outweigh its benefits.

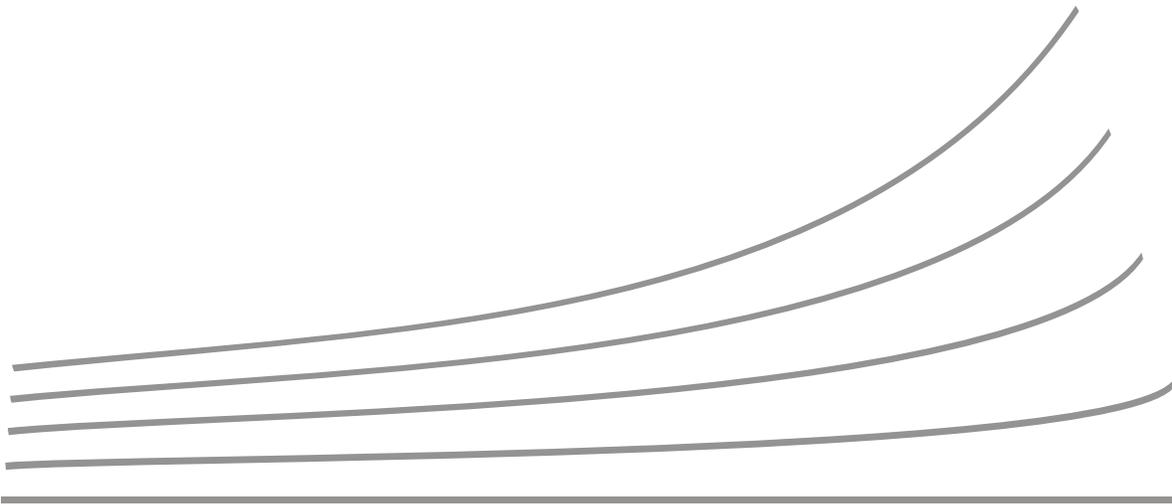
The position of ECLAC in this regard is that targeting is a tool for reducing inequalities and optimizing the distribution of resources, while the universalization of social protection remains the ultimate aim. Treating an issue in a differentiated manner does not necessarily contravene the principle of rights universality. On the contrary, it can reinforce the exercise of the principle and reduce inequality, as occurs in the case of affirmative action policies for ethnic minorities and groups which are more vulnerable owing to socioeconomic, cultural, age or gender factors (Hopenhayn, 2001). This framework may be described as “universalism sensitive to difference” (Habermas, 1998). Targeting social protection services towards the most vulnerable (or affirmative action) can thus be a useful way

* Authors: S. Cecchini and N. Rico.

¹⁶ Families participating in *Bolsa Família* are suspended for two months upon the third non-compliance with conditionalities, and may be suspended repeatedly if new non-compliances occur (MDS, 2012).

to move gradually towards the universalization of economic and social rights, through progressive realization in keeping with levels of development (Cecchini and Martínez, 2011).

To conclude, the rights-based approach is an ethical imperative as well as a mechanism for complying with the obligations and commitments assumed by States, and a tool for progressing towards inclusive and universal social protection. The ultimate aim is to make social protection policies and programmes a key to breaking the intergenerational transmission of poverty and inequality, with autonomous and empowered rights-bearers.



Chapter IV

The contributory pillar

Source:

Part I. R. Martínez (editor, 2019), *Institutional frameworks for social policy in Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44170/7/S1900423_en.pdf

Part II. ECLAC (2018), *Social Panorama of Latin America 2017*

https://repositorio.cepal.org/bitstream/handle/11362/42717/6/S1800001_en.pdf

Part III. A. Arenas (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*

https://repositorio.cepal.org/bitstream/handle/11362/44851/4/S1900521_es.pdf

Part IV. ECLAC (2006), *Shaping the future of social protection: access, financing and solidarity*

https://repositorio.cepal.org/bitstream/handle/11362/2807/S2006001_en.pdf

Part V. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*

https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Introduction

The main components of social protection systems are contributory social protection (traditionally known as “social security”), non-contributory social protection (or “social assistance”), labour market regulation and, increasingly, care policies and programmes. Contributory social protection, which is covered in this chapter, seeks to provide workers and their dependants with present and future insurance, protecting them in the event of retirement, unemployment, illness, disability and parenthood. Access to contributory social protection is granted on the basis of prior contributions, which are deducted from wages or other labour income generated in the formal employment market.

Chapter IV analyses in detail two key components of contributory social protection: pension systems and health systems. In particular, it examines design options, recent reforms and the issue of pension system sustainability in the region, in addition to briefly addressing some aspects of health systems and insurance.

A. Institutional aspects of Latin America's pension systems*

Introduction¹

United Nations Secretary-General Ban Ki-moon said that addressing demographic change, in particular the rising number of older persons in the world, is an obligation. He called for the barriers restricting the full participation of older people in society to be lifted and for their rights and dignity to be afforded protection.

Deciding how to design and implement pension systems to sustain quality pensions over the long term is an issue of common interest across the world. The solution, however, depends on the context in which the system is to operate and on the institutional framework that supports it. This chapter addresses those issues.

Pension systems are part of the social security component of social protection policy² (also called welfare or social insurance).³ Their purpose is to even out consumption over the life cycle, to provide income following invalidity or the death of a breadwinner and to alleviate poverty in old age. Such systems must adapt to various contexts that differ, essentially, in terms of their demographics, their members' working conditions, the role assigned to the State in collecting and managing funds and the level of economic and institutional development attained by the country in question. In designing them, countries must choose from various alternatives as regards: (i) their sources of funding, (ii) the financial management model used, (iii) how their benefits are defined, (iv) how the system is managed, and (v) the redistribution of resources to the most needy. They require institutions to deliver benefits, to regulate them and to oversee the sustainability of their operations over time.

In line with the contents of chapter I, which dealt with the four dimensions of the institutional framework, this chapter analyses the institutional developments that pension systems require. Examining them is intended to ensure that the performance of each system reconciles the logic of its funding with that of the principles of social security and guarantees that, over the course of several generations, the risks to which the system's functioning is vulnerable (arising from funding, demographic change, economic and financial crises) can be overcome.

The evidence examined herein shows that in all the progress made, the dimensions of the institutional framework are not exclusive and must be combined. It concludes that an ongoing effort is needed both to ensure the system's solvency and sustainability over time and to guarantee universal access to decent⁴ and accessible benefits.⁵

In addition to this introduction, the work is divided into three sections. The first describes the challenges facing the design of a pension system and the options that exist. The second highlights

* Author: Andras Uthoff.

¹ This chapter is based on the document "Aspectos institucionales de los sistemas de pensiones en América Latina", prepared by Andras Uthoff with assistance from Fabiana Pierre, both of whom are consultants with the ECLAC Social Development Division; see Uthoff (2016).

² A concept used in political and economic science to define a political proposal or general model of the State and of how society is organized, according to which the State provides services in fulfilment of social rights to all the country's inhabitants.

³ According to the International Labour Organization (ILO), social insurance or social welfare is the protection that society extends to its members, by means of a series of public measures, to counter economic and social privations that would otherwise lead to the disappearance of income, or a significant reduction thereof, on account of sickness, maternity, workplace accidents, occupational illnesses, unemployment, invalidity, old age and death. It also provides protection in the form of medical care and assistance for families with children.

⁴ This refers to the right of access to a level of benefits that the system grants to a citizen and that society establishes for compliance with civic duties and for addressing the demands of retirement, invalidity or survivorhood.

⁵ This means that they can be attained or secured through the way in which the system works.

the importance of the institutional developments adopted and how they respond to future challenges. The third section, containing final comments, is intended as a conclusion.

1. Pension system and social security

Public pension systems are a part of a country's contributory social protection or social security framework.⁶ They are designed to guarantee social benefits in the form of pensions in the event of: (i) worker disability, (ii) the death of workers who were their families' breadwinners, in order to provide for their dependants, (iii) workers reaching the age when society has decided they are eligible to stop working and to live on a pension associated with their employment histories, and (iv) people affected by old age and invalidity who are without the incomes needed for sustenance (poverty relief).

As part of social security, public pension systems are based on foundations that create an organization, an institution or an ideal based on six principles without which it would lose its identity and its reason for existence: universality, equality, solidarity, integrity, unity and financial sustainability (see box IV.1).

■ Box IV.1

Fundamental principles of social security

Universal coverage

Universality may be interpreted from two perspectives: a subjective perspective whereby everyone must be covered by social security, a principle that arises from its nature as a basic human right; and an objective one whereby social security must cover all the contingencies (risks) faced by a person living in society.

This principle is related to the current focus of social security: the lack of coverage for certain contingencies faced by citizens.

Equality, equity or uniform treatment

This principle, which is not exclusive to social security, means that all persons must enjoy equal protection from a given contingency. Taking social and economic inequalities into account, the treatment given must be such that the benefit provided adequately covers the risk in question, regardless of any inequality that may exist.

It can also be defined as equality of treatment, in that it means that all humans, as such, have the right to social security and prohibits all discrimination on the grounds of race, colour, sex, language, religion, political or any other opinion, national or social origin, economic status or any other factor.

Solidarity and income redistribution

This principle is essential in distinguishing between a social security system and private insurance. All persons contribute to the social security system according to their capacity to contribute and receive benefits in accordance with their needs. This is an essential tool in meeting the central objective: redistributing wealth with social justice.

Solidarity can be that of the healthy towards the sick, of the young towards the elderly (intergenerational or horizontal) and also between people with different incomes, from those who have more to those who have less (intragenerational or vertical). Geographical solidarity also exists, between those regions that have more resources and others that are poorer.

Integrity and adequacy of benefits

The benefit provided must cover the contingency in a full and timely fashion: it must respond to the actual needs of the sector for which it is intended, with dignity, timeliness and effectiveness.

⁶ See the definitions in previous footnotes.

Box IV.1 (concluded)

Unity, State responsibility, efficiency and participatory management

Unity, State responsibility and efficiency imply a system in which all official, semi-official and private institutions involved in the field of social welfare implemented by the State act with a degree of unity or coordination in order to prevent duplications of efforts and administrative inefficiencies.

Participation means that society is involved in the administration and leadership of social security through its representative organizations and also through its funding. The ILO Social Security (Minimum Standards) Convention of 1952 (No. 102) deals with participation by workers' representatives and possibly by employers. In broad terms, participation (informative, consultative, advisory or administrative) means that the opinions of all those affected by social security in any way are heard.

Financial sustainability

The social security plan must be financially viable in accordance with the country's economic capacity. It must also be implemented by stages, but as part of a general plan, indicate the priorities in its implementation and make progress when resources are available.

Source: Prepared by the author, on the basis of conventions and recommendations of the International Labour Organization (ILO).

It is interesting to note that the regulatory framework governing the principles of social security includes the solvent and sustainable funding of its benefits. That requires the reconciliation of its social objectives with the economic demands of its funding; in particular, the design of direct and indirect taxation mechanisms that, essentially:

- Attain their social objective of providing decent benefits for old age, invalidity and survivorhood, and
- Are in tune with macroeconomic policy, in that they do not bring pressure to bear on the competitive capacity of the workforce, do not increase the country's fiscal burden beyond what is authorized by its agreements governing fiscal responsibility and do not distort the demand for financial instruments.

This creates a public-policy challenge. Given the enormous inequalities and budgetary constraints that still characterize the economies of Latin America, the design of a pension system must be grounded on a broad social contract. That compact must serve to reconcile the principle of equivalence (in other words, it must be actuarially solvent over time) with the principles of universality and solidarity (it must include cross subsidies from those able to save to those who cannot) in order to ensure access to decent benefits for all. This is not a new task. It can be seen in a series of agreements that, over the course of time, have been suggested in response to the choices made by the authorities among the options that exist for designing a pension system.

(a) Pension system design options

Systems designed to provide pension benefits and uphold rights are the result of choices among at least five relevant issues. These are listed below, and all involve major institutional developments.

- (i) Participation of the affiliate in funding: whether or not citizens must contribute funds to participate in the system. Three models exist:
 - In a contributory system, affiliates must make regular contributions.
 - In the non-contributory model, affiliates are not required to contribute directly to the system, which is instead funded from other sources.
 - A combination of those two models.

- (ii) Financial management of resources. The funds accumulated by the system and that are used to pay for pensions can be managed in two opposing ways:
- Pay-as-you-go: a compact between generations in which the economically active contribute to the system to pay for the pensions of those who have already retired and for the accumulation of an intertemporal reserve fund. It equates to a collective fund that accrues with a general or tiered average premium and is assigned by means of predetermined benefit rules.
 - Funded: a savings account is established for every active worker affiliated to the system, in which their contributions are deposited and capitalized on for their personal use upon retirement. The pension is then determined by the amount accumulated (principal and interest) and other parameters.⁷ This alternative is actuarially fair for the individual but lacking in solidarity. To remedy that, it must be supplemented with other mechanisms.
- (iii) Rules for the granting of benefits. The benefits established by the system must be determined in some way. Two extreme alternatives exist:
- The defined benefit plan establishes a rule for determining benefits based on clear standards related to the worker's employment history. Thus, the benefit is determined by a formula that uses a range of factors, including the worker's salary, years of service and retirement age.⁸
 - In a defined contribution plan, the contributions made for each affiliate (by the employee, the employer or both) are predetermined, but the amount of the pension is unknown until it is calculated upon retirement. Under a typical defined contribution agreement, contributions are deposited in an account that grows through investments in authorized financial instruments. Upon retirement, workers have an accrued fund in accounts that they own, which can be used to purchase a pension. The accrued funds are generally portable, so they can be voluntarily moved between different fund administrators. The cost of a defined contribution plan is easy to calculate, but the plan's benefits depend on the balance in the worker's account when he or she decides to make use of the funds. The invested contributions follow economic cycles (recessions and depressions, expansions, booms, slumps and decelerations), and so the benefit cannot be calculated in advance. Under a regime of individual financial savings accounts (such as the Chilean model), all risks are assumed by the contributors themselves. Under a virtual (notional) funded regime, the sponsor (the State) assumes those risks (for example, in the Swedish model).
- (iv) Public or private administration. Although a public pension system is the responsibility of the State, its management can be entrusted to third parties, such as industry associations, private administrators or other entities. There are two extreme alternatives for system management, but the State invariably bears final responsibility.
- State administration, when the State itself or some dependent body handles the system's functioning.
 - Private administration, when a private third party manages the system, an arrangement that requires a high level of State regulation and oversight.
- (v) Distribution mechanisms. When workers find themselves facing invalidity, death (with the survival of a dependant) or old age, it is possible that they have not yet met the requirements for receiving a pension or are in a situation of poverty. In such cases, two options exist:

⁷ Funding is full, but individual. It is used as an mandatory savings scheme for retirement, but it does not cover contingencies. The worker must have additional insurance for invalidity and death and, at the end of the savings period, the amount saved is used to purchase a lifelong annuity or a programmed withdrawal.

⁸ Those factors can be used as adjustment criteria for updating the benefit to cover inflation, including social security services or incentives for early retirement, or continuing to work.

- Distributive, when the system has a cross-subsidy component or receives funds from other sources to relieve poverty in cases of invalidity, survivorhood and old age.
- Non-distributive, when the system is not equipped with a poverty relief component and people have to make use of welfare policies.

Box IV.2 details the different pay-as-you-go mechanisms used in pension systems.

■ Box IV.2

Different pay-as-you-go mechanisms

The term “pay-as-you-go” is used when pensions are paid for with current revenue. Nevertheless, when referring to the funding mechanism, that revenue feeds into a fund from which future pensions are paid. It is therefore useful to distinguish between:

- **Pay-as-you-go pensions:** Those paid for (usually by the State) from current tax income and not from an accumulated fund.
- **Collectively funded pay-as-you-go schemes:** Defined benefit regimes in which benefits are paid for through an intergenerational compact. The active generation contributes premiums that pay for the benefits of the generation that is already retired and to build a reserve fund for future contingencies. Such systems are said to operate on the basis of indebtedness between generations, with each successive generation of young people committed to contribute for current retirees. The scheme operates with a technical reserve through which contributions can be determined, with two extreme alternatives:
 - **General average premium:** A constant contribution rate is set from the onset, which enables its financial viability to be assured indefinitely. The premium is set at a level necessary for the current value of all likely future income to be equal to the current value of all probable future costs. During an initial phase (several decades), income outstrips expenditure, and the surplus goes into the technical reserve. In the future, when costs exceed premiums (expenditure outstrips revenue from contributions), earnings and part of the reserve are used to cover the difference.
 - **Staggered average premium:** Equilibrium periods of between 10 and 15 years are used, on the basis of which premiums are modified. This is a pay-as-you-go regime where premiums change as actuarial evaluations demand adjustments to adapt to increased spending as a result of new cases, increased years of coverage, greater life expectancy or unforeseen readjustments. It is a mid-point between simple pay-as-you-go and general average premiums, in that: (a) it defines equilibrium periods during which premiums remain unchanged, (b) it guarantees financial balance during individual periods before moving on to the next step, (c) funds accrue, but to a lesser extent than in general average premium systems, and (d) the interest earned by the reserve is used to fund spending.
- **Simple collectively funded pay-as-you-go schemes:** A simple pay-as-you-go regime entails yearly assessments of the cost of benefits and establishing the level of funding needed to cover them, with the additional possibility of providing a reserve for contingencies.
- **Pay-as-you-go schemes using individual accounts and notional funding:** A defined contribution regime that is funded by contributions from active workers and uses a social compact to determine how pay-as-you-go contributions are capitalized. In such models: (a) the individual is not guaranteed a specific level of benefit, (b) records of contributions for retirement are kept, but rather than being invested they are accrued in accordance with indicators of the economy’s performance (real wage increases, productivity increases or others), (c) at the end of the period, the capitalized amount is used to provide a lifelong or temporary benefit and (d) complementary insurance for invalidity and death must be acquired. This alternative is actuarially fair for the individual and the readjustment formula can be modified to establish mechanisms to ensure solidarity, so that productivity gains are redistributed among all.

Source: Prepared by the author.

(b) Classification of pension systems

Customarily, the models for organizing, funding and determining benefits are classified into four groups according to their historical origins.

- The first is social insurance, called Bismarckian.⁹ It involves a system of tripartite contributions (from the workers, their employers and the State), managed by a State-administrated pay-as-you-go regime with defined benefits. In the absence of a poverty relief component, that goal is attained by means of welfare policies. This is the predominant system in Latin America, but with low rates of coverage on account of the high levels of informality in the labour market.
- The second type is Beveridgean social security.¹⁰ This is a non-contributory system, funded solely by general revenue, administered by the public budget (transfers), with defined benefits, managed by the State and with a poverty relief component. Such systems have been limited in Latin America on account of low tax bases and revenues available to fund them.
- The third, the individual account funded model, was promoted by international financial institutions in the 1990s. Faced with the imminent prospect of demographic change, the shortage of long-term financial saving and the political and demographic risks threatening pay-as-you-go systems, those institutions suggested modifying the financial management methods of the original contributory systems. This is done through the accrual of funds in individual accounts on the basis of defined contributions.¹¹ Administration is private, although regulated and supervised by the State, and there is no poverty relief component. The functioning of this model has failed due to obstacles in addressing informal economic activities and the absence of cross-subsidies to support those with a low capacity for saving (low levels of taxable income and limited density of contributions). In addition, a series of conflicts have arisen in the regulation and the oversight of fund administration companies.
- The fourth type is the mixed or multipillar scheme, which arose in response to the lessons learned with each of the earlier models. With this goal, and to solve the problems of exclusion (inequality), inefficiency and insolvency, combinations of the different alternatives have been suggested. There are systems that combine contributory and non-contributory mechanisms and pay-as-you-go with funding, deliver pensions based on both defined benefits and defined contributions, are managed financially through capitalization and the management of the State budget and work for a suitable blend of State and private administration (and, by so doing, strengthen competitive mechanisms) and redesign the poverty relief component by encouraging work and saving.

Table IV.1 shows examples of countries that, in one way or another, have adopted one of these categories.¹²

⁹ Named for first person to implement such a system, German Chancellor Otto von Bismarck.

¹⁰ From Lord Beveridge, who introduced it in the United Kingdom.

¹¹ Only the contribution is defined, and the benefit is the result of the final accrued funding of each individual account.

¹² Although each option is presented in a binary form, intermediate solutions are also possible.

Table IV.1
Options for the design of a pension system

| Options | Beveridge Universal pension | Bismarck Public pay- as-you-go | Individual funded | Mixed or parallel | Notional funding |
|-----------------------------------|---|---|---|---|--|
| Participation in funding | | | | | |
| Contributory | | X | X | X | X |
| Non-contributory | X | | | X | |
| Financial management | | | | | |
| Pay-as-you-go | X | X | | X | X |
| Saving and capitalization | | | X | X | |
| Benefits | | | | | |
| Defined benefits | | X | | X | |
| Defined contributions | | | X | X | X |
| Administration | | | | | |
| State | X | X | | X | X |
| Private, regulated and supervised | | | X | X | |
| Redistributive role | | | | | |
| Guaranteed minimum (GM) | X | X | X | X | X |
| GM plus poverty relief | | | X | | X |
| Examples | New Zealand and rural Brazil ^a | Ecuador, Nicaragua, Bolivarian Republic of Venezuela, and Brazil (Special Social Welfare Regime (RPPS)) | Plurinational State of Bolivia, Chile, El Salvador, Mexico, Dominican Republic and Brazil (complementary pension) | Argentina (before 2008), Colombia, Peru, Uruguay, Costa Rica and Panama | Sweden, Brazil (General Social Welfare Regime (RGPS), adaptation) ^b |

Fuente: Elaboración propia.

^a Assistance Programme for Rural Workers (PRORURAL)/Assistance Fund for Rural Workers Rural (FUNRURAL), which provides pensions —albeit precarious ones— to rural workers, fishers and mineral prospectors (*garimpeiros*) aged 65 years and over. However, the pension is exclusively for the head of the household with a ceiling of one multiple of the minimum wage.^b General Social Welfare Regime, using the logic of the Welfare Calculation Rule, which correlates the amount collected from contributions with the pension.

Part II ECLAC (2018), *Social Panorama of Latin America 2017*; B, pp. 109-118, pp. 140-144.

B. New trends in pension system reforms in Latin America

Introduction

Latin American pension systems have undergone a myriad of changes over the last 36 years. These significant reforms have wide-ranging economic, social and political implications, given that establishing definitions and consensus in this area is a complex process that requires interlinkages across a number of dimensions.

The institutional development of pension systems has been based on obligatory and contributory pension schemes, particularly in Latin America, where pioneering countries introduced their first pension plans at the start of the twentieth century (Mesa-Lago, 2008). From this perspective, the main purpose of a pension system is to provide a form of income insurance (for disability, old age and death) that distributes consumption throughout the life cycle. A more contemporary definition of pension systems also takes into account public policy objectives, including poverty relief and the redistribution of income (Barr and Diamond, 2008).

In the most modern approaches to social protection, designing pension systems requires a fine balance: in addition to fulfilling the classic function of insuring income against different risks, they must exhibit the solidarity required to ensure that plans are sustainable and address the poverty and inequality caused by low coverage and other factors.

Although a basic assessment of pension systems can cover various elements, the results of that assessment should provide answers to at least three questions for pension schemes that fall under the social protection framework.

The first is: “What coverage does the pension system provide?” It is necessary to define and estimate indicators of the quantity and quality of coverage in order to assess the pension system. The quantity dimension includes coverage of active workers (proportion of working age population paying contributions into pension systems) and pensioners (proportion of adults over 65 years of age receiving pension benefits).¹³ In general, the quality dimension of coverage of the active population is determined by the density of contributions (proportion of working life during which workers pay contributions into a pension system).

The second question is: “Are the retirement benefits sufficient?” The most common aggregate comparison involves comparing the average pension benefits to the extreme poverty line, the poverty line, minimum wage and per capita income. These indicators are used to estimate the sufficiency of benefits. The quality of entitlements on an individual level is estimated by comparing pension levels in retirement relative to earnings when working; this is known as the pension replacement rate.

The third question is: “What is the cost of the coverage and benefits provided?” It is necessary to assess whether or not the pension system is financially sustainable; for example, whether government contributions as a percentage of GDP are commensurate with spending on other economic and social needs.¹⁴

¹³ The coverage indicator for the economically inactive population is not age-specific. The threshold of 65 years reduces the probability of underestimating the coverage of pensioners since there is a higher probability that people over 65 years of age are retired.

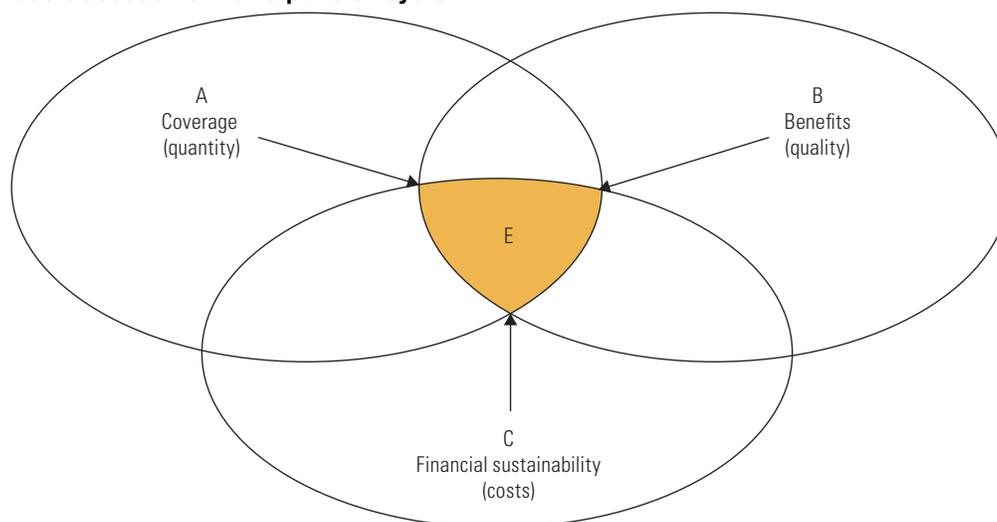
¹⁴ The fiscal impacts of pension systems have been a matter of constant debate in the region. There are notable differences in the public spending commitments between pay-as-you-go schemes, fully funded plans and other models. For a more detailed analysis in this regard, see Arenas de Mesa (1999), Mesa-Lago (2000), Arenas de Mesa and others (2008), Centrángolo and Grushka (2008) and Uthoff (2011 and 2016).

These questions and the answers thereto have been one of the main driving forces behind the introduction of parametric and structural pension system reforms in Latin America (see section A). Inequalities in the coverage, benefits and funding pension systems create pressure for change and for testing new models that are being developed in a bid to balance out social protection and financial costs.

Diagram IV.1 represents each of the areas of a basic assessment of pension systems: (i) set A is coverage or quantity of persons covered; (ii) set B is benefit or pension level, which gives a notion of the quality of the system; and (iii) set C is costs and financial sustainability of the pension scheme. The intersection of the three sets – set E – represents equilibrium, a pension system which has attained adequate coverage, provides sufficient benefits and is financially sustainable. If the pension system falls outside of E, it will require modifications or reform because it does not meet the standards for coverage and sufficiency of benefits or it has a funding shortfall which makes the pension scheme unsustainable. In general, a pension system that falls short in these three areas meets the conditions for implementing structural reform.

■ **Diagram IV.1**

Basic assessment of a pension system^a



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

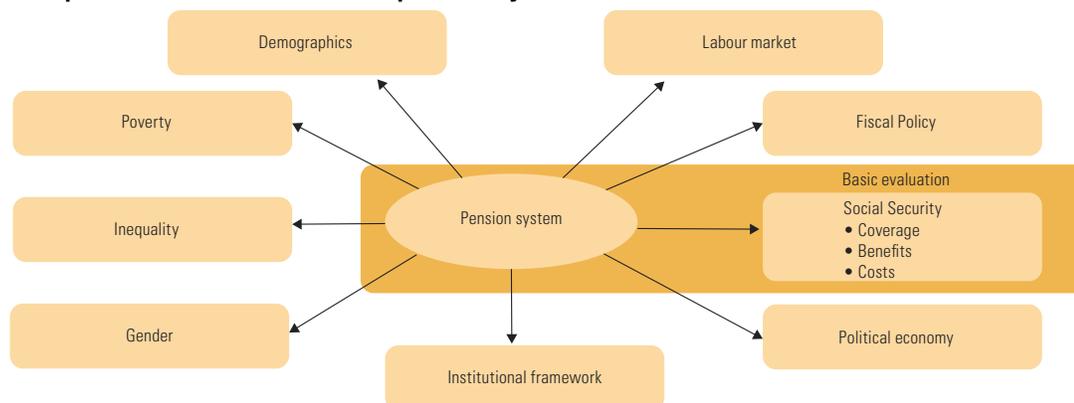
^a A pension system should aim to fall in set E, which is characterized by sufficient coverage, sufficiency of benefits and financially sustainable costs.

There are other elements which may be added to a basic assessment within a social security system, thus transforming it to a comprehensive assessment of the pension system (diagram IV.2). The analysis of each of these elements, which are linked to the variables of a basic assessment, can reveal the conditions requiring modifications to or reform of the pension system.

It is recommended that a comprehensive assessment of pension systems be carried out before embarking on reform. In most countries in the region, only basic assessments have been conducted, focusing on the financial sustainability and fiscal impacts of pension systems. It is essential to widen the scope of analysis in order to strengthen contemporary pension systems and to ensure that future designs for pension schemes incorporate other elements that are essential for achieving the objectives of social protection (Cecchini and Martínez, 2011).

■ Diagram IV.2

Comprehensive assessment of a pension system



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

As indicated in the introductory chapter, the social, economic and political impacts of the demographic transition and the rapidly ageing population in Latin America will place increasing importance on pension regimes (Huenchuan, 2013). Several pension system reforms have been conducted in the region in recent decades. Eleven countries implemented structural reforms in their pension systems, with 9 of them doing so between 1993 and 2003, Chile— on two occasions, in 1981 and 2008— and Panama in 2008; and 14 countries introduced parametric reforms between 2008 and 2017. The structural reforms saw the implementation of distinct pension models. This chapter will examine the lessons, principles and criteria that can be learned from these experiences.

1. Classification of pension system reforms

Numerous structural and parametric reforms to pension systems have been undertaken in Latin America. Among the countries implementing structural reforms, 11 incorporated a fully funded system, either as the main pillar or in complement to the traditional pay-as-you-go model. These structural reforms have given rise to distinct pension regimes, thus confirming that there is no single model for the region. Today, the public pay-as-you-go model remains the most widespread in the region, as it is present in 10 countries and is a pillar of the pension system in 5 other countries.

Numerous reforms of pension systems and models have been undertaken in Latin America and the Caribbean over the last 36 years. They have given rise to distinct pension regimes, thus confirming that there is no single model for the region.

Reforming the pension system entails a significant interweaving of political, economic, social, technical, institutional and logistical actions which, in turn, carry the risk of opening up various sources of conflict with different social actors and power groups (Arenas de Mesa, 2010). The pension system reforms in Latin America can be classified as structural or parametric (Mesa-Lago, 2004 and 2008; Gill and others, 2005; and ECLAC, 2006).

(a) Structural reforms

Structural reforms lead to the creation of a new pension system and are perhaps one of the most profound and important social policies to have been implemented in Latin America over the past 36

years. This is not only because of the beneficiary population involved, but also the social, fiscal and institutional effects thereof, which are a matter of constant debate.

Structural reforms in Latin America and the Caribbean have consisted in transforming the institutional design of the pay-as-you-go (or collective partial capitalization) system through the introduction of fully funded systems.¹⁵ In general, structural reforms give rise to a lengthy transition period during which at least two pension systems —the old and the new— coexist. Like parametric reforms, the objectives of structural reforms include improving the coverage, adequacy of benefits and financial sustainability of pension systems.

The structural reforms implemented between 1981 and 1996 gave rise to different models of pension systems in the region, disproving the theory of a single model for Latin America that had been proposed during the 1990s, with the Chilean reform of 1981 hailed as a model to be followed (World Bank, 1994; Mesa-Lago, 2008). In that pioneering reform, the public pay-as-you-go (PAYG) system had been entirely replaced by a fully funded, commercially run system that should reach maturity after a transition lasting more than forty years. The reforms were emulated in many countries in the region and around the world. Ten countries in Latin America joined in the process, adding a fully funded regime to their systems, either as the main pillar or in complement to the traditional pay-as-you-go system (see table IV.2).¹⁶

■ **Table IV.2**

Latin America (selected countries): structural reforms to pension systems, 1981-2008

| País | Año | Modelo |
|--------------------------------------|------|--------------------|
| 1. Chile | 1981 | |
| 2. Bolivia (Estado Plurinacional de) | 1997 | |
| 3. México | 1997 | Sustitutivo |
| 4. El Salvador | 1998 | |
| 5. República Dominicana | 2003 | |
| 6. Perú | 1993 | Paralelo |
| 7. Colombia | 1994 | |
| 8. Argentina | 1994 | Paralelo integrado |
| 9. Uruguay | 1996 | |
| 10. Costa Rica | 2001 | Mixto |
| 11. Panamá | 2008 | |

Source: A. Arenas de Mesa and F. Bertranou, “Learning from social security reforms: two different cases, Chile and Argentina”, *World Development*, vol. 25, No. 3, Amsterdam, 1997; C. Mesa-Lago, *Reassembling Social Security: A Survey of Pensions and Healthcare Reforms in Latin America*, New York, Oxford University Press, 2008 and “Las reformas de pensiones en América Latina y su impacto en los principios de la seguridad social”, *Financiamiento del Desarrollo series*, No. 144 (LC/L.2090-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2004; I. Gill, T. Packard and J. Yermo, *Keeping the Promise of Social Security in Latin America*, Washington, D.C, World Bank, 2005 and Economic Commission for Latin America and the Caribbean (ECLAC), *Shaping the Future of Social Protection: Access, Financing and Solidarity* (LC/G.2294(SSES.31/3)), Santiago, 2006.

Structural reforms led to the creation of various models of contributory pension systems, which are added to the traditional public pay-as-you-go system now present in 10 countries of the region. The substitutive model, which completely replaced the public pay-as-you-go scheme by fully funded accounts managed by the private sector, was adopted in Chile (1981), the Plurinational State of Bolivia (1997), Mexico (1997), El Salvador (1998), and the Dominican Republic (2003). In the parallel model, implemented in Peru (1993) and Colombia (1994), workers must choose either the public PAYG

¹⁵ Pay-as-you-go systems that have reserve funds are known as collective partial capitalization systems; when the reserves are depleted they are then referred to as pay-as-you-go systems.

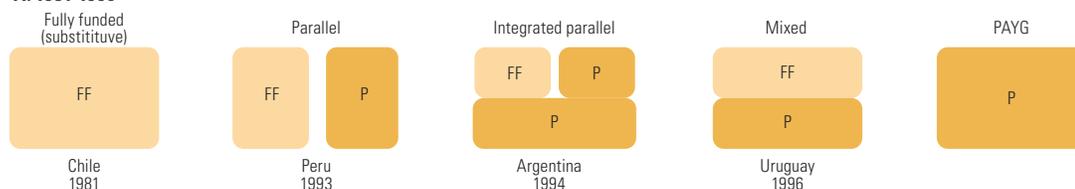
¹⁶ Other countries have tried to undertake structural reforms through the introduction of individual funding, but were unsuccessful in doing so; this was the case in Nicaragua (2000) and Ecuador (2001).

system or the system of private accounts, which are mutually exclusive and compete for affiliates. The integrated parallel model implemented in Argentina (1994) entails a parallel model with a universal basic benefit, meaning that any worker, whether enrolled in the PAYG system or private accounts, is covered by public funds. The mixed model, in which the public PAYG system and private accounts are complementary, with workers paying into both systems simultaneously, was implemented in Uruguay (1996), Costa Rica (2001), and Panama (2008) (see table IV.2 and diagram IV.3A).

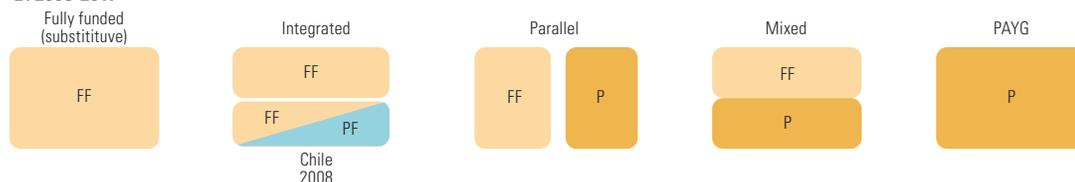
■ **Diagram IV.3**

Latin America (selected countries): pension models and the countries that pioneered them, 1981-2017

A. 1981-1996



B. 2008-2017



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

Note: FF: Fully funded, P: pay-as-you-go, PF: public funding.

The pay-as-you-go contributory pension systems give rise to inter- and intragenerational transfers. In general, these transfers are from the healthy cohort to the sick, the young to the elderly, high-income to low-income or male to female. Structural reforms to pension systems in the region have, at various times, adjusted or removed these transfers, creating a potential burden on the fiscal accounts (contingent liability) that the State will have to cover (Arenas de Mesa, 2010).

(b) Parametric reforms

A parametric reform is one that involves changes to the parameters of the pension system and, therefore, does not change the structure of the existing model. The most frequent parametric adjustments include: (i) increasing the contribution rate, (ii) raising the retirement age (by sex), which expands the pool of active contributors and reduces the influx of pensioners, (iii) changing the access conditions for benefits, for example, by raising or lowering the required number of years of contributions, and (iv) reducing benefits through lower replacement rates or adjusting the contributory bases on which pensions are calculated by increasing the number of years required to be eligible to estimate benefits.

Parametric reforms are generally associated with changes to the framework of PAYG systems. However, they can be applied to fully funded systems. Such reforms, when applied to public PAYG

systems, generally aim to establish financial balance. To achieve this and implement parametric reforms efficiently, it is necessary to conduct actuarial studies of the new parameters and generate simulations showing the possible financial effects and the repercussions on coverage and benefits that would ensue.

Given the political economy of pension reforms, proposed parametric changes tend to be applied only to new pensioners and, therefore, do not affect the pool of current participants or persons over a legally stipulated age, thus leaving unchanged the conditions of access and benefits of workers close to retirement. One possible outcome of this is a long transition period, during which two pension systems covering both prior and new beneficiaries coexist for an extended time; another is a scaling down of the potential financial effects which, depending on the design and transition, could turn into medium-term benefits.

Demographic, economic and social changes must be constantly assessed in a pension system. In this regard, actuarial and financial analyses are essential for guiding pension policy design and developing the parametric adjustments in a timely manner with a view to optimizing pension systems and ensuring that they serve their intended purpose.

In Latin America, 10 countries use public PAYG or collective partial capitalization pension models. Argentina, Brazil, Cuba, Haiti and the Bolivarian Republic of Venezuela have pay-as-you-go systems, while Ecuador, Guatemala, Honduras, Nicaragua and Paraguay have a collective partial capitalization system. Five other countries in the region also include public pay-as-you-go (or collective partial capitalization) in their pension models. This is the case of Colombia and Peru, where there is a parallel model, and of Costa Rica, Panama and Uruguay, where there is a mixed model.

Between 2008 and 2017, 14 Latin American countries implemented parametric reforms: 11 of them adjusted their public PAYG systems and 3 made adjustments to their fully funded systems. Examples of reforms to public systems include: (i) in Uruguay, relaxed eligibility criteria for retirement benefits, ensuring adequate coverage of the pension system and maintaining the advances made in the social protection system (2008); (ii) in Cuba, efforts to rectify the inadequacy of some benefits and ensure financial sustainability (2009); (iii) in Guatemala, raising of the retirement age and the number of years of contributions to qualify for retirement (2010); (iv) in Paraguay, raising of the minimum number of contributory years for benefit eligibility (2010); (v) in Nicaragua, higher contribution rate for employers and better benefits for the most vulnerable (2013); (vi) in Honduras, raising of the retirement age under the civil servant pension system from 58 to 65 years and the number of contributory years to qualify for benefits (2014); (vii) in the Bolivarian Republic of Venezuela, standardization of the existing PAYG regimes (2014); (viii) in Haiti, Decree setting the contribution rate in the PAYG system for civil servants at 8% (2015); (ix) in Brazil, tightening of the eligibility criteria for retirement benefits (2015); (x) in Ecuador, regulation adjusting retirement benefits to the previous year's inflation (2015); and (xi) in Costa Rica, raising of the age of eligibility for government-funded pension from 55 to 60 years (2016).

Examples of parametric reforms to fully funded systems include: (i) in Colombia (2009), the introduction of a multifunds system along the lines of the changes implemented in Chile in 2002; (ii) in Peru (2016), the creation of a new measure allowing beneficiaries to withdraw almost all of their savings from private pension funds;¹⁷ and (iii) in El Salvador (2017), the recently adopted pension system reform (see table IV.3).

¹⁷ This reform has been the subject of debate because of the potential risks it poses to the pension fund system. However, it has yet to be enacted.

■ **Table IV.3****Latin America (selected countries): reforms to pension models, 2008-2017**

| | Structural reforms (3) | | Parametric reforms (14) | |
|--|------------------------|-----------------------------|-------------------------|--------------|
| | Year | Model | Year | Model |
| 1. Argentina | 2008 | PAYG | | |
| 2. Chile | 2008 | Integrated | | |
| 3. Bolivia (Plurinational State of) | 2010 | Substitutive (nationalized) | | |
| 1. Colombia | | | 2008 | Parallel |
| 2. Peru | | | 2016 | Parallel |
| 3. El Salvador | | | 2017 | Substitutive |
| 4. Uruguay | | | 2008 | Mixed |
| 5. Costa Rica | | | 2016 | |
| 6. Cuba | | | 2009 | |
| 7. Paraguay | | | 2010 | |
| 8. Guatemala | | | 2010 | |
| 9. Nicaragua | | | 2013 | |
| 10. Venezuela (Bolivarian Republic of) | | | 2014 | PAYG |
| 11. Honduras | | | 2014 | |
| 12. Haiti | | | 2015 | |
| 13. Ecuador | | | 2015 | |
| 14. Brazil | | | 2015 | |

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

2. The new cycle of structural reforms to pension systems

Between 2008 and 2017, three of the five countries that had implemented substitutive models reformed their pension systems: Chile, in 2008; the Plurinational State of Bolivia, in 2010; and El Salvador, in 2017. Furthermore, in 2008, Argentina abandoned the fully funded system to return to a PAYG model. There is a noticeable shift towards solidarity-based public pension systems, bucking the trend of the 1990s, which saw the introduction of fully funded models.

(a) Pension system reforms: a new trend towards public pension schemes

Between 2008 and 2017, three of the five countries that had implemented substitutive models reformed their pension systems. In 2008, Chile established a solidarity pension which led to the formation of an integrated system of pensions. A 2017 draft reform bill under debate proposes that the State's participation and the solidarity pension should continue to increase, which would consolidate the integrated model. The Plurinational State of Bolivia nationalized the fully funded system in 2010 and increased the State's participation. In 2017, El Salvador adopted a pension system reform to maintain

the fully funded system while adding a collective savings fund known as the solidarity guarantee account. Furthermore, in 2008, Argentina abandoned the fully funded system —and thus the integrated parallel model— and returned to a PAYG model (see table IV.3). In that same year, Chile introduced an integrated pension model (see diagram IV.3-B). In this regard, there has been a trend towards public funding and solidarity pensions, unlike the reforms of the 1990s, which focused on incorporating fully funded schemes into pension systems. The new regional trend towards greater State participation in pension systems includes the design of contributory and non-contributory solidarity mechanisms.

3. New trends in Latin American pension systems

Between 2008 and 2017, structural reforms had a common denominator: advancing the development of solidarity mechanisms. Most of these reforms also strengthened the administration and public financing of pension systems. The pension reform processes in the region are revealing a new trend of a return to the basic principles of social security systems. Furthermore, the evidence shows that the structural reforms of pension systems have different effects on men and women. To address these gender-differentiated impacts, the gender dimension must be incorporated in the design of the reforms. Another trend concerning social protection for older persons in Latin America has been the establishment and increase in coverage of non-contributory pension systems.

Several structural reforms have been implemented in pension systems throughout Latin America. The reforms carried out in Argentina, the Plurinational State of Bolivia, Chile and El Salvador between 2008 and 2017, in particular, have a common denominator: advancing the development of solidarity mechanisms.¹⁸ Most of these reforms also strengthened the administration and public financing of pension systems. The pension reform processes in the region reflect a new trend of a return to the basic principles of social security systems, especially in countries that had previously gone the route of purely fully funded systems.

These new trends are related both to the design of pension systems (new models and gender mainstreaming) and changes in the main indicators of pension coverage (contributory and non-contributory systems) in the region.

(a) Models and reforms: new trend towards public and solidarity-based systems

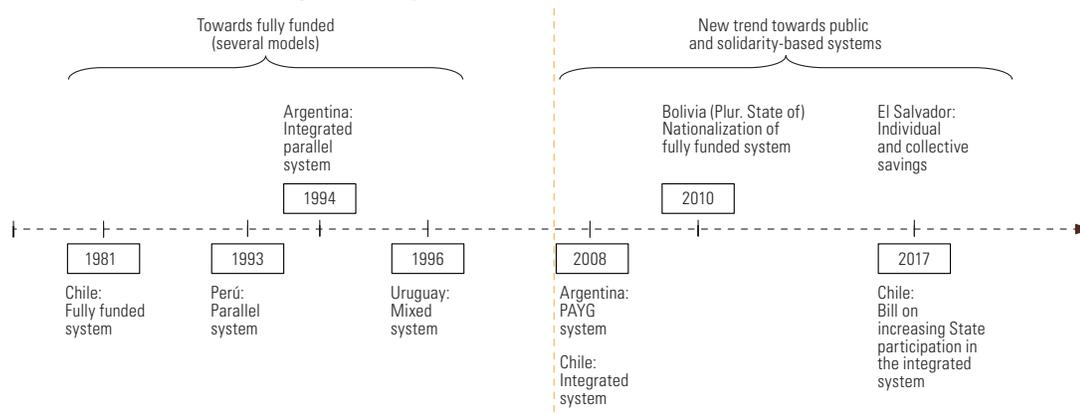
Over the past 10 years, there have been new trends in the design and modification of pension systems in the region. They reveal that the focus of proposals has shifted back to the principle of solidarity and that the establishment of solidarity-based contributory and non-contributory mechanisms are key elements for the development of pension systems. In addition, a common thread in the reforms has been increased involvement of the State, both in the administration and financing of pension systems.

The left side of diagram IV.4 illustrates the trends observed in the 1980s and 1990s (influenced by the Chilean reform of 1981), when pension systems adopted the fully funded model, primarily managed by the private sector. The results of those and subsequent reforms of purely fully funded and other pension systems alike indicate that there is now a tendency to promote greater solidarity in pension systems, with the presence of the State to ensure sufficient coverage, sufficiency of benefits and financial sustainability.

¹⁸ The parametric reform undertaken in Uruguay in 2008, details of which can be found in chapter IV, can also be included in this group.

■ Diagram IV.4

Latin America: trends in pension system reforms, 1981-2017



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

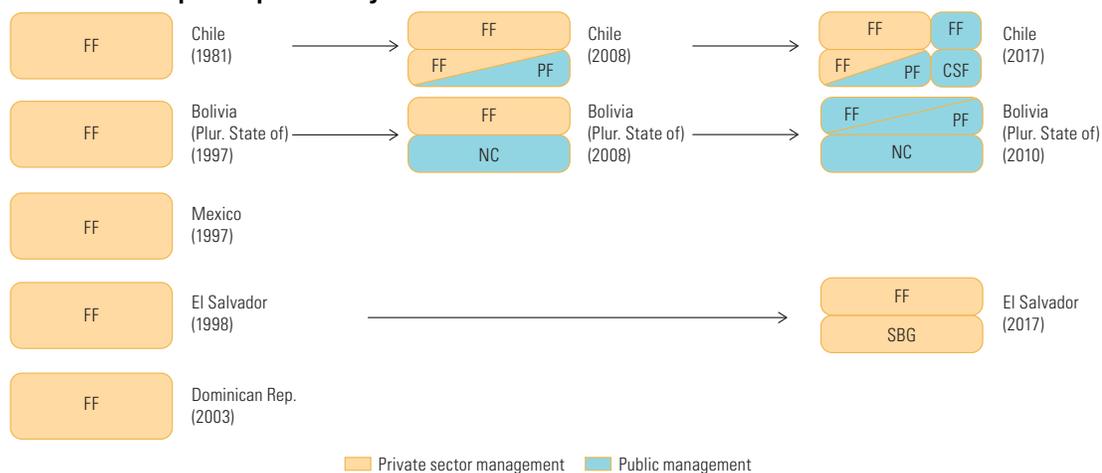
It is well documented that the fully funded pension system is more advantageous for men, formal-sector workers in urban areas, employees with high incomes and stable jobs and those who contributed for most of their working lives. The average pensioner in the countries of the region does not fit this mould for many reasons, including: the high level of informality in the labour market (see chapter I), the large proportion of unstable jobs with low density of contribution in the formal sector and the rise in the number of women entering the workforce in recent decades, which should lead to a surge in female primary pensioners in the region.

In this context, the pension system that is exclusively fully funded (substitutive model) is clearly on the wane in the region. There is much doubt that a policy of concentrating the efforts of the pension system exclusively on individual capacity to save is feasible or has the capacity to respond to the region's pension coverage needs and social protection demands (Gill, Packard and Yermo, 2005; ECLAC, 2006; Barr and Diamond, 2008; Mesa-Lago, 2008; Arenas de Mesa, 2010; Becker and Mesa-Lago, 2013; Uthoff, 2016; Sojo, 2017).

Thus, three of the five countries that had adopted a substitutive fully funded model amended their pension model or moved to a different one between 2008 and 2017. This is the case in Chile, where an integrated model was implemented in 2008 and debate has been ongoing about a new pension reform bill in 2017. Similarly, in the Plurinational State of Bolivia, which in 2008 had established a non-contributory pension system with a universal approach (Renta Dignidad), carried out in 2010 a structural reform of the pension system, nationalizing the capitalization system and creating new responsibilities for the State in the pension system. In El Salvador, too, the pension system was reformed with the addition of a collective savings mechanism to the fully funded model in 2017 (see diagram IV.5).

■ Diagram IV.5

Latin America (five countries): transition from pure fully funded pension systems to solidarity schemes and public pension systems



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

Note: FF.: Fully funded, PF: Public funding, CSF: Collective savings fund, NC: Non-contributory, SBG: Solidarity-based guarantee account.

(b) Including the gender dimension in the design of pension system reforms¹⁹

The gender dimension was generally absent from the 11 structural reforms of pension systems in Latin America between 1981 and 2008 (see table III.1), the implicit assumption being that such reforms were gender neutral (Arenas de Mesa and Montecinos, 1999). The evidence shows that the structural reforms of pension systems have different effects on men and women. To address these gender-differentiated impacts, the gender dimension must be incorporated in the design of pension reforms in lam.

In the above-mentioned structural reform processes, gender analysis was not sufficiently extensive in government, academic and political spheres. This was due in part to the population's general lack of knowledge regarding how the new pension systems worked and the limited space given during the twentieth century to the issue of gender equality in studies of those systems in Latin America. In this century, efforts were made to compensate for the lack of attention to the gender variable. While gender is being mainstreamed into discussions on pensions, progress is slow and uneven (Arenas de Mesa and Gana, 2001; Bertranou, 2001; Birgin and Pautassi, 2001; Bertranou and Arenas de Mesa, 2003; Marco, 2004 and 2016; Amarante, Colacce and Manzi, 2016; Arza, 2017).

Between 2008 and 2016, some of the parametric and structural reforms in the region included the gender dimension and attempted to address gender inequalities which are particularly present in the labour market or in the very design of the new pension systems. Some of these advances include: (i) special benefits for women who opt for early retirement (Costa Rica in 2005), (ii) equal pension rights of female domestic workers (Uruguay in 2006 and Chile in 2008); (iii) recognition of maternity and of unpaid work through bonuses for each live-born child (Chile in 2008, Uruguay in 2008 and the Plurinational State of Bolivia in 2010); recognition of the spouse or partner for pension rights (Chile and Uruguay in 2008), and elimination of sex-differentiated mortality tables for the calculation of benefits (Plurinational State of Bolivia in 2010 and El Salvador in 2017).

Gender equality in pension systems should be addressed in a comprehensive and multidisciplinary manner. There are fiscal impacts of promoting pension systems that focus more on solidarity and

¹⁹ See a more in depth analysis of gender mainstreaming in pension systems in Latin America in chapter IV.

incorporate the gender dimension, and these must be taken into account in the design of pension reforms in order to achieve adequate coverage and ensure the financial sustainability of pension systems.

The gender dimension has cross-cutting effects, for example in the areas of coverage, benefits and financial sustainability. Consequently, the equilibrium of pension systems (see diagram III.1) also depends on the effective and comprehensive incorporation of the gender dimension in future pension reforms in the region.

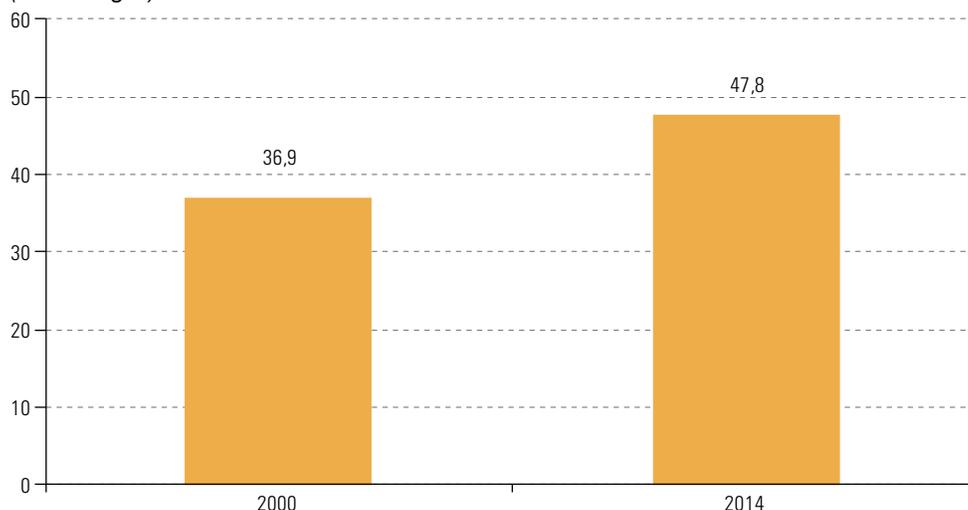
(c) Increase in contributory coverage (economically active population) in pension systems in Latin America: 2000 and 2014

Pension system reforms require systematization and rigorous follow up —for example, with regard to changes in levels of coverage— to address the lack of protection observed in most of Latin America. Investing in information systems to track the effects of the reforms and the evolution of the key variables of pension systems is crucial to the development of public policies for social protection in the region.

The coverage of the active population in contributory pension systems in Latin America, measured as the proportion of the economically active population that makes contributions, increased from 36.9% to 47.8% between 2000 and 2014 (see figure IV.1).²⁰

■ **Figure IV.1**

Latin America (18 countries)^a: coverage of the economically active population,^b 2000 and 2014 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information on the economically active population from the respective countries and the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC estimates and projections.

^a Weighted average for 18 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

^b The total active workers contributing to social security over the economically active population.

The trend of coverage economically active population in the region between 2000 and 2014 establishes at least three precedents: (i) average coverage has increased despite the economic crises of the past 15 years; (ii) given the rapid incorporation of contributors in the pension system, it will take half a century for the region to attain average levels of coverage similar to that of Uruguay in 2014 (87.2%); and (iii) an estimated 142 million economically active people have no social security or are not covered by contributory pension schemes. This explains, in part, the significant expansion of non-contributory pension systems in the region over the past two decades.

²⁰ Information on the coverage of the economically active population comes from administrative data provided by the countries of the region.

Part III A. Arenas (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*; C, pp. 133-134.

C. Current debates in the region on the sustainability of pension systems

The functioning, design and sustainability of pension systems remains a topic for debate in the region. The countries that are currently engaged in discussions regarding their pension systems include Argentina, Brazil, Chile and Peru. Several alternatives are under discussion in Argentina; the electoral timetable, however, makes progress with a pension reform bill in 2019 less likely. In the case of Peru, the Ministry of Economic Affairs and Finance is leading a pension system reform commission that has been examining several alternatives in depth, including the solidarity-based pension system of Chile's 2008 pension reforms.

In Chile itself, the pension reform bill proposes increasing the tax revenue contribution to the solidarity-based pension system. Nevertheless, one central element in the bill is an increase in the contribution rate that was initially intended for the fully funded system model. This model has not been replicated in any other country in the region since Panama's 2005 pension reform, which instituted a mixed model that included a fully funded regime to supplement the pay-as-you-go pension system. In Brazil, a bill for the parametric reform of the pension system that has passed the Chamber of Deputies is under discussion. However, the proposed regulations, which included the possibility of creating a fully funded mechanism in a supplementary bill, were withdrawn and postponed for discussion under another bill.

The pension debates taking place in the Congresses of Brazil and Chile will be the scenario that confirms the trend followed between 2008 and 2018 (public, solidarity-based systems) or a return to models implemented in the region in the past; in other words, the strengthening or incorporation of mechanisms for individual savings and private (or mixed) administration in pension systems. To date, both initiatives have been modified as part of the discussions and negotiations in the corresponding Chambers of Deputies. Legislative progress through the two countries' Senates will be fundamental in determining whether or not there will be a change in the regional trend identified above.

The debate on the sustainability of pension systems in the region is taking place against a backdrop of low rates of growth: it is estimated that the region will post growth of no more than 0.5% in 2019 (ECLAC, 2019). Less fiscal space is also available and, because of economic and fiscal restrictions, social spending (which accounts for the lion's share of public spending) and, in particular, the portion earmarked for pension systems could undergo adjustments in some countries. In that context, it is essential to recall that the sustainability of pension systems is a comprehensive concept that includes, in addition to financial sustainability, sufficiently broad coverage and adequate benefits. Deficits in one or more of those areas can in general be expected to fuel keen debates within society and lead to the implementation of pension system reforms.

Thus, the principal challenge for the sustainability of pension systems will be that of implementing a comprehensive approach that, among other factors, upholds the principles of social security and intergenerational solidarity. Those are basic elements for tackling inequality and ensuring opportunities to benefit the most vulnerable sectors and those with the lowest incomes (young people, women, independent or autonomous workers, rural sector workers, Afrodescendants and indigenous populations) (ILO, 2018). Attaining that goal requires the adoption of public policies (in both the fiscal and pension arenas) and special efforts for the continued development of comprehensive, solidarity-based, effective and sustainable social protection systems in the region.

D. Social protection and health systems

Access to health services is a key component of economic and social rights. To the extent that society can guarantee all its members adequate care with regard to the vicissitudes of health, it can advance towards the actual materialization of those rights and enforceable entitlement to them. Achieving this gives citizens a stronger sense of protection and belonging to the community.

Health policies in Latin American and Caribbean countries are facing both emerging and older challenges. As in the developed world, changes in the pattern of demand driven by demographic, epidemiological and technological trends are raising new challenges. These shifts are making new forms of health care and treatment both possible and necessary, thereby increasing health service costs and the associated expenditures. The older challenges stem from the region's long-standing shortcomings in terms of equitable real access to timely and quality health services, lack of human and financial resources, and problems of articulation between the different systems. The imperative of moving towards universal provision of health services clearly places additional pressure on demand and expenditure in the sector.

Health-care reform in the region has to pursue a twofold objective. First, it must strengthen solidarity mechanisms designed to provide equitable access to health services to the whole population, regardless of individual income or risk. Second, it must contain costs and allocate the scarce resources available more efficiently, to optimize the response to the technological, demographic and epidemiological changes that are unfolding in the region.

Policies that contribute to achieving these objectives include interventions in many aspects of public policy, including those pertaining to the health sector (e.g., regulation of the pharmaceutical industry and education on prevention and hygiene), along with public infrastructure, drinking water and sanitation works, housing initiatives and others. Notwithstanding the undoubted importance of these factors, the need to delineate the scope of the analysis has led to a particular focus in this chapter on reforms to the organization of health-service financing and delivery.

From the point of view of financing, the proposal advanced in this chapter is to move towards the integration of public systems and social security, in order to reduce the inequities that tend to occur in segmented schemes and delink access to adequate services from the individual's medical risk and ability to pay. In terms of health-service organization, it is suggested that the financing and service-delivery functions should be separated, based on service-contracting mechanisms that provide incentives to use resources in a rational manner. The chapter will discuss the advantages of establishing a set of priority health-care services, which would increase as a function of each country's financing capacity, in the framework of explicit, guaranteed and universal coverage. Consideration is also given to policies for expanding primary care and adequately coordinating decentralized services, with a view to improving coverage and access to health care.

Part V S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*; E, pp. 232-234.

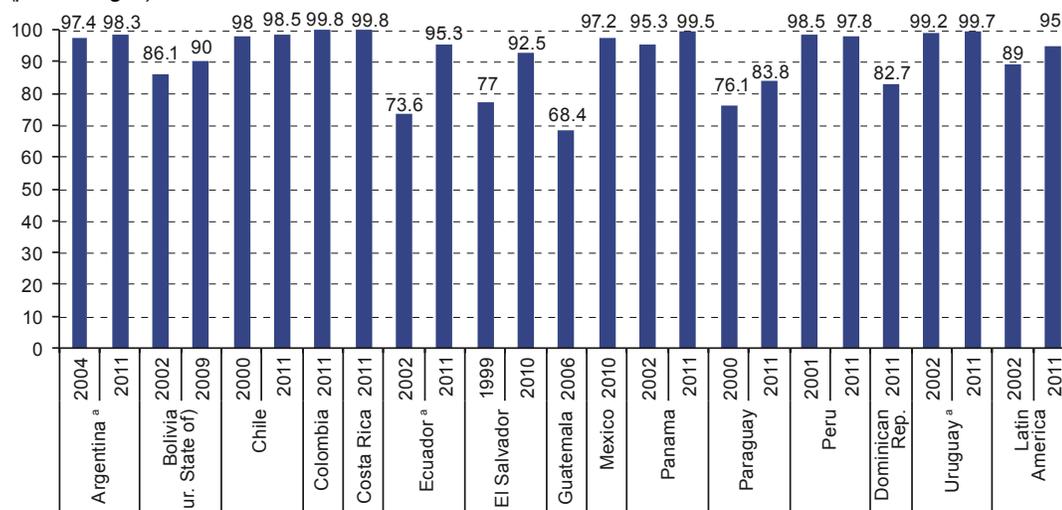
E. Health insurance*

Health-care coverage among older persons in Latin America varies greatly. In some countries, coverage is almost universal or relatively close to it: in Uruguay about 100% (Rodríguez and Rossel, 2009), and in Argentina around 75% (MSAL, 2007) and in Brazil approximately 70%, covered in the public system. In other countries, however, there is an egregious lack of protection in this domain. In Paraguay, for example, over 80% of older people do not have health insurance (OISS, 2007).

Around 95% of retired and other pensioners aged 65 years or over were affiliated to a health system in 2011. In most of the region's countries, at least 90% of the pensioner population was covered through a health insurance mechanism of some sort. Moreover, in countries with low coverage rates at the start of the 2000 decade, such as Ecuador and El Salvador, substantial improvements were made in this regard and coverage rose by over 15 percentage points to attain levels similar to those of the other countries in the region. Nonetheless, some still have somewhat lower coverage rates, such as the Dominican Republic (82.7%), Paraguay (83.8%) and Guatemala (68.4%) (see figure IV.2).

■ **Figure IV.2**

Latin America (14 countries): pensioners affiliated to health systems, around 2002 and 2011 (percentages)



Source: Prepared by the authors on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2013* (LC/G.2580), Santiago, 2013. United Nations publication, Sales No. E.14.II.G.6.

^a Urban areas.

From a regional perspective, as has happened in the other stages of the life cycle, there has been a significant increase in health coverage for old age during the past decade. These achievements are partly due to policies to expand the coverage of pension systems, both contributory and non-contributory, and progress in guaranteeing social-security entitlements, which in many countries include health insurance.

Moreover, the expansion of health coverage (both for the people covered by pensions and for those who are not, or those who receive non-contributory pensions) also reflects the efforts made by several Latin American countries, as described in earlier chapters (Explicit Health Guarantees (GES)

* Authors F. Filgueira and C. Rossel.

in Chile, the Basic Plan of Action in Brazil, Popular Insurance in Mexico, the Integrated National Health System in Uruguay). Although they do not always include specific old-age packages, or care in the case of the catastrophic diseases²¹ that are typical of this stage of the life cycle, explicit guarantees seem to be a reasonable way to improve coverage.

Together with these policies, some countries have established special conditions for incorporating older people without health coverage into basic benefit schemes. In Uruguay, for example, retirees and pensioners were gradually incorporated into the Integrated National Health System (SNIS),²² thereby making it possible to guarantee health-care rights for people receiving very small retirement or other pensions who had no health-care coverage for that reason.

Guaranteed entitlements however, are not equivalent to access to the services in practice (Huenchuan, 2009b). This happens in all stages of the life cycle, but it is particularly important in old age, when the demand for care increases and economic resources dwindle. To facilitate access, some countries (such as Chile since 2006 for the public system) have made very important changes, including the elimination of co-payments for certain services.

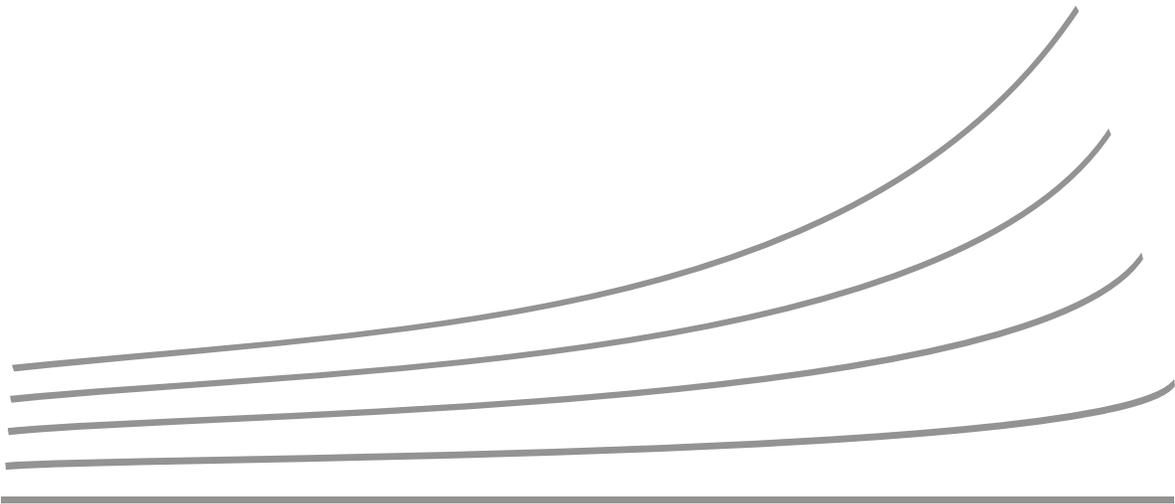
Apart from these changes in health-coverage access conditions, specialized policies have been introduced for old-age health care and the ageing process (Huenchuan, 2009b). Progress has been made in promoting healthy ageing at various levels (an example in Chile is the Older Adult Preventive Medical Examination (EMPAM)), and also in building human resource capabilities to provide health care to older people.

Several countries have also put mechanisms in place to guarantee access to essential medicines (the REMEDIAR programme, in Argentina, is an example of this) and inoculations (Huenchuan, 2004). Healthy physical environments and, in particular, the elimination of physical barriers in urban areas and transport have also started to appear on the policy agenda in several countries (Huenchuan, 2004).

Lastly, the region has various initiatives on specialized care for older people in health systems, examples being the Older Adult Health Policy in Chile, and the National Active Ageing and Health Programme in Argentina.

²¹ For example, cost-free old-age medical insurance in the Plurinational State of Bolivia and the Compulsory Health Plan in Colombia.

²² Law 18731.



Chapter V

The non-contributory pillar

Source:
Parte I. L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: Lessons from Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/44622/1/S1900004_en.pdf

Introduction

Non-contributory social protection (or “social assistance”) takes the form of a series of transfers, subsidies and public services chiefly targeting those living in extreme poverty, poverty or vulnerable situations. The receipt of non-contributory social protection benefits is therefore not dependent on prior contributions made through deductions from wages and participation in the formal job market. Programmes are funded through the general budget, under the principle of solidarity, using resources from direct or indirect taxation, from public companies or, in the case of the poorest countries, from international cooperation.

Chapter V describes and discusses three types of non-contributory social protection programmes that have been central to poverty eradication strategies in the region’s countries in recent years: conditional cash transfer programmes, social pensions, and labour and productive inclusion programmes.

Part I L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean*; A, pp. 52-58; B, pp. 235-243; C, pp. 127-133.

A. An overview of conditional cash transfer programmes in Latin America and the Caribbean

CCT programmes have a common basic structure, which consists of providing monetary (and sometimes non-monetary) resources to families with children and adolescents (and, to a lesser extent, to families with youth members or persons of other age groups) living in poverty or extreme poverty, on the condition that they fulfil certain commitments with regard to education (primary and secondary school enrolment and attendance), health (vaccination schedule for infants and antenatal and postnatal check-ups for women) and nutrition (Cecchini and Madariaga, 2011).¹ Although they have common characteristics, CCT programmes reflect specific institutional trajectories in each country in terms of public policy and the political economy of social sector reform (Cecchini and Martínez, 2011). As a result, across Latin America and the Caribbean these programmes differ considerably in key parameters such as the benefits they offer (cash and in-kind transfers, psychosocial support and follow-up for families, complementary programmes, and so on), the modality of delivery, the existence and severity of sanctions, operational management and inter-institutional linkages (Cecchini and Madariaga, 2011).

In view of the great variety of programmes, and particularly of conditionalities, Cecchini and Martínez (2011) propose a classification of CCTs into three types: (i) income transfer programmes with soft conditionalities, inspired by Brazil's *Bolsa Família*; (ii) programmes that foster demand (for health and education services) with strong conditionalities, inspired by *Oportunidades* (formerly *Progresa*) in Mexico; and (iii) systems or networks of coordinated programmes with conditionalities, along the lines of Solidarity Chile.

In income transfer programmes with soft conditionalities, the cash transfer is considered a right and the health- and education-related conditions part of the reinforcement of access to that right. The main objective of demand-building programmes with strong conditionalities is to promote human development of the population living in poverty, which in practice means increasing their use of public education and health services by removing access barriers. The third type of programme —systems or networks of coordinated schemes with conditionalities—consists of linking up mechanisms intended to ensure access to benefits offered by different specific programmes in order to create an inclusion floor.

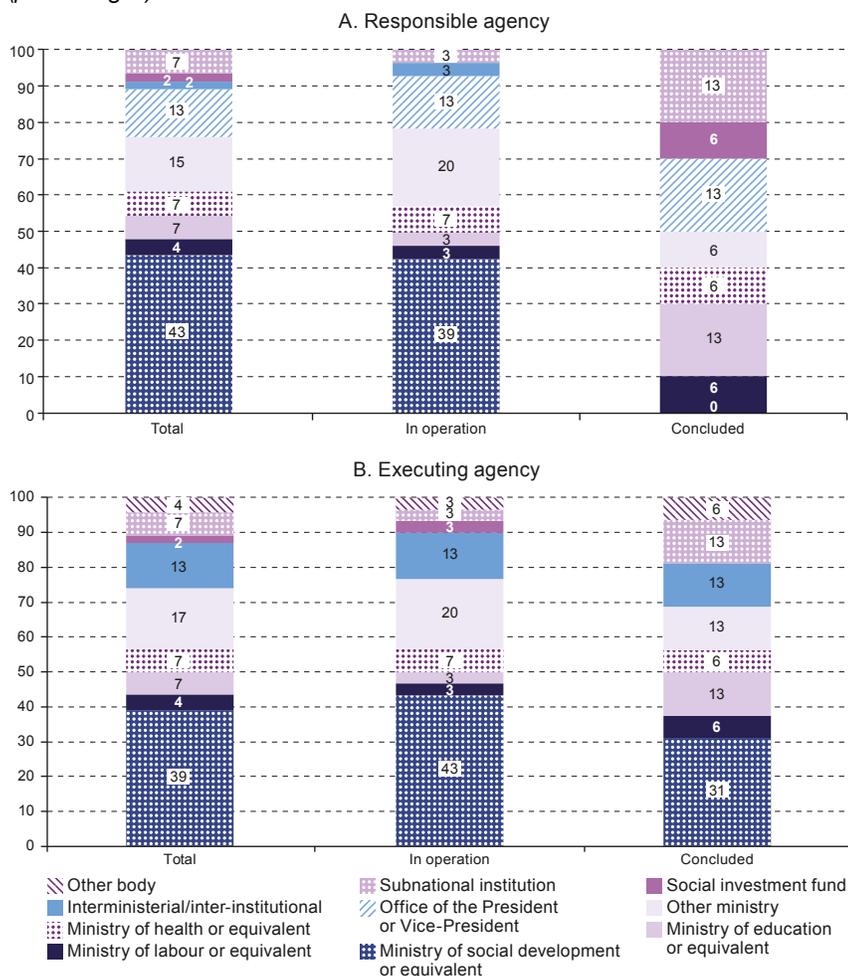
Social development ministries or their equivalents are the main entities responsible for executing CCTs and they have become more engaged over time. Other institutions that are heavily involved are sectoral ministries (such as ministries of health, education and labour), presidential or vice-presidential offices, social investment funds and subnational institutions (see figure V.1).

Since their beginnings, CCTs have offered a doorway into social protection for millions of Latin America and Caribbean families living in poverty and extreme poverty who, thanks to these transfers, have been able to maintain basic levels of consumption (see box V.1) and obtain better access to social services. The greatest expansion of these programmes in the region occurred in the second half of the 2000s. Between 2000 and 2005, the number of programmes in place rose from 6 to 20, and today the region has more than 30 active schemes in place (see table V.1).

¹ Although families with children are the main target population, some programmes have also included families without children. One example is Mexico's Education, Health and Food (Progresa) programme, which has included poor families without children since its inception in 1997. In Brazil, through the benefit for ending extreme poverty, since 2013 the Bolsa Família programme has included extremely poor families without children (in 2017, this meant those with per capita monthly incomes of under 85 reais, or around US\$ 27).

Figure V.1

Latin America and the Caribbean (21 countries): institutional structure of conditional cash transfer programmes and responsible and executing agencies, 2017
(percentages)



Source: Prepared by the authors, on the basis of S. Cecchini and B. Atuesta, “Conditional cash transfer programmes in Latin America and the Caribbean: coverage and investment trends”, *Social Policy series*, No. 224 (LC/TS.2017/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2017; Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.cepal.org/bpsnc/cct>.

Box V.1

Raising consumption among families living in poverty

One of the criticisms levelled at CCT programmes is that, at best, they may encourage “inclusion by consumption”. Campello and Gentili (2017) offer an interesting critique of this view, on the basis of the experience of Brazil over recent years. These authors argue that the possibility of acquiring consumer goods, such as a refrigerator or washing machine, or of gaining access to basic infrastructure, such as drinking water, sanitation and electricity, should be seen as an expression of basic rights and a minimum standard of citizenship for broad contingents of the population. They propose that access to such goods and services is no peripheral dimension of inequality. What for much of the population is a consumer good is for the poorest a “non-right”, an often structural limitation on their development opportunities. What for some is just another form of diversified access to a broad range of comfort and well-being, to others is a fundamental part of basic opportunities, whose absence denies fundamental rights and even the possibility of a life that is decent and safe. For example, having a refrigerator means being able to store food properly, plan purchases of perishable products and reduce the likelihood of illness from damaged food. Thus, it has to do with families’ food security and savings possibilities. Having a washing machine frees up a significant part of the time spent on domestic chores, especially for women.

Box V.1 (concluded)

The data from Brazil in relation to the broadening of cash transfers to poor households speak volumes: between 2002 and 2015, the percentage of households in the first income quintile with a refrigerator rose from 44.1% to 91.2% and those with a washing machine from 5.4% to 28.9%. In that period, the gap between the first and the fifth income quintiles with respect to ownership of a refrigerator or freezer narrowed from 43.2 percentage points to just 7 percentage points.

Source: Prepared by the authors, on the basis of T. Campello and P. Gentili, “As múltiplas faces da desigualdade”, *Faces da desigualdade no Brasil: um olhar sobre os que ficam para trás*, T. Campello (coord.), Brasília, Latin American Faculty of Social Sciences (FLACSO)/Latin American Social Sciences Council (CLACSO), 2017.

■ **Table V.1**

Latin America and the Caribbean (20 countries): conditional cash transfer programmes by country, 2017

| Country | Name | Starting year ^a |
|----------------------------------|--|----------------------------|
| Argentina | Universal Child Allowance for Social Protection (AUH) | 2009 |
| | Porteña Citizenship programme | 2005 |
| Belize | Building Opportunities for Our Social Transformation (BOOST) | 2011 |
| Bolivia (Plurinational State of) | Juancito Pinto Grant | 2006 |
| | Juana Azurduy Mother-and-Child Grant | 2009 |
| Brazil | <i>Bolsa Família</i> | 2003 |
| | Bolsa Verde | 2011 |
| | Child Labour Eradication Programme (PETI) | 1996 |
| Chile | Solidarity Chile ^b | 2002 |
| | Security and Opportunities Subsystem (Ethical Family Income) | 2012 |
| Colombia | More Families in Action | 2001 |
| | <i>Unidos Network</i> | 2007 |
| Costa Rica | Avancemos | 2006 |
| Dominican Republic | Progressing with Solidarity | 2012 |
| Ecuador | Human Development Grant (BDH) | 2003 |
| | Zero Malnutrition | 2011 |
| El Salvador | Support for Solidarity in Communities (PACSES) | 2005 |
| Guatemala | My Secure Grant | 2012 |
| Haiti | Ti Manman Cheri | 2012 |
| Honduras | Better Life Grant | 2010 |
| Jamaica | Programme of Advancement through Health and Education (PATH) | 2001 |
| Mexico | <i>Prospera</i> (formerly <i>Progres</i> a and <i>Oportunidades</i>) | 2014 |
| Panama | Opportunities Network | 2006 |
| | Grant for Food Purchase programme | 2005 |
| Paraguay | Tekoporá | 2005 |
| | Abrazo | 2005 |
| Peru | National Programme of Direct Support for the Poorest (<i>Juntos</i>) | 2005 |
| Trinidad and Tobago | Targeted Conditional Cash Transfer Programme (TCCTP) | 2005 |
| Uruguay | Family Allowances–Equity Plan | 2008 |
| | Uruguay Social Card | 2006 |

Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.cepal.org/bpsnc/cct>.

^aThe start date refers to the programme currently in place. However, in several cases the current programmes were preceded by other conditional transfer schemes. See a list of concluded programmes in Cecchini and Atuesta (2017).

^b Although the main programme in Chile since 2012 has been the Security and Opportunities Subsystem (Ethical Family Income), in 2017 there were still some families in the Solidarity Chile programme.

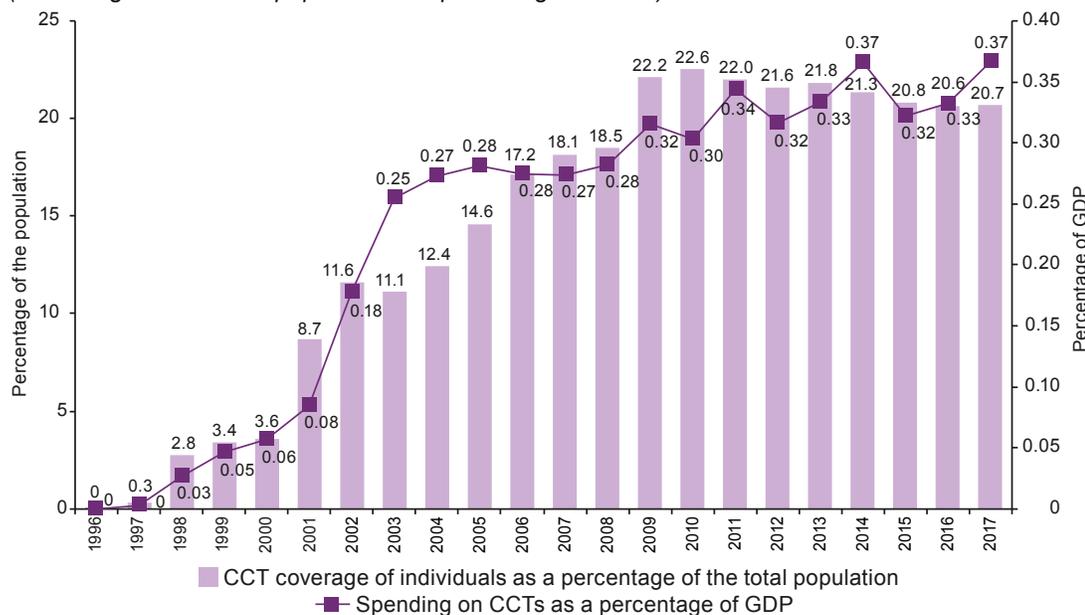
The coverage of CCT programmes expanded from 3.6% of the region’s population in 2000 to 14.6% in 2005, and peaked in 2010, when those living in households receiving assistance from this type of programme came to represent 22.6% of the region’s population. Since then, coverage has fallen

and data for 2017 show that CCTs cover 20.7% of the total population in the region, corresponding to 133.5 million people living in 30.2 million households. Spending on these programmes was around 0.37% of regional GDP in 2017, or US\$ 148 per capita (see figure V.2).

■ Figure V.2

Latin America and the Caribbean (20 countries): individuals in recipient households of CCT programmes and public spending on CCTs, 1996-2017

(Percentages of the total population and percentages of GDP)

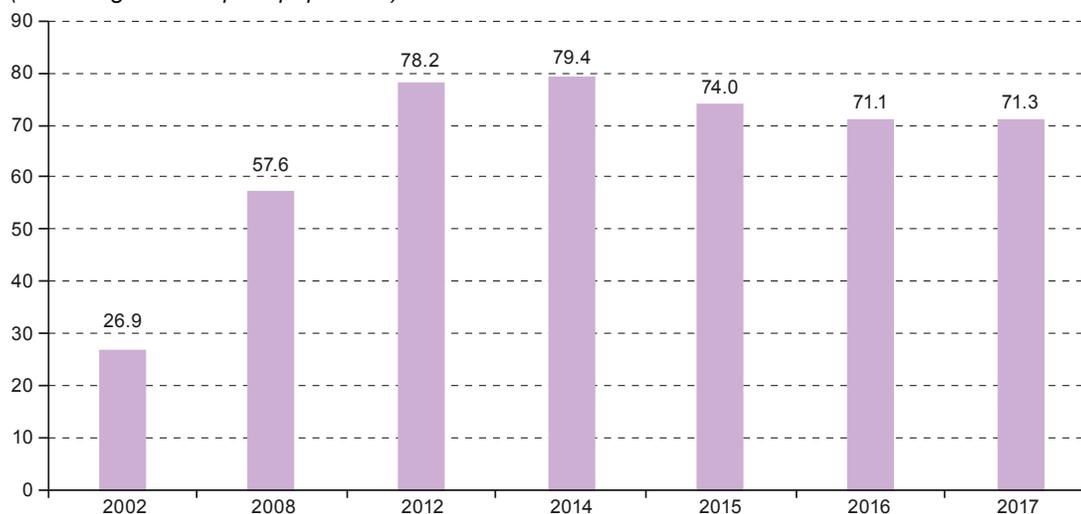


Source: Prepared by the authors, on the basis of S. Cecchini and B. Atuesta, “Conditional cash transfer programmes in Latin America and the Caribbean: coverage and investment trends”, *Social Policy series*, No. 224 (LC/TS.2017/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2017; Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.cepal.org/bpsnc/cct>.

Despite the broad coverage achieved by CCT programmes, a large part of the population still lives in poverty and lacks coverage, and this proportion has increased in the past few years. Comparison of the number of people living in recipient households of CCT programmes with the population living in monetary poverty shows that the coverage of the poor population rose at the regional level between 2002 and 2014, then fell again as a result of two simultaneous occurrences: a fall in the number of programme recipients (mainly in Brazil, Colombia and Guatemala between 2014 and 2017) and a rise in the number of poor (see figure V.3). Furthermore, in 2015, although the number of individuals living in recipient households of CCTs matched or exceeded the total poor population in 4 of 18 countries analysed, in the other 14 countries this was not the case, with the proportion varying between 7.5% (Haiti) and 84.2% (Dominican Republic) (Cecchini and Atuesta, 2017).

■ Figure V.3
Latin America and the Caribbean (20 countries): individuals in recipient households of CCTs, 2002-2017^a

(Percentages of the poor population)



Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.cepal.org/bpsnc/cct>; *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P), Santiago, 2018.

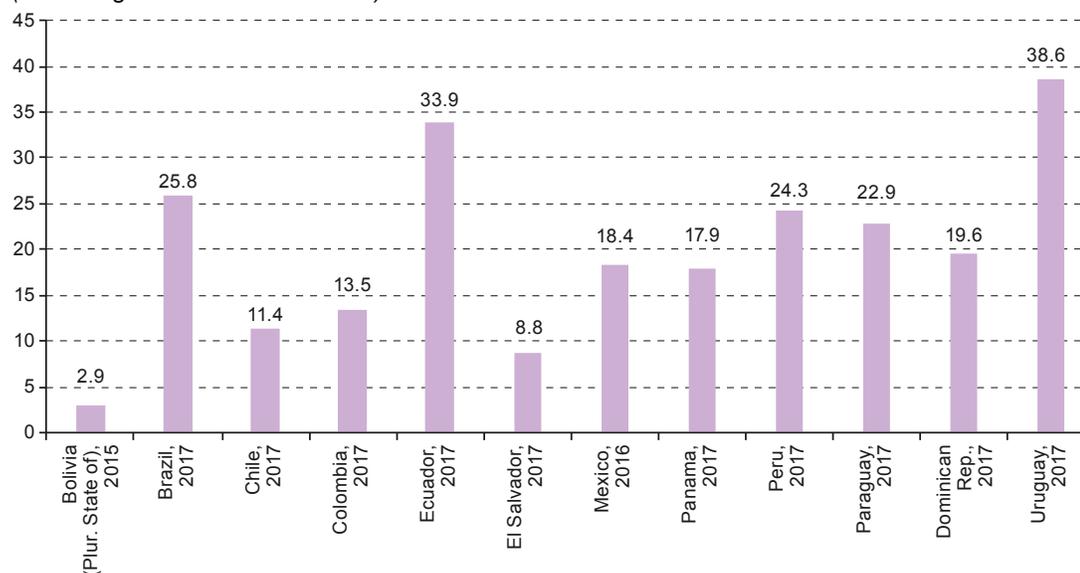
^a Does not take into account errors of inclusion (non-poor families that receive transfers) and exclusion (poor families that do not receive transfers).

In many countries, the monetary benefits provided under CCT programmes are small in relation both to the poverty line and to the income shortfall of those living in poverty (the gap between their autonomous income and the poverty line), which means that receiving the transfer is not enough by itself to lift these households out of poverty. Figure V.4 shows, for example, that the monthly per capita monetary transfer received by poor households varies from 2.9% (in the Plurinational State of Bolivia) to 38.6% (in Uruguay) of their income deficit. A consequence of this is that programmes tend to do more to reduce the severity and depth of poverty (which are more sensitive to changes in the lowest part of the income distribution) than to reduce poverty overall. The greatest achievements occur in countries where programmes are broader in scope and transfer amounts are larger, as in Argentina, Brazil and Uruguay (Cecchini, Villatoro and Mancero, 2019). Where both coverage and amounts are more modest, programmes have little appreciable effect, at least on the incidence of monetary poverty (Cecchini and Madariaga, 2011; Cruces and Gasparini, 2013; Veras, 2009)

Beyond the effect on monetary poverty, CCT programmes have also had positive impacts on access by the poor to school and health services. In education, the effects are seen in general in higher enrolment rates and better school attendance; in health, in higher coverage of growth monitoring for children, preventive check-ups and vaccinations. Positive impacts are also seen in learning outcomes and in the health and nutritional status of participating children, which depends, to a great extent on the quality and coverage of public health-care services (ECLAC, 2016d).

■ Figure V.4

Latin America (12 countries): monthly per capita amount of CCTs with respect to the income deficit of the poor population, on the basis of household surveys, around 2017^a
(Percentages of the income deficit)



Source: Prepared by the authors, on the basis of S. Cecchini, P. Villatoro and X. Mancero, “El impacto de las transferencias monetarias no contributivas sobre la pobreza en América Latina y el Caribe”, 2019, unpublished.

^a The indicator relates the amount of the average monthly per capita transfer received by households to the average per capita income gap of the poor measured by the poverty threshold of the Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the household income before transfers.

For example, in Colombia, participation in the Families in Action programme boosts the probability of completing secondary school by between 4 and 8 percentage points (Báez and Camacho, 2011) and raises standardized test scores in mathematics (García and others, 2012). In Mexico, the *Oportunidades* programme has helped to reduce gender gaps in secondary school enrolment, especially in rural areas (Parker, 2003), and to raise enrolment and progression rates among indigenous students (Escobar and González, 2002b and 2009). Rasella and others (2013) also found that Brazil’s *Bolsa Família* programme was a contributor to lowering mortality rates in children under age 5 by 17% between 2004 and 2009, thanks to its effect on poverty-rated causes of death, such as malnutrition and dysentery.

B. Social pensions and labour inclusion

Introduction

Social pensions are cash transfers provided by the State to older persons or persons with disabilities, and to others who have not been engaged with the formal labour market or have not contributed enough during their working life. They are intended to ensure coverage of basic needs through income transfer and, in some cases, to facilitate access to health services and food. Their provision is subject to age requirements, degree of disability and poverty status.²

In a region with high levels of informality and advanced population ageing, social pensions play a key role in providing basic income security for older persons and persons with disabilities, because they compensate for the limited coverage of contributory pensions and help to strengthen social protection floors (ECLAC, 2018). In other words, social pensions ensure a source of income for people who did not achieve full labour inclusion during their working life, whether because they worked in the informal sector of the economy, because their working trajectory was unstable or broken, because they face labour inclusion barriers owing to a disability, because they suffer a degree of disability that does not permit them to work or for other reasons.

This chapter briefly describes the history of these programmes in the region and analyses the data available on the effects of social pensions on the labour inclusion status of recipients and family members living with them. These non-contributory social protection programmes can have effects on decisions regarding labour market engagement, so consideration must be given to the information on possible incentives or disincentives to labour inclusion, of both the individuals receiving the transfers and their family members.

1. Trends in social pensions in Latin America and the Caribbean

Since the start of the new millennium, considerable growth has been seen in social pensions, whose number has more than doubled, from 15 in 2000 to 34 in 2017 (see figure I.1 and table IV.1). This is not only a function of greater fiscal resources generated during an economic boom —which enabled countries to address the limited coverage of contributory systems and the rapid population ageing— but also of social pressures for better protection for vulnerable populations and a political context in which the region's governments afforded priority to social development objectives and the consolidation of a rights-based agenda (Abramo, 2016; ECLAC, 2018; Oliveri, 2016; Rofman, Apella and Vezza, 2013).

However, social pensions are not a novelty in the region. In Latin America, the first non-contributory pensions for old age and disability were launched in Uruguay in 1919 and non-contributory pensions were later created in Argentina (1948), Brazil (1971), Costa Rica (1974) and Chile (1975) (Bertranou, Solorio and van Ginneken, 2002). Among the social pensions now in operation in the Caribbean, Guyana's dates from 1944 and those of the Bahamas and Bermuda from the 1960s.

According to data from administrative records inventoried for the Database of non-contributory social protection programmes in Latin America and the Caribbean of the Economic Commission for

² In some cases, recipients of social pensions are not selected by poverty status, but on the basis of a more universalist rationale (albeit with certain restrictions based on residence or nationality). The *Renta Dignidad* basic old-age pension in the Plurinational State of Bolivia and the food pension in Mexico City are two examples of pensions with a more universal rationale.

Latin America and the Caribbean (ECLAC),³ the coverage of social pensions in the region increased from 11.7% of those aged 60 and over in 2000 (5 million people) to 25.1% in 2017 (19.3 million).⁴ However, the uptrend was reversed in 2015, when coverage began to fall. In 2017, regional average public social spending on pensions for older persons represented 0.65% of GDP (see figure V.5).

■ **Table V.2**

Latin America and the Caribbean (26 countries): social pensions, 2017

| Country | Name | Starting year ^a |
|------------------------------------|--|----------------------------|
| Antigua and Barbuda | Old-age Assistance Programme | 1993 |
| | People's Benefit Programme | 2009 |
| Argentina | Non-contributory pension programme | 1948 |
| | Universal Pension for Older Adults | 2016 |
| Bahamas | Old-age Non-contributory Pension | 1972 |
| | Invalidity Assistance | 1972 |
| Barbados | Non-contributory Old-age Pension | 1982 |
| Belize | Non-contributory Pension Program | 2003 |
| Bermuda | Non-contributory Pension | 1970 |
| Bolivia (Plurinational State of) | <i>Renta Dignidad</i> Universal Old-age Pension | 2008 |
| | Solidarity Income programme | 2013 |
| Brazil | Continuous Benefit Programme | 1996 |
| | Rural Pension | 1993 |
| Chile | Basic Solidarity Pension | 2008 |
| Colombia | <i>Colombia Mayor</i> programme | 2012 |
| Costa Rica | Non-contributory Scheme for Basic Pensions | 1974 |
| Cuba | Social Assistance Regime | 1979 |
| Ecuador | Pension for Older Adults and Pension for Persons with Disabilities (Human Development Grant) | 2003 |
| El Salvador | <i>Nuestros Mayores Derechos</i> | 2011 |
| Guatemala | Older Adult Economic Contribution Programme | 2005 |
| Guyana | Old Age Pension | 1944 |
| Jamaica | Programme of Advancement through Health and Education (PATH) ^a | 2002 |
| Mexico | Older Adults Pension | 2007 |
| | Food pension for persons over age 68 residing in Mexico City | 2001 |
| Panama | Guardian Angel Programme | 2013 |
| | Special Cash Transfers Programme for Older Adults (120 at 65) | 2009 |
| Paraguay | Food pension for older adults living in poverty | 2009 |
| Peru | "Pension 65" National Solidarity Assistance Programme | 2011 |
| | National Programme of Non-contributory Pensions for Persons with Severe Disabilities Living in Poverty (CONTIGO) | 2017 |
| Saint Kitts and Nevis | Non-contributory Assistance Pension | 1998 |
| Saint Vincent and the Grenadines | Non-contributory Assistance Age Pension | 1998 |
| Trinidad and Tobago | Senior Citizens' Pension | 2001 |
| Uruguay | Non-contributory old-age and invalidity pensions | 1919 |
| Venezuela (Bolivarian Republic of) | <i>Gran Misión en Amor Mayor</i> | 2011 |

Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/sp>.

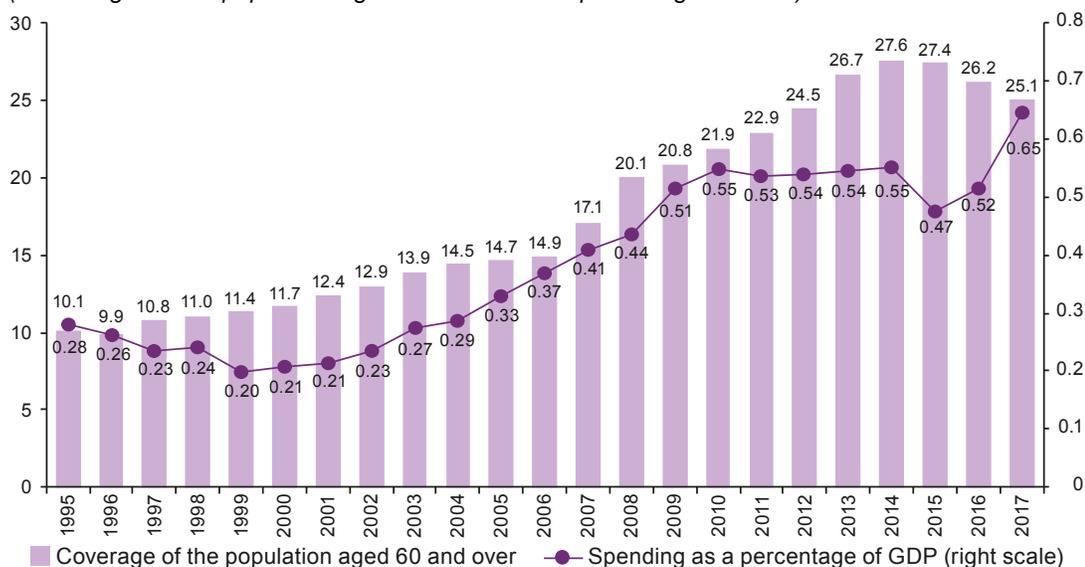
^a Older persons and persons with disabilities may be eligible for two of the four transfers provided under PATH: the health grant and the basic benefit.

³ See Economic Commission for Latin America and the Caribbean (ECLAC), Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/sp>.

⁴ According to data from household surveys in eight countries of the region (Chile, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru and Plurinational State of Bolivia), the weighted average figure of coverage for persons aged over 65 around 2015 was 40.4% (ECLAC, 2017).

Figure V.5

Latin America and the Caribbean (26 countries): social pensions coverage of the population aged 60 years and over and social public spending on social pensions for older persons, 1995-2017^a
 (Percentages of the population aged 60 and over and percentages of GDP)



Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/sp>.

^aThe countries are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Jamaica, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay.

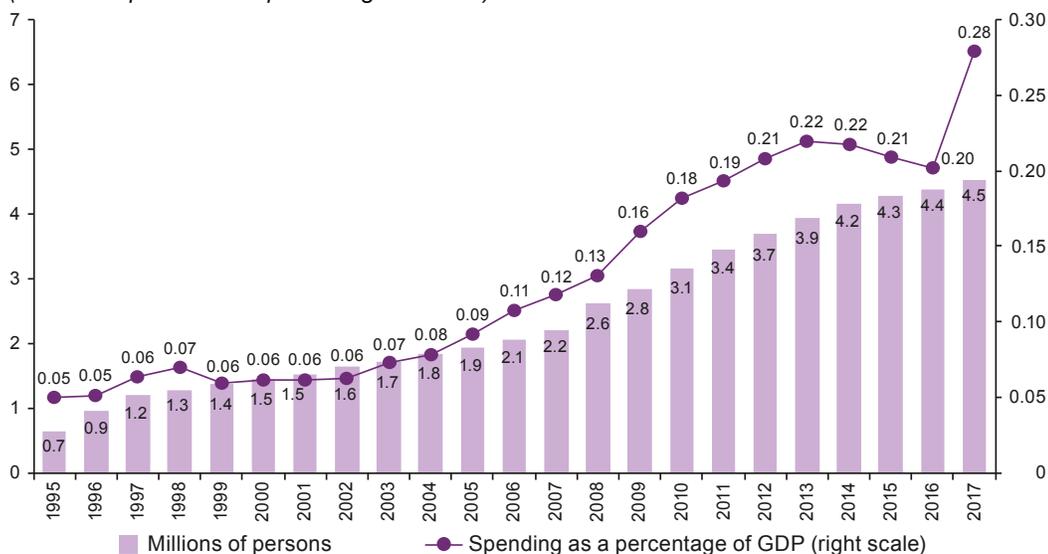
Social pensions coverage of persons with disabilities has grown steadily, having risen from 2.1% in 2000 (1.5 million people) to 6.4% in 2017 (4.5 million). In 2017, the regional average social public spending on pensions for persons with disabilities came to 0.28% of GDP (see figure V.6). Coverage and public spending is highly uneven among the countries of the region, however, both for older persons and for persons with disabilities.

In 2017, the social pensions with the most extensive coverage in absolute terms in the region were Brazil's Rural Pension and its Continuous Benefit Programme, which together covered 11.4 million older persons or persons with disabilities, and Mexico's Older Adults Pension, set up in 2007, which covered 5.1 million persons over the age of 65. These were followed by the *Colombia Mayor* programme, with 1.5 million recipients, the *Renta Dignidad* Universal Old-age Pension in the Plurinational State of Bolivia and the non-contributory pension programme in Argentina, with around 1 million each.

With respect to the institutional structure of social pensions currently in operation, although ministries of social development are the main bodies responsible for them, implementation falls mainly to social insurance and security institutions (see figure V.7).

■ **Figure V.6**

Latin America and the Caribbean (12 countries): social pensions coverage of persons with disabilities and public spending on social pensions for persons with disabilities, 1995-2017^a
(Millions of persons and percentages of GDP)

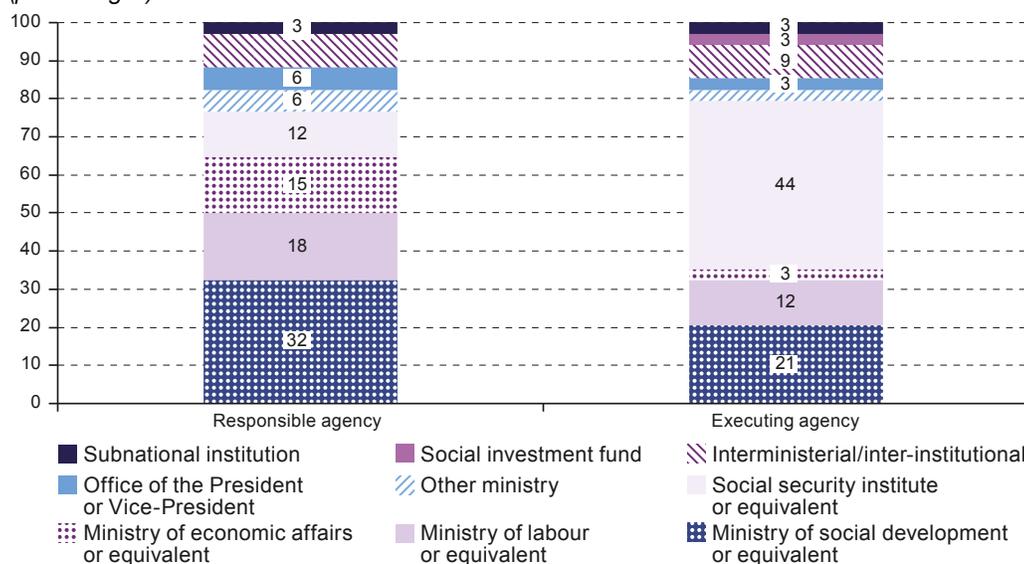


Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/sp>.

^a The countries are: Argentina, Barbados, Bermuda, Brazil, Chile, Costa Rica, Cuba, Ecuador, Panama, Peru, Saint Kitts and Nevis, and Uruguay.

■ **Figure V.7**

Latin America and the Caribbean (26 countries): institutional structure of social pensions in operation, by responsible and executing agency, 2017^a
(percentages)



Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/sp>.

^a The countries are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Jamaica, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, and Uruguay..

Ministries of social development are responsible for 32% of the social pensions analysed. An example is the Older Adults Pension in Ecuador, a monthly transfer of US\$ 50 run by the Ministry of Economic and Social Inclusion (MIES). Ministries of labour are responsible for 18% of the programmes under way (the *Colombia Mayor* programme, the Old Age Pension in Guyana and the Non-contributory Assistance Pension in Saint Kitts and Nevis, among others) and ministries of economic affairs are responsible for 15% (the Non-contributory Pension in Bermuda and the Non-contributory Assistance Age Pension in Saint Vincent and the Grenadines, among others).

With respect to execution, 44% of social pensions are provided through social security institutions, for example Renta Dignidad in the Plurinational State of Bolivia and the Continuous Benefit Programme and Rural Pension in Brazil. Ministries of social development implement 21% of social pensions, as in the case of the “Pension 65” National Solidarity Assistance Programme in Peru and the non-contributory pension programme in Argentina.

Of the 34 social pensions for old age, disability or both existing in 26 of the region’s countries, 15 (44%) offer benefits for both old age and disability, 14 (41%) only for old age and 5 (15%) only for disability.

Social pensions can also target other population groups. For example, Argentina’s non-contributory pension programme includes women with at least seven children and persons covered by special legislation, while the Cuba’s Social Assistance Regime offers coverage for women on unpaid leave to care for a child with illness or disability, orphans aged 17 who are studying, families who were financially reliant on a deceased worker, families of young people called up to military services who provided some or all of the family income, workers undergoing long-term treatments and pensioners with dependent family members.

Although the most common age for access to social pension schemes for older persons is 65, eligibility varies from age 54 (for women in the *Colombia Mayor* programme) to 75 (in the case of the Non-contributory Assistance Age Pension of Saint Vincent and the Grenadines). The age of eligibility for a pension is usually lower in the case of disability. In the Peru’s National Programme of Non-contributory Pensions for Persons with Severe Disabilities Living in Poverty (CONTIGO), pensions are available to those under 65, including children. The age of eligibility is 16 in the Bahamas and Saint Kitts and Nevis and 18 in Barbados and Bermuda. Under Chile’s Basic Solidarity Pension, eligibility for the old-age pension begins at 65, and for the disability pension at 18. The Continuous Benefit Programme has an eligibility age of 65 for old age, and no limit for persons with disabilities. Other common eligibility conditions in pensions for older persons and persons with disabilities include poverty or vulnerability (which is income-based or means tested) and place of residence. Pensions for persons with disabilities should ideally not have age limits and, in particular, should guarantee the well-being of children with disabilities. Cash transfers are necessary, for example, to cover the opportunity costs of care provided by family members of working age who are obliged to fully or partially forgo paid work in order to assist the person with disabilities.

Generally speaking, the monthly sums transferred under social pensions for older persons are the same as those for persons with disabilities. Exceptions include the Non-contributory Scheme for Basic Pensions in Costa Rica, where the amount of the disability pension exceeds the old-age pension. As well as monetary transfers, in some cases —such as the *Nuestros Mayores Derechos* programme in El Salvador and the “120 at 65” scheme in Panama— recipients also have access to health and nutrition services, literacy projects and cultural and recreational activities. The Social Assistance Regime of Cuba includes in-kind assistance, in the form of food and medicines.

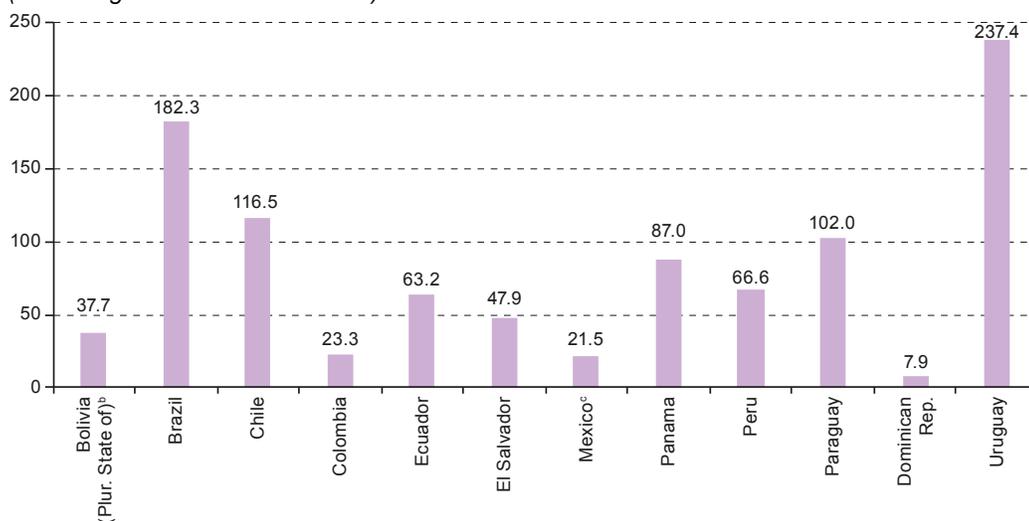
As set forth in *Social Panorama of Latin America, 2017* (ECLAC, 2018), the amounts involved in social pensions are much lower than payments provided under contributory pensions. For example, around 2015, social pensions represented between 12.1% and 38.5% of the respective national minimum wages and less than a quarter of contributory pensions in Ecuador, Mexico, Panama,

Paraguay, Peru and the Plurinational State of Bolivia, and less than 40% in Chile and Costa Rica. However, the amounts transferred are often more than those of CCT programmes and in several countries equal or exceed the income deficit of the poor population (Cecchini, Villatoro and Mancero, 2019) (see figure V.8).

Although the transfer amount may not always be enough, social pensions have been particularly important in providing some degree of income security for the most disadvantaged social groups.⁵ Unlike the situation with contributory pensions, the social pensions coverage is greater among women than men, among the poorest than those with most resources and among those in rural areas than those in urban areas (see figure V.9).

■ **Figure V.8**

Latin America (12 countries): monthly per capita amount of social pensions with respect to the income deficit of the poor population, on the basis of household surveys, 2017^a
(Percentages of the income deficit)



Source: Prepared by the authors, on the basis of S. Cecchini, P. Villatoro and X. Mancero, “El impacto de las transferencias monetarias no contributivas sobre la pobreza en América Latina y el Caribe”, 2019, unpublished.

^a The indicator relates the amount of the average monthly per capita transfer received by households to the average per capita income gap of the poor measured by the poverty threshold of the Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the household income before transfers.

^b Data refer to 2015.

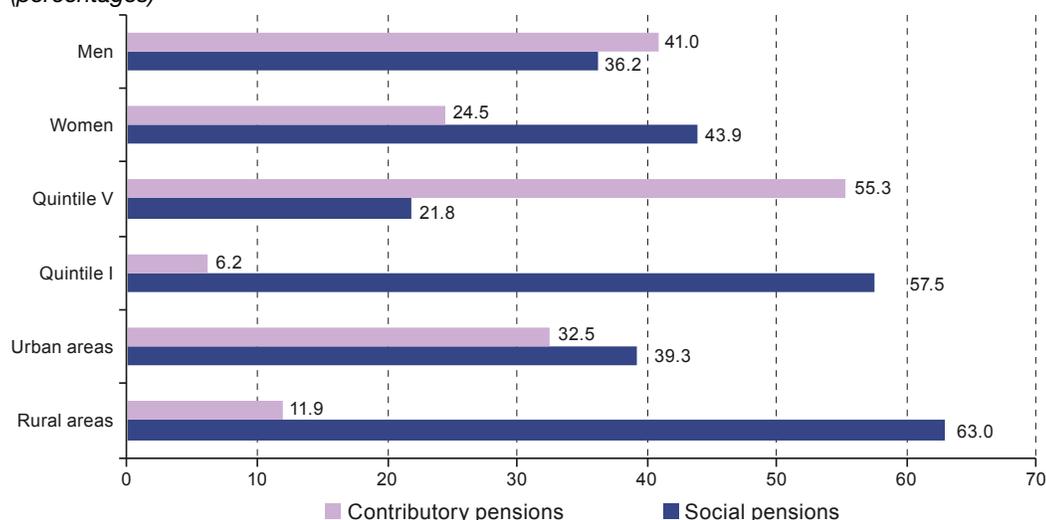
^c Data refer to 2016.

In view of the high female participation in the informal labour market and unpaid domestic and care work, the expansion of social pensions has been especially important for increasing the coverage of women, who have lower probabilities than men of receiving a contributory pension in old age and are more vulnerable to poverty (ECLAC, 2012, 2013 and 2018). For example, 56% of the 1.5 million older persons covered by the *Colombia Mayor* programme are women (Fedesarrollo/Fundación Saldarriaga Concha, 2015).

⁵ In the case of *Colombia Mayor*, 76% of recipients report that the pension covers some of their needs, while approximately 10% report that it covers most of their needs (DNP, 2016).

■ Gráfico V.9

Latin America (8 countries): receipt of contributory and non-contributory pensions among persons aged 65 or over, by sex, income quintile and area of residence, around 2015^a
(percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Social Panorama of Latin America, 2017 (LC/PUB.2018/1-P), Santiago, 2018.

^a Weighted average for Chile, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru and Plurinational State of Bolivia.

Social pensions have also enabled the expansion of social protection coverage to old age in rural areas and among indigenous peoples. For example, Brazil's Rural Pension covers around 90% of the rural population, although barely 5% of the rural employed population contributes to social security (Bosch, Melguizo and Pagés, 2013). In Paraguay, the Food pension for older adults living in poverty was extended in 2012 to all older persons belonging to an indigenous group, without the need for means-testing.

With regard to the impact on well-being and living standards, it has been found that the rise in income as a result of a social pension translates into higher spending and consumption, especially in food. According to Galiani, Gertler and Bando (2017), consumption by recipients of the "Pension 65" National Solidarity Assistance Programme in Peru rose by some 40%, mainly in foodstuffs (67%). Galiani, Gertler and Bando (2014) found that recipients of the Older Adults Pension in Mexico used 71% of their transfer to finance higher household consumption (54% of which went to food). In the case of the universal solidarity benefit "Bonosol" (the forerunner of *Renta Dignidad*) in the Plurinational State of Bolivia, Martinez (2004) found a consumption effect of over 1.5 times the amount of the transfer in rural areas, owing to increased purchases of agricultural inputs and livestock.

The positive effects of social pensions on well-being can also extend to the entire family group, which often includes working-age adults and children.⁶ Many older persons devote the income from the social pension to helping other family members and supporting consumption. This provides them with a sense of autonomy and "usefulness": by becoming a source of income again they cease to feel like a "burden" to other family members.

The information available also shows that social pensions make an important contribution, though an uneven one from one country to another, to poverty reduction among older persons and

⁶ Galiani, Gertler and Bando (2014) found that almost all those aged over 70 in rural areas of Mexico lived with their children and other relatives.

their families (Rossel and Filgueira, 2015; ECLAC, 2018).⁷ In the case of Chile, Joubert and Todd (2011) found, for example, that the introduction of the Basic Solidarity Pension led to a reduction in poverty in old age and an improvement in pension savings and income levels among women, which helped to reduce the gender gap in pension benefits. In some cases, social pensions have also helped to reduce inequality at the national level. This occurred in Brazil, where Medeiros, Britto and Veras-Soares (2008) found that the Continuous Benefit Programme produced a 7% reduction in the Gini coefficient between 1995 and 2004.

Non-contributory pensions can also benefit older persons in the health sphere. For example, Peru's "Pension 65" and Mexico's Older Adults Pension have been found to lead to improvements both in mental health, as shown by lower scores on the Geriatric Depression Scale (Galiani and Gertler, 2016; Galiani, Gertler and Bando, 2017), and in physical health and in the composition of the consumption basket, in terms of either quantity or variety of products (Escaffi, Andrade and Maguiña, 2014). Borrella-Mas, Bosch and Sartarelli (2016) also found an increase in the probability of spending on medicine upon receipt of the *Renta Dignidad* Universal Old-age Pension. Behrman and others (2011) suggest that, between 2006 and 2009, the transfers under the Basic Solidarity Pension in Chile also led to a rise in health spending and improvements in the health status reported by participants, by comparison with the control group, as well as lower alcohol consumption.

However, the possibility that the implementation of non-contributory pensions affects labour behaviour and saving by the working-age population given the expectation of receiving a social pension in the future gives grounds for concern. The argument is that workers could decide to contribute less to social security systems, knowing they can fall back on non-contributory regimes to finance their old age (Bosch, Melguizo and Pagés, 2013; Rofman and Oliveri, 2011). Although this discussion is still ongoing and there is insufficient evidence on the matter, evidently the risk of informalization would be especially high if the transfer received under a non-contributory regime came close to matching the amount received from a contributory pension which —as noted earlier— is not the case in the countries of the region (ECLAC, 2018).⁸

Be this as it may, programmes must be designed to avoid potential incentives to skip contributions to the contributory pillars. Pension systems need to be designed to create incentives to increase participation by those who have the capacity to contribute while offering social protection to those who do not (ECLAC, 2017). The provision of social pensions should also ideally be complemented with the creation and expansion of care services and support for persons with disabilities. This would contribute to the redistribution of unpaid work, increase women's participation in the labour market and help to reduce poverty and inequality (ECLAC, 2012).

There follows a review of the empirical information available on the relationship between social pensions and the following two factors: (i) labour and productive inclusion of older persons and the working-age household members who live with them, and (ii) child labour.

⁷ See Bertranou and Grushka (2002) for Argentina; Schwarzer and Querino (2002), Medeiros, Britto and Veras-Soares (2008) and Barrientos (2003) for Brazil; Behrman and others (2011), Joubert and Todd (2011), Ministry of Social Development Social (2017) for Chile; Durán-Valverde (2002) for Costa Rica; Martínez, Pérez and Tejerina (2015) for El Salvador; Galiani and Gertler (2016) for Peru; Martínez (2004), Escobar, Martínez and Mendizábal (2013), Hernani-Limarino and Mena (2015) and Borrella-Mas, Bosch and Sartarelli (2016) for the Plurinational State of Bolivia; Bertranou, Solorio and van Ginneken (2002) for Uruguay; and Dethier, Pestieau and Ali (2010) for 18 Latin American countries.

⁸ In the case of Brazil, Medeiros, Britto and Veras-Soares (2008) found no evidence that the Continuous Benefit Programme had led to lower social security contributions. On the basis of data from the national household survey (PNAD), they observed that between 1992 and 2005 the proportion of informal employed contributing to social security rose from 6% to 11% and contributions by independent workers living in households below the poverty line rose from 2% to 4.5%. Under the Constitution, the value of the transfer of the Continuous Benefit Programme corresponds to the minimum wage.

C. Labour and productive inclusion programmes

Introduction

Exclusion from the labour market and employment in low-productivity sectors —in poorly paid jobs that do not provide access to social protection— are an especially worrisome aspect of the cycle of reproduction of poverty and inequality. In recent years, the countries of the region have been introducing an increasing number of labour and productive inclusion programmes as it has become clear that cash transfers to families with children or older adults alone cannot break the vicious cycle of poverty and that not all working-age adults are equally at risk of unemployment or have the same opportunities for obtaining decent work, even during upswings in the business cycle (Rossel and Filgueira, 2015).⁹

This chapter presents an analysis of social programmes designed to promote the labour and productive inclusion of working-age young people and adults who are living in poverty or vulnerability, by providing them with links to the labour market and promoting autonomous forms of income generation and the development of productive activities.¹⁰ These programmes are generally executed by labour and social development ministries or implemented on an intersectoral basis (e.g. in conjunction with education ministries or national training institutes or services) (ECLAC/ILO, 2014). Their chief aim is to provide gateways to the labour market and to ensure that those gateways stay open by introducing measures that will help to improve working conditions and boost labour incomes. This is no small challenge, given the region’s shortcomings in terms of education and technical and vocational training, the scarcity of employment opportunities —especially in certain territories— and existing gender and ethnic/racial gaps and barriers (ECLAC/OAS/ILO, 2011; ECLAC, 2016a).

Labour and productive inclusion programmes are an explicit response to the pledge made in the 2030 Agenda for Sustainable Development to “leave no one behind” and specifically to target 8.3¹¹. of Sustainable Development Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), which characterizes decent work as one of the best routes out of poverty. These programmes should therefore focus on opening up access to types of employment that afford social protection in the formal labour market and to means of generating adequate levels of income both now and in the future (ECLAC, 2016b).

According to the information shown in table III.A1.1, which is drawn from the Database on Non-Contributory Social Protection Programmes in Latin America and the Caribbean, as of December 2017 there were 72 labour and productive inclusion programmes under way in 21 countries of the

⁹ Numerous programmes are also run by non-governmental organizations and private foundations, and policies that support family farming and economic solidarity initiatives play an important role, but a systematic compilation of information on all of these efforts exceeds the scope of this book. In addition, although some countries of the region have developed integrated rural or urban labour and productive inclusion strategies during the period under review, such as Brazil’s *Plan sem Miséria* (Brazil without Poverty Plan) (Campello, Falcão and Da Costa, 2015), this analysis focuses at the programme level, as these programmes are more widespread and their impact has been assessed.

¹⁰ In some cases, there are overlaps with programmes discussed in chapter II because some conditional cash transfer (CCT) programmes also provide labour and productive inclusion services directly to the members of their target groups. Examples include the Prospera programme in Mexico, the Programme of Support for Solidarity in Communities in El Salvador or Progressing with Solidarity in the Dominican Republic. Other CCT programmes include labour and productive inclusion initiatives as supplementary areas of action.

¹¹ Target 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”. The promotion of decent work as a core element of poverty eradication efforts did not figure as such in the Millennium Declaration of 2000 that gave rise to the Millennium Development Goals. But in 2003, the Director-General of the International Labour Organization presented a report at the ninety-first session of the International Labour Conference entitled “Working Out of Poverty” (ILO, 2003). Then, at the High-level Plenary Meeting of the General Assembly at its sixtieth session, that idea was echoed in the outcome document of the 2005 World Summit (World Summit, 2005) and, in 2008, it was incorporated into Millennium Development Goal 1 (Eradicate extreme poverty and hunger) as a new target (target 1B: full and productive employment and decent work for all, including women and young people), thereby giving voice to the internationally acknowledged fact that decent work is an essential factor in the eradication of poverty (Abramo, 2015; ECLAC, 2009).

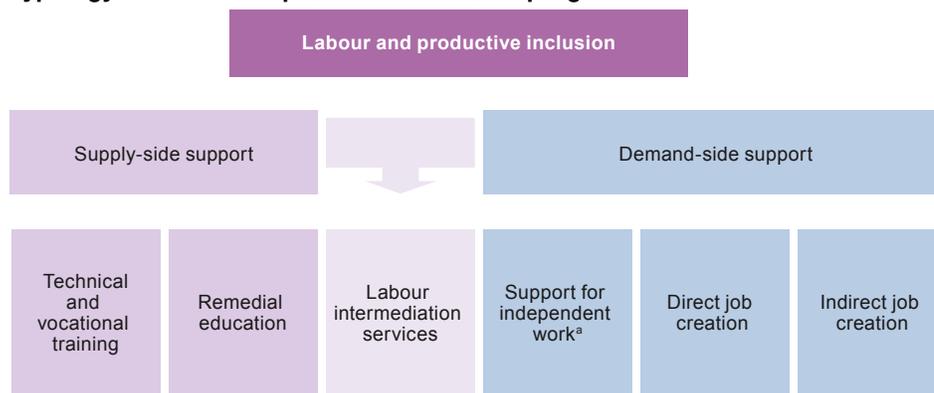
region.¹² Unlike the situation with regard to conditional cash transfer (CCT) programmes and social pensions, the number of participants in labour and productive inclusion programmes and the amount spent on them annually cannot be reliably estimated because the available data are insufficient.¹³

The actions pursued under by these programmes can be classified on the basis of the typology depicted in diagram V.1, with the first-order division being between supply-side and demand-side programmes. The former focus on technical and vocational training and remedial primary and, especially, secondary education courses for poor or at-risk adults. The latter concentrate on supporting independent forms of employment by providing microcredit, promoting self-employment and entrepreneurship and on promoting direct and indirect job creation.¹⁴ The linkage of supply and demand is then accomplished with the help of labour intermediation and placement services (ECLAC/OAS/ILO, 2011).¹⁵

Of the 72 programmes analysed, 30 focus on a single area while the other 42 encompass between two and five different types of actions. No programme covers all six of the spheres of activity included in the typology (see figure V.10). A majority of the programmes (47) deal with technical and vocational training, and 33 support independent forms of employment.¹⁶ Most of the countries in the region are working to provide programmes that meet the specific needs of population groups that are faced with a variety of entry barriers to the labour market, such as women and female heads of household, rural and urban groups, persons with disabilities and others.

■ **Diagram V.1**

Typology of labour and productive inclusion programmes



Source: Economic Commission for Latin America and the Caribbean/International Labour Organization (ECLAC/ILO), “Conditional transfer programmes and the labour market”, *Employment Situation in Latin America and the Caribbean*, No. 10 (LC/L.3815), Santiago, 2014.

^a The support provided for independent work often includes training, which is a supply-side measure.

¹² Although an effort is made to ensure that the database (see [online] <https://dds.cepal.org/bpsnc/lpi>) is as complete as possible, there may be other programmes, particularly subnational programmes, that have not been included. This chapter is based on the information that was available as of December 2017. Any changes that were made in the programmes and institutions working in this area after that date are not covered.

¹³ In a recent ECLAC study (2019) on six countries of the region (Argentina, Chile, Colombia, Costa Rica, Mexico and Uruguay), it was estimated that average public expenditure on labour market policies amounted to 0.45% of GDP in 2016. The programmes covered by that estimate were not all necessarily serving poor and at-risk sectors of the population, and some of them were “passive” policies, such as unemployment insurance.

¹⁴ The category of support for independent forms of employment can also include credit assistance programmes for family farms (e.g. Brazil’s National Programme for Strengthening Family Farming (PRONAF)) or public procurement programmes designed to achieve the same end (e.g. Brazil’s Food Purchasing Programme). These initiatives have made a valuable contribution to income generation and to the development of the rural production sector.

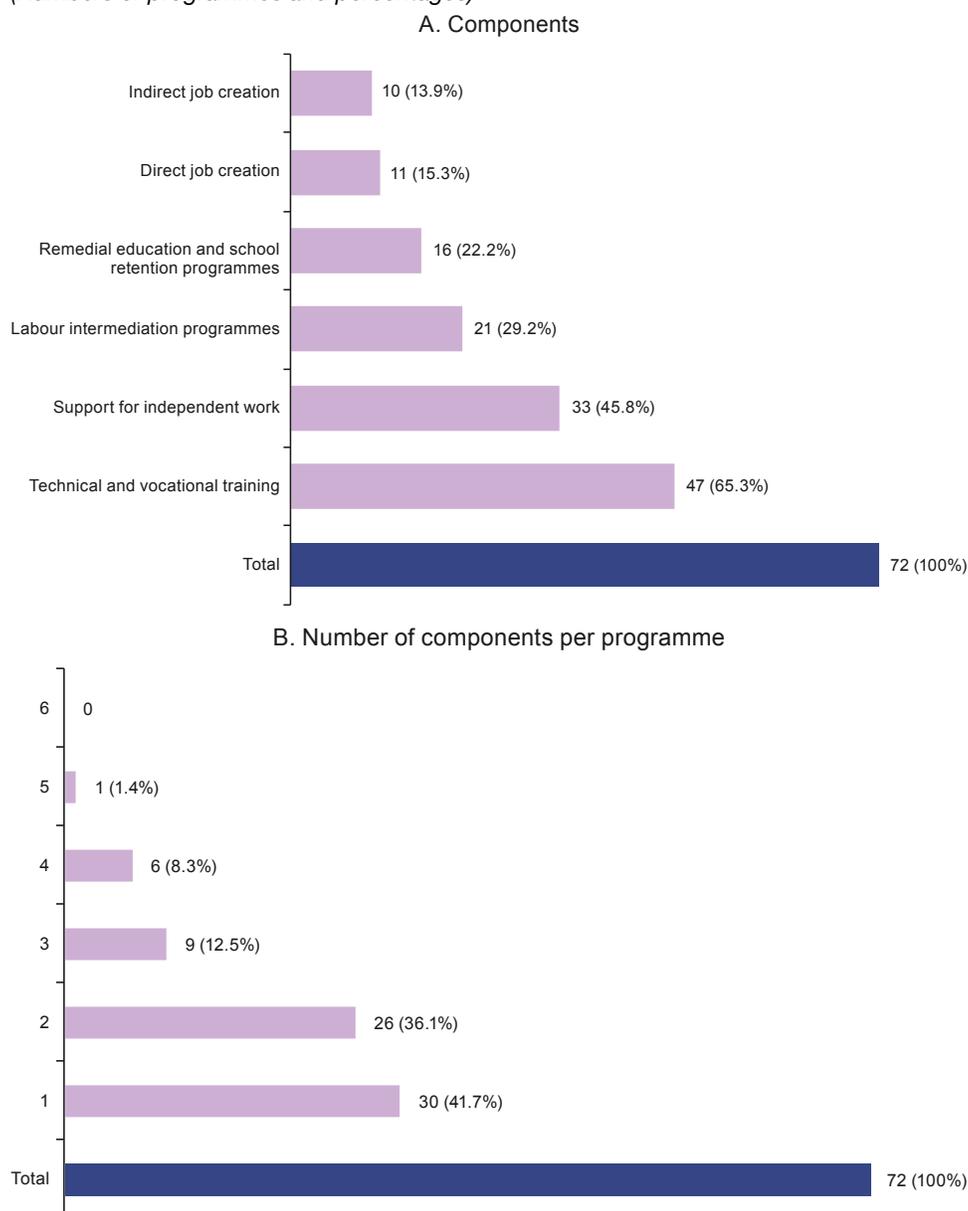
¹⁵ Labour intermediation services include labour market information systems. This information is not always available, however, because there are multiple providers and because integrated labour information systems are not always in place (Gontero and Zambrano, 2018).

¹⁶ Given the slack demand for workers in the formal sector of the economy, in addition to skills-building for employment within corporate structures, training courses also often provide training in the skills needed to work independently as another option for productive inclusion.

■ **Figure V.10**

Latin America and the Caribbean (21 countries): components of labour and productive inclusion programmes, 2017^a

(Numbers of programmes and percentages)



Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.ECLAC.org/bpsnc/lpi>.

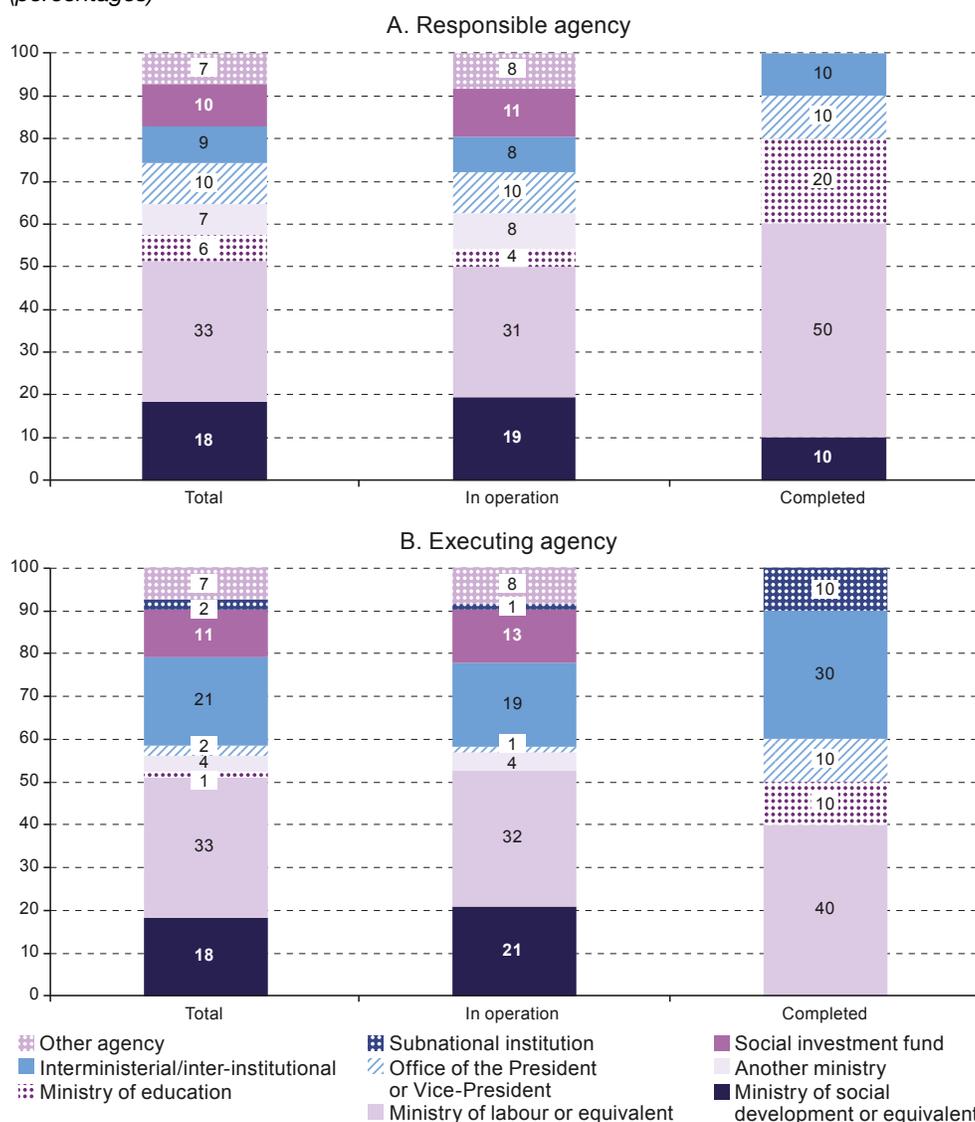
^a Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

As for the institutional framework for labour and productive inclusion programmes (see figure V.11), labour ministries are usually both the responsible and executing agencies, but social development ministries are increasingly involved in the implementation of these initiatives. Currently, labour ministries, secretariats or departments are the responsible agency for 31% of the programmes currently under way and are the executing agency for 32%; examples include the More and Better Work for Young People programme in Argentina and Mexico's Employment Support Programme.

Social development ministries are the responsible agency for 19% of labour and productive inclusion programmes —including the Human Development Credit initiative in Ecuador, Youths with *Prospera* of Mexico and the “Uruguay Works” programme— while 11% are run by social investment funds —such as the Economic and Social Assistance Fund (FAES) of Haiti and Chile’s Solidarity and Social Investment Fund (FOSIS), which is in charge of four programmes. Another 8% are run by other types of institutions —e.g. the Foundation for Women’s Promotion and Development (PRODEMU) in Chile and the National Apprenticeship Service (SENA) in Colombia. Presidential or vice-presidential offices are the responsible agency for another 10% of the ongoing programmes (e.g. the *Jóvenes con Todo* of El Salvador and the *Gran Misión Saber y Trabajo* of the Bolivarian Republic of Venezuela).

■ **Figure V.11**

Latin America and the Caribbean (21 countries): institutional structure of labour and productive inclusion programmes, responsible and executing agencies, 2000–2017^a
(percentages)

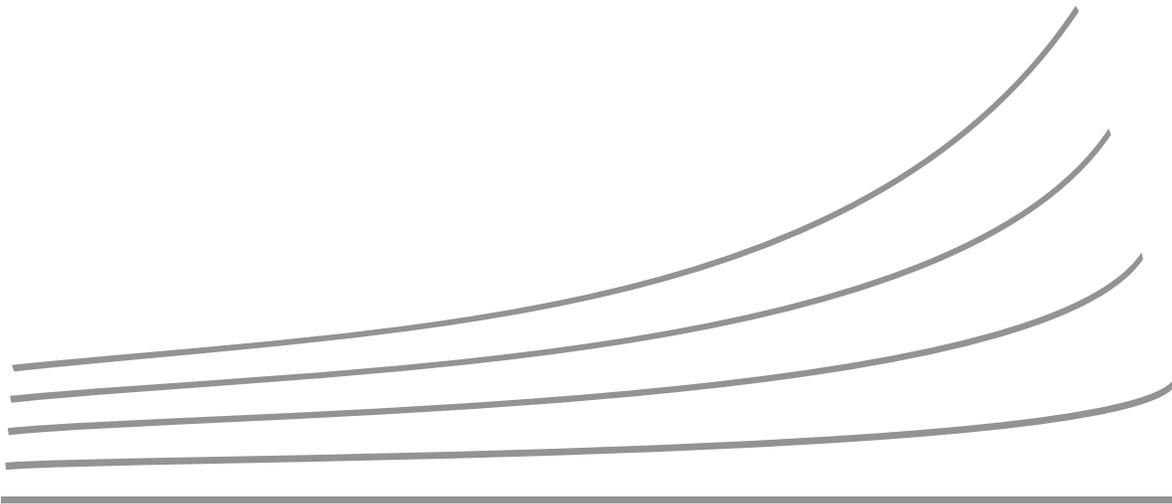


Source: Prepared by the authors, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), Non-contributory Social Protection Programmes in Latin America and the Caribbean Database [online] <https://dds.ECLAC.org/bpsnc/lpi>.

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

Ministries of social development or their equivalent also play an important role in the implementation of labour and productive inclusion programmes, as they are in charge of 21% of these initiatives, including the National Programme for the Promotion of Access to the World of Work (*Acessuas Trabalho*) and the National Youth Inclusion Programme (*ProJovem*) in Brazil and *Tenonderã* in Paraguay, while 19% of these programmes are run jointly by two or more agencies or ministries, as in the case of the National Programme for Access to Technical Education and Employment (PRONATEC) in Brazil, the Godfather Entrepreneur Programme of Panama and the *Gran Misión Ribas* in the Bolivarian Republic of Venezuela. Social investment funds execute 13% of these programmes, as in the case of Solidarity in Communities of El Salvador, which is run by the Social Investment Fund for Local Development (FISDL), and the rural income diversification and food security programme *Haku Wiñay/Noa Jayatai*, which is run by the Cooperation for Social Development Fund (FONCODES) of Peru.¹⁷

¹⁷ For more detailed information on the lead and executing agencies for ongoing and completed labour and productive inclusion programmes, see table III.A1.7 in the annex.



Chapter VI

Decent work and labor market regulation

Source:

Part I. L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44622/1/S1900004_en.pdf

Part II. R. Martínez (editor, 2019), *Institutional frameworks for social policy in Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44170/7/S1900423_en.pdf

Introduction

As ECLAC has previously stated, employment is the key to equality, personal development and economic growth. Productive, good quality jobs and decent work are central elements for inclusive social development and a vital mechanism for forging autonomy, personal dignity and the exercise of citizenship. Labour market regulation —which refers to the protection of workers’ individual and collective rights— plays a central role in promoting decent work. However, in a region where employment in the formal sector is scarce and the difficulties in increasing its availability are numerous and deep-seated, labour market regulation is an area that has not been fully explored in discussions of social protection.

Chapter VI underscores the importance of decent work as a response to the challenges of poverty and exclusion, and it analyses the institutional framework for labour regulation as a component of social protection.¹

¹ In connection with this issue, see also section I.B, on labour market regulation, in issue No. 5 of this digital collection, J. Weller (comp.) “Empleo en América Latina y el Caribe: textos seleccionados 2006–2017”, Select pages of ECLAC (LC/M.2017/4), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), November 2017.

Part I L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean*; A, pp. 24-28.

A. Decent work as a response to the challenges of poverty and exclusion

In addition to being the main driver for poverty eradication and for the creation, exacerbation or mitigation of inequality, work is a fundamental mechanism for building autonomy and identity, upholding dignity and expanding the scope of citizen action; it is also the main avenue for social and economic integration (ECLAC, 2010, 2012a and 2014). On the one hand, the centrality of work lies in the fact that it generates the lion's share of household income. According to ECLAC estimates for 18 Latin American countries around 2017, earnings from work accounted for 72% of total household income and 64% of total household income in the first income quintile (ECLAC, 2019).

Events and trends in the labour market and, in particular, in labour income levels will therefore have a strong impact on total household incomes and, hence, on living conditions. On the other hand, the labour market creates and exacerbates types of inequalities that are not solely related to income. For example, asymmetries associated with gender, race, ethnicity and area of residence are extremely influential in terms of gaining access to different types of occupations and jobs and of achieving success in them (ECLAC, 2014 and 2016b).

Not just any type of paid work provides a path to the elimination of poverty and the reduction of inequality, and this is reflected in the way that the eighth Sustainable Development Goal is formulated. For much of Latin America's population, paid work is no guarantee that workers will be able to escape poverty or extreme poverty given the conditions under which that work is performed. ECLAC (2018a) calculations for the period around 2016 indicate that 21.8% of working persons in Latin America were living in poverty and 6.4% were living in extreme poverty. What is needed, therefore, is not just work of any kind but decent work: work for which a person is paid a suitable wage, and which is performed under conditions of human dignity, liberty, equity and security.

Public policies focusing on the promotion of decent work are aimed at creating productive employment of good quality, upholding labour rights, expanding the scope of social protection and strengthening social dialogue, with equality —and especially gender equality— being the touchstone for this entire effort. The idea is not simply to create jobs and combat unemployment but to go further than that by putting an end to types of work that yield insufficient income or that are unhealthful, dangerous, unsafe or degrading: work that does not enable workers and their families to escape poverty and that therefore helps to perpetuate social exclusion and inequality. Thus, the progressive formalization of work needs to be coupled with an expansion of social protection and full respect for labour rights, including the rights of representation, association, union organization and collective bargaining. There are types of employment and work —such as child labour and all forms of forced, compulsory and degrading work— that are simply unacceptable and should be abolished (Abramo, 2015).

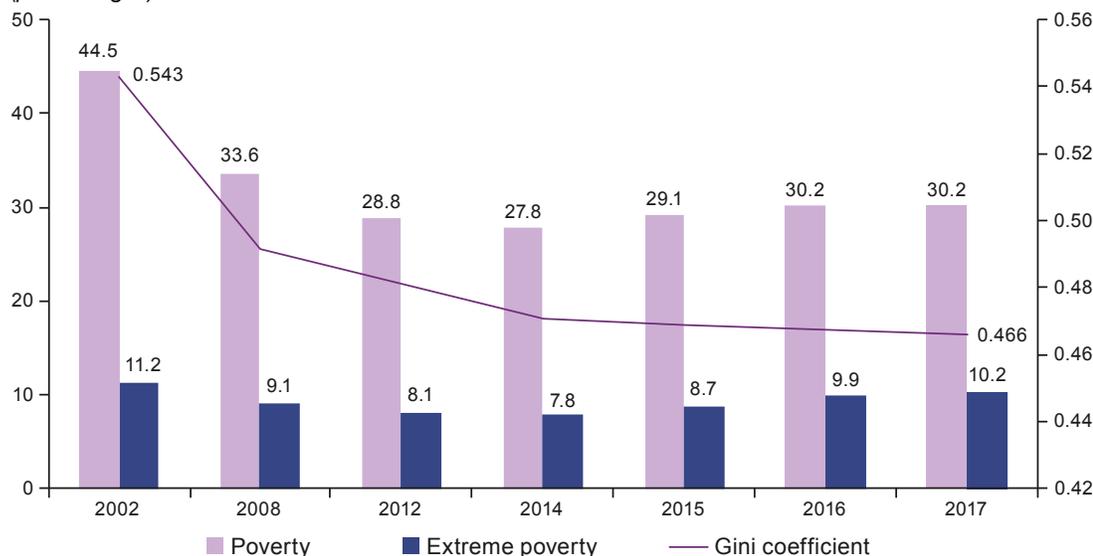
In Latin America, poverty and income inequality declined between 2002 and 2014 (see figure VI.1). The economic growth and job creation driven by booming commodity prices were not the only factors that made this possible. The political context was another driver. The governments of the region placed a high priority on social development objectives, increased public social investment (thanks to the increase in public revenues) and promoted public policies designed to expand the reach of social protection schemes with the hope of one day achieving universal coverage, together with proactive redistributive and inclusive social and labour policies.

Trends in the labour market were also positive. This is reflected in a number of different indicators, such as the drop in the unemployment rate (although this did not close the gaps between the youth population or women and the rest of the workforce), a narrowing of the differential between

the labour force participation rates of women and men, an increase in the percentage of wage employment, a decrease in the relative level of employment in low-productivity sectors, a rise in labour income in real terms (especially in the case of women),¹ a reduction in labour income dispersion and an expansion of the coverage of social protection systems (Abramo, 2016).

■ **Figure VI.1**

Latin America: extreme poverty, poverty and Gini coefficients, 2002–2017^a
(percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago, 2019.

^a On the basis of data for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The figures given for extreme poverty and poverty (based on income levels as estimated by ECLAC) are weighted averages. The Gini coefficients are simple averages.

Various types of labour policies contributed to the reduction in poverty and inequality. Special simplified schemes, tax deductions and, in some countries, stepped-up labour inspections were used to promote labour market formalization. The institutional structure was also strengthened as improvements were made in the administration of labour regulations (with a leading role being played by labour ministries), the minimum wage scale, collective bargaining arrangements and social dialogue. In an effort to bring more young people into the workforce, some countries introduced special first-job and vocational training policies. Policies and initiatives have also been put in place to promote employment and improve working conditions for women, combat gender-based and ethnically or racially based discrimination in the workplace and promote the employment of persons with disabilities.²

A number of countries took steps to provide greater social protection to workers of both sexes and to promote their labour rights, which led to an expansion of the percentage of the population covered by unemployment insurance in the event of illness or accidents and the right to an end-of-year bonus, paid time off and severance pay. Progress was also made in lengthening maternity leave and introducing or extending paternity and parental leave (ECLAC, 2016a, 2016b and 2016d; ECLAC/

¹ While labour income did rise in real terms, the average level of such income for women (4.1 times the poverty line around 2013) continues to be significantly lower than it is for men (5.6 times the poverty line around 2013) (ECLAC, 2016b).

² Argentina (Act No. 25.698 of 2003), Chile (Act No. 21.015 of 2017), Costa Rica (Act No. 8862 of 2010) and Uruguay (Act No. 18.844 of 2010) have passed laws establishing mandatory quotas for the employment of persons with disabilities either in the public or the private sector.

ILO, 2016b; Filgueira, 2015). In addition, inroads were made in the field of education, with the region moving closer to achieving universal primary education coverage, increased enrolment in secondary and higher educational institutions and the adoption by some countries of inclusive policies aimed at extending enrolment in technical, vocational and tertiary institutions to include more of those who have historically been excluded from such opportunities, such as young people and adults from low-income households, indigenous peoples and persons of African descent (Abramo, 2016). Skill-building is a particularly effective means of integrating people into better forms of employment and of ensuring that new generations acquire the capabilities and expertise that will be in demand in the labour market of the future (ECLAC, 2017a).

In the past few years, however, poverty and extreme poverty levels have begun to climb again in the regionwide figures. This is primarily a reflection of a deterioration of the situation in the Bolivarian Republic of Venezuela and Brazil, however, as poverty and extreme poverty continued to decline in most of the countries (ECLAC, 2018a). The region also suffered a setback on the labour front, as its GDP shrank in both 2015 and 2016. For example, the regionwide open urban unemployment rate rose from 6.9% in 2014 to 9.3% in 2017 and 2018. The sharpest increase in unemployment was seen in Brazil, where the rate for the country's 20 metropolitan areas jumped from 7.8% in 2014 to 14.2% in 2018 (ECLAC, 2018b).³ The rate of reduction in income inequality has also slowed, with 2017 levels standing at much the same point as they had in 2014.

The creation of decent jobs thus remains a formidable structural challenge for Latin America and the Caribbean, and making progress towards taking up that challenge by reducing poverty and improving labour market indicators becomes all the more difficult in the current slow-growth conditions (the region's GDP growth for 2018 is estimated at 1.2%) (ECLAC, 2018b). This state of affairs raises concerns about the sustainability of the inroads achieved up to the middle of this decade and directs attention, once again, towards low-productivity workers and those who face the greatest barriers to entry into decent forms of work owing to structural inequalities in the labour market, such as young people —especially young women— who are in neither employment or education (ECLAC, 2019).

Initiatives and strategies are therefore needed to ensure that the most disadvantaged sectors of the population are covered by the various social policies and programmes that are in place and to ensure that those policies and programmes encompass the diversity of the sectors of the population (in terms of sex, age, ethnicity or racial identity, disability, geographical location and other aspects) whose integration into formal employment they are seeking to promote. This —together with the implementation of macroeconomic, productive and sectoral policies that will help to spur quality job creation (ECLAC, 2016a and 2016b)— is what will put the region's populations on a sustainable path that will lead them out of poverty and away from inequality. Promoting decent work for the unemployed and for wage earners and self-employed persons —both men and women and both urban and rural residents— remains a key tool for putting an end to poverty and reducing inequality (ECLAC, 2016d).

³ *The Preliminary Overview of the Economies of Latin America and the Caribbean, 2017* (ECLAC, 2018b) does not give an unemployment rate for the Bolivarian Republic of Venezuela.

B. Labour market regulation and social protection: institutional challenges*

Introduction⁴

This chapter analyses the institutional framework of labour regulations as a component of social protection —in other words as the set of rules and actions designed to protect decent work and enable social protection to be provided for workers and their dependants.

It starts by discussing the role of labour regulations and the proposals and measures aimed at making the region's labour markets more flexible (through the deregulation of the 1980s and 1990s); and it also considers their negative effects on job quality and the increasing lack of protection and rising poverty. This has enhanced the perceived value of labour regulations as components of social protection, and the design of active policies to improve the functioning of labour markets and strengthen productive participation in them.

The second section analyses the scope of the relationship between labour regulations as components of social protection. The third part puts forward an analytical proposal based on the role played by labour standards in protecting workers against a set of risks that arise during the life cycle —in the pre-active phase, during workforce participation and in old age. Specific labour regulations are identified for each stage and each risk identified.

1. Labour regulations and flexibility in Latin America⁵

Labour market regulations, and compliance with them, are decisive for enabling labour relations to develop under conditions of freedom, equality, security and human dignity. These are the attributes on which the ILO bases its definition of decent work; and they serve as a reference for establishing international standards in this area.

In recent decades, the role and effectiveness of such regulations has been questioned in the region —particularly in the 1990s, in the belief that economic liberalization processes undertaken to facilitate international financial flows and goods and services trade presupposed greater wage flexibility and labour mobility (World Bank, 1995).

* Author: Mario Velásquez.

⁴ This chapter is based on the document *Regulación del mercado de trabajo y protección social en países de América Latina*, authored by Mario Velásquez with collaboration from Fabiana Pierre and Matías Salces, Research Assistants in the Social Development Division of ECLAC (see Velásquez, 2016).

⁵ This study only refers to paid employment and its regulations. Unpaid work —in other words, the production of goods and services by household members, for which there is no market valuation but which contributes to family and social welfare— is excluded from the analysis. Some of these activities are related to the family's own needs, such as caring for children and adults, cooking, gardening and maintaining the home, or caring for other people, such as friends who are visiting or relatives who live outside the home.

In order to help countries restructure and adjust as they opened up to greater competition and integrated deeper into the global economy, it was considered necessary to amend regulations on individual and collective labour relations, as well as those governing the social contributions and other taxes levied on wages. These were thought to produce negative effects by favouring individuals with good jobs at the expense of the unemployed and workers in the informal economy. Labour market flexibility was seen as a key factor for the success of reforms that aimed to foster growth in the region.⁶

Vega Ruiz (2005) found that 11 out of 17 Latin American countries analysed had implemented labour reforms that enhanced flexibility between 1990 and 2005. The most profound reforms were undertaken in Argentina and Peru; and four other countries (Brazil, Colombia, Ecuador and Panama) also made significant, but less wide-ranging, changes. Five other countries (the Bolivarian Republic of Venezuela, Chile,⁷ the Dominican Republic, Guatemala and Nicaragua) introduced reforms on a smaller scale.

The reforms were complemented by changes in contributory social protection policies. One of the areas prioritized under this approach was the pensions system (see chapter IV), in which the World Bank encouraged privatization and the creation of a multi-pillar system that would include a compulsory savings-plan component, financed entirely by contributors and managed by private firms (World Bank, 1994). The expectation was that this type of system would encourage economic growth and development of the capital and investment markets. This, in turn, would boost productive employment, which was seen a *sine qua non* for the development of contributory social security systems.

Fraile (2009) argues that socio-labour policies of this type seldom produced the expected results. More flexible labour markets, the decentralization of collective bargaining, the privatization of pensions and the growing importance of the market in the provision of social welfare, often spawned greater informality and inequalities and undermined social protection, without stimulating employment.

The behaviour of the labour market did not improve significantly after the reforms, so the expectation that liberalization would increase the demand for labour was not fulfilled (Berg, Ernst and Auer, 2006). Moreover, labour instability increased in the region during the 1990s, as the average time spent in a job dropped to 7.6 years by the end of the decade, compared to 10.5 years in the countries of the Organization for Economic Cooperation and Development (OECD) (Tokman, 2007).

Wages were also highly flexible in Latin America between 1980 and 2000; and their share in gross domestic product (GDP) fell by 13 percentage points between 1990 and 2005 across the region as a whole (IILS, 2008).

The open unemployment rate fluctuated, albeit around a rising trend, especially after the economic crises that were a periodic feature of the second half of the 1990s. The main problem was the poor quality of the jobs created. Between 1990 and 2003, six out of ten employed persons worked in the informal economy; and only five out of ten new employees paid social security contributions (ILO, 2004). Thus, the labour flexibility measures did not seem to be effective in reducing informality.

When considering labour market trends, it was not surprising that the privatization of pension systems failed to expand social-security coverage as anticipated. By 2002, coverage, measured as the percentage of the labour force that were active contributors, had declined in the 12 Latin American countries that had started to renew their pension systems in the 1980s (Mesa-Lago, 2004). This experience also showed that precarious and unstable employment jeopardize workers' ability to accumulate sufficient contributions to qualify for a minimum pension at retirement.

⁶ See Lora and Pagés (1997); Edwards and Lustig (1997); Heckman and Pagés (2000 and 2004); Kuczynski and Williamson (2003); Singh and others (2005), cited by Fraile (2009).

⁷ In Chile, the changes were made before the period covered by the cited study, in particular through the *Plan Laboral* of 1979. Since 1990, democratic governments have gradually changed some of the latter's provisions.

By the end of the period reviewed, scant progress had been made in reducing poverty and income inequality in Latin America. Poverty retreated from 48.3% in 1990 to 44% in 2002, but was still above 40.5% in 1980. In absolute terms, however, the number of people living below the poverty line had grown by 120 million since 1980 (ECLAC, 2009). Meanwhile, income inequality intensified in the 1990s, when it was well above the international average.

The experience described above highlights the importance of labour regulations as a fundamental component of social protection. In fact, the deregulation of labour standards as a way to increase labour market flexibility fostered the spread of precarious jobs. This affected the potential for increasing productivity associated with stable occupations and decent working conditions; and it contributed to lower levels of social protection for workers and their dependants.

Labour flexibility has two dimensions: (i) the labour market; and (ii) labour as a factor of production (Amadeo and Camargo, 1993). The first can be seen as the ability of the economy or the labour market to return to an optimal equilibrium following an exogenous shock or changes in conditions. It thus reflects the ease with which firms can adjust staffing levels, or how easily workers to move from one segment of the market to another (external flexibility). It also refers to the adaptation of work organization (internal flexibility), which includes the ability to perform various tasks, the adjustment of pay and the redistribution of working hours, among other factors. The second dimension, in contrast, refers to the adaptability of the workers themselves, which depends on the suitability of their human capital and potential for productivity growth.

The types of flexibility indicated have significant interdependencies that need to be considered. For example, in economies that have highly flexible wage and employment arrangements, time-limited employment contracts tend to predominate, unemployment is more frequent, and wages tend to vary widely over the cycle —all of which undermines job security and erodes job quality. Conversely, long-term employment contracts contribute to productivity growth, either through promotion incentives and good working conditions, or else through performance-based pecuniary incentives, supported by training opportunities.

The foregoing discussion leads to two main conclusions. The first is that there is an optimal desirable level of flexibility, which is certainly less than the maximum possible. Experience is eloquent in this regard. Secondly, the optimal level of flexibilities requires a framework of labour regulations that help labour markets function efficiently and promote decent work. Striking this balance requires labour regulations that can protect the economic and social rights of workers when dealing with change. This would ensure access to social protection against the risks faced by the worker, both in active life and afterwards, which would also benefit his/her dependants before they themselves enter labour markets.

2. Labour market regulations and social protection

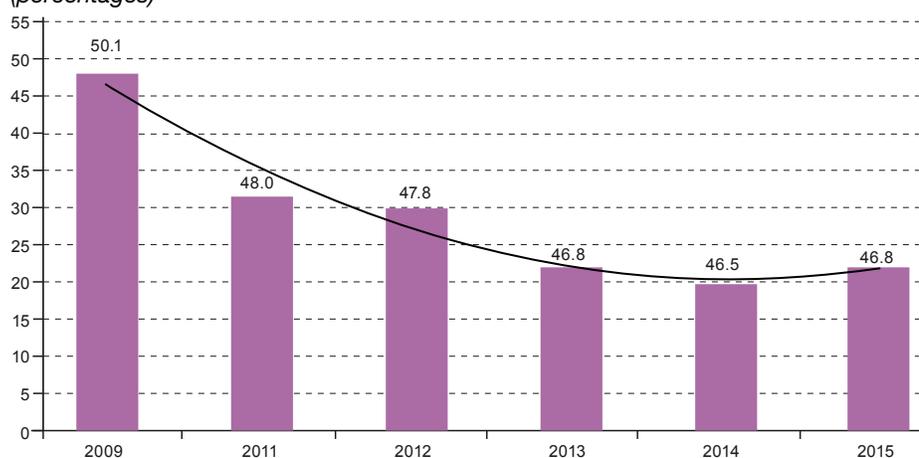
Social protection seeks to guarantee an income that makes it possible to maintain a minimum quality of life, access social and social promotion services, and to universalize decent work. According to Cecchini and Martínez (2011), three main components are needed to achieve these objectives: (i) non-contributory social protection (social assistance); (ii) contributory social protection (social security); and (iii) labour market regulation. The latter is understood as the set of regulations and standards that aim to promote and protect decent work.

If labour market regulations are viewed as forming a component of social protection, the protection of workers' individual and collective rights can become a critical element in reducing and mitigating the risks associated with the lack of decent work (Barrientos and Hulme, 2008). This scarcity is characteristic of the region, and contributory and non-contributory social protection policies seek to resolve it.

Nonetheless, labour market regulations in Latin America cover only part of the working-age population, since informal employment is widespread and affects just under half of the population of non-agricultural workers, as illustrated in figure VI.2.⁸ This constitutes a structural barrier to the effective application of labour standards in the region and the scope of the protection derived from them.

■ **Figure VI.2**

Latin America (14 countries): non-agricultural informal employment, 2009 and 2011-2015
(percentages)



Source: International Labour Organization (ILO), 2016 Labour Review. Latin America and the Caribbean, Lima, ILO Regional Office for Latin America and the Caribbean, 2016.

⁸ The report (ILO, 2014) refers to informal non-agricultural employment, which has specific features that need to be analysed in detail. In *Measuring Informality: A statistical manual on the informal sector and informal employment, 2013*, the ILO states: "Many countries exclude agricultural and related activities (ISIC, rev. 4, Section A; see UN, 2008c) from the scope of statistics on the informal sector, but some include them. The 15th ICLS resolution recognized that, from a conceptual standpoint, agricultural and related activities would be included in the scope of the informal sector if they are carried out by household unincorporated enterprises and if they meet the criteria of the informal sector definition. For practical data collection purposes, however, the 15th ICLS resolution (ILO, 1993a, paragraphs 16 and 20) provided the option to exclude agricultural and related activities from the scope of informal sector surveys and to measure them separately. The reasoning was that many developing countries have a large agricultural sector, mainly composed of small, unregistered household unincorporated enterprises, and that the inclusion of such enterprises in informal sector surveys would lead to a considerable expansion of survey operations and increase in costs. Moreover, many national statistical offices already have an established system of agricultural surveys whose coverage includes (or can be extended to include) household unincorporated enterprises engaged in agricultural and related activities. In terms of concepts, definitions, classifications, survey content, questionnaire design, reference periods, sampling frames and procedures, organization of field work, etc., agricultural surveys could be well suited to meeting the particular requirements for measuring informal units carrying out agricultural and related activities." That being said, while not all rural activities are agricultural, most of them are rural.

According to ILO (2016), the prevalence of informal employment declined from 50.1% of total non-agricultural employment to 46.5% in 2009-2014, thanks to a benign economic scenario and the implementation of a set of targeted policies in the region's countries. Nonetheless, the trend reversed in 2015 when the proportion rose again to 46.8%. This percentage was similar to that recorded in 2013 and means that at least 133 million workers were informal in 2015. As the slowdown in regional economic growth has persisted (and some economies have actually shrunk), it is highly likely that informal employment has spread further in 2016.

In terms of the characteristics of informal workers, ILO (2013) reports that 30.5% of informal employment in 2013 corresponded to employers and self-employed workers, plus wage-earning employees in unregistered informal production units. The latter have few workers, little capital and a small scale of operations, which makes it difficult for them to achieve an adequate level of productivity and sufficient production volumes. Another 11.4% were employees working in the formal sector, mainly in situations of noncompliance with the regulations, ignorance of the law, economic incapacity or institutional weakness. A third group consisted of workers employed informally in the household sector (mostly domestic workers), representing 4.9% of total non-farm employment in that year.

A breakdown of these statistics by occupational category (see table VI.1) shows that self-employed workers have the highest rates of informality (82.3%), followed by domestic workers (77.5%) and the employees of microenterprises with fewer than ten workers (58.6%). The latter is over four times the proportion in firms with more than ten workers. These three categories account for 79% of all informal workers in the countries of the region analysed.

Expanding opportunities for decent work increases the potential to reduce and mitigate the risks and demands for social protection during workers' lives, both in the active phase and in retirement, and to protect their dependants.

■ Table VI.1

Latin America (14 countries): rate and composition of non-agricultural informal employment by occupational category, 2013

(percentages)

| Occupational category | Informal employment rate in each category | Composition of informal employment |
|------------------------------------|---|------------------------------------|
| Total | 46,8 | 100 |
| Wage-earners (including employers) | 33,7 | 52,7 |
| In the public sector | 15,9 | 4,3 |
| In private firms | 32,9 | 38,1 |
| with 1-10 workers | 58,6 | 27,8 |
| with more than 10 workers | 14,4 | 9,4 |
| In households | 77,5 | 10,3 |
| Own-account workers | 82,3 | 40,9 |
| Auxiliary family workers | 100 | 5,3 |
| Others | 96,7 | 1,1 |

Source: International Labour Organization (ILO), *Measuring Informality: A Statistical Manual on the Informal Sector and Informal Employment*, Geneva, 2013.

(a) Risks and labour regulations

In view of the stated role of labour regulations as a component of social protection, the following paragraphs provide an approach to analysing them. First, it is argued that the link between labour standards and protection is the employed worker. This is because application of the regulations assumes the existence of an employment relationship and makes it possible to protect against certain risks, which: (a) the workers themselves face; (b) their dependants face before they begin working life; and (c) will enable workers to gain protection once they cease active life.

The proposed analysis recognizes the worker and the employment relationship as the channel through which regulations become components of protection against certain risks that require an adequate level of coverage. This is due to their potential effects on the development of decent work, with respect to three related population groups defined in terms of the life cycle: (i) the workers themselves; (ii) their dependants; and (iii) those who leave the workforce.⁹

(i) Prior to active life

There are two main risks in this stage of the life cycle: lack of protection for the newborn baby and child in his/her initial stages of development; and precarious labour market participation in the form of child labour or unregulated forms of adolescent work.

With regard to the first situation, protection seeks to ensure conditions of well-being for the unborn, newborn and child throughout his/her growth and development process. In this case, the key labour regulations selected are those that establish pre-natal and post-natal rest periods, leave for feeding and caring for children due to illness, and the entitlement crèche services or other alternatives with a similar purpose.

In terms of preventing precarious labour-market engagement, in both childhood and adolescence, the relevant labour standards are mainly those that prohibit child labour and those that regulate the work of adolescents, through the requirement to ensure appropriate working conditions and attention to special cases.

(ii) During active working life

here are three main areas of risk during working life: (i) the absence of employment contracts as a minimum condition for protecting workers' basic rights in the employment relationship; (ii) impediments to exercising the right to organization and collective bargaining; and (iii) lack of coverage against the risks of work-related accidents and occupational diseases, as well as the possibility of being made redundant.

The main labour regulations that are germane to these risks are the requirement to formalize the individual employment contract and thus recognize the basic obligations of this relationship in terms of hours and days of work and rest, overtime, paid holidays, and the amount and periodicity of pay. They also seek to specify reasons that could justify a rescission of the contract and the consequences that may arise for the parties.

The basic issues regulated in an employment contract include ensuring that a minimum wage is paid. The level of the minimum wage is determined according to the characteristics of each country and aims to guarantee the right of every worker to a basic level of consumption and living standards, irrespective of the work performed and the skill needed for it. It is also especially important to prevent all employment discrimination based on gender, race or social status, or any other ground. This is

⁹ Social protection in the specified stages of the life cycle is not the exclusive preserve of labour standards and institutions. For example, the coverage of health-related risks is not confined to the scope of work-related accidents or occupational diseases, as happens with other common or chronic and disabling diseases that may also prevent work activity either temporarily or permanently. In this case, the units of analysis are the health systems and the coverage they provide.

most frequently expressed through wage differentials that do not reflect the functions performed or the skill levels or work experience of those who perform them.

In the area of collective rights, labour regulations aim to guarantee the right of every worker to organize for the purpose of upholding the rights specified in employment contracts and labour regulations and those relating to working conditions. They also seek to make it easy to report non-compliance and enable unions to represent their members in dealings with the employer, in order to resolve the contingencies that naturally arise in the life of enterprises, and to improve them by taking into account their contribution to the production process.

One of the essential functions of unions is to engage in collective bargaining with employers, with the aim of establishing (in a collective agreement) work and employment conditions appropriate to the firms or activity sector in which they operate. These conditions include: (i) pay that rises in real terms through time; (ii) benefits associated with the attainment of goals; (iii) investments in job training; (iv) internal promotion mechanisms, and (v) prevention and monitoring of working conditions.

A third area of interest for the analysis in this stage concerns the firm's fulfilment of its responsibility to guarantee protection against the risk of workplace accidents and occupational diseases and unemployment. In the first case, workers have the right to work in a safe environment; and the employer has a duty to establish preventive or compensatory measures (monetary or services) if such an event materializes. This is independent of the modality used, which may be a direct charge or based on the purchase of insurance for the purpose.

In the case of redundancy risk, unless the employee breaches the employment contract, the employer is usually required to pay compensation for dismissals without just cause, on bases that are normally defined and regulated in the respective labour codes. Nonetheless, some countries have unemployment insurance, which guarantees an income to workers during the period of unemployment and supports them in their search for a new job. In such circumstances, the employer is required to make contributions to protect against said event..

(iii) In old age

One of the main risks in old age is the absence, or insufficiency, of coverage provided by social security systems (especially pensions and health) to protect income and general conditions of well-being.

From the standpoint of labour regulations and their relationship with protection against old-age risks, entitlement to protection is generally based on payments made to contributory systems during working life. This is directly linked to an employment trajectory pursued under decent working conditions. Otherwise, the protection required will depend on the conditions of access and adequacy of the benefits provided by non-contributory systems.

Regardless of the type of system that provides the required protection, the coverage and sufficiency of the benefits will always be conditional on their financial sustainability. Nonetheless, the dimensions of coverage, sufficiency and sustainability need to be reconciled. If the first two are

subordinated to sustainability, there is a greater risk of failing to cover the entire population that requires protection, or that the benefits are not sufficient to alleviate poverty in old age.

Table VI.2 illustrates the analytical matrix developed from these considerations. It identifies the main risks and the labour regulations selected to face them, in each stage of the life cycle. Nonetheless, the mere existence of a standard is not a sufficient condition to guarantee the necessary protection, absent the capacity to promote and oversee fulfilment and to sanction eventual non-compliance.

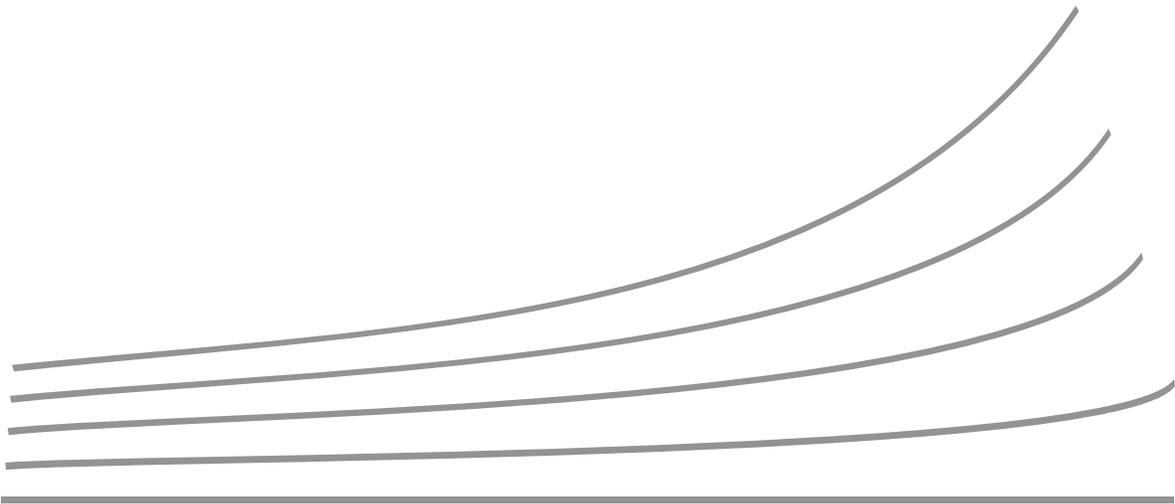
Based on the legal-regulatory and organizational dimensions, the following paragraphs analyse the situation prevailing in the region's countries in terms of institutionalizing labour regulation as a component of social protection, and its capacity to be held accountable for its objectives. This analysis focuses on the promotion of compliance with labour standards, the monitoring of working conditions and the application of penalties for non-compliance. These are three complementary areas that enhance compliance with labour standards.

■ **Table VI.2**

Analytical matrix of labour market regulation according to life-cycle risks

| Stages of the life cycle | Main risks | Labour regulations | Institutional capacity | Evaluation | |
|----------------------------|---|--|--|---|--|
| | | | | Strength of compliance measures | Compliance (coverage) |
| Pre-active phase | Lack of protection for newborns and infants | Pre-natal and post-natal rest, leave period and care | Ministry of Labour, labour directorates, superintendencies and other entities tasked with enforcing labour regulations | Measures designed to inform and educate the population about labour rights and duties | Workers without rights |
| | | | | Scope and strength of labour inspection actions | |
| | Child and adolescent labour | Prohibitions on child labour and regulation of adolescent labour | | Application of sanctions for non-compliance | Prevalence of unprotected child and adolescent labour |
| Labour-force participation | Absence of employment contracts | Existence of specific legislation | | | Proportion of employees without a employment contract |
| | Below-minimum wages | | | | Non-compliance rate |
| | Wage and gender discrimination | | | | Wage differences due to discrimination |
| | Impediments to organization and collective bargaining | Regulations on union membership and the right to collective bargaining | | | Proportion of workers without entitlement to collective bargaining |
| | Workplace accidents without coverage | Protection regulations and institutions | | | Proportion of employees without coverage |
| | Unemployment without coverage | | | | Proportion of employees without coverage |
| Old age | Absence or insufficient income | Regulations on protection in old age | | | Percentage of the retirement-age population without coverage |

Source: Prepared by the authors.



Chapter VII

Care and social protection

Source:

Part I. R. Martínez (editor, 2019), *Institutional frameworks for social policy in Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44170/7/S1900423_en.pdf

Part II. A. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*

https://repositorio.cepal.org/bitstream/handle/11362/41105/6/S1600819_es.pdf

Introduction

In Latin American and Caribbean households, children, older persons, people with chronic illnesses and persons with disabilities are primarily cared for by women, who receive no pay in return. In particular, the impact of this extra burden is felt more by women in lower-income brackets, since they face greater demands for care while at the same time being more likely to have little job security. The region must therefore make urgent progress with public care policies: with the exception of a handful of countries, progress remains limited and social protection systems must prioritize such policies.¹

Chapter VII examines the issue of care, identifying it as a pillar of social protection and exploring elements for policy design and the challenges of creating an institutional framework.

¹ For further details on the topic of care, see issue No. 6 of this digital collection, N. Bidegain and C. Calderón (comps.) “Los cuidados en América Latina y el Caribe. Textos seleccionados 2007–2018”, Select pages of ECLAC (LC/M.2018/4), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), December 2018.

A. The care, pillar of social protection*

Introduction¹

Care is a social function, a public good and a basic right, without which it is impossible to conceive of society's existence and reproduction. It evokes the very concept of humanity at a fundamental level: all of us have needed special care during our childhood and we will probably need it when we reach old age, depending on our level of dependency. Moreover, persons who live with a disability or face chronic or terminal illnesses require care, either permanently or more intensively at certain stages of their lives. Awareness of the fact that all people need care changes the perspective from which social responsibilities and interdependency between individuals are analysed in terms of rights and obligations (Tronto, 1993). Moreover, from the policy standpoint, it is fundamental to consider care as a process in public actions of major impact in the private sphere and in social relations.

Care is a crucial issue for public policies and governments, since it constitutes a precondition for sustainable social and economic development. The conditions under which it is provided are fundamental, for example, to guarantee the comprehensive growth of children, as well as for dignified aging. Another priority is to address the situation of persons who are responsible for providing home-based care —a role that women generally play in societies that are still marked by a patriarchal culture, an unbalanced gender division of labour and gender stereotypes about who should fulfil this social function. It is culturally established as a responsibility falling on mothers, daughters, sisters, grandmothers, aunts, daughters-in-law and female neighbours, among other family and social ties. As women's movements and feminist studies have emphasized, women often provide care at the expense of their rights and their economic, political, and even physical autonomy. A major or total workload of unpaid care reduces the possibility of undertaking paid employment and gaining access to positions of power under equal conditions. In its most extreme form, it prevents women from exercising their right to a life free of violence, which is closely linked to their economic autonomy. Those who participate in paid care work —for example, paid domestic workers, nurses, educators and caregivers— face more precarious working conditions, with less or no access to social security and protection, lower wages and a higher probability of falling into poverty than those who participate in other sectors of the economy (ECLAC, 2013a and 2016b). This panorama is exacerbated when the interweaving of ethnic and racial inequalities and class are considered.²

Unpaid care work in households, in conjunction with minimal, zero or unequal participation in paid employment, has individual consequences throughout a woman's life cycle. Nonetheless, women remain unrecognized or unremunerated on a broader economic, political and social level, and this situation also has consequences for the well-being of households and the persistence of poverty (ECLAC, 2013a). Women assume the personal cost of a social function that is crucial for guaranteeing the reproduction of societies, and even the sustainability of public policies, particularly

* Authors: Nieves Rico and Claudia Robles.

¹ This chapter summarizes the key findings of the study titled *Políticas de cuidado en América Latina: forjando la igualdad* (Rico and Robles, 2016) and new reflections by the authors included in ECLAC (2016a, 2016b and 2017a). The authors thank Gwendoline Peltier for her assistance in systemizing care programmes and laws in Latin America.

² Most women provide care directly or indirectly in their homes, often as their main or full-time activity. Nonetheless, care work is also driven by other inequalities, apart from gender per se. Thus, poor women, indigenous women and Afrodescendants are all over-represented in paid domestic work in nearly all countries of the region (Rico and Vaca-Trigo, 2016).

social policies. This represents women's major silent contribution to the economy and development of their countries.³

Recognizing, valuing, redistributing and influencing the dynamics of care in Latin America is an urgent priority within an agenda of human rights, gender and political and social sustainability. Intervening in the way care is accessed and provided is a precondition for halting the intergenerational transmission of poverty in households, guaranteeing universal social protection to all citizens, and moving towards more egalitarian societies.

This chapter attempts to establish care policies as a crosscutting pillar of social protection. It proposes a number of basic elements to be considered in the design of integrated care systems; and it analyses the degree of progress made in their formulation and the challenges that their implementation poses for social institutions in Latin American countries. The chapter closes with an analysis of the implications and opportunities of applying an integrated approach to these policies and fully incorporating them into social protection systems in the region, mainstreaming a gender-equality approach in their design from the outset.

1. Care as a public good: elements for policy design

Care work is a social function that encompasses the series of activities, goods and relationships that preserve people's daily well-being in material, economic and emotional terms (ECLAC, 2013a, Marco and Rico, 2013). It includes the provision of goods that are essential for life, such as food, shelter, hygiene and accompaniment; as well as support and the transmission of knowledge, social values and practices through the processes of upbringing (Razavi, 2012). It is based on "face to face" relationships between those who receive care and those who provide it, whether paid or unpaid. Accordingly, care policies must cover both the caregivers and those who require care services, including children, older adults, and persons with disabilities or with a chronic or terminal illness that renders them dependent.⁴

In Latin America, the work of care provision is mostly done unpaid by women at home; the growth of public care services remains limited. For example, the available regional evidence shows that children up to three years of age are mostly cared for by women in households under eminently family-based regimes of well-being and the dominant patriarchal system.⁵

This issue has emerged as a key public policy priority since the emergence of what has been termed the "care crisis" (ECLAC, 2011), in other words the growing trend of a population that is dependent on increasing care, with changing demands and needs, and a shrinking base of unpaid caregivers, as women's labour market participation intensifies (Rossel, 2016), without any redistribution of this work within the household owing to men's meagre participation.⁶ This agenda has also been consolidated as part of the social claims and human rights of the populations that require care, including elderly or disabled persons in situations of dependency.

Viewing care as a public issue means reorienting the way this social function has traditionally been conceived as the primary responsibility of families, and specifically of women. This calls into

³ According to the valuation and satellite accounts of unpaid work in households done in eight Latin American countries, the economic contribution made by this category is equivalent to between 11.5% of GDP in Costa Rica (2011) and 18% in Mexico (2014). Women's contribution to the total economic value of unpaid work is considerably greater than that of men, representing between 70% (Peru) and 87% (Guatemala) of the total GDP-equivalent value of unpaid work (ECLAC, 2017a).

⁴ Care is defined here as support or direct assistance provided to persons with some degree of dependency, that is, those who need some kind of support or assistance to carry out essential activities of daily life, such as eating, bathing, dressing, moving about and travelling outside the home (Salvador, 2015).

⁵ See Berlinski and Schady (2015), who consider data for Brazil, Chile, Ecuador, Guatemala, Nicaragua and Uruguay, based on the processing of several national surveys.

⁶ According to ECLAC (2011), the number of persons subject to moderate to severe dependency is set to double between 2000 and 2050.

question the institutional bases that define who should assume the costs of social reproduction and how the burden of care is distributed in societies. The fact that public policies have an undeniable role in this process of change has at least three consequences.

First, it places its responsibility on other actors that extend beyond the family and include the market and civil society; and it requires a new social covenant that explicitly gives the State the role of guarantor in safeguarding the right to care (Pautassi, 2007). Within the family, it establishes the need for co-responsibility between men and women. Secondly, it highlights the need to adopt comprehensive and integrated measures on behalf of those who require care and those who provide it. Third, it implies recognizing interconnections with other social policies, including those targeting children and older adults, and also those relating to labour, health, education, social security and social protection, and gender equality.

Thus, public care policies underpin the daily physical and emotional well-being of persons who are subject to some level of dependency; and they intervene in the social organization of care, with the aim of working towards substantive equality between men and women. These policies directly affect the distribution of care responsibilities between the State, the market, families and communities; so they also affect welfare regimes and the role of social protection in how they are organized.

Some of the dimensions that can be considered in their design, mainstreaming a rights and gender approach in their institutional organization, are listed below.⁷ Firstly, the care provided in the home and outside it, whether paid or unpaid, and by diverse actors: individuals as members of a family or household, mainly women, the private sector, the community and public care services. Consideration should also be given to those who require and provide care, organized according to the different degrees of dependency of the persons being cared for. Moreover, the instruments considered must be structured according to the objectives to be safeguarded.⁸ To that end, at least four structural dimensions of policies, subsystems or comprehensive and integrated care systems need to be defined: economic resources, time, services (Ellingsaeter, 1999; Pautassi, 2007) and regulatory policies that define quality standards, and the labour regulations associated with their development (Gascón and Redondo, 2014, Marco, 2014). Lastly, given their multidimensional nature, these measures need to be articulated in an intersectoral and interagency manner, through policies on health, education, gender equality, family, social security and employment, among others.

The resulting instruments are varied. Firstly, the economic resources allocated for this purpose may include direct cash transfers to hire care services, or else to compensate unpaid caregivers for their work, with the State playing a role in the payment of their social security contributions. Subsidies could also be instituted for the supply of public and private care services.

Secondly, time-related policies refer to the mechanisms and regulations that allow caregivers to take leave and have times for children and other family members in situations of dependency, with protection for their employment conditions. These may include policies to reconcile work and family care responsibilities, including those related to working hours and their flexibility as to times and places of work, as well as parental leave. These basically correspond to the scope of employment policies and the regulation of labour markets as elements of social protection; and, at the same time, they can be actively promoted from the private sector.

⁷ According to ECLAC (2011), the number of persons subject to moderate to severe dependency is set to double between 2000 and 2050.

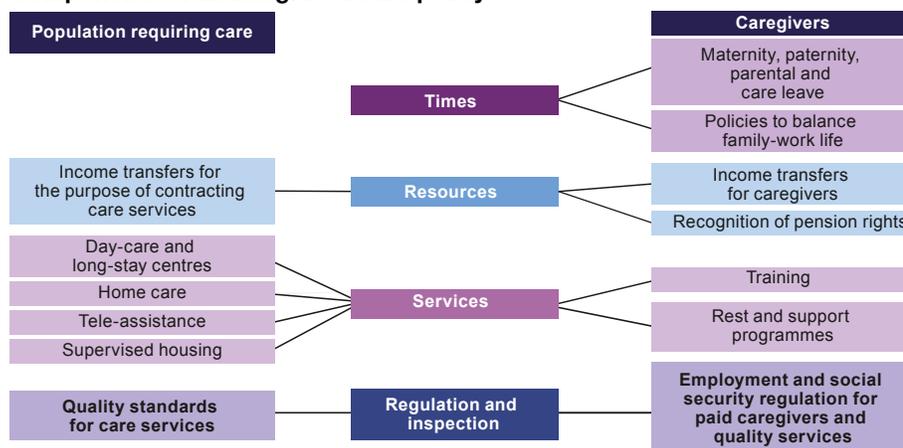
⁸ For example, Blofield and Martínez (2014) distinguish three types of policies to reconcile work and family life: (i) sequential, associated with the protection of income and employment of caregivers (leave periods, employment flexibility and part-time jobs); (ii) those that explicitly seek to shift responsibility for the provision of care away from families and women and on to the State, by promoting the service sector; and (iii) policies that seek to regulate domestic employment.

Thirdly, public services offer the most direct response to ensure that care can be accessed by the individuals who require it. They may also include benefits for caregivers, such as respite services that allow families with severely dependent members to receive home care, training and psychological support, among other things. Lastly, the existence of standards and regulations governing how care is provided, and the quality of employment in this sector, are also indicative of the role played by the State in regulating, organizing and guaranteeing the right to care, even though it may actually be provided by the private sector.

The following scheme proposes a menu of options for the design of policies and integrated care systems. Two dimensions are combined: first, policies relating to time, financial resources, services and the regulation of care; and, second, the application of these policies to the different care populations, while mainstreaming a gender and a rights-based approach in their design (see diagram VII.1).

■ **Diagram VII.1**

Components of an integrated care policy



Source: M. N. Rico and C. Robles, “Políticas de cuidado en América Latina: forjando la igualdad”, *Gender Affairs series*, No. 140 (LC/L.4226), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September 2016.

The way care policies are designed and responsibilities are redistributed is not neutral from the standpoint of gender equality and women’s autonomy. The policies can contribute to those objectives through measures that encourage co-responsibility for care between men and women. Parental leave arrangements that do not assign the responsibility and costs of reproduction and care exclusively to women, or which guarantee universal access to public care services, could also be included. Otherwise, care policies could have adverse effects on gender equality if their design reinforces maternalistic orientations that place the primary responsibility on women (Blofield and Martínez, 2014 and 2015). For example, it has been argued that paying direct cash transfers to those who provide unpaid care, usually women, helps to reinforce the gender roles that perpetuate the unequal distribution of work in the region (Matus and Vega, 2016). This would occur because the transfers reaffirm the idea that care work can be recognized through a small cash benefit, without guaranteed access to social security —far from the standards of decent work and quality employment, and with no incentive for men to participate in this work. Moreover, care services that do not include quality standards for employment in this sector, mostly undertaken by women in Latin America, consolidate the job insecurity and social vulnerability from which they suffer.

2. Integrated care policies as a pillar of social protection: institutional challenges

As shown in diagram VII.1, there are multiple interrelationships between the potential instruments of an integrated care policy and those that have traditionally been viewed as pertaining to social protection. Other examples include the regulatory instruments of the labour market, which can simultaneously perform functions such as employment, social protection and care policies, such as those that establish a minimum wage or maximum working hours (ECLAC, 2016b). Moreover, the mechanisms of pension recognition for female caregivers could include the set of non-contributory social pensions that mainly benefit women in the region.⁹ In other cases, programmes that are on the border between employment and social protection policies could take account of the specific vulnerability faced by unpaid caregivers. Examples are training programmes and labour intermediation services that involve cash transfers for the purpose of hiring care services, thereby allowing women to enter paid employment (ECLAC, 2016a).

An integrated care policy should be considered as a crosscutting pillar of social protection (Rico, 2014), since care needs and practices embody social risks that can render the persons who require or provide it highly vulnerable, by preventing them from exercising their social and economic rights and exposing them to income insecurity and poverty. At one extreme are the elderly, persons with disabilities or the terminally ill who, lacking economic resources or family care networks, and faced with the fragmentation of social protection systems in the region, do not have access to social care services. Families that use a large portion of their income to care for persons in situations of dependency also fall into this category. At the other extreme is a very large proportion of women in Latin America who provide care for diverse populations, without pay or social protection; and with severe restrictions on their own participation in the labour market (Rico and Robles, 2016), given the time constraints, and without social recognition for their work. According to data from the Economic Commission for Latin America and the Caribbean (ECLAC) based on time-use surveys, women perform between 71% and 86% of all unpaid work needed by households (ECLAC, 2016b, p. 62). Moreover, between 12% and 66% of women between the ages of 20 and 59 years in Uruguay and El Salvador, respectively, are out of the labour market for family reasons (ECLAC, 2016b, p. 60).

This context highlights the need for the pillar that constitutes a care policy and the social protection system as a whole, to both explicitly mainstream gender equality in order to achieve balanced and coherent integration between policy objectives, impacts and instruments.

Thus, a care policy forming part of social protection systems should consolidate certain conditions. First, those who require care should receive it through quality services; access to care in the market should not intensify poverty in the home; and care work should not create barriers to education and employment under equal conditions between men and women. Second, care should not imply exclusion from social security, threaten economic autonomy or consolidate vulnerability among women caregivers; instead it should redistribute their burden.

With this social function in mind, care policies should be viewed from a comprehensive perspective, since they require coordination between different sectors and social policy actors; and they should deploy approaches and instruments to address the specifics of those who provide and require care. The perspective should also be an integrated one, considering the simultaneous operation of various instruments along with universal citizenship rights, rather than sectoral approaches and attention to specific population groups. It should also uphold the principle of equality and non-discrimination in a rights-based approach based on the mandate to take priority and positive actions in favour of those who are in a situation of greatest vulnerability or clear disadvantage, such as women.

⁹ A review of these pensions and their coverage can be found in Marco (2016).

These postulates merge with the institutional challenges facing social care in the region (see chapter II), while they also invoke the specific institutional framework of social protection in Latin America on various fronts. Firstly, they pose an organizational challenge in terms of articulating the entities that manage care policies with the coordination mechanisms of the social protection systems. These include executive secretariats, councils, social ministries and others (ECLAC, 2016a), which form part of the construction of a long-term strategy and represent a stable component of the region's social institutions.

In terms of instruments, substantive and operational overlap is also required between those that pertain to care policies and social protection. This not only means formal articulation, so that care programmes can be officially included in social protection systems, but also the possible redesign of instruments to guarantee gender mainstreaming. For example, cash transfer programmes may involve conditionalities that reinforce the unequal division of productive and reproductive work (ECLAC, 2013b), especially if there are no incentives for care to be provided jointly by men and women. The same occurs with mechanisms giving preferential access to care services for families prioritized by social protection systems that hinder women's full incorporation into employment owing to their unpaid workload; or with mechanisms to recognize pension rights recognition for women who have done unpaid care work during their life, or the relaxation of the conditions of access to social security for workers in the informal and care sectors. Consistency between the gender equality and rights-based approaches, considering the specifics of the life cycle, and in the design of care policies and their articulation with social protection systems requires sound institutional management, with adequate technical capacities and policies in the teams responsible for the various phases of their implementation and evaluation. It also raises a specific requirement for the consideration and implementation of social participation and oversight spaces, as well as for accountability, where the diverse views of the actors involved in social care and protection are expressed.

Part IIA. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*; B, pp. 201-204.**B. The basis of care as a pillar of social protection¹⁰****Introduction**

In her 1987 book *The Second Stage*, Betty Friedan said that, “Today the problem that has no name is how to juggle work, love, home and children.” With the passage of time and in numerous locations, that juggling act —which increasingly entails the care of dependent or frail older persons— has been given various names.

All individuals need care throughout the life cycle. If the universal needs that the term “care” covers —albeit not without ambiguity— are not satisfied, society will be unable to reproduce itself; consequently, some observers see care as a public good (Gornick and Meyers, 2009, p. 6). Its provision, however, has been seen as an essentially private responsibility. In addition, there are different groups affected by the way in which care is provided who do not share a commonality of interests, perceiving their own interests to be unrelated or even in opposition.

To make care another pillar of social protection and of public policies in a framework of rights (ECLAC, 2007, p. 136) and to encourage a constellation of interests and interactions between different actors with a stakeholding in those claims, it is first necessary to explore a range of ethical and empirical tenets that subvert conventional approaches to the subject. Given the intersectionality between family, community, State and market inherent in care provision, an appeal must also be made to public perceptions: since the social groups that face risks in connection with their capacity to provide care differ widely from each other, that perception is interesting on account of its promise to bring together different social actors who recognize themselves in the claims and to generate agreements that lead to mobilization. In line with discursive institutionalism¹¹ and based on certain characteristics of the region and international experiences taken largely from Europe and the United States,¹² this chapter seeks to systematize various foundations and interactions of care policies for children and older people in order to display the benefits offered by care as a framework for public policies that brings together and coordinates efforts within the various institutional architectures found in the different countries¹³. It therefore diverges from other chapters in this book that focus on the specific analysis of policies, in that it does not analyse or assess the care policies adopted in the region over the past decade.¹⁴

Public policies for care entail striking new balances in the relations between the State, the market and the family, and maybe they seek very different objectives that, with the passage of time,

¹⁰ Much of this chapter is based on Sojo (2011), but with updates and additional information in several areas.

¹¹ With regard to institutional change, discursive institutionalism acknowledges that institutions redefine and transform themselves also because of the action of ideas, both as a result of their substantive contents and through the interactive process of discourse. The political coordination, communication and deliberation that underlies public action has a discursive dimension (Schmidt, 2008 and 2009).

¹² The positive or negative references to various international experiences made in this text should not be taken as supporting or rejecting the social or other policies implemented by given countries. Those references are concrete and deal with particular, specific aspects.

¹³ Certain implicit limitations of the analysis should also be pointed out. It focuses on the grounds for care and, above all, the provision of care in private or formal terms, and it only refers tangentially to other crucial and indispensable issues that must be coordinated with care policies: for example, the instruments that make it viable within a family or that enable women —as the chief providers of care— to reconcile it with employment. These include postnatal leave, mechanisms for reconciling work and the family put in place by employers or through labour market regulations, and the alignment of working hours with formal care services. Among the available policies, the Organization for Economic Cooperation and Development (OECD) has highlighted, for example, how postnatal leave can impact the provision of care within the family and, consequently, gender equity (OECD, 2012).

¹⁴ Studies of care policies and needs in Latin America have multiplied over the past five years; see ECLAC (2013), Calderón Magaña (2013), Gascón and Redondo (2014), Aguirre and Ferrari (2014) and Rico and Robles (2016). A wealth of papers have also been published by the Social Development Division and the Division for Gender Affairs of the Economic Commission for Latin America and the Caribbean (ECLAC); these, in general, focus on the national level.

could benefit from positive feedback.¹⁵ The possible objectives include the following: making progress with strengthening children's skills and capacities through the early interventions that are critical for cognitive development and that can reduce social inequalities; overseeing the well-being of vulnerable and dependent older people through a range of interventions to provide care, encourage activity and autonomy and counteract social isolation; expanding the life options of the family members charged with care; narrowing the opportunity gaps between women and men; helping expand women's employment possibilities and thereby creating positive externalities for job creation and productive capacity; reducing poverty and households' vulnerability to that scourge, by bolstering the capacity of lower-income women to find better quality jobs; assisting the rejuvenation of the population through the free exercise of the right of motherhood and fatherhood by eliminating the obstacles that prevent the conciliation of family life and employment, in a way favourable for society; and increasing the sustainable funding of social protection. The analysis contained in this work is structured around those objectives and how they interact.

These policies are in line with the development of economic and social rights, civic rights that include the rights of women, children and older people, and the exercise of men's and women's reproductive rights that, taken together, could offer highly valuable externalities for countries' economic development. The myopia that prevails in the public policies formulated in most of the region's countries is therefore surprising

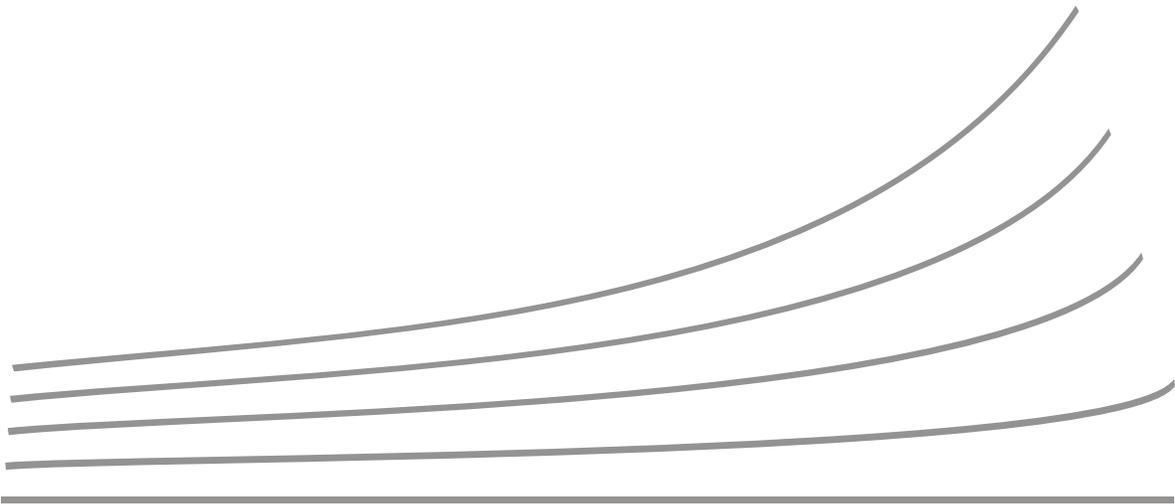
According to their priorities and their virtual practical incidence, tensions or conflicts may exist among the potential objectives. For example, if emphasis is placed on the future externalities of a present-day investment in children that sees them as the citizens of tomorrow, the focus could be lost and the importance of children's present could be undermined: in other words, a weakening of their status as children per se, their well-being today and themselves as adults' contemporaries. An analogous case would be a unilateral emphasis placed on the need to raise the fertility rate, suggesting the usefulness of having children since they represent the future of society, a kind of common good. When children are made an icon vis-à-vis other functionalities, the approach acquires an instrumental perspective with respect to the adult world, which ultimately leads to the partial eclipsing of children (Leira and Saraceno, 2008, p. 9; Lister, 2008).

Likewise, solely emphasizing the logic of the subjects of care can conceal the perspective of the carers —who in general are women— and of the problems they face: for example, the obligation of providing care that falls on them, the resulting tensions and the lower resources they have throughout the life cycle on account of ubiquitous gender asymmetries. Regarding those who provide care, thought must be given to the circumstances and conditions in which the social provision of care can effectively contribute to expanding their life options and well-being, which leads on to numerous related issues, such as the need and capacity to generate good quality, decent work.

The emphases and priorities assigned to these objectives give rise to constellations of care policies that evolve with the passage of time. For example, even in the Nordic countries, the provision of care services for infants was first intended to fight poverty through female employment; then, as employment expanded, so did the services (Bonoli, 2007).

As will be argued, ensuring the quality and relevance of benefits enables the corresponding emphases to be maintained in accordance with the subjects and allows possible instrumentalizations to be addressed (Plantenga and others, 2008, p. 42). As a result, concerns about the quality of services and their regulation and oversight are decisive when the time comes to renew social policies.

¹⁵ The identification of these interconnected objectives was facilitated by the technical advice that the author gave to the Government of President Chinchilla Miranda of Costa Rica.



Chapter VIII

Universal social protection institutions

Source:

Part I. S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*

https://repositorio.cepal.org/bitstream/handle/11362/2596/1/S1100566_en.pdf

Part II. R. Martínez (editor, 2019), *Institutional frameworks for social policy in Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44170/7/S1900423_en.pdf

Part III. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*

https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Introducción

The coherent pursuit of social protection policies and programmes and the construction of a true social protection system requires a network of public institutions to lead, design, implement, regulate, fund and evaluate those actions. Different inter-institutional and intersectoral coordination mechanisms, in the political, technical and operational arenas, are also necessary. These include not only social cabinets, but also information management systems and conflict control and resolution systems.

Chapter VIII provides a general overview of the institutions responsible for social protection and its oversight, analyses the elements needed for effective coordination and addresses the challenges of coordination and interconnection, together with the different degrees of intersectoral cooperation.

Parte I S. Cecchini and R. Martínez (2001), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*; A, pp. 50-59 y 142-151.

A. Social protection institutions

This section presents some of the main elements in the current institutional framework of countries in the region to examine their level of development and potential for furthering social protection policies.

1. Social protection agencies and bodies

The involvement of institutional stakeholders, both public and private, in implementing and operating social protection policies varies greatly among countries in the region. This diversity stems from the very nature of social protection, which incorporates different dimensions and components — contributory, non-contributory and labour market regulation— and requires multiple synergies to function as a comprehensive system.

The first point to note is that central governments and their ministerial bodies and departments play a key role in social protection design, implementation, evaluation and monitoring. Social development, health, education, labour and social welfare (or security) portfolios are often involved in both the contributory side of social protection (security) and the non-contributory side (assistance), as well as in defining labour market policies and regulations. These institutions may participate in policymaking as well as in policy coordination or in implementing some policy aspects.

Second, in line with the earlier finding that there is no single model of social protection in Latin America, it is possible to distinguish different types of institutional arrangement, which combine instruments of a contributory and non-contributory, universal and targeted, public and private or mixed nature (ILO, 2001 in Bertranou, Solorio and van Ginneken, 2002).

(a) Contributory social protection

Historically, a number of different actors have driven contributory social protection and continue to be involved today. Early pension instruments were created in the region, which were administered directly by trade unions or associations in each branch through social security funds. One such was Uruguay's industry and commerce pension scheme, which was established in 1919 as a pension fund for employees in industry and commerce. In other cases, these instruments were State-run, such as social security services or institutes¹ (Draibe and Riesco, 2007). While private social security institutions rose to prominence following the reforms of the 1980s and 1990s, public institutions have continued to play an important role in defining and monitoring policies and guaranteed levels of insurance, as well as in managing such policies. Within the private sector there are private insurers,

¹ There are many examples of social security institutes in the region, including the: Guatemalan Social Security Institute (IGSS); Honduran Social Security Institute (IHSS); Mexican Social Security Institute (IMSS); Nicaraguan Social Security Institute (INSS); and Salvadoran Social Security Institute (ISSS). Most are autonomous public institutions with their own legal status. In Honduras, a further five institutes, apart from the IHSS, provide pensions to specific groups: (i) the National Teachers' Social Security Institute (INPREMA) (for public- and private-sector teachers); (ii) the Public Employee Retirement and Pension Institute (INJUPEMP); (iii) the Military Social Security Institute (IPM); and (iv) the National Autonomous University Social Security Institute (INPREUNAH) (Badiillo and others, 2009). In Mexico, there are another two public institutions apart from the IMSS, which are linked directly with workers' social security: the Social Security and Social Services Institute for State Workers (ISSSTE) and the Ministry of Health. In other cases, a public service has been set up —such as Chile's Social Security Institute (IPS), which is subject to Ministry of Labour and Social Security provisions for managing solidarity pensions (partially or fully non-contributory) and pension schemes formerly handled by the Institute of Social Security Standardization (INP).

pension fund managers² and mutual health insurance companies (*mutuales de seguridad*),³ which cover mainly formal-sector workers because entry is subject to contributions.

(b) Health sector

In the health area of social protection, particularly, the above-mentioned institutions are joined by other institutions providing insurance or services. For example, alongside public and private health insurers covering sick leave, occupational diseases, disability or maternity, there are health ministries or departments and, in some countries, private health service providers too. A point of note, however, is that the status of the region's health sector in terms of social protection is not clearly enough defined. The role of contributory social protection in this area should be defined more precisely, as should the spheres of protection –guaranteed coverage and access– and of promotion, as well as provision of the services themselves. As discussed below, protection-related health aspects should include only insurance and not service provision.

Most countries in the region have three systems: public; social security for sickness and maternity; and private (Mesa-Lago, 2009). While public systems protect the uninsured by other means, many coverage and quality problems are apparent in the services actually provided. Brazil and Cuba have no social insurance system but a nationwide public system, whereas Chile has a combined public and social security system (Mesa-Lago, 2009). Although most countries' constitutions and legislation establish the right to some form of health coverage, maternity protection and access to universal and free systems for those without any form of health insurance, in practice in nearly half these countries the legislation is not complied with fully (Mesa-Lago, 2008).

(c) Non-contributory social protection

As regards non-contributory benefits, responsibility for managing the region's transfer programmes, with and without co-responsibility, lies mainly with the line ministries and departments in charge of the areas covered by these programmes.

(i) Co-responsibility transfer programmes

CTPs tend to be established in ministerial bodies linked specifically with social development and poverty reduction issues, including ministries of social development and planning. While this is consistent with including CTPs in overall social policy as part of a long-term vision, in some cases the ministries are new or overly technical and lack political clout. CTPs should be embedded in an institutional structure that encourages intersectoral programme management, even when this means paying less detailed attention to the elements relating to each particular sector, although this could be problematic when programme objectives contain a strong human capital component.⁴ A second set of CTPs are envisaged from a sectoral standpoint, which is to say they are incorporated into the structure of health and education ministries and departments or, in the case of Argentina, the Ministry of Labour, Employment and Social Security.⁵ While this has come about because some

² Such as Uruguay's retirement savings fund management companies (AFAP) or Chile's pension fund managers (AFP). Private fund managers do not exist in all the countries of the region and this varies in line with the parameters of the reforms undertaken by the different countries, where the State and market have varying degrees of involvement.

³ Private, non-profit organizations responsible for providing health coverage guarantees against occupational risks to workers affiliated to these schemes.

⁴ Reimers, DeShano da Silva and Trevino (2006) examine problems arising in the education sector when programmes are not managed by the line ministries, including lack of a specifically education-based approach to problems, scant consideration of experience gained in the area and limited involvement of officials from the sector. For more information on the case of Brazil, see Draibe (2006).

⁵ In Argentina, non-contributory social assistance transfers are managed by both the Ministry of Labour, Employment and Social Security and the Ministry of Social Development. For example, institutional responsibility for Argentina's Plan for Older Persons is shared between the Ministry of Labour, Employment and Social Security, the Ministry of Social Development and the National Council for Coordination of Social Policies (CNCPS), while the Head of Households

programmes have specific sectoral guidelines, it reduces their ability to establish links with other sectors and could lead to duplication of functions and actions. Another point of note is that CTPs have enabled links to be forged with other institutions conducting social development programmes such as in the areas of microentrepreneurship and access to credit, where they are embedded in social ministries, as well as in the ministries of rural development or economy or employability, which comes under the responsibility of employment or training programmes.

Two of the elements that come into play in deciding the type of institutions in which CTPs should be embedded are competence in handling a specific target population, which might be individuals in the case of line ministries (for example, students) or families in the case of ministries of social development, and more extensive experience of targeted programmes and poor families by ministries of social development, which in turn report more cases of welfarism and patronage practices. Brazil, which has merged its sectoral programmes *Bolsa Escola* (education) and *Bolsa Alimentação/Cartão Alimentação* (health) into the intersectoral *Bolsa Família* conditional cash transfer programme is a good example of the trade-offs that occur between effectiveness in achieving human capital objectives and the rationalization of social policy and its structures (Draibe, 2006).⁶ A third group of CTPs is embedded in structures that are highly subject to political fluctuations, such as agencies that come under the Office of the President of the Republic or the Office of the First Lady (Bastagli, 2009; Cecchini and Madariaga, 2010). In such cases, there is a serious risk of poor policy sustainability.

(ii) Other non-contributory benefits

Responsibility for managing other types of transfers and benefits related with non-contributory social protection lies with entities administered by ministries of labour, welfare and social security. This applies to subsidies for hiring poor and vulnerable workers and targeted consumer subsidies, which are established by ministries in charge of economic policy and finance. Responsibility for implementing non-contributory and solidarity pensions falls mainly to the public social security institutions described earlier, or other institutions set up for this purpose. For example, in 2006 Mexico established the Public Social Security System to cater for self-employed workers, non-wage workers and fee contractors not incorporated into existing social security systems and identified through the *Oportunidades* programme. By contrast, Argentina's non-contributory pension system is managed by the Ministry of Social Development and the National Social Security Administration (ANSES), under the jurisdiction of the Ministry of Labour, Employment and Social Security.

Other public institutions apart from ministerial departments and divisions are actively involved in social protection policymaking. In the case of Costa Rica, the institution responsible for managing various transfer and subsidy programmes (including the CTP *Avancemos*) is the Joint Institute for Social Aid (IMAS), an autonomous institution with legal status financed through a variety of sources: the Fund for Social Development and Family Allowances (FODESAF), decentralized State institutions, municipalities, international organizations, the private sector and non-governmental organizations (Román, 2010).

Increasingly, public institutions decentralized to local level have come to join centralized public institutions. Countries like Argentina, Brazil and Mexico have contributory and non-contributory instruments created specifically in certain federal states and municipalities. Mexico's federal "70 and over" programme operates at federal level and provides non-contributory pensions to older adults belonging to *Oportunidades* beneficiary families living in towns with fewer than 30,000 inhabitants. These policies coexist with the non-contributory universal pension scheme for older adults implemented

Programme was managed by the Ministry of Labour, Employment and Social Security. See <http://www.trabajo.gob.ar/index.asp>.

⁶ Levy and Rodríguez (2005) review the rationalization strategies of fiscal programmes and resources associated with the implementation of Mexico's *Progresá* programme.

by the Federal District of Mexico. The three programmes are administered by different institutions: the old-age cash supplement scheme provided to households participating in *Oportunidades* is implemented through the *Oportunidades* National Coordination Agency; the “70 and over” programme is administered by the Ministry of Social Development; and the food support supplement scheme is administered by the Institute for the Care of Older Adults (IAAM) of the Federal District of Mexico (see Rubio and Garfias, 2010).

(d) Supervision and regulation

In addition to the above-mentioned institutions there are institutions responsible for ensuring proper compliance with the duties of public and private institutions, as well as with labour market regulations. They include social security regulatory bodies and labour directorates. The Chilean Pensions Supervisor was set up in 2008 as an autonomous body but is governed by the regulations of the Ministry of Labour and Social Security, which is comptroller of the solidarity pension system, private pension fund managers (AFPs) and the unemployment funds administrator (AFC). Not all comptrollers come under ministerial institutions. Costa Rica’s private pension fund regulator (SUPEN), established in 1996, comes under the Central Bank and is responsible for the regulation, control and monitoring of basic pension systems as well as the supplementary schemes run by private operators.⁷

2. Inter-agency coordination

In addition to the range of institutions involved directly in social protection management, provision and regulation in the region, there are a number of social policy coordination bodies operating at policy, technical and operational level, which are linked, in various ways, with the coordination of social protection systems and policies.

(a) Policy level

Some of Latin America’s major policy experiences have included social cabinets and coordinating ministries for social issues, identified as alternative means for performing the functions of a social authority.⁸ Even though they have not been totally successful to date, mainly because there are still many instances of overlapping functions and sectoral segmentation, they have created a space for communication that is conducive to furthering coordination. Examples are Uruguay’s Social Cabinet, Paraguay’s Social Cabinet, Colombia’s National Council on Economic and Social Planning (CONPES) and Brazil’s sectoral chambers drawing together groups of ministers. Since 2007, Ecuador has developed a different model, under which coordinating ministries have been founded in various spheres, including the Ministry for the Coordination of Social Development, which has specific responsibility for coordinating the social programmes implemented by various ministries and for administering the register of beneficiaries.⁹ Although it is too early to assess the results of these models, it is evident that they require strong political support and willingness by the various ministries to cooperate in order to create the desired synergies.¹⁰

⁷ Countries with similar institutions are Argentina, Colombia, the Dominican Republic, El Salvador, Mexico, Peru, the Plurinational State of Bolivia and Uruguay. In other cases, such as Honduras, it is the institutions responsible for the pension system themselves —the five specialized institutes— that are responsible for oversight and monitoring, under the supervision of the National Banking and Insurance Commission.

⁸ Franco (2004, 2010) defines five functions for a social authority: to set priorities, coordinate, allocate resources, monitor and evaluate.

⁹ The Ministries of Finance, Labour and Employment, Public Health, Social and Economic Inclusion, Education, Housing and Urban Development, Agriculture, Livestock, Aquaculture and Fisheries, the National Secretariat for Planning and Development (SENPLADES) and the National Secretariat for Migrants (SENAMI).

¹⁰ A further example of a coordinating ministry for social issues is the Ministry of Human Development, which operated in the Plurinational State of Bolivia between 1993 and 1997 (Aranibar, 2010).

First ladies have always played a key role at this coordination level, especially with respect to social policies on children and reducing poverty and malnutrition. This is particularly true of Central American countries, such as Honduras, where, until the 2009 political crisis, the first lady was responsible for coordinating certain non-contributory social protection programmes (Repetto, 2010b). In Guatemala, too, the first lady is in charge of coordinating the Social Cohesion Council, which in turn coordinates the CTP *Mi Familia Progresá*. A major challenge, particularly in the area of social protection, is to deepen the technical component of this coordination model and to combine it, in an appropriate manner, with the policy role that these programmes have acquired.

(b) Technical level

In terms of technical coordination, the region's experience with safety nets in the 1980s and social investment funds is rather illuminating. A common feature of these ventures is that they were not embedded in a specific ministry but, instead, fairly autonomous management models were adopted. According to Sojo: "When social emergency funds were set up, their operational independence of ministries and the social sectors was presented as one of their virtues and as a guarantee of their flexibility, efficacy and efficiency. [...] Rather than ensuring flexibility or efficiency, the fact that they were competing with social sectors merely increased the administrative fragmentation of universal policies, since they increased the number of cases of overlaps or duplication, or else they gave rise to discontinuities with the dynamics of the social sectors." (Sojo, 2007).

Current experiences of coordination at technical level include the Solidarity Chile system whose Executive Secretariat —which comes under the Ministry of Planning and Cooperation— is responsible for: coordinating the institutions responsible for providing welfare benefits and ensuring networking among them; generating resources targeted at needs not covered by regular provision (expanding existing social programmes and creating new ones); and overseeing information management, while maintaining an integrated support system. It operates on the basis of direct inter-agency agreements, within a legal framework that governs the operation of the entire system and regulates the system of guarantees (MIDEPLAN, 2009b). It is also characterized by the use of budget management as a means for monitoring progress and commitments by the various agencies involved in the work of the social protection system.¹¹

The Dominican Republic's Solidarity programme is another example of coordination developed in the context of a CTP. In this case, the mismatch between demand and supply of services led to a search for ways to coordinate non-contributory social protection and sectoral policies, at both central and local level (Gámez, 2010). Since the establishment of the Intersectoral Coordination Committee (CCS), which comprises the ministries of health, education and finance, the National Health Insurance Authority (SeNaSa), the Solidarity programme and the Technical Directorate of the Social Cabinet, common objectives have been established for health, education and nutrition in order to boost sectoral plans via the CTP. The Committee's work has also led to progress in such areas as: determining coverage gaps at local level; establishing budget allocation mechanisms for securing the long-term funding required to expand provision (capped and earmarked ("locked") budgets)); redefining the roles of local officials and implementers of sectoral plans in the context of the Solidarity programme; and providing them with training and induction into the programme's operating rationale (Gámez, 2010).

¹¹ Even though the Executive Secretariat has no specific political or monetary resources to encourage these agencies to comply with their contribution to the operation of the overall system, the fact that it is able to retain the sectoral allocations for each ministry and service involved has become a key strategy to consolidating progress in this area. At the same time, the transformation of the Executive Secretariat into a key partner in negotiations with the Ministry of Finance to maintain and increase certain resources for the line agencies has become a powerful catalyst for collaboration and coordination (interview with Verónica Silva, Executive Secretary of the Solidarity Chile social protection system, 14 December 2009).

(c) Operational level

At operational level, too, there have been useful experiences of coordination arising from the use of service management instruments, such as the “one-stop shop” for centralizing a range of administrative formalities and providing information and access to various local social services via a single public service office or desk (or for “family support”, in the case of Solidarity Chile), and systems for identifying and registering beneficiaries, which have had the positive externality of promoting sectoral coordination and the planning of new interventions (Mesquita, 2009) (see section IV.F). Beneficiary identification and registration systems established as part of pension funds and, in particular, of CTPs, include: Colombia’s System for the Identification of Potential Social Programme Beneficiaries (SISBEN); Chile’s Social Protection Record and its Integrated Social Information System (SIIS); El Salvador’s Single Register of Beneficiaries (RUB); the Target Population Identification System (SIPO) of Costa Rica’s Joint Institute for Social Aid (IMAS); Mexico’s Single Socio-Economic Data Questionnaire (CUIS) and the Integrated Government-Programme Registration System (SIIPP-G) (see box II.1); the Single System for the Identification of Beneficiaries (SIUBEN) in the Dominican Republic’s CTP Solidarity; and Brazil’s single register for social programmes, known as CadÚnico. Similar efforts have also been made by countries with a less developed institutional framework, such as Honduras, which has established the Beneficiaries Registration System of Honduras (SIRBHO), a register of beneficiaries for unifying information in the national Family Allowance Programme (PRAF) and PRAF III as part of the Honduran Government’s Solidarity Network social protection scheme (Cecchini and others, 2009).

3. Institutions and social protection

As mentioned in the introduction, the State plays a key role in social protection provision, although this does not mean that it is the sole provider. The market, families and civic and community organizations also provide protection and any comprehensive social protection system must take into account the interactions among these different stakeholders. At the same time, to maintain the coherence of social protection policies there needs to be coordination among the various State institutions, as well as information systems for monitoring their actions and oversight and conflict-resolution mechanisms.

(a) Institutional coordination

Compartmentalized thinking on social protection in the region has resulted in lead institutions belonging to separate sectors, depending on the approach or component developed and/or implemented by each institution (see II.C). For instance, non-contributory social protection programmes are often managed by public social development institutions (such as ministries of social development, social investment funds or specialized programmes). Responsibility for contributory social protection, as it relates to retirement or other pensions, tends to fall to specialized organizations (such as social security institutes, retirement and pension fund managers or insurance companies), or else ministries of health or other organizations for matters relating to the health of workers and their families (public funds, insurance companies). Responsibility for labour market regulation normally lies with ministries of labour (with more or less autonomous agencies specializing in oversight, such as regulatory authorities or prosecutor’s offices) and the judiciary (labour courts). In some cases, the Treasury or ministries of finance and specialist development agencies play a role —to the extent that their guidance to the productive apparatus enhances or constrains the development of workers’ rights— as well as ministries of education, housing and other matters. In all these components, there is clear involvement by public and private organizations, the importance and authority of which varies from country to country.

The participation of such an assortment of entities in social protection design and implementation also reflects the wide-ranging dimensions of the poverty and vulnerability problems that social protection seeks to address. Their individual specialism can be seen as an asset for guaranteeing quality and matching people's specific needs more closely. However, for economic, social and cultural rights be exercised to the full, it is essential to promote a management model that maximizes the efficiency and effectiveness of the various components through the synergy of a cross-sector approach. In other words, if the issue is multidimensional and the population heterogeneous, there needs to be a varied and coordinated supply of cross-sector interventions, which this book terms the axis of "horizontal integration".

The challenge is how to move forward from rhetoric on the importance of cross-sector coordination to actually linking actors together. There is no single solution for achieving this, although one prerequisite is to share a future vision of society and, hence, of "the priorities and chronological sequence as part of a medium- to long-term strategic action" (Acuña, 2010, p. 1). As regards improving the political conditions for progressing towards better social protection, Repetto (2010a) states that "at the very least, it requires a basic consensus on the strategic direction that a society should take in order to get to the crux of the 'social issue', that is to say, which social problems should be prioritized and which political and symbolic capital in the social protection system should be invested". Repetto adds that it is at this level of the political and cultural dispute that "the real (not just discursive) substance of a comprehensiveness designed to address the multidimensionality of social problems, as well as a rights-based approach, comes into play".

The lesson learned from the most successful cases is that not only is it important to move gradually towards expanding social protection for all citizens, it is also crucial to progressively build political and social consensus. Another lesson learned is that the introduction of universal social protection models and instruments relies on the cumulative effect of social policy experiences.

Accordingly, a number of basic elements appear to be key to the successful implementation of a cross-sector approach:

- (i) Policy coordination at the highest level.
- (ii) Participatory analysis and design of policies and their components, procedures and challenges. This must be based on a clear overview of the characteristics of the population and their current and future demands and needs, as well as of supply, areas of intervention, products, coverage, installed capacity and projections.
- (iii) Establishment of formal working bodies and responsibilities, by means of clear agreements on participation, the designation of interlocutors and specialist focal points for specific issues and the definition of each party's functions, including objectives and roles.
- (iv) Clearly established and agreed communication channels and ways for resolving doubts and differences.
- (v) Joint evaluation and analysis bodies defined from the design stage.

The organizational structure required in each country depends on its own particular institutional framework; it is pointless to hold up a single role model, as the structure must always be tailored to the specific environmental conditions of that country. Some of the options used so far include the formation of fronts or consortia of lead ministries and institutions, the formal establishment of coordinating ministries and the creation of task forces at various administrative levels (central, regional and local).

Repetto (2010b, pp. 33, 35) identifies three different levels of policy coordination and linkages to achieve comprehensiveness: macro, meso and micro. The macro level relates to the definition of social policy and its general guidelines, which is embodied, for example, by "social cabinets". The

meso level refers to a specific field of social policy (such as education policy) or a combination of sectors guided by a common purpose, which apply to social protection systems. The micro level refers to specific programmes that require the coordination of different sectors. Repetto emphasizes how successful CTPs have been at the micro level, adding that this is this level where such interventions face the least problems, unlike the macro and meso levels.¹²

Similarly, this book proposes to discuss coordination according to the notions of horizontal and vertical integration (see section IV.C), based on the location of the various bodies on the technical and policy axis. Three levels can be identified, none of which can stand alone without the other two. The first is the policy level, at the pinnacle of the State organizational structure, namely the Office of the President, ministries and departments responsible for prioritizing and designing social policies, including those of social protection analysed in this book, such as the aforementioned social cabinets and the coordinating ministries. The second is the technical level, which brings together those responsible for implementing policies in the form of specific programmes and projects, usually senior managers and professionals in ministries, programme technical secretariats, subnational entities, local government associations and others. This level includes agencies in charge of CTPs and social security institutions. The third is the operational level and brings together actors responsible for implementing programmes and projects at local level, interacting directly with the target population, which are therefore also in charge of coordinating with demand; in many cases they are joined by private organizations, non-governmental organizations (NGOs) and others, multiplying the number of actors involved. Other major players at the operational level are beneficiary selection and registration instruments and service coordination initiatives, such as the one-stop shop, which are not necessarily confined to social protection programmes but, on the contrary, may encompass a range of different social services and, in conjunction, are synergistic in terms of effectiveness and/or efficiency.

A prerequisite for the success of any comprehensive system is therefore to have coordinating bodies at every level. Technical coordination is not feasible without the support of the political authorities responsible for the sectors and institutions involved and, in many cases, securing this support requires extensive negotiations. At the same time, agreement on objectives, responsibilities, communication mechanisms and other matters is not enough if it is endorsed only at the highest political level. The greatest constraints often arise in the intermediate structures of organizations, which are the ones that really need to be coordinated and where different working rationales and cultures must be adapted in order to share information and knowledge and to work in a coordinated fashion towards common goals, without neglecting responsibilities to their own organization. The experience of social cabinets, CTPs and beneficiary information systems provides a promising basis for building inter-agency coordination in the region, although this is not without risks and will require a special effort.

Finally, as regards the implementation of a comprehensive social protection policy and its institutional challenges, it is not just the rules and explicit written procedures that are important, but also the informal rules and the practices and historical ties between stakeholders; leadership and political will also play a pivotal role (Repetto, 2010b). In this respect, perhaps one of the biggest challenges facing a comprehensive social protection policy in terms of its institutionalization is to create synergies between political support, technical capabilities and available resources. Crucial to this are proposals to develop framework agreements for social policy access, funding and solidarity by means of fiscal and social protection covenants encompassed within the concept of entitlement to rights, as suggested by ECLAC (2006, 2008a).

¹² Repetto (2010b) explains that such interventions are less problematic because they act as an incentive to different administrative levels as, politically, they are valued greatly by the upper echelons (i.e., the Office of the President, the Treasury, or the ministry of economy or finance). Also, despite being important in terms of visibility and coverage, they do not require the involvement of the full range of interventions in each sector. A final factor in their favour is that most co-responsibility transfer programmes have their own resources and fairly well defined operating rules for promoting coordination among various bodies.

(b) Management information

None of the above social protection proposals can be implemented with a minimum of effectiveness, efficiency and transparency in the absence of proper information systems for monitoring management and impact assessments. Moreover, for any information system intended to make a comprehensive analysis and evaluation of the management of social policy in general and social protection policies in particular, a further step is required: the information derived from monitoring programmes must be supplemented with information on the corresponding social investment, with specific indicators on people's social status, disaggregated by geographic area and administrative level, to enable the various components to be linked reliably (Martínez and Collinao, 2010).

The management performance indicators should come from beneficiary registration and monitoring systems, process assessments and impact assessments of specific programmes and projects, in all of which areas the region has made great progress but where major challenges remain. Progress with social protection is ascertained by means of data from censuses, household surveys, specialized surveys and administrative records, and this must be coordinated on the basis of each country's conceptual framework and policy components. While partial data is available in most countries, it needs to be further systematized and coordinated with management indicators.

For more than two decades there have been moves in the region to include monitoring and evaluation systems in social policy management. Chief among the various methodology-development initiatives are the cost-impact analysis developed by ECLAC for selecting the option that maximizes the impact at the lowest possible cost (Cohen and Franco, 2006b, 2005; Cohen and Martínez, 2004) and the performance-based management models tailored to social programmes promoted by the Inter-American Development Bank (IDB), World Bank and international cooperation agencies. National Governments are also evincing growing concern about the issue and have developed systems for evaluating government programmes, performance-based programming and management improvement awards.¹³

In the specific field of social protection programme evaluation, a milestone in the region for its wide-ranging analysis (González de la Rocha, 2010) is Mexico's experience in evaluating its education, health and nutrition programme (formerly called *Progresa* and now renamed *Oportunidades*), with assessments by the International Food Policy Research Institute (IFPRI) (Adato, 2000) and the National Council of Evaluation of Social Development Policy (CONEVAL) since its inception in 2005 (CONEVAL, 2010). This is not the only experience as, albeit differing in design, assessments have also been made of the following CTPs among others: the Social Protection Network (RPS) and Crisis Response System (SAC) in Nicaragua; the second tranche of the Family Allowance Programme (PRAF II) in Honduras; the Human Development Grant in Ecuador; the *Bolsa Família* conditional cash transfer programme, *Bolsa Escola* school grant and *Bolsa Alimentação* food grant in Brazil; Colombia's Families in Action; Solidarity Chile; and Jamaica's Programme of Advancement Through Health and Education (PATH) (Schady and Milazzo, no date; Fiszbein and Schady, 2009).

Despite the progress represented by these experiences, there are still some weaknesses to be remedied, especially with respect to the link between assessments and programme design. First, it is unclear how the results are incorporated as information for decision-making and for implementing modifications to programmes. Second, most of the reported results come from assessments of Mexican programmes, especially phase one of *Progresa* (Schady, 2006), which limits the ability to generalize the findings to other programmes.

¹³ Examples of systems for evaluating government programmes include: the Management Evaluation and Control System of Chile's Budgetary Affairs Bureau (DIPRES); the National System for Evaluation of the Results of Public Management (SINERGIA) of Colombia's National Planning Department (DNP); and Mexico's National Council of Evaluation of Social Development Policy (CONEVAL).

Beneficiary selection and registration systems have been fairly well disseminated throughout the region, facilitating progress in the implementation of integrated information systems. Social investment data are compiled by countries themselves but there are wide conceptual and coverage disparities, which limits the ability to make comparisons. The challenge therefore is to implement a system where government finance statistics (GFS) and statistics from systems of national accounts (SNA) can be exploited jointly to take advantage of the functional classification approach of GFS and the greater disaggregation capacity of SNA, incorporating not only general government investment but also funds from other agents, particularly non-profit institutions and international agencies, as well as public funds that do not come from the central Government's general budget but are owned by regional or local governments (Martínez and Collinao, 2010).¹⁴

(c) Conflict management and resolution systems

The implementation of a rights-based social protection system requires a proper verification mechanism to ensure that such rights are actually realized and to make decision-making transparent. This mechanism must be present not only in programmes themselves, but also in any outside bodies where the public may request information, file a complaint if they feel their rights have been breached or settle disputes.

In addition to making management more effective and efficient, process supervision and monitoring systems make management more transparent to the public. For the proper use of such systems, it is also necessary to make explicit the management processes and decision-making criteria used for target-population identification and beneficiary selection, as well as for service production, delivery and evaluation. Thus, the implementation of such systems and regular dissemination of management results are elements to be considered in this connection.

Placing an autonomous institution in charge of proper enforcement of service standards and quality allows disputes over breaches of established rights and standards to be resolved efficiently and effectively, guaranteeing the transparency of processes. Several countries in the region already have institutions of this nature, such as oversight offices, consumer protection services, civic watchdog organizations or regulatory authorities, making it easier to consider implementing them in social protection systems.

One example is Chile's System of Universal Access with Explicit Guarantees (AUGE Plan), which has mechanisms that help to refine the balance between State commitments to gradual progress in the area of social rights and their technical and budgetary feasibility. The AUGE Plan encompasses a set of legally valid administrative mechanisms for assessing compliance with the guarantees, with a health regulator (Office of the Superintendent of Health) responsible for settling disputes between the system's users and providers (public and private) (Red Salud, 2009). Nonetheless, complaints are filed before the judiciary when the aforementioned bodies fail to meet citizen demands. This makes it possible to move forward in resolving such claims (Drago, 2006), filtering out those which, by their very nature, require the intervention of higher judicial authorities.

It is also necessary to consider a third level in the judiciary that can settle disputes which other judicial authorities have been unable to resolve, so as to ensure compliance with rights. Abramovich (2009, p. 42) identifies the following decisive factors for such legal proceedings to produce results, although there are many more: "the constitutional interpretation of the obligations they create; the capacity of the relevant stakeholders to act in the interest of groups that are discriminated against or

¹⁴ In addition to the regular publication of official data in *Social Panorama of Latin America*, since 2006, ECLAC, with the support of the German Agency for International Cooperation (GIZ) and the Spanish Agency for International Development Cooperation (AECID), has been engaged in a methodology and technical assistance effort to enhance the analysis and use of social investment information for policy management. For more information, see the ECLAC social spending website: www.cepal.org/dds [Spanish only].

excluded; the physical, material and cultural accessibility of the courts; civil society's power and degree of organization and its experience and technical capacity to make use of legal instruments; the greater willingness of courts to deal with such issues; more open or closed procedural systems and the type of remedies or orders that judges are authorized to use; judge-selection mechanisms and the independence and impartiality of the courts with respect to the political power and to certain stakeholders in these cases; the level of development of social security systems and the ability of Government, Congress and State bureaucracies to meet demands for the benefits promised in legal texts”.

Despite the potential it offers for the realization of economic, social and cultural rights, prosecution also poses a number of risks and difficulties. Uprimny (2007) states that one such risk is overloading the justice system, together with the possible political prominence that judicial bodies may gain. There also remains a question of roles and areas of competence, particularly in financing (as well as social policy design), as the responsibility for deciding where to allocate public investment lies with the executive and legislative powers and not the judiciary (Basombrío, 2009, p. 44). Added to this is the potentially high individual and social cost of prosecution based on rights-related universal benefits, which may lead to unenforceability of the regulations and/or the inability to meet the challenge in an economically sustainable manner. Furthermore, a gap in access to judicial dispute settlement may be foreseen, with the poorest and most vulnerable population sector facing the greatest constraints, both economic and cultural.

An intermediate instrument for quasi-judicial dispute resolution is the ombudsman. In Latin America, many complaints are referred to the ombudsman concerning rights linked directly to social protection citing an alleged violation of health, education or social security rights. There have also been a number of ombudsman's reports and explicit recommendations on matters relating to social protection.¹⁵

Other bodies that play a key role in monitoring compliance with rights are non-judicial mechanisms, such as national independent and international human rights organizations, including the Human Rights Committee of the United Nations and the Inter-American Commission on Human Rights (IACHR) of the Organization of American States (OAS). These bodies can help to channel citizen demands to the courts (United Nations, 2009a, p. 15).

As Artigas points out (2005, p. 22), the universality of rights-based benefits is not necessarily guaranteed by the individual cases in which judicial mechanisms and court rulings intervene, but rather it requires specific social and fiscal covenants that are binding on society as a whole. Without such covenants, it would be difficult to maintain a system based on guarantees. It follows that the more transparent, effective and efficient the first two mechanisms are, the less intensive the work assigned to the judiciary will be and the cheaper, clearer, closer at hand and easier to process the demands and claims will be for the public and the State (cf. also De Roux and Ramírez, 2004).

¹⁵ For example, based on requests received concerning the Universal Child Allowance for Social Protection (AUH), Argentina's National Ombudsman made a recommendation to the Cabinet Chief to extend the scope of this allowance for the benefit of children and adolescents attending private schools with low fees whose families earn below the minimum wage, ending the exclusion from AUH entitlement for beneficiaries of other programmes (Decision 36/10: <http://www.dpn.gob.ar/areas.php?id=01&ms=area5>). Also, in the case of the Office of the National Ombudsman of the Republic of Colombia, there is a specific social security and health programme to safeguard the progressive realization of these rights in Colombia. For example, in 2001, the Ombudsman handed down a decision regarding problems detected in Colombia's social insurance (Ombudsman's decision N° 008: <http://www.defensoria.org.co/red/anexos/pdf/02/res/defensorial/defensorial8.pdf>).

B. The challenges of coordination and articulation between social protection actors

Greater coordination of social policy generally, and of social protection systems in particular, is needed at various levels and in several dimensions. As has been noted in previous studies, the level of intersectoral coordination represents a continuum that ranges from communication and coordination between various institutional actors to consolidated or integrated action. In this task, faced with the same problem, the actors in question fulfil the phases of the cycle of their policies and programmes in an intersectoral manner, based on common procedures and practices and even sharing resources, responsibilities and actions, along with joint monitoring and evaluation (PAHO/WHO, 2015). Forging high levels of intersectoral coordination involves political, financial, organizational and time costs, so this collaboration is justified when dealing with large-scope problems of great complexity (Cunill-Grau, Repetto and Bronzo, 2015; Repetto and Potenza, 2015). Some of the dimensions and challenges involved in the institutional coordination of social protection systems are outlined below.

1. Coordination between the different sectors of social policy

Sectoral inertias often obstruct the design of social policies and programmes aimed at addressing and producing impacts on various dimensions of well-being. The experience of income transfer programmes was innovative at the time, by combining coordinated and intersectoral actions in the areas of assistance, education, nutrition and health. Currently, most of these programmes are developing greater capacity for linking and coordinating with other sectoral actions targeting employment and productive development. Their common goal is to take better advantage of the years of education achieved within the framework of the programmes themselves, by making labour market participation less precarious and thus contribute to the escape from poverty. Nonetheless, the logic of intersectoral work, which includes joint planning, the establishment of common objectives and an integrating rationale in terms of the budget and evaluation and performance systems, among other elements, still needs to be implemented in most countries.

2. Coordination between contributory and non-contributory components of social protection

The existence of social protection systems with high levels of coverage, equity and fiscal sustainability is strongly linked to the possibility that access to this system will be less segmented in the long term, and the contributory and non-contributory components will respond to the same logic of social inclusion and a vocation of universality, with a joint analysis of risk and consistency between incentives and financing. Recently, the non-contributory pillar has expanded autonomously in the region to fill gaps in the coverage of traditional social security. Nonetheless, an outstanding challenge is to expand the latter to sectors that have had little coverage thus far, and to build channels of communication between non-contributory policies and programmes, social security and the formal labour market. Although there is no conclusive evidence of adverse incentives arising from migration from non-contributory programmes to contributory and formal mechanisms, a pending task involves constructing alternatives and institutional mechanisms that establish links between the two.

3. Coordination between social entities with general mandates and social authorities targeting specific social problems or population segments (cross-cutting or by stages of the life cycle)

The emergence of thematically focused social authorities stems from the enrichment and growing complexity of the region's social agenda. These entities have focused on providing an intersectoral approach to specific social problems, such as discrimination, inequality, poverty or care, and on promoting the rights and attending to the needs of specific segments of the population (women, persons with disabilities, Afrodescendent populations or indigenous peoples) and those related to different stages of the life cycle (childhood, youth and old age). A key institutional challenge is to ensure that the work of these entities, based on their more or less extensive mandates, translates into higher levels of mainstreaming and intersectoral coordination, rather than a fragmentation of the institutional architecture reflected in disperse policies and programmes and more motivated by competition than by collaboration. In the specific case of social protection systems, the mission of these entities is relevant for mainstreaming or articulating the attention of the different components and identifying specific needs and gaps. The experience of care systems (described in chapter V) illustrates these challenges.

C. Social complexity and the challenges of a cross-sectoral approach*

Coordination is of the utmost importance if the goal is to mount a comprehensive approach in order to address problems whose various facets and causes are to be defined in a coherent manner. The regional debate about the role of coordination in the development of comprehensive approaches is closely associated with analytical explorations of cross-sectoral dynamics and practical experiences with those dynamics. The aim of this section is to delve into the possible ramifications of cross-sectoral coordination as crucial manifestations of the process involved in transitioning towards comprehensive social protection in Latin America.

Not all activities carried out within the confines of discrete sectors of government, even when they are focused on a shared objective, are collaborative in nature. It may happen, for example, that a number of different government agencies in different sectors work together to achieve the aims of just one of those sectors. It may also happen that a given objective is adopted by all the sectors involved but that they do not work together on an inter-organizational basis. When inter-agency collaboration has been agreed upon as a manner of advancing towards the achievement of a shared aim, then, strictly speaking, the notion of intersectoral cooperation comes into play. Yet inter-agency collaboration can take many forms, from simple networking as a means of attaining a better understanding of what other agencies are doing or can do in regard to their shared goal, to coordination focusing on the avoidance of duplications or the achievement of greater internal consistency, to integration with a view to the achievement of a desired form of social change. There are numerous typologies (Winkworth and White, 2011; Corbett and Noyes, 2008) of the various possible degrees of cross-sectoral coordination, as illustrated in table VIII.1.

■ **Table VIII.1**
Spectrums of cross-sectoral integration

| Authors | Low degree | | | | | High degree |
|----------------------------|--|--|--|---|---|---|
| Winkworth and White (2011) | Networking Cooperative relationships among individuals and cooperative, small-scale activities focusing on arriving at a better understanding of the systems and problems involved and on building trust as a basis for more complex types of partnerships. | | Coordination More complex formal levels of planning and organizational participation (simple protocols, memorandums of understanding) focusing on making information and services more accessible. | | | Integration Formal inter-service agreements with clearly delineated, shared objectives and goals. Laws are in place that provide for the formation of associations, consolidated management and information systems, pooled resources and shared practices, training and governance frameworks. Households are assured access to a full array of services. |
| Corbett and Noyes (2008) | Communication Clear, consistent and non-judgemental discussions; supplying or exchanging information in order to maintain meaningful relationships. Procedures for information sharing. Regular inter-agency meetings on common problems and opportunities. Informal service "brokering" arrangements. | Cooperation Task forces, advisory groups, committees that approve/review plans. Cooperative monitoring/case reviews to assist each other with respective activities, giving general support, information and/or endorsement for each other's programmes, services or objectives. Consensus concerning best practices; cross-system dialogue and/or training. | Coordination Formal inter-agency coordination agreements. Joint activities and communications are more intensive and far-reaching. Agencies or individuals engage in joint planning and synchronization of schedules, activities, goals, objectives and events. Joint mission statements and principles; joint training; contractual procedures for resolving inter-agency disputes; temporary personnel reassignments; coordinated eligibility standards. | Collaboration Agencies, individuals or groups willingly relinquish some of their autonomy in the interest of mutual gains or outcomes. True collaboration involves actual changes in agency, group or individual behaviour to support collective goals or ideals. Coordinated personnel qualification standards; standard application forms / processes; centralized functional administration. | Convergence Relationships evolve from collaboration to actual restructuring of services, programmes, memberships, budgets, missions, objectives and staff. To this end, contractual provisions are put in place for fund transfers/ reallocations, pooled resources and lead agency agreements. | Consolidation Agency, group or individual behaviour, operations, policies, budgets, staff and power are united and harmonized. Individual autonomy or gains have been fully relinquished and common outcomes and identities have been adopted. Multi-agency/multi-task/multi-discipline service plans and budgets; seamless inter-agency service delivery teams; fully blended inter-agency planning; shared human capital/physical capital assets. |

Source: Prepared by the authors, on the basis of G. Winkworth and M. White, "Australia's children 'safe and well'? Collaborating with purpose across commonwealth family relationship and state child protection systems", *Australian Journal of Public Administration*, vol. 70, No. 1, March 2011; and T. Corbett and J.L. Noyes, "Human services systems integration: A conceptual framework", *Discussion Paper*, No. 1333-08, Madison, Wisconsin, Institute for Research on Poverty, University of Wisconsin-Madison, 2008.

* Authors: N. Cunill-Grau, F. Repetto and C. Bronzo

Given the above, the expectation would be that: (i) there is some type of correlation between policy objectives and the degree of intersectoral cooperation that takes place; and (ii) there is some type of correspondence between the degree of intersectoral cooperation and the management model that is adopted as a basis for that cooperation.

The first aspect suggests that the necessary degree of intersectoral coordination is associated with the complexity and scale of the objectives being pursued. There appears to be a consensus that a high degree of cross-sectoral coordination is required when the aim is to do more than ensure access to goods and services. This would apply, for example, to efforts to build skills, alter behaviours or provide social protection on a system-wide basis. This is backed up by the finding as presented in various studies that when a comprehensive approach is to be taken to a complex social issue, a high degree of cross-sectoral coordination will be called for in order to lay the groundwork for getting down to the roots of the problem (Repetto, 2010; Bronzo, 2007b; Cunill-Grau, Fernández and Thezá Manríquez, 2013; Cunill-Grau, 2014a and 2014b). This approach is similar to that espoused by Corbett and Noyes (2008), who also say that the less that programmes and agencies confine their efforts to providing specific benefits and the more they work to change behaviours, the more thorough-going the required changes in the corresponding sectors and the closer the interrelationships among those sectors will be. This is also in line with the heuristic model constructed by Winkworth and White (2011), who state that if child programmes are dealing with children who are faced with high levels of risk, then the degree of intra- and inter-system collaboration needed in order to protect them increases in step with the level of risk.

The point bears repeating that the accurate definition of the issue to be addressed and, hence, of the substantive content of the social protection policy concerned, are of key importance. Flawed policy proposals lead to fundamental disconnects in the model of cross-sectoral coordination. Therefore, the adoption of a comprehensive approach makes it necessary to rework policy objectives. It also becomes necessary to initiate cross-sectoral coordination as soon as the time comes to define social problems.

In line with the above, and bearing in mind just how costly cross-sectoral coordination is (in terms of time, financial organization and many other factors), this type of coordination should only be attempted if the issue is highly complex, the levels of vulnerability involved are extremely high and thorough-going changes are required in the conduct of individuals, their families and their surroundings. The greatest difficulties arise when the strategy for cooperation does not fit in with the specific types of social change that are being sought (Solar and Cunill-Grau, 2014, pp. 22 and 23).

The second aspect has to do with the assumption that the required degree of cross-sectoral coordination is determined by the extent to which the underlying management model characterizes the degree of inclusiveness of the policy cycle and the degree to which the relevant sectors need to pool their efforts and resources (Cunill-Grau, 2005 and 2014a). The aim here is to match the degree of cross-sectoral coordination with the degree of such coordination required in order to achieve the policy's goals.

A policy initiative can be said to be inclusive when the corresponding sectors and levels of government are involved in the entire process, starting with the planning stage and continuing on until the time comes to assess the outcomes of policy actions. An inclusive policy cycle is the outcome of joint planning combined with an integrative rationale that is incorporated into the budget and into performance evaluation systems based on clearly identified, shared objectives. In this kind of policy cycle, planning methods, budget design and monitoring, and assessment processes shift from a sectoral base to a cross-sectoral one, at least in relation to the issue under consideration. Thus, when a cycle is inclusive, it is either an outcome (or manifestation) of cross-sectoral cooperation or is a causative factor of that type of cooperation.

A decision to pool different sectors' resources, to have them share responsibilities and to have them engage in joint actions may be limited to a commitment to undertake actions focusing on the same objective or simply to standardize certain procedures so that their results are foreseeable and uniform. However, the greatest degree of integration in the execution stage is reached when actions are based on pooled resources and unified information systems. In this latter case, integration takes the form of a "commonwealth".

Consequently, the clearest expression of a high degree of cross-sectoral coordination (also referred to as "integration" or "consolidation" by other authors) arises when different sectors join forces in the design, execution and evaluation of a given policy, exchange information and, in some cases, pool funding in the effort to resolve an issue in whose definition they have all taken part. Cross-sectoral coordination can, on the other hand, said to be very limited when the problem to be addressed is actually a conglomeration of sectoral characterizations of that issue and, as a result, the relevant sectors do not act as one as they move through the policy cycle or in their execution of policy actions. Empirical means are available for identifying cross-sectoral management patterns and classifying them in terms of the degrees of interconnectedness and of changes in institutional practices and arrangements (Bronzo, 2007a).

The above indicates that, while it is true that cross-sectoral coordination constitutes a management model, this model cannot be deployed simply by calling on a range of different sectors; it has to be built, and this is especially important when the policies in question are intended to be comprehensive. It is therefore not a question of connecting up sectoral actions but rather of jointly developing strategies and responses and of building something entirely new as a shared effort (Brugué, 2010).

In keeping with those perspectives, table VIII.2 provides an initial outline of indicators of high and low degrees of sectoral integration.

■ **Table VIII.2**

Degrees of cross-sectoral action, by level of integration of management mechanisms and organizational structures

| Low degree of integration | High degree of integration |
|---|--|
| <ul style="list-style-type: none"> The issue to be addressed is defined as a conglomeration of sectoral perspectives and encompasses just one part of the policy cycle. A basic action plan is coordinated at a central level at which a technical inter-sectoral agency may act as a coordinator. Basic planning, budget formulation and evaluation activities continue to be conducted at a sectoral level. | <ul style="list-style-type: none"> On the basis of a common vision, decision-making is shared (including decisions about allocations), as is monitoring of and assessment of resource use (an inclusive policy cycle) A mechanism for arriving at a shared characterization of the issue to be dealt with is in place or, at the least, for sharing views about the origins and nature of the issue. Joint budget programming. Shared monitoring and assessment. |
| <ul style="list-style-type: none"> Operational matters are the only ones subject to joint efforts. Information exchange does not occur. The funding of policy actions is administered by a central authority. | <ul style="list-style-type: none"> Decision-making processes, information and resources are shared and pooled. Actions, resources and responsibilities are shared through a network. |
| <ul style="list-style-type: none"> The only arrangements for cross-sectoral action are multisectoral and technical arrangements for some types of actions. | <ul style="list-style-type: none"> The organizational structures in different sectors undergo modifications (organic, suprasectoral structures that support, at the least, a common form of governance). |
| <ul style="list-style-type: none"> Low degree of cross-sectoral coordination. | <ul style="list-style-type: none"> High degree of cross-sectoral coordination. |

Source: Prepared by the authors, on the basis of N. Cunill-Grau, "La intersectorialidad en las nuevas políticas sociales: Un acercamiento analítico-conceptual", *Gestión y Política Pública*, vol. 23, No. 1, Mexico City, Economic Research and Teaching Centre (CIDE), 2014.

^a Resource-sharing may entail anything from a common fund that is financed with special contributions from each sector, to cofinancing involving the transfer of resources to a third-party agency, all the way up to the reassignment of existing national budget allocations.

It is therefore clear that a high degree of cross-sectoral coordination will give rise to changes in the design and content of sectoral policies and in routines, work practices and methodologies for the delivery of goods and services (Bronzo, 2007b). It also engenders a collective effort to fashion comprehensive public policies, since, as emerges from an analysis of the Chile Crece Contigo Programme, the concept of a comprehensive approach must permeate the design of a cross-sectoral coordination initiative.

Without detracting from the importance of the lessons to be learned from the Chile Crece Contigo Programme, it is important to realize that efforts to attain less intensive degrees of cross-sectoral collaboration also have their place in an integration strategy. The underlying idea here is that a given level of collaboration may eventually lead to closer collaboration down the road (Solar and Cunill-Grau, 2014, p. 23), especially in view of the existence of an element that has been more or less overlooked by theory but that is a very real factor in practice: the resistance to, or reluctance to engage in, inter-agency collaboration (Cunill-Grau, 2014b).¹⁶

Political, institutional and cultural resistance to taking part in cross-sectoral endeavours is one of the key factors underlying gaps in implementation, which in turn are a reflection of the obstacles that will have to be overcome in order to move forward in the medium and long terms.

Institutional resistance stems from general “rules of the game” that constrain cross-sector action: centralism, the predominance of a market rationale in the organizational and management structure of the public sector (especially in relation to competition), a sectoral approach to budgetary matters and to assessments, and vertical intergovernmental relations. There are also different forms of cultural resistance, particularly in the case of information management, where this factor is manifested in different agencies’ refusal to exchange information or to use shared databases. More political forms of resistance arise out of power imbalances among the different sectors and levels of government and out of political affinities and ties among political parties.

An empirical study on these forms of resistance to cross-sectoral undertakings and how they are influenced by the degree of cross-sectoral coordination was carried out on the basis of a survey of 117 senior managers and authorities connected with the Intersectoral Social Protection System in six regions of Chile.¹⁷ This study found that both types of resistance have had a profound impact and identified a clear-cut association between these kinds of resistance and occupational categories.

These kinds of findings suggest that it is important to have an impact on occupational and organizational affinities when the aim is to break down resistance to cross-sectoral efforts. In their seminal work (1973), Rittel and Webber maintained that the classic scientific paradigm for resolving definable, understandable, consensually defined issues that is one of the foundations of modern analysis is not applicable to open social systems in which the tasks of arriving at an understanding of a problem and resolving that problem are concomitant. Along these same lines, the most recent studies on “wicked problems”, which are, by definition, highly complex and ambiguous, challenge the validity of traditional linear, analytical approaches to policymaking and emphasize that a genuine understanding of this type of situation can only be achieved by means of a combination of the approaches devised by many different professions (see, for example, Government of Australia, 2007, and Brugué, 2010).

In addition, these findings raise an alarm bell by pointing out that the prevailing trend is to pursue cross-sectoral coordination solely through structural, formal channels. In so doing, they underscore the importance of also incorporating a cultural and institutional perspective that opens the way for the development of a shared sense of values, the orientation of training towards the

¹⁶ The examples given here of resistance to cross-sectoral cooperation have been taken almost word for word from Cunill-Grau (2014b).

¹⁷ This study was conducted as part of FONDECYT Project No. 1120893 (CONICYT, Chile) and was conducted by Nuria Cunill-Grau, Margarita Fernández and Marcel Thezá Manríquez.

construction of a common culture and the production of an integrative form of leadership and smart practices. A mixed public/private model has been used in some developed-country initiatives, such as the creation of the Ministry of Social Development in New Zealand and the “whole-government solutions” introduced in Australia that involve the formulation of value-based guidelines and codes of conduct under the watchword “working together to build a culture of support for the public sector” (Christensen and Laegreid, 2007). Along the same lines, a number of studies have focused on multidisciplinary training —across all the different ranks, from the most junior to the most senior positions, in a corporate hierarchy— as one of the key factors in engendering collaborative working relationships (Horwath and Morrison, 2007).

These experiences highlight the importance of deliberation in the generation of shared meaning for actors that not only have conflicting interests and values but also have the compartmentalized thought patterns associated with different disciplines. Two important lessons nonetheless stand out. The first is that the creation of the conditions that pave the way for dialogue —which are in themselves difficult to achieve— requires very long time horizons. The second is that it is unlikely that genuine coordination can be achieved by relying solely on formal deliberative structures in which discourse revolves around existing interests.

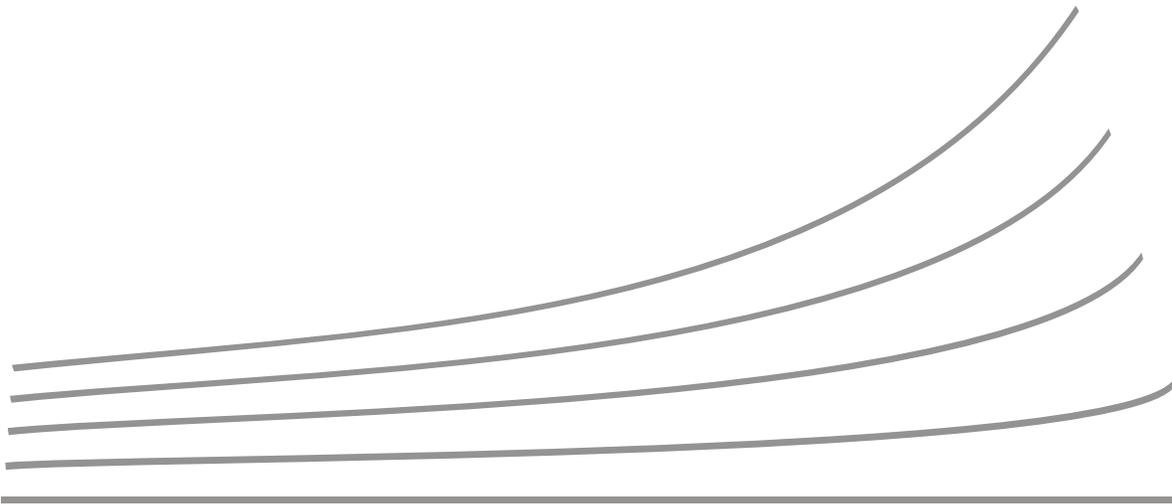
Once there is an awareness of the importance of taking cultural and institutional factors into account in the corresponding deliberations, there are other lessons to be learned as well. One is that, in order to integrate the various governmental sectors (which is a sine qua non for the development of the type of comprehensive approach that is called for in the implementation of the new social protection policies now being proposed), it may be wise to adopt an incremental approach in which the first steps are to foster an awareness that the “others” exist and an understanding of who they are and what they do. An acknowledgement of and familiarity with the other stakeholders are, in fact, a prerequisite for cooperation and the formation of partnerships. This kind of process may take hold more readily in an informal setting rather than a formal one. Accordingly, before moving on to more complex types of collaboration, a first step may be to encourage the different stakeholders to network with one another (Winkworth and White, 2011). As a corollary, this entails embracing the concept of cross-sectoral coordination as something that has to be built up over time and visualizing it as a process. Yet another lesson has to do with the need to use different approaches for the development of cross-sectoral coordination depending on the degree of propensity to cooperate displayed by the sectors involved. One important consideration in this regard is that, when dealing with more consolidated sectors (e.g., health and education) that have solid institutional, budgetary and human resource structures, as well as with territorial networks with more consolidated technical capabilities and facilities, the perceived level of interdependence with other sectors tends to be quite low. Even when one sector has to rely on the skill sets of other sectors, the more consolidated policies have sufficient funding to enable them to avoid becoming involved in complex forms of cross-sectoral coordination whose outcome is uncertain.

In contrast, other areas of activity, such as the social assistance sector, have —in addition to the complexities that are inherent in the types of problems that they deal with— only recently come to be viewed as a subject to be addressed by public policy. Consequently, they have less control over the resources needed to deliver their services, to recruit the professional staff that they need and to expand the coverage of their networks.

In sum, the different paths taken by the sectors involved in the cross-sectoral actions to be undertaken, the nature of the problem or issue to be addressed, the legacy left by previous policies and existing political and institutional constraints should all be taken into consideration when analysing the various sectors’ propensities to engage in cross-sectoral collaborative action (Veiga and Bronzo, 2014).

The *Bolsa Família* Programme illustrates some of the tensions that can arise when an attempt is made to coordinate social assistance initiatives with action in the education and health sectors. It also provides examples of the trade-offs involved in coordinating targeted policies with policies focusing on universal coverage and in coordinating policy actions across different levels of government

The experience with the *Bolsa Família* Programme underscores the importance of building consensus around the objectives of policies aimed at surmounting institutional, disciplinary, technical and organizational hurdles and barriers and overcoming the modern-day fiefdoms that have established themselves in these areas. It also illustrates the fact that regulations and protocols are necessary but not enough in and of themselves to bring about cross-sectoral coordination. It takes time for new perspectives and procedures to take hold in the more structured and consolidated sectors, together with an effort to accommodate the differing organizational cultures and rationales of each sector in order to pave the way for an effective form of collaboration.



Chapter IX

Universal social protection financing

Source:

Part I. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*

https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Part II. S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*

https://repositorio.cepal.org/bitstream/handle/11362/2596/1/S1100566_en.pdf

Part III. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*

https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Part IV. A. Arenas (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*

https://repositorio.cepal.org/bitstream/handle/11362/44851/4/S1900521_es.pdf

Part V. A. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*

https://repositorio.cepal.org/bitstream/handle/11362/41105/6/S1600819_es.pdf

Introduction

One of the main challenges for social protection systems is securing adequate and stable sources of funding. In both Latin America and the Caribbean, social protection spending as a percentage of GDP has increased over the past decade. In a group of 17 Latin American countries, an average of 4.1% of GDP was spent on social protection in 2016, making it the largest social spending component, followed by education. In contrast, in the five Caribbean countries for which data are presented in the Social Panorama of Latin America, 2018, the lion's share of resources were earmarked for education, with social protection in second place (3.1% of GDP).

Chapter IX identifies criteria for classifying social investment, analyses the sources of funding available for contributory and non-contributory social protection and the different funding models that exist, and identifies some of the challenges facing pension and health systems.

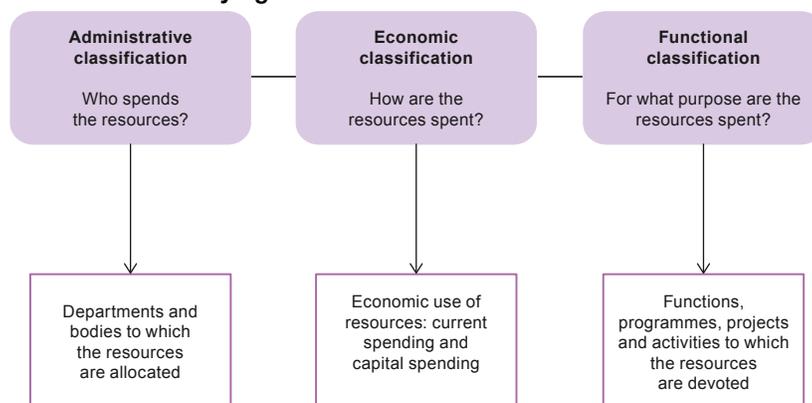
A. State action in social protection*

The State carries out a number of actions that are generally referred to as social investment: investment in social protection (social security and social assistance), health care, education, households and infrastructure for sanitation, sewerage and drinking water. This sectoral definition skates over a number of important discussions, however and, although these cannot always be reflected in different models of accounting, given the limitations of the sources, they are important from the conceptual and analytical point of view in terms of understanding what the State does in the social sphere and how these actions are financed.

The *Government Finance Statistics Manual* (IMF, 2014) identifies three criteria for classifying public investment: administrative, economic and functional (see diagram XIII.1). These approaches complement each other and capture investment from different dimensions, which different analytical applications. The discussion in this chapter uses the functional classification, because of its utility for policy analysis.

■ Diagram IX.1

Criteria for classifying social investment



Source: R. Martínez and M.P. Collinao, “Gasto social. Modelo de medición y análisis para América Latina y el Caribe”, *Manuales series*, No. 65 (LC/L.3171-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2010, on the basis of Economic Research and Teaching Centre (CIDE), *Manual sobre la clasificación del gasto público federal*, Mexico City, Programa de Presupuesto y Gasto Público, 2001.

The functional classification and its relation to the administrative (or sectoral) classification is central to social protection policy, because programmes are distributed across a broad range of administrative or sectoral agencies. Although we tend to think that the areas of work involved in social protection lie mainly in the social security and health systems —and, more recently, in social development ministries geared towards poverty reduction— there are measures that involve other departments or areas of the State apparatus, such as labour (labour market regulation), health (insurance and access), education (scholarships and school meals), housing (subsidies for access to basic services) and safety (response to natural disasters).

The measurement and analysis of investment in social protection therefore requires exhaustive classification and organization of information generated in different sectors, which is not always sufficiently structured and disaggregated at the source for this to be possible. With a view to enhancing analytical capabilities, Martínez and Collinao (2010) propose advancing towards a model of classification from primary data sources, considering the function and desired impact, the recipient population and the type of output, the source of financing, the sector and level of government of the executing agency, the destination (production or administration) and the cost item (investment or operation).

* Authors: F. Filgueira and R. Martínez.

B. Financing social protection

Social protection systems are financed through taxes or social security contributions (from workers, employers or both), or a combination of taxes and contributions, in addition to co-payments from families towards the cost of social services —such as health services— in the form of direct payments (“out-of-pocket spending”) or as insurance, in cases where the system does not meet their needs fully. The poorest countries can also count on the support of international cooperation agencies and financial institutions.

Funding sources for social protection have been the subject of prolonged debate in the region, particularly for the retirement and pensions component, health systems and their potential expansion. Health systems are funded by both tax and social security contributions. Countries that finance health out of general government revenues include: the Bolivarian Republic of Venezuela, Brazil, Cuba and most English-speaking Caribbean countries. In some countries, such as Chile, Costa Rica or Colombia, contributions are used to supplement general revenues. In others, such as Argentina, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay, health is not financed out of general revenues (Cetrángolo and Goldschmit, 2009).

1. Contributory social protection

In Latin America, there are three main contributory pension models or systems: pay-as-you-go (PAYG) (defined benefit); partially funded collective; and individually funded (defined contribution) (Mesa-Lago, 2004b). However, ECLAC (2006) pointed out that, as the region’s labour markets have not succeeded in becoming a universal or dynamic gateway to social protection, there is an urgent need to develop social protection systems that are not necessarily employment-based, by promoting non-contributory social protection mechanisms. Major examples of this are CTPs and pensions for older adults funded by the Treasury in countries like Brazil, Chile, Mexico and the Plurinational State of Bolivia.

Until the 1970s, countries had collective financing and public administration systems based on an intergenerational contract for savings and protection and would set up a fund to cover the risks of disability and death, as well as reserves against unexpected demographic changes (Uthoff 2006).¹ In the early 1980s, to address the possibility that the system would be unable to afford to pay out future retirement benefits,² Chile developed an individually funded system of individual savings accounts, with their corresponding private pension fund managers (AFPs), which later spread in various forms to Argentina, Colombia, Costa Rica, the Dominican Republic, El Salvador, Mexico, the Plurinational State of Bolivia, Peru and Uruguay. As a result of these reforms, coverage shrank and pension amounts did not increase significantly.

The universe of both the original PAYG schemes and the fully funded schemes includes only formal sector employees and the schemes are funded primarily by mandatory contributions from

¹ Some of these systems were administered through a large (public or independent) national fund, such as Brazil’s Social Welfare Fund or the Costa Rican Social Security Fund, while others operated as targeted funds for specific occupational groups, such as Chile’s Private Employees’ Fund (EMPART) or Argentina’s national social security funds (industry, commerce and civic activities; State and public services and self-employed) (ANSES, 2009).

² Uthoff (2006) also points to the following factors as drivers of reform: the difference between administering savings funds for guaranteed outcomes (such as old age) and administering insurance funds for possible outcomes (such as disease, disability or premature death); the extreme vulnerability of the PAYG fund to the “political use” of its resources to finance other public policy initiatives while disregarding the balance between risk and return required to guarantee the reserve funds; and the persistence of cross-subsidies owing to the nature of contributions to the system.

workers (defined by law), supplemented in some cases by employers. The difference is that, inherent in the PAYG model is a system of internal solidarity among contributors, which is not present in the individually funded model.

Both financing systems have come under criticism. It is argued that, owing to the impact of demographic transition (lower birth rates and mortality, coupled with higher life expectancy), the PAYG system would generate a long-term deficit, as the number of beneficiaries of retirement or other pensions, with predefined entitlements drawn for a longer average time, is growing steadily, unlike the actuarial income stream. This calls for a progressive increase in contributions from employed workers or a significant increase in social investment, or both, a situation that has already been observed in a number of countries, with major fiscal repercussions.³ Two of the criticisms levelled at the individually funded system are that transferral from one system to the other has produced considerable deficits in existing pension funds, owing to the break in the revenue stream, and that the widely varying contributions made by employees during the working phase of their lives means that they end up with insufficient retirement benefits that need to be topped up with State pensions.⁴ To rectify this situation, State-guaranteed minimum pension programmes or, less commonly, State contribution subsidies have been introduced. As both solutions are conditional upon payments into contributory systems, they exclude informal-sector workers. In contrast, non-contributory pensions have extended citizen solidarity to the least protected sectors (ECLAC, 2006).

In order to engender new political and social agreements on the pension issue, Uthoff (2006) points to the need to incorporate the following four “pillars”: (i) a macroeconomic and institutional pillar based on countercyclical policies following the structural surplus rule (as in the case of Chile) or stabilization funds;⁵ (ii) the adaptation of pension models to local demographic and financial realities; (iii) a strategy for increasing contributions, acknowledging the importance of improving affiliates’ productive capacity, for which human capital formation, productive development and employment policies become crucial; and (iv) the solidarity pillar, which completes the cycle of initiatives to ensure the use of financially sustainable arrangements to narrow gaps in protection coverage. This consists of incorporating solidarity criteria into the savings required to finance benefits, while seeking to reward effort by means of defined-contribution systems (thus avoiding disincentives), and establishing guarantee funds, on an actuarial basis, to provide minimum benefits. The core idea is to reconcile the principles of equity and solidarity, while ensuring that benefits do not exceed capitalized contributions (Uthoff 2006).

However, the solidarity pillar poses the dilemma of limited scope for increasing contributions in Latin America, owing to persistent high levels of informal employment and low social security contributions. In its 2007 pension reform, Chile opted to supplement contributions with benefits financed from general tax revenues, with the result that the final pension is the sum total of the self-financed pension and the solidarity pillar top-up within a “graduated minimum pension” rationale (Uthoff, 2008). This solution required consensus and political will and, as this is something that cannot be taken for granted in the region, there needs to be further debate on alternatives. For example, recently the World Bank (Ribe, Robalino and Walker, 2010) called for workers’ social security contributions to be increased, including contributions from workers outside the formal labour market, by means of

³ See, for example, the case of Uruguay and the fiscal dilemmas facing this model in Filgueira, Georgieva and Lijtenstein (2009).

⁴ Individually funded systems have also been criticized from a gender equity perspective, as the precarious employment of women prevents them from becoming members and compounds their vulnerability (Marco, 2004).

⁵ Acosta and Ramírez (2004) point to the adoption of Brazil’s Fiscal Responsibility Law, which imposed spending limits to safeguard macroeconomic stability, and the creation of targeted funds, such as the Fund for Primary Education Development and for Enhancing the Value of the Teaching Profession (FUNDEF) and the Poverty Alleviation Fund, with contributions from various levels of government and under budget-sharing arrangements. At the same time, the authors highlight the contribution that savings funds could make to social protection in other countries in the region for protecting their resources, especially those of the poorest sectors, in times of crisis and fiscal austerity (Acosta and Ramírez, 2004). The example of Chile’s countercyclical policies is cited frequently in this respect. Colombia has also implemented a Social Protection and Equilibrium Fund (FEPS) (2002), where funding is amassed on a countercyclical basis, by saving additional tax receipts in years when the country’s GDP grows by more than 4% (Acosta and Ramírez, 2004).

incremental and voluntary contributions. This would unify traditionally fragmented contributory social protection systems and eliminate the factors that discourage hiring and more formal employment arrangements (taxation and regulations) (Ferreira and Robalino, 2010). This also calls for better alignment of incentives and rewards and greater transparency regarding subsidies, which should be financed from general revenues.

These proposals have elicited concern from a number of authors regarding the room for complementarity that would exist between non-contributory and contributory pensions (Lo Vuolo, 2009; Ramírez and Peñalosa, 2007; Ribe, Robalino and Walker, 2010). This debate is based on the recognition that social protection systems are fragmented, dividing the beneficiary population on the basis of contributory and non-contributory mechanisms, and do not always give access to benefits of equal quality and timeliness. Proposals to address these issues have included: universalizing non-contributory instruments to tackle the deficits of citizenship arising from this fragmentation (Huber, 2006; Lo Vuolo, 2009); promoting growth in contributions (Ribe, Robalino and Walker, 2010); or improving institutional coordination of the two types of policy (contributory and non-contributory) (Acosta and Ramírez, 2004). Undoubtedly this is an area that warrants further analysis and debate.

Income protection against job loss is another instance where funding comes from several sources. Compensation is usually provided by employers, while, in the case of unemployment insurance, there are some combinations in which employees also participate, sometimes with a public contribution. For example, Chile's unemployment insurance scheme, launched in 2002, is funded through both individual unemployment accounts and a Solidarity Severance Fund, to which both employers and the State contribute (AFC, 2010; Fajnzylber, 2010).

2. Non-contributory social protection

Funding for the non-contributory social protection component comes from three sources: a direct government allocation from the national budget; loans from international financial institutions; and grants from both private sources and international cooperation agencies, with different budget shares.

One example of funding from the national budget is Brazil, where the Continuous Benefit Programme (BPC), a non-contributory pension scheme for individuals with disabilities and older adults with an income below one-quarter of the minimum wage, is paid by the National Social Security Institute (INSS) (which is also in charge of contributory pension schemes) and financed entirely by transfers from the Federal Treasury via the National Social Assistance Fund (FNAS). The main source of funding to support this benefit is the Contribution to the Financing of the Social Security System (COFINS), a tax enshrined in the 1988 Constitution to finance the social security budget. The Federal Government is therefore responsible for bearing all costs and for administration (Schwarzer and Querino 2002).⁶ In Mexico, the Federal District's non-contributory universal pension scheme for older adults is solidarity-based and funded entirely by the taxpayers of the Federal District of Mexico.⁷

In other countries, non-contributory social protection programmes are financed by receipts from the exploitation of natural resources, as in the Plurinational State of Bolivia, where the Dignity Income is funded by proceeds from the sale of hydrocarbons. Chile's Pension Reserve Fund (FRP) bears the cost of progressive expansion in the coverage of the Basic Solidarity Pension for old age

⁶ In Brazil there is also a "semi-contributory" rural pension system subject to a minimum period of work (12 years) in the agriculture sector and partly financed out of taxes on the sale of agricultural products, which has helped to reduce poverty significantly in areas such as the north-east of the country (ECLAC, 2006).

⁷ Annual budget ordinance approved by the Legislative Assembly of the Federal District of Mexico, as defined by the law establishing the right to a pension for older adults for people aged 68 and over living in the Federal District of Mexico, published in the Federal District official gazette on 18 November 2003. See [online] <http://www.adultomayor.df.gob.mx/iaam/LPension.pdf>.

and disability (PBS) and the solidarity top-up (old-age and disability) benefit (APS), as well as the system of State-guaranteed minimum old age, disability and survivors' pensions.⁸ The FRP follows a structural balance rationale as Chile's chosen fiscal methodology, which seeks to isolate the effects of economic variability in public finance, in accordance with economic activity, tax revenues and the price of copper and molybdenum. Every year the FRP is credited with the fiscal surplus accrued the previous year (no less than 0.2% and no more than 0.5% of GDP) and, in extraordinary periods, it may receive contributions from the Economic and Social Stabilization Fund (FEES), which accumulates structural surplus flows during positive cycles and serves as a source of financing during periods of fiscal deficit (Rodríguez and Flores, 2010).

In the case of loans and grants, external financing presents both opportunities and drawbacks when it comes to implementing non-contributory social protection policies because it brings with it conditionalities and an erratic flow of funding. Especially in the case of CTPs, a clear contrast can be seen between pilot programmes in the poorest countries, which have been conducted using external funds, and CTPs in countries with better human development indicators that have been financed internally. It is common for the terms of reference of loans to be at variance with programme objectives (Moore, 2009b), as illustrated by Nicaragua and Honduras.⁹

3. Gender equity

In the context of expanding social protection coverage, discussions on the issue of equity in financing social protection have intensified in recent years, not only between generations or within same-generation groups but also between the sexes. Traditionally it is women who, from childhood, have served as caregivers to the region's dependent population. Consideration must therefore be given to a set of prevention measures and demands. Among other measures for promoting greater gender equality, ECLAC (2010a) and ILO/UNDP (2009) have pledged to promote universal access to social services and to social protection, prioritizing investment in care services.

⁸ The PBS is granted to all men and women belonging to the 60% of the population in the lower socio-economic sector, who have been resident in Chile for 20 years and are aged 65 or over (old-age PBS), or aged between 18 and 65 and suffering from a mental or physical disability (disability PBS). The APS consists of a cash transfer to pension system affiliates receiving only a small contributory pension (Huepe and Larrañaga, 2010). The objective of the State Guarantee is to build a revenue base for people who, despite having paid contributions for a considerable part of their lives, are unable to muster enough resources to match the minimum pension and have no other source of income (SP, 2010). It is estimated that the coverage of Chile's solidarity pension system will have increased from a little over 612,000 beneficiaries (at the time of its launch in December 2008) to 1,215,000 by December 2012.

⁹ In the case of Honduras, 60% of funding for the Family Allowance Programme (PRAF) in 2010 consisted of internal resources, 21% came from loans from the Inter-American Development Bank (IDB) and the Central American Bank for Economic Integration (CABEI) and the remaining 19% comprised grants from IDB and the Government of Taiwan Province of China, coupled with debt relief from the United States and Germany (Republic of Honduras, 2010).

C. Types of financing for social protection*

Instruments for financing social protection (and the ways in which they tie in with eligibility requirements and delivery systems) and, more generally, social policy combine legacy elements left over from the older model developed during the import-substitution phase, tools that have their origin in the targeting and market-centric models of the 1990s and more recent innovations that redefine the boundaries of four classic dichotomies in social policy: universalism/targeting, contributory/general revenues, public/private and supply/demand (see chapter II). It is important to delve more deeply into the variants, specifications and, above all, implications of the use of these instruments.

1. Social protection and cash benefits

There are three ways in which the State can finance cash benefits: (i) social security contributions in systems with a solidarity component; (ii) obligatory individual savings and capitalization accounts (a contributory model without a solidarity component); and (iii) general revenues.

(i) Contributory models with a solidarity component. Traditional social security systems (pay-as-you-go systems that include a solidarity component) were introduced in the region in an effort to provide universal coverage for workers and their dependants. They comprise a set of types of insurance coverage designed to provide replacement income or a guaranteed income for workers during various types of life events: old age, illness, unemployment, disability, birth of a child or pregnancy. Dependants are associated with another set of rights pertaining to widowhood, increased childcare costs or the death of a breadwinner and the subsequent impact on the benefits to be received by minor children. In essence, all these events involve something that happens to the worker: it is the worker who grows old, falls ill, becomes disabled, becomes unemployed or has a child. It is also the worker who dies, who has dependants or who leaves behind minor children. The social security rights in question in these latter types of cases are transferred to the spouse or children because that person is or was a gainfully employed worker who, in this type of social insurance model, paid a portion of his or her earnings into the social security system.

All dependent workers are required to pay into a common insurance system. Theoretically, these contributions should cover all the social security benefits that are paid out when people are faced with any of the insured events. The contributions and the resulting benefit entitlements may be more or less stratified, with levels of contributions and levels of benefits being equivalent, but the system's balance derives from the proposition that what is paid into the system will equal, at the present time and across time, its outlays.

These systems are defined as pay-as-you-go schemes and are considered to be solidarity-based, as employed persons are paying for unemployed persons (via unemployment insurance); workers who are not having children are financing those who do (maternity or paternity leave); and members of the economically active population are financing pensioners (retirement and old-age pensions) and those who have children (family allowances). Box IX.1 outlines some of the inherent features of solidarity-based social security systems and some of the differing versions of such schemes.

* Authors: F. Filgueira and R. Martínez.

■ **Box IX.1**

Features and different versions of solidarity-based social security systems

The most notable feature of social security systems is that the solidarity-based model applies only to people who have paid into the system for a given number of years. People who do not pay into the system are not part of the solidarity-based scheme. Another feature is that this financing modality is, strictly speaking, a redistributive model that works along two different lines: the redistribution of income over the life cycle, and redistribution among different categories of people. (It may also involve redistribution among persons at different income levels, but this is not a central operational feature of this kind of system).

The different variants of these systems are also of interest. There are systems that are financed by payroll taxes that can only be paid by workers or by workers and employers, with these resources being supplemented by some type of contribution from the State (in which case we are no longer talking about a pure contributory system). The taxation rates may be flat (all workers pay an equal percentage of their income) or variable (workers in different sectors or occupations pay different rates). In these models, the rates are rarely differentiated by income level, although this can occur when rates differentiated by occupational category correlate with different income levels. In general, however, in these cases benefit levels are also stratified.

The next aspect has to do with how benefits, rather than contributions, are defined, which is referred to as the replacement rate (i.e. the level of benefits as a proportion of the prior income on which they are based). For example, a system may set pensions at 80% of the mean income over the last 10 years worked, unemployment insurance benefits at the equivalent of 70% of the income level prior to unemployment and maternity leave benefits at the equivalent of 100% of the immediately preceding salary.

The definition of contributions (rates) and benefits are combined with two criteria that determine eligibility: (i) how much time a person has to have been paying into the system in order to be eligible for a pension, maternity leave or unemployment benefits; and (ii) what the earliest retirement age is. These four factors (contribution rates, replacement rates, years of contributions and age at retirement) determine the actual coverage and the degree of progressiveness or regressiveness within the system and in terms of those who are eligible and those who are not.

Source: Prepared by the authors.

It is clear that, especially in Latin America, universal social security coverage for workers has never been attained. Since coverage is determined by contributions to the system, universal coverage can only become a reality if everybody pays into the system. Many workers do not have adequate social security coverage and therefore their families do not have that coverage either. In many other cases, even if contributors receive all the benefits provided for in the system, many of the types of risks discussed in the second part of this book are not covered. For example, retirement pensions may be provided, but not unemployment insurance, or sick leave benefits may be provided but not paid maternity leave. In addition, many of these systems are stratified in terms of the amount, variety and quality of the benefits that they include.

(ii) Contributory models without a solidarity component. This financing model is often classified as being based on private, rather than public, investment. Individual capitalization pension and insurance systems, along with accident or unemployment insurance schemes based on individual accounts, are private financing systems. When the State requires wage workers to pay into these kinds of systems, we are dealing with a State-run model of risk coverage, even if the funds that are collected are administered by private agencies.

Most of the contributory systems in the region combine at least two different financing modalities. Many countries use funds from general revenues for targeted policies, contributory financing under pay-as-you-go schemes and obligatory individual insurance and capitalization accounts. In some countries (Argentina, Brazil), there are no individual accounts and, in a few, pay-as-you-go schemes are now used for only a very few occupational categories (e.g. military personnel or civil servants) or are being phased out altogether (Chile).

Another important point is that financing schemes that are used for the same types of policies entailing the same eligibility requirements may still be very different from one another. Contributory systems rarely are financed completely by workers' and employers' contributions; they almost always draw on some kind of subsidy provided out of general revenues. These subsidies are used for two main purposes: to include vulnerable sectors that do not meet the standard eligibility requirements; and to underpin actuarial deficits so that the level of benefits for persons already in the system can be maintained or raised or so that decreases in the contributions of economically active members can be covered. Individual capitalization models also often use combinations of financing modes that include State subsidies. One example of this is the "solidarity pillar" in the Chilean system that was introduced during the 2008 pension reform and provides coverage for people whose pension savings are not enough to provide them with a basic minimum pension (SP, 2008).

Following on from the classification developed by ECLAC (2006), Cetrángolo and Goldschmit (2009) propose a classification of the types of financing for contributory social protection systems based on whether contributions are obligatory or voluntary, whether the source of financing is governmental or non-governmental and whether or not the "benefit principle" is satisfied. The combination of these categories makes it possible to identify redistributive public or private benefit (or "merit good") circumstances. In addition, calculations of the value of retirement and other pensions will differ depending on whether they are defined benefit systems (e.g. average monthly income prior to retirement) or defined (in terms of fixed rates or percentages) contributory systems, in which case the amount of the benefit depends on the amount of accumulated funds and the type of capitalization (individual capitalization or notional accounts) model.

(iii) Non-contributory models. There have always been targeted models in the region, although they have taken greater hold in recent times. These models are designed to provide a guaranteed minimum income or to make up the shortfalls in the incomes generated by individuals and their families who are not covered by the contributory social security system. Welfare-based pensions, conditional cash transfer programmes and subsidized employment programmes are all targeted schemes that are funded out of general revenues. For these types of schemes, eligibility is not based on contributions but rather on need (poverty, extreme poverty or other forms). These models thus generate benefits that are financed by general revenues and that are based on the demonstration or identification by the State of unmet needs.

There is another group of benefits that is not based on contributions or need but that instead takes the form of a flat, basic cash benefit that is provided to all citizens. There are almost no systems of this type in the region, but in many OECD countries, minimum pension floors, allowances or bonuses for each child born or family allowances are universal benefits that are funded out of general revenues.

None of these three categories includes household-to-household solidarity financing, one of whose largest components takes the form of remittances sent by migrant workers from abroad. These flows have risen sharply since the 1990s and had come to represent a significant percentage of GDP in some countries of the region by the early 2000s (Solimano and Allendes, 2007).¹⁰ While these funds are not used solely to cover social needs, since in some cases they are used for capital and productive investments, they have become a key source of support for poor and vulnerable households. They have thus come to serve as a supplementary —and in some cases substitutive— private social protection system for recipient households, some of which rely almost entirely on these remittances.

¹⁰ As of 2014, remittances still represented a very large percentage (over 15%) of GDP in El Salvador, Guyana, Haiti, Honduras and Nicaragua (IDB, 2015).

2. Social protection and access to health care

The State can finance health services in three different ways: (i) general revenues; (ii) contributory insurance schemes; and (iii) mandatory individual insurance coverage and service co-payments.

Some kinds of benefits tend to be provided on a universal basis and to be funded out of general revenues. Vaccinations and sanitation infrastructure are some of the most obvious examples. The State draws on general revenues in order to guarantee a basic level of access to these kinds of benefits because they are regarded as public goods or preferred goods by virtue of their strong positive externalities or their strong negative externalities in the event of their underconsumption.

In many cases, however, these benefits —especially childbirth and primary care services— are part of contributory insurance schemes that have a similar financing model to the one used for social security systems that provide cash benefits: everyone contributes and some enjoy the benefits. The solidarity-based model, in this case, relies on the fact that healthy people can help pay for the services needed by people in poor health, or that those who are not in need of financial assistance can provide support for those who do.

In addition to these two financing modalities, there are mandatory private or individual insurance schemes. In this case, benefits are determined by the amount of contributions and co-pay mechanisms.

Headway has been made in expanding coverage in the region by means of subsidized contributory systems (Costa Rica, Uruguay), lower-cost segmented insurance programmes (e.g. the Public Social Security System in Mexico) and free-of-charge insurance programmes covering a subset of basic benefits (e.g. the Explicit Guarantees Universal Access Plan, better known as the AUGE Plan, in Chile). The differing degrees of the integration of these benefits and financing modalities are what accounts for existing coverage gaps and gaps in terms of the quality and range of benefits.

Part IV A. Arenas (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*; D, pp. 288-290

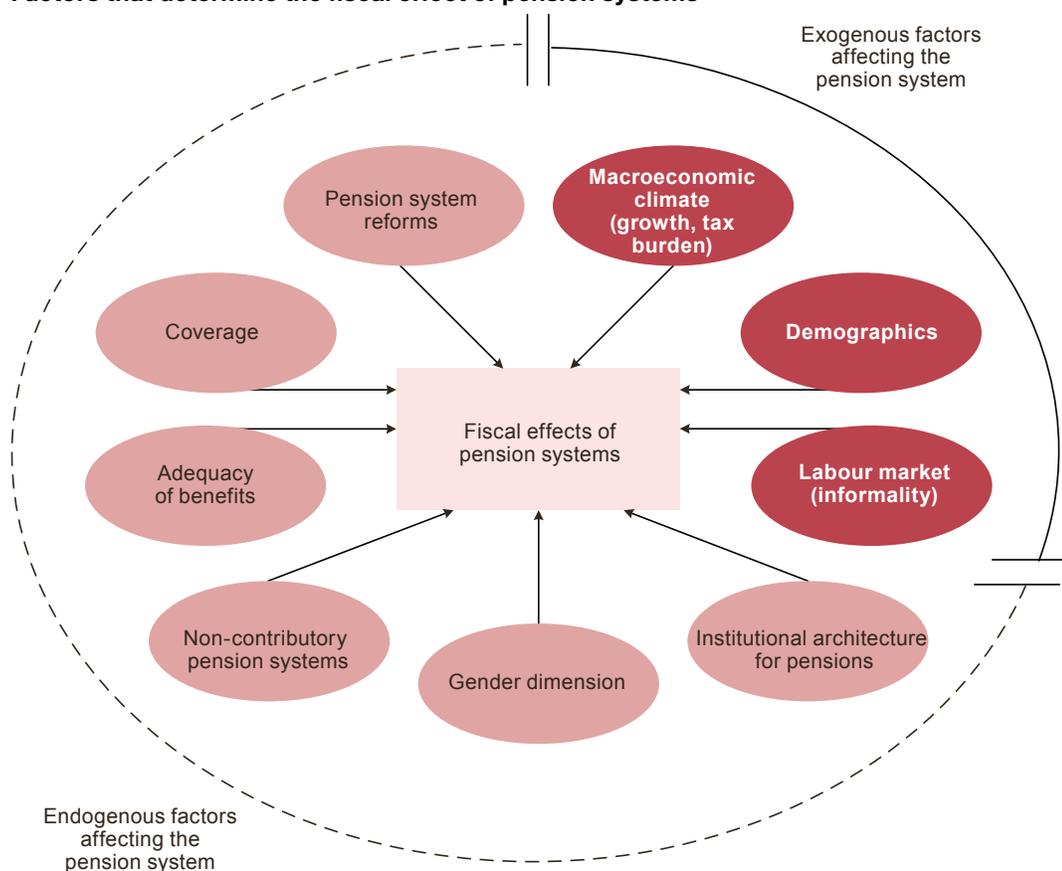
D. Connections between fiscal policy and pension systems

International organizations have been monitoring the social, economic and political effects of Latin America's demographic transition on a permanent basis; the fiscal impact of pension systems, however, which arises from a range of factors, has been studied less and has been a topic of keen interest in recent years.

Exogenous and endogenous factors that determine the fiscal effects of pension systems can be identified (see diagram IX.2). The exogenous factors include the following: (i) the macroeconomic climate (growth rate, tax burden and other aspects), (ii) demographics (ageing), and (iii) the job market, including such other factors as job creation and the level of informal employment, given that they shape the outcomes of pension system. The endogenous factors, on the other hand, include: (i) pension system reforms, (ii) coverage levels, (iii) the adequacy of the benefits, (iv) the extent of non-contributory pension systems, (v) the development of the institutional architecture for pensions, and (vi) discussions on the inclusion of gender considerations in pension system design.

■ Diagram IX.2

Factors that determine the fiscal effect of pension systems



Source: Prepared by the authors.

The macroeconomic scenario, characterized by moderate growth, accelerated population ageing and high rates of informal employment in the job market are some of the pension system's main exogenous factors that will bring pressure to bear for pension reform in the region's countries. On account of slow growth rates, among other factors, public revenues will not increase significantly (unless tax reforms are implemented) and this will be accompanied by weak levels of waged job creation. The ageing of the population will put pressure on public spending and, in particular, on social security systems (pensions and health). At the same time, informal employment levels will restrict the contributory coverage of active workers and benefit adequacy, which will mean increased pressure on public spending. The combination of these factors will test the sustainability of pension systems, which will depend on the reforms implemented in both the pension and fiscal arenas.

At present, pension systems cover almost 79% of people aged 65 and over in the region, for a total of some 36 million (see chapter III). Assuming that progress toward universal pension coverage will be made over the coming decades (which is a basic principle of social security and reflects the situation in the developed countries), pension systems will have to cover almost 196 million people aged 65 and over in 2065, more than five times the current number of pension recipients (ECLAC, 2017).

In that context, the potential increase in coverage will mean that the pension system will bring pressure to bear on public spending. In addition, assuming that the level of benefits could increase over the coming decades, the conclusion is that pension systems must be one of the focuses of studies of public finances and that pension reforms will be a central element in ensuring the region's fiscal sustainability (Arenas de Mesa, 2016).

In addition to pension reforms, the sustainability of pension systems will largely depend on comprehensive fiscal reforms that take account of revenues, spending and the institutional architecture for taxation. In recent years, the region has made great efforts with collecting taxes, which has enabled public revenues to hold steady as a proportion of GDP (ECLAC, 2018 and 2019). However, fiscal policy depends critically on the efficiency, quality and composition of public spending, particularly during times of economic slowdown and of growing social, demographic, institutional and gender demands. In that context, estimates and forecasts of public spending on pensions will be essential in efficiently meeting the budgetary demands of the social protection system and, above all, of pension systems.

Part VA. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*; E, pp. 100-107.**E. Out-of-pocket health spending and inequality¹¹**

Health services and products have three main sources of funding, the importance of which varies from one country to another depending on the structure of their health systems: (i) general and specific taxation, (ii) contributions to social security collected by means payroll taxes or other taxes or contributions, and (iii) disbursements made by households themselves. The following paragraphs analyse private health spending by Latin American households, particularly direct or out-of-pocket expenses arising from payments or co-payments for benefits.

According to the definition of the Pan American Health Organization (PAHO, 2007), household spending on health covers two kinds of expenditure. Direct –or out-of-pocket– spending covers net outlays for such items as hospitalizations, in-patient procedures and medicines: in other words, the costs met after deducting reimbursements received from the health system or insurance scheme in which the patient is a member. Indirect spending, in contrast, refers to pre-paid medical care plans, private health insurance and contributions to public insurance.¹²

Such spending is alien to the logic of solidarity or risk diversification and is made on a fragmentary basis, generally to service providers. In some cases, its effectiveness, efficiency or relevance is unclear (for example, when such expenses are the result of high drug prices, overpriced services in certain markets or excessive benefits). In that such outlays reflect the socioeconomic standing of the individuals who make them, they are among the most unfair forms of health funding; reducing them is a complex challenge that must be tackled from the perspective of a more universal and solidarity-based social protection model. However, not only are reductions in out-of-pocket spending important: there are related areas of expense that also require regulation. When certain items are covered by universal, solidarity-based insurance, their prices must also be monitored to avoid situations such as the one that arose in Colombia, where a drastic reduction in out-of-pocket spending on medicines by the insured population was accompanied by an explosion in spending on drugs by the health system and the national budget, on account of the surcharges imposed by pharmaceutical companies in the context of litigation related to the right to health.

Different segments of the population report different levels of vulnerability to out-of-pocket health expenses that could affect their socioeconomic conditions. The level of vulnerability is determined by both the amount of the out-of-pocket expenses and the household's capacity for spending (see table IX.1). Spending capacity is defined as total household spending less the subsistence level amount spent on food, which on average accounts for around 50%. The burden of out-of-pocket health expenses is the proportion that the account for within the household's available spending capacity; certain thresholds may be established, at around 30% to 40%, to indicate expenses that, because of their magnitude, are considered catastrophic.¹³ This analysis uses a threshold of 30%.

¹¹ This section summarizes ideas and calculations made in ECLAC (2013, ch. V).

¹² It should be noted that the surveys do not distinguish whether the reimbursements have already been discounted from the direct payment amounts or, in other cases, what the amount of future reimbursements will be. The burden of out-of-pocket spending expresses the volume of those expenses vis-à-vis the household's spending capacity, which is defined as the household's total spending minus its subsistence costs (ECLAC, 2013)

¹³ Xu (2005) and Murray and others (2003) set the threshold at 40%, which is the level used in both ECLAC (2008) and Peticara (2008). In turn, Knaul and others (2011) recently used a figure of 30%, which increases the number of households whose expenses fall into that category. The present analysis uses a threshold of 30% to improve the sample quality offered for analysis by the surveys; for that reason, the figures are not comparable with ECLAC (2008) or Peticara (2008). It should be noted that measurements using income and expenditure surveys allow expenses incurred in the month of the survey to be calculated, but not their more lasting effects (for example, if temporary impoverishment caused by a catastrophic health event extends into the medium or long terms). Neither do they reflect recurring expenses or, as a result, the temporal dimension of their impact. They do nevertheless give an idea of the unequal capacities of households to meet expenses that are not covered by insurance when acute or chronic morbidity events occur. For further methodological details on the use of the household income and expenditure surveys to analyse out-of-pocket health expenditure, see ECLAC (2013, box V.2). To calculate spending in 2005 purchasing power parity (PPP) dollars, the PPP dollar conversion factors published in the World Bank's World Development Indicators were used; the exchange rate used was the 2005 rf series. As the specific exchange rates for the subsamples throughout the analysis period for all the countries were not available, the average consumer price indexes for the entire survey period were used for indexing purposes and to calculate amounts in local currencies as 2005 averages.

As is to be expected, the weight of out-of-pocket expenses varies greatly across income distribution. The lower out-of-pocket spending seen among the poorest segments could be an effect of insurance (a variable that cannot be measured accurately because of the sample sizes and the different solutions used to record and register spending in the surveys) or, failing that, it could indicate an inability to cover such outlays. The disparity in the average amounts by income quintiles across Latin America can be seen on figure IX.1. Examining the structure of spending reveals that households in the lower income quintiles spend proportionally more on medicines, whereas as income increases, more is spent on specialized care (see figure IX.1). This could be evidence of self-medication as a solution for exposure during episodes of illness in the most vulnerable households and of limitations for spending on specialized care.

■ **Table IX.1**

Latin America (18 countries): general indicators related to out-of-pocket health spending made in one month
(Percentages)

| Country | Spending capacity as a percentage of total spending ^a | Out-of-pocket health spending | | Households without out-of-pocket health spending | Households with out-of-pocket health spending : weight of that spending within total spending capacity |
|--|--|-----------------------------------|---|--|--|
| | | As a proportion of total spending | As a proportion of spending capacity ^a | | |
| Argentina (2004/2005) | 61,9 | 5,0 | 6,8 | 45,7 | 12,5 |
| Bolivia (Plurinational State of) (2003/2004) | 58,8 | 3,1 | 4,5 | 43,2 | 7,9 |
| Brazil (2008/2009) | 85,5 | 5,0 | 5,7 | 14,3 | 6,7 |
| Chile (2006/2007) | 68,3 | 4,3 | 5,6 | 34,5 | 8,6 |
| Colombia (2007) | 59,4 | 1,9 | 2,9 | 36,4 | 4,6 |
| Costa Rica (2004) | 73,2 | 2,1 | 2,6 | 36,5 | 4,1 |
| Ecuador (2003/2004) | 72,9 | 4,7 | 6,2 | 4,0 | 6,5 |
| El Salvador (2006) | 65,4 | 4,3 | 6,1 | 13,7 | 7,1 |
| Guatemala (2006) | 56,8 | 6,2 | 9,4 | 11,3 | 10,6 |
| Honduras (2004) | 59,2 | 11,2 | 16,4 | 19,4 | 20,3 |
| Mexico (2006) | 75,0 | 4,7 | 6,0 | 19,8 | 7,5 |
| Nicaragua (2005) | 42,7 | 6,6 | 12,6 | 17,2 | 15,2 |
| Panama (2007) | 72,2 | 2,4 | 3,1 | 10,1 | 3,5 |
| Paraguay (1997) | 43,5 | 3,6 | 7,2 | 7,7 | 7,8 |
| Peru (2008) | 61,7 | 7,0 | 10,4 | 7,5 | 11,2 |
| Dominican Republic (2007) | 42,6 | 6,4 | 11,9 | 18,6 | 14,6 |
| Uruguay (2005/2006) | 77,9 | 2,8 | 3,4 | 25,9 | 4,6 |
| Venezuela (Bolivarian Republic of) (2008/2009) | 53,5 | 3,1 | 4,4 | 60,4 | 11,1 |
| Latin America ^b | 62,8 | 4,7 | 7,0 | 23,7 | 9,1 |

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2013* (LC/G.2580), Santiago, 2013.

^a Spending capacity is defined as total household spending minus subsistence expenses (household spending on foodstuffs, calculated for each country). According to Xu (2005), a relative level of subsistence is defined, estimated as average per capita spending on food equivalent to the outlay of a family located between the 45th and 55th percentiles of the distribution of the ratio between food spending and total spending (number of household members raised to 0.56).

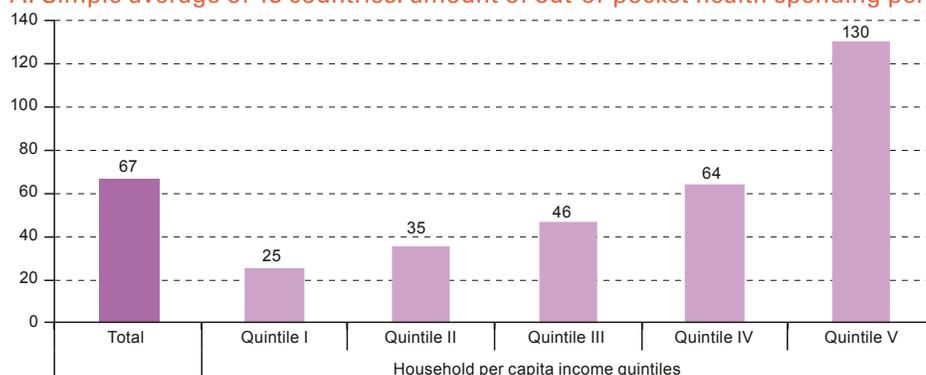
^b Simple average of the countries.

■ **Figure IX.1**

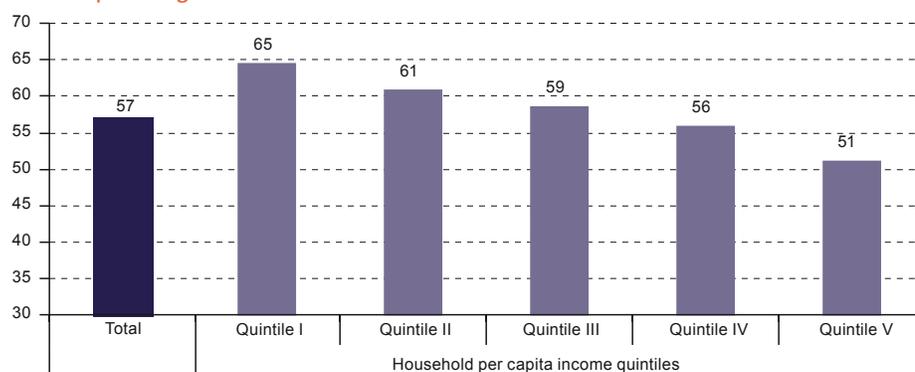
Latin America: average amount of out-of-pocket health spending by household, and spending on medicines and specialized care as a percentage of out-of-pocket health spending, by income quintiles, made in one month, around 2006

(Purchasing power parity (PPP) dollars, 2005, and percentages)

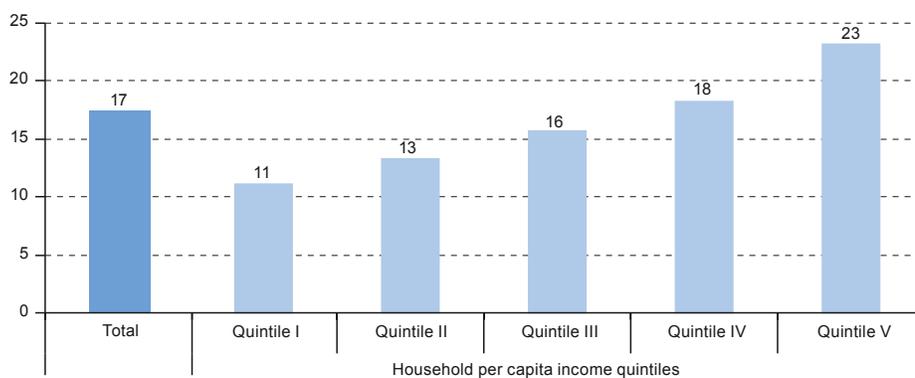
A. Simple average of 18 countries: amount of out-of-pocket health spending per household



B. Simple average of 16 countries: spending on medicines as a percentage of out-of-pocket health spending



C. Simple average of 18 countries: spending on specialized care as a percentage of out-of-pocket health spending



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

High out-of-pocket health spending can leave households impoverished. To quantify this phenomenon, the percentage of households that are left impoverished out of all those meeting out-of-pocket health expenses is first identified. That type of impoverishment is then added to the incidence of poverty calculated strictly on the basis of the food spending subsistence level. Observations of 18 of the region's countries indicate how the incidence of poverty increases appreciably in several of them (see table IX.2 and figure IX.2).

■ **Table IX.2**

Latin America (18 countries): indicators of impoverishment related to out-of-pocket health spending in one month
(Percentages)

| Country | Incidence of poverty | | | Households impoverished after out-of-pocket spending | Households with catastrophic out-of-pocket health spending (30% or more of spending capacity) | | |
|--|----------------------|--|--|--|---|--|---|
| | Among all households | Among households without out-of-pocket health spending | Among households with out-of-pocket health spending ^a | | Percentage of households with catastrophic spending | Incidence of poverty in households with catastrophic spending ^a | Households impoverished after catastrophic spending |
| Argentina (2004/2005) | 14,3 | 24,2 | 6,0 | 1,2 | 6,7 | 7,7 | 12,7 |
| Bolivia (Plurinational State of) (2003/2004) | 15,6 | 22,5 | 10,4 | 0,7 | 3,0 | 14,7 | 12,5 |
| Brazil (2008/2009) | 2,8 | 7,9 | 1,9 | 0,6 | 2,5 | 3,9 | 8,8 |
| Chile (2006/2007) | 8,2 | 17,7 | 3,2 | 0,5 | 3,7 | 4,8 | 8,6 |
| Colombia (2007) | 14,5 | 20,0 | 11,4 | 0,6 | 1,1 | 24,7 | 21,4 |
| Costa Rica (2004) | 7,6 | 15,4 | 3,1 | 0,3 | 0,5 | 5,4 | 13,3 |
| Ecuador (2003/2004) | 2,0 | 7,5 | 1,8 | 0,3 | 2,0 | 3,7 | 4,3 |
| El Salvador (2006) | 11,0 | 24,0 | 9,0 | 0,9 | 2,5 | 5,7 | 8,4 |
| Guatemala (2006) | 10,0 | 16,5 | 9,1 | 1,7 | 8,3 | 4,6 | 9,5 |
| Honduras (2004) | 18,8 | 24,9 | 17,3 | 4,7 | 20,0 | 12,4 | 18,9 |
| Mexico (2006) | 2,8 | 5,6 | 2,1 | 0,5 | 4,1 | 2,8 | 4,1 |
| Nicaragua (2005) | 22,1 | 28,3 | 20,8 | 3,2 | 12,7 | 21,7 | 15,6 |
| Panama (2007) | 3,1 | 8,2 | 2,5 | 0,2 | 0,9 | 0,3 | 2,2 |
| Paraguay (1997) | 20,7 | 34,7 | 19,5 | 1,6 | 4,1 | 38,6 | 12,1 |
| Peru (2008) | 10,8 | 32,0 | 9,0 | 1,5 | 6,4 | 14,3 | 10,7 |
| Dominican Republic (2007) | 16,0 | 23,1 | 14,4 | 3,4 | 11,9 | 26,1 | 19,8 |
| Uruguay (2005/2006) | 3,7 | 10,3 | 1,4 | 0,1 | 0,5 | 2,6 | 2,1 |
| Venezuela (Bolivarian Republic of) (2008/2009) | 16,6 | 23,4 | 6,1 | 1,0 | 4,0 | 10,5 | 17,3 |
| Latin America ^b | 11,1 | 19,2 | 8,3 | 1,3 | 5,3 | 11,4 | 11,2 |

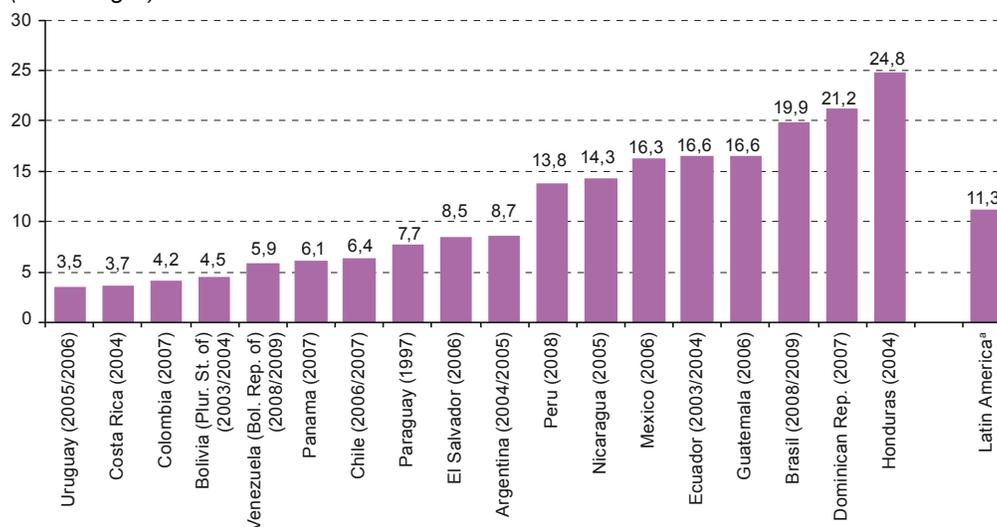
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations from income and expenditure surveys of the respective countries.

^a Households in conditions of poverty before making the (catastrophic or non-catastrophic) out-of-pocket expenditure.

^b Simple average of the countries.

■ Figure IX.2

Latin America (18 countries): increase in relative poverty caused by out-of-pocket health spending in one month
(Percentages)



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

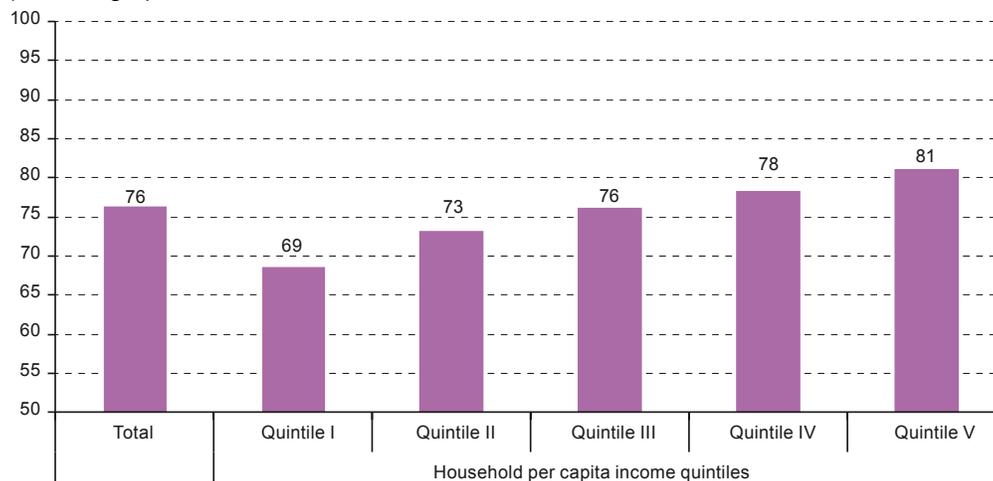
^a Simple average of the countries.

Figure IX.3 shows how the incidence of out-of-pocket health spending differs among the income quintiles. As an additional factor underscoring inequality, note how the incidence also varies between poor and non-poor households. It is therefore notable that the incidence of poverty (measured with respect to the subsistence level) is considerably higher among households without out-of-pocket expenses, particularly in countries with low levels of health insurance (see figure IX.4).¹⁴ Bearing in mind that the inhabitants of those households, on account of their adverse socioeconomic conditions, do not generally enjoy good levels of health or good levels of insurance, the absence of out-of-pocket health spending would seem to indicate that a significant proportion of the poor are totally unable to meet such expenses.

¹⁴ It was Peticara (2008) who originally called attention to this issue.

Figure IX.3

Latin America (simple average of 18 countries): households with out-of-pocket health spending by income quintiles, around 2006
(Percentages)

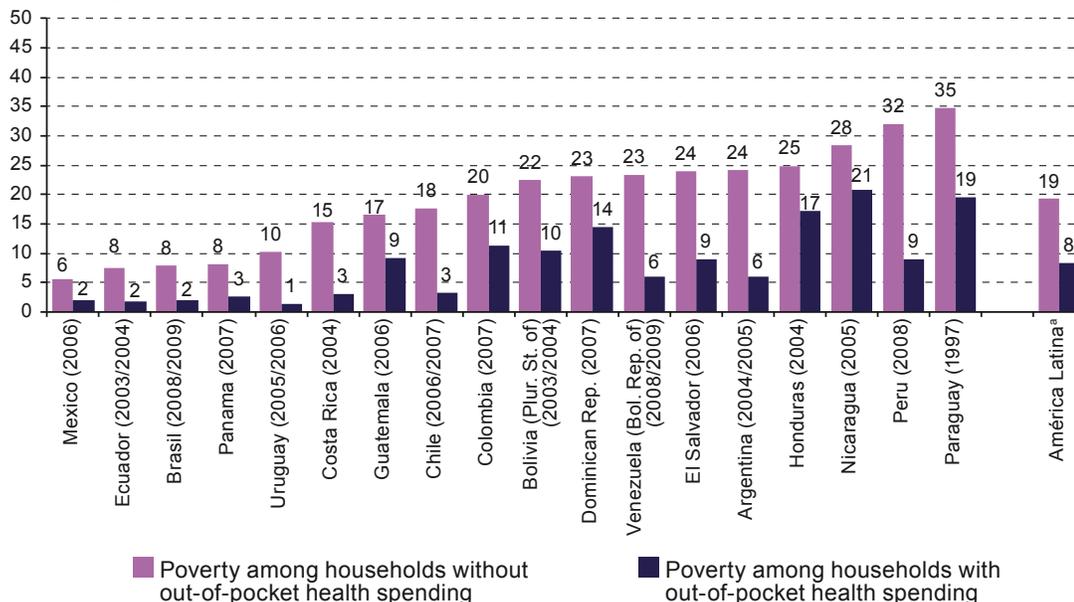


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations from income and expenditure surveys of the respective countries.

In other words, while catastrophic expenses are primarily associated with very high out-of-pocket spending that households make only with great difficulty, the constraints on households with limited payment capacity lead, essentially, to their being unable to meet out-of-pocket health expenses, even when they are not insured (ECLAC, 2008).

Figure IX.4

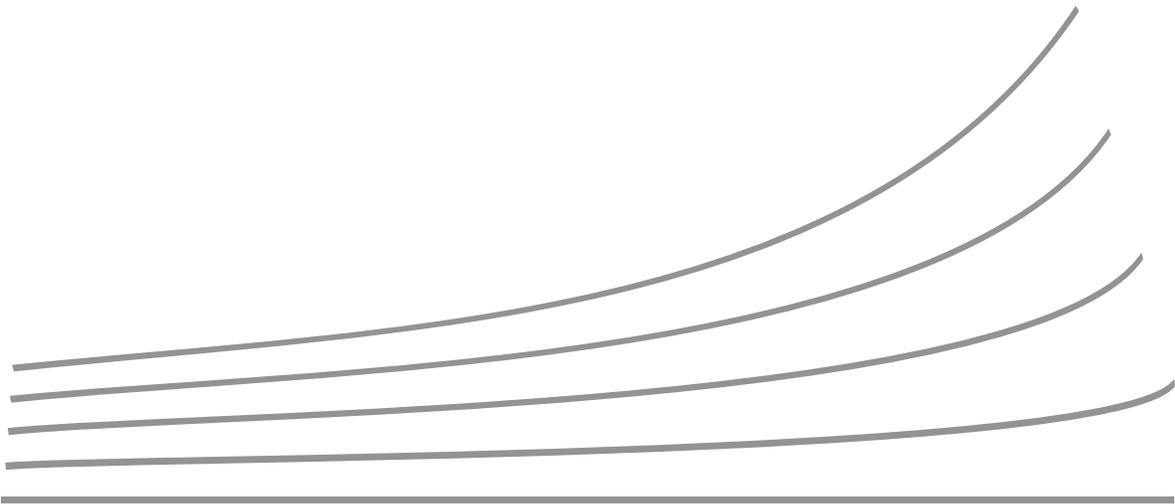
Latin America (18 countries): incidence of poverty in households with and without out-of-pocket health spending
(Percentages)



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

^a Simple average of the countries.

The concept of catastrophic health refers to the magnitude of that out-of-pocket spending compared to households' general spending capacity. Because of it, the ability to meet "normal" expenses is restricted, which leads to debts or impoverishment. When the volume of out-of-pocket expenses surpasses a given limit, it is considered catastrophic; as already stated, the threshold is usually set at 40% of spending capacity (Xu, Evans and Aguilar, 2003) or, as in the present analysis, at 30%. This is a phenomenon that, in several of the region's countries, also affects a significant segment of households that were already poor, regardless of the amount of outlay required. Of those countries where a considerable proportion of households face catastrophic out-of-pocket health spending, Honduras, Nicaragua and the Dominican Republic are those where the highest percentages become poor because of the amounts involved.



Chapter X

Compacts for universal social protection

Source:

Part I. ECLAC (2006), *Shaping the future of social protection: access, financing and solidarity*
https://repositorio.cepal.org/bitstream/handle/11362/2807/S2006001_en.pdf

Part II. S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*
https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf

Introduction

State definitions of social protection are the result of more or less democratic processes in which numerous actors express their interests, invest their political capital and ultimately reach joint decisions. ECLAC has called for social and fiscal compacts —understood as explicit agreements among different social and political stakeholders— as a path towards the construction of universal social protection systems, for achieving equality, redistribution and social inclusion.

Chapter X sets out a proposal made by ECLAC for a social protection compact and discusses various reforms to social policies and social protection systems that achieved broad consensus in Chile, Costa Rica, El Salvador, Mexico and Uruguay.

Part IECLAC (2006), *Shaping the future of social protection: access, financing and solidarity*; A, pp. 36-42.**A. Towards a social protection covenant**

The notion of rights-based social protection is not limited to welfare or relief measures. It also encompasses policies for the development of human capital and risk prevention. Although changes in social policy have resulted in a more educated population and improved health indicators in Latin America and the Caribbean, people nonetheless find themselves in volatile, segmented, precarious labour markets over which they have no control, while society itself must cope with processes that extend beyond the purview of political decision-making at the national level and that may trigger fluctuations in the economy's growth rates and job creation capacity.

In this context, social policies must help society overcome its vulnerabilities and mitigate the factors that create insecurity under different sorts of circumstances, which will have varying impacts on individual members of society depending on how vulnerable their positions are. This calls for anticipatory and remedial social investment measures in order to strengthen human and social capital, reinforce employment-based social security schemes, and build social protection and and/or safety nets.

This also suggests that, at this juncture, the region needs to make the transition from a social policy package to a comprehensive social protection system. This transition poses both fundamental and procedural problems, however, including the conflicts that arise among rights, resources, distributive patterns and institutional designs. As noted earlier, no solution is universal, and there can be no effective exercise of social rights without according due consideration to supply of resources available for distribution and the exogenous and endogenous constraints existing in each country and at each point in time.

A protection system is more than an institutional structure; it is a political agreement that enables society to lay the foundations for building and regulating its way of life. This kind of system determines which rights apply to all, how they are protected and how they are rendered viable. This involves institutions, standards, programmes and resources. Furthermore, a social covenant aimed at reshaping social protection on the basis of universally recognized rights is not simply a matter of having individuals decide to enforce such rights or of market dynamics. A social covenant of this kind must be backed up by a society-wide decision to uphold such rights.

A social agreement or covenant must therefore include a common vision of the type of society that the State and all stakeholders aspire to achieve. This is necessary for two reasons. First, the sheer scale of such a task requires a broad national consensus in order to implement the necessary social reforms (institutional innovations, determination of resource levels and allocation, and the definition of how the principle of solidarity is to be expressed in actual transfers).¹ Second, long-lasting policies and institutions are needed whose time horizons extend beyond the terms of individual Administrations.

The main means of consolidating social policies in the medium and long terms is therefore this type of social (and fiscal) covenant or pact. "Armour-plating" the most important items of social spending has a twofold purpose. First, the established priorities reflect an explicit political agreement reached by Congress; second, funding for such items is guaranteed and the continuity of the relevant programmes is therefore ensured.

Such a covenant has both substantive and procedural aspects. The former refers to content (minimum levels, tangible manifestations of solidarity, transfers, the progressivity of coverage, quality of benefits and expansion of access). A social protection covenant must be based on the principles of universality, solidarity and efficiency. This does not mean that every single benefit can be provided to all,

¹ Any serious analysis of social protection or a welfare system in Latin America cannot ignore the political debate concerning a fiscal covenant. See ECLAC (1998) and ECLAC (2004b).

but rather that, on the basis of a dialogue among all stakeholders, society reaches agreement as to the standards of quality and coverage that should be guaranteed to all its members. Such a covenant should also feature clear and permanent rules and management standards. It should adhere to criteria for the maintenance of macroeconomic stability and be aimed at socializing benefits and obligations. Stable and dynamic economies, combined with effective solidarity-based transfers designed to universalize social protection and promote the development of capacities and opportunities, are absolutely essential if the region is to reconcile the two sides of the development coin: growth and equity.

The procedural aspects have to do with the way in which the idea of forming such a covenant is proposed, who is called upon to participate, what kinds of deliberative and representational procedures are to be used, how agreements are to be monitored and applied, and how the State is to fulfil its regulatory role. Without such agreements or covenants, any progress made in this regard will be subject to the ins and outs of ongoing negotiations, with no guarantee of continuity over the medium term and questionable social legitimacy. This would make it impossible to move ahead in building a social protection system that could serve as a framework for such policies and lay the foundations for coherent and consistent linkages between social and economic policies.

Covenants of social protection and cohesion are concluded among organized stakeholders in coordination with the State. The most organized groups within the production sector (trade unions and business associations) are not the only actors linked to the State and political system, however. This is partly because modernization and globalization have weakened trade unions and their linkages with the political system. Another factor is that these same processes have produced a more complex map of social actors as new ascriptive groups based on factors such as geographical location and age have emerged. It is also vital to bring representatives of excluded groups, especially informal workers, to the table. This poses another challenge for democracy: the challenge of raising the profile of “invisible” stakeholders or, in other words, levelling the playing field in terms of active participation in decision-making. Finally, since participation in public affairs is increasingly taking place at the local level (in the “global village”), any deliberative process undertaken with a view to forging a covenant of social inclusion or cohesion should also include local actors from the public and private sectors.

Political parties have a key role to play both in appraising and in building such a covenant. From the standpoint of the critical assessment of such an agreement’s contents, however, political parties in many of the region’s countries have lost some of their ability to represent social demands and have become overwhelmed by de facto power groups and the proliferation of actors whose demands are increasingly difficult to merge into a single voice. The vital nature of political parties’ role in constructing a social protection covenant stems from the fact that they are the ideal channel for mediating and formalizing relations between the State and civil society, or between the disperse logic of social actors and the more coherent logic embodied in consensus-based political proposals.

It is just as important to promote the stability and reinforcement of the democratic system and its institutions as it is to define the guidelines, foundational criteria and tools to be used by a social protection system. These elements constitute the underpinnings for a social covenant whose point of departure is a consensus regarding the solidarity-based measures to be used in sharing the costs of crises and in distributing the benefits of progress more fairly and equitably. By the same token, in order for democracy to enjoy legitimacy, economic and social organization issues need to be taken into account as part of the initial deliberative process. Economic and social policies must be backed up by greater political control and technical capacity in order to orient the economy towards the interests of the entire populace. The formation of such a covenant thus implies that political and social actors will furnish the necessary support to give policies a solid foundation and ensure their continuity. As such, it constitutes a vital link between social protection policies and the strengthening of democracy

There is no need for a social and political agreement to stipulate whether or not citizens are rights holders by definition or whether or not those rights should be protected automatically, since there is no question about either point. What should be specified, on the other hand, is which rights should be guaranteed for the whole of society and to what extent, given that society's level of progress and the potential risks faced by its citizens. This obliges all stakeholders to subscribe to a principle of social solidarity as manifested in the intragenerational and intergenerational distribution of material and financial resources, access to health and education services, and risks and opportunities.

It is therefore more a question of which rights or what degree of enforcement should form the backbone of a renewable social covenant. In other words, what should the specific content of a social protection contract be at any given moment in time? In Latin America and the Caribbean, for instance, countries with a large number of people living in poverty or extreme poverty are unlikely to be able to extend their social protection policies to other at-risk sectors of society. For countries that have succeeded in sharply reducing their poverty levels, on the other hand, limiting social protection to the poorest groups might well be a regressive measure, especially given the size of middle-income sectors that, in the absence of support, would be at risk of job insecurity, low income levels or both.

This means that the substance of a rights-based social covenant or contract cannot be applied across the board to all countries in all circumstances. Although the rights themselves are universal, the standard of implementation that is judged to be adequate is determined by historical factors. Social contracts must therefore take these variations in time and space into account by adjusting to rising or falling levels of resources and to increases in the thresholds that must be crossed in order to lift people out of poverty, mitigate vulnerability and reinforce social inclusion. Furthermore, the starting point for a social protection covenant must be a recognition of the fact that the three principles of social protection systems (solidarity, universality and equivalence) must be in balance in order to permit the use of a proper mix of incentives. That balance is not an automatic given: it must be built and legitimized, and it is no mean feat to reach agreement as to an optimum combination of incentives to encourage individual contributions and transfer mechanisms to serve the interests of solidarity and universality.

In summary, a covenant must seek to reflect a consensus regarding the following elements:

- A minimum threshold of social protection to which all members of society are to have access simply by virtue of their citizenship. This threshold should be set at a realistic level, however, in terms of the society's stage of development and viable levels of inter-sectoral redistribution and transfers.
- The rate at which this basic minimum is to be increased, together with the sequencing and progressiveness of the steps taken to do so. Consideration must be given to attaining a feasible level of resource redistribution, but efforts should also be made to expand the supply of available resources through economic growth. This approach will allow redistributive mechanisms to be used in combination with measures for safeguarding competitiveness and the sustainability of growth.
- Tangible manifestations of solidarity, although the exact mechanisms may vary from country to country. Precisely because there is no single, universally applicable model, it is very important to have an institutional structure with sufficient authority and legitimacy (from the standpoint of both the State and society) to implement the relevant social policies. What is at stake here is society's support for the regular use of mechanisms to carry out transfers between members of the economically active population and retirees on the basis of age, gender, employment status or income; between private contributors and public beneficiaries; between persons in high-income and low-income groups; between employers and employees; and between sectors that are covered by social protection systems and sectors that are not.

- State-enforced regulatory procedures to guarantee the effective use of these solidarity-based mechanisms. This may involve a suitable combination of public and private financing for benefits and services (including compensation funds); individual and public contributions (balancing incentives with transfers); taxation and the tax structure; and distribution of costs and benefits through labour reforms.
- A progressive social expenditure and taxation system that clearly defines the intended use of any increases in spending or taxes, which should be directed towards social investments that will clearly benefit the most vulnerable groups. Specific action should be taken to ensure that such resources are not used for other purposes.
- Agreed standards in relation to the social impact of funding increases. The job of upholding these standards should be assumed by the State as one of its obligations under the social covenant.

This kind of social protection involves two different rationales: one in which there is a fairly linear relationship between contributions and benefits, and one that clearly separates contributions from benefits through the use of taxes or crossed subsidies. In the first case, people expect to see a straightforward relationship between what each person contributes to social security and the benefits which that individual receives. The best examples of this linear relationship are individual risk insurance or individual funded pension systems. Such systems are based on the principle of individual equity.

The underlying rationale is quite different in the case of collective equity, the main example of which is a social assistance or welfare system. Under these sorts of schemes, contributions are collected through taxation, and benefits are not directly related to the amounts paid in by contributors. What is more, the people who receive social assistance benefits tend to be those who pay the least taxes throughout their working lives. Social assistance systems therefore function as a redistribution mechanism for channelling transfers from the people who have the most to those who have the least. The definition of which rights are guaranteed and which risks society is willing to assume as its collective responsibility should lead to an explicit designation of public goods whose provision by the State —and only by the State— is indelegable, regardless of whether the delivery of such goods is conducted by public or private institutions.²

Within this framework, a social covenant or contract that sets acceptable standards of social protection for all citizens will invariably be situated somewhere along the line that stretches between the extremes of individual equity and social equity (i.e., between a direct correlation of contributions to benefits, on the one hand, and the social optimization of the benefits financed by total contributions, on the other). The ideal balance is one that facilitates the efficient mobilization of a maximum amount of resources while achieving or maintaining a distributional optimum in the use of those resources for the purposes of social protection.

As was stated at the outset, a social protection covenant is an equation in which social rights are the normative horizon, while existing inequalities and budgetary restrictions are the limiting factors to be dealt with. The ethical imperatives that underpin a social rights-based covenant must be reconciled with the financial constraints generated by the dynamics that will be described in the following chapters of this study. Another aspect to consider is the optimum use of resources to increase the coverage and quality of services, especially for those people with little or no access to them. The proposals put forward in this document are designed to build bridges between social rights and policies aimed at achieving simultaneous increases in access, financing and solidarity.

This study will therefore devote special attention to some of the main issues associated with social protection. The assessments and proposals regarding health and social security systems

² The State must control, regulate and monitor the provision of public goods to ensure that they meet quality standards and are distributed to recipients in the quantities stipulated.

offered in the following chapters are based on the inclusive capacity of the labour market and support programmes for the poorest sectors of society. These inputs, which are the core components of this study, are designed to contribute to the definition of a modern social covenant or contract based on the right to social protection.

The following chapters do not cover a number of issues that are of key importance in relation to social protection and inclusion, such as education, human settlements, infrastructure and the provision of basic services. In the interests of producing a concise and thematically coherent analysis, the scope of this study has therefore been confined to the topics identified earlier. Nor does this analysis relate social protection to the United Nations Millennium Development Goals, since that subject has been covered in an earlier document on the follow-up to the Goals in Latin America and the Caribbean, which included contributions from a wide range of United Nations agencies active in the region and was coordinated and recently published by ECLAC (United Nations, 2005). In order to avoid any overlap, the aim has therefore been to make a specific contribution to an understanding of social protection issues relating to health, social security and direct transfers that are gaining political momentum in the region.

Whereas this chapter has focused on rights as a basis for examining the relevant data, the remaining chapters will move in the other direction using an inductive approach. The current situation is thus used as a starting point for exploring possible options and determining the optimum levels of social protection within existing constraints. This is not to deny the value and binding nature of social rights, as is underscored by the fact that the first chapter of this study has been devoted to that subject. Instead, the idea is to provide a historical context for the issue of social rights in the region, taking into account the countries' current possibilities, their available resources and the potential for distributing them in a way that optimizes protection without overlooking the importance of maintaining their economies' viability, sustainability and competitiveness. In the final analysis, after all, equity and balance are two sides of the same coin in terms of social protection.

ECLAC hopes that this study will provide substantive inputs for a social protection covenant by helping to reconcile resource constraints with the potential that public policies have to make a difference in people's lives. This first chapter has outlined the main groups within society that are called upon to help shape a social protection covenant. In the chapters that follow, stylized analyses will be used to arrive at a more detailed profile of these stakeholders. The aim is to put forward viable options for moving towards full and effective entitlement of men's and women's social rights in Latin American and the Caribbean by rectifying inequalities and managing the constraints and opportunities associated with the current phase of globalization.

B. Social policy and social protection system reforms backed by broad-ranging consensus in the region*

1. Chile: the 2005-2008 pension system reform³

The 2008 pension system reform in Chile was backed by all of the country's political forces. The pre-existing system had a very limited coverage for contributors, low contribution density and low replacement rates, among other problems, which blocked universal access to even a minimum old-age pension for many contributing workers, informal-sector workers and persons who were not, and had not been, in the workforce. The 2008 reform therefore had major fiscal and social implications, since it filled in many coverage gaps, equalized access conditions, provided guarantees of a minimum income for both men and women during their old age and enhanced the State's regulatory and fiscal capacity. At the same time, it did not radically redefine the structure of the pension system, since it retained the regime of individual capitalization accounts and private-sector management of pension funds. It did, however, include the introduction of a new solidarity pension system (SPS) that provided universal benefits and reinstated the State in its role as a guarantor of social security for the poorest 60% of the population. The SPS component includes a basic solidarity pension for persons who have not accumulated enough savings in the social security system to obtain the basic minimum guaranteed pension and a solidarity pension contribution to top up the pensions of taxpayers whose savings accounts in the system fall short of the mark. Another component of the new system is the provision of an extra allowance to women for each live-born or adopted child. This allowance is provided to all women, regardless of whether or not they have been paying into the social security system and regardless of whether they are poor or not.

The SPS component includes subsidies for the employment of young workers and measures that have expanded the system's coverage and benefits for independent workers. It has also reinforced the State's ability to regulate the pension system and the pension fund management (AFP) industry. What made this reform so special was that it was introduced in an emblematic sector of public policy which had, until 2008, not undergone any structural changes since the military regime's overhaul of the pension system in 1981. It is also a sector that includes highly influential private actors — the AFPs— that, up to that point, had fought to stave off any changes in the system and especially in its social dimension.

The political and institutional process that engendered this reform can be divided into four stages. The first corresponded to the 2005 presidential campaign, when pension system reform was placed at the very top of the public agenda by its inclusion in the platform of the Coalition of Parties for Democracy candidate, Michelle Bachelet. The second stage was when, during her first year in office, in 2006, President Bachelet convened the Presidential Advisory Council (CAP), which was made up of a group of recognized pension experts representing a wide range of the political spectrum. Its members included both proponents and opponents of the existing system and was tasked with producing a technically sound baseline analysis, undertaking comprehensive consultations with all the relevant sectors of society and the economy, and developing a series of viable proposals for closing gaps in coverage, reducing inequalities in general and gender disparities in particular, and guaranteeing a basic minimum pension for all members of the population. The baseline analysis conducted by CAP was founded on a growing body of empirical evidence about the shortcomings and inequities associated with the individual capitalization system.

* Author: C. Maldonado.

³ This section is based on Maldonado Valera and Palma Roco (2013b).

The third stage was when, acting on the recommendations made by CAP, the Council of Ministers, headed up by the Minister of Labour and the Minister of Finance, drew up a bill that was submitted to the legislature in December 2006. The fourth and final stage encompassed the protracted negotiations that took place in both houses of Congress. After undergoing some major changes, the bill penned by the executive branch was passed into law. One of the main concessions made by the executive branch in the course of the negotiations was to agree not to include any provisions in the body of the bill that would have allowed the private and public banking systems to compete or take part in the management of pension funds. Once this issue had been negotiated, Congress passed the reform bill nearly unanimously.

The hallmark of the process that led to the conclusion of this compact was the window of political opportunity that was opened up by four factors: (i) the placement of the issue of pension reform at the top of the governmental and public agenda; (ii) the accumulation of a growing body of empirical evidence over the preceding years about the shortcomings of the pension system in terms of both coverage and equity; (iii) the development of a proposal by the pluralistic group of technically competent experts who were acknowledged as such by the main political stakeholders; and (iv) the willingness of these stakeholders to negotiate a socially progressive reform without overturning the features and interests associated with the individually funded pension system. CAP played a key role in building this consensus and in seeing the reform's implementation through. Thanks to its consultations with a wide range of sectors in the nation, it was able to devise a series of proposals that found acceptance with a large number of different stakeholders.

Viewed from a medium- and long-term perspective, a number of reasons can be found to explain why the pension system inherited from the dictatorship lasted for so long (1990-2006). First of all, the procedural and practical constraints under which the first democratic government laboured, especially until the constitutional reform of 2005, and the close relationship between the extremely influential AFP industry and decision-makers (particularly in the opposition coalitions to the successive Administrations led by the Coalition of Parties for Democracy), account for the absence of major reform initiatives during the early years of democracy following the dictatorship. The agreement with the opposition reached in the legislature can also be attributed to the political decision taken by the executive branch to set aside the controversial issue of the banking system's (and especially the public banking system's) participation in the AFP industry in order to achieve the primary goal of consolidating a solidarity pillar and recovering the State's role as the principal regulatory authority without undermining the industry's structural interests. That issue was sidelined from the negotiations on the bill that was ultimately passed and was instead voted on separately —and was defeated by a very slim margin in the Senate due to differences of opinion within the government coalition.

There is also an important cognitive factor. Over the course of many years, a growing body of empirical and technical evidence about the limitations and inequities of the individual capitalization pension system took shape. That evidence spurred a learning process that ultimately led even the political forces that were ideologically committed to the existing system to realize that the system suffered from a number of limitations. When the time came to sit down at the bargaining table, the opposition did not openly challenge the proposals being put forward for closing the wide gaps in coverage and mitigating the existing inequities in terms of the sums paid in and the sums ultimately received by pensioners. This cognitive element played a decisive role in overcoming resistance to change and reaching a consensus.

Years later, when President Michelle Bachelet took up her second term of office in 2014, the creation of a State-run AFP —i.e. the possibility that a government agency could enter the pension fund management industry— was part of her new electoral platform and governmental agenda. A proposal for marginal increases in the benefits provided under the non-contributory solidarity pillar was also put forward. The Presidential Advisory Council was convened and tasked with preparing an overall baseline study of the pension system and making recommendations about how to correct its

main failings. In June 2014, the executive branch submitted a bill to Congress that initiated a reform process that is still running its course and whose ultimate outcome and scope were still unknown at the time of writing.⁴ The chief aims of this bill are to boost competition, lower costs in the industry and expand coverage for sectors that are not a priority for existing AFPs, such as independent workers, lower-income workers and workers in remote areas.

Viewing this new reform effort in the light of the lessons learned from the 2008 reform initiative, it becomes clear how the scope of social protection can take on an incremental dynamic in the presence of large vested interest groups that have adopted conflicting positions. This kind of dynamic entails a succession of partial or piecemeal adjustments that are subject to negotiation and situational trade-offs that do not necessarily involve a radical or systemic change (as a return to a government-run pay-as-you-go system would be, for example). These limited-scope adjustments are cumulative, however, and lay the groundwork for a gradual expansion of coverage and for universal and rising minimum levels of well-being.

2. Mexico: Social Development Act, 2004⁵

The Social Development Act was passed in 2004 following a protracted debate in the legislature that began in 2000 and that involved the submission and discussion of a number of different bills endorsed by different political parties. Until then, following the crisis-driven adjustments and liberalization measures of the 1980s and the deepening of those measures in response to the 1995 recession, the country had lacked a legal and institutional legal order that would have provided a solid underpinning for federal anti-poverty programmes. Various political and social sectors were also calling for a law on social development as a means of ensuring that the federal social policies and programmes would remain a priority. The Social Development Act introduced a number of important provisions. It did not provide for the establishment of any new programmes, benefits or specific changes in the social protection system, but it did delimit a political and institutional framework that has implications for the way in which all of the federal government's social development programmes operate. In addition to the provisions governing the operation of social programmes (operational rules, beneficiary lists, yearly assessments by outside agencies, criteria for the identification of priority areas, etc.), the Social Development Act provided for official multidimensional measurements of poverty and social development that conformed to guidelines founded upon the social rights guaranteed by the Constitution. It extended the requirement to submit to external evaluations to all federal social programmes and established rules governing the procedures for setting the amount of social investment funds to be made available by the federal government in order to avoid volatility or drastic cuts in funding. This law also provided for the establishment of an autonomous technical body (the National Council for Social Policy Assessment (CONEVAL)) to evaluate the programmes, define the methodology to be used and measure poverty levels. The Council is composed of experts who, by law, must have experience and belong to the National System of Researchers. This law also provided for the establishment of an institutional structure that encompasses different levels, units and functions of the federal government, state governments and the federal legislature.

Above and beyond this law's provisions and implications for social policy in Mexico, it is of particular interest because it was passed by unanimous vote of all the parties in the legislature. What is more, its passage was made possible by an unlikely, largely unforeseen consensus, since that consensus arose in a legislature in which —ever since 1997 and to the present day— one or the other or both chambers have been led by the opposition. Given this divided form of government, which is

⁴ See the bill [online] at: <http://www.mintrab.gob.cl/wp-content/uploads/2014/06/Proyecto-de-Ley-que-crea-AFP-Estatal-9399-13.pdf>.

⁵ This section is based on Maldonado Valera (2013).

set within the context of a political system dominated by three major parties, the legislative status quo cannot be altered without the support of at least two of these parties and, insofar as changes in the constitutional order are concerned, all three. Even more importantly, this consensus was built around issues in a conflictive sector of public policy —federal social policy— marked by recurring tensions relating to clientage, tax issues and the decentralization of the allocation of federal and municipal social funding.

Some of the main findings yielded by an analysis of legislative bills, the context, stakeholders, institutional inertia and disputes about the direction of social policy as they relate to this process have to do with the determined effort to build consensus among political actors. A pivotal role was played by members of the three major political parties and the executive branch (and particularly of the Social Development Secretariat), who were tenacious in their efforts to form a consensus until ultimately forging a separate agreement with one of the two largest opposition parties.

Despite the tension surrounding the issues of whether the State should play a subsidiary role or should act as the ultimate guarantor of rights and of whether social policy could be targeted or should provide universal coverage, the overriding motivation was to make federal social policy more transparent, more accountable and more technically efficient in terms of resource use, programme evaluation, poverty measurement and the determination of the level of social investment and of how to target it. This experience in consensus-building was strongly influenced by the long, drawn-out struggle over the discretionary use of resources, and at a certain juncture in this process, when a different Administration was taking over office from its predecessor and some stakeholders were gaining in power over others, it became possible to reach an agreement on the issue for a limited span of time, before the polarization and disputes characteristic of the divided governmental structure that Mexico has experienced since 1997 once again reasserted themselves. A debate about the implementing regulations for that law, which dragged on from 2004 until 2006 and was followed by the constitutional controversy associated with the Democratic Revolutionary Party (PRD) in that regard, signalled the end of that period.

Factors having to do with experiential inertia and earlier public policy decisions influenced the political feasibility and content of the Social Development Act. The programme assessments, beneficiary lists, operating rules and targeting of the *Progres-a-Oportunidades* and other programmes at the federal level, as well as the creation of the Federal Public Information Institute (IFAI) in 2001-2002 and the start-up of the Technical Committee for Poverty Measurement in 2002-2005, had a powerful influence on the provisions of the law regarding the institutional framework for federal social programmes and the creation of CONEVAL. An analysis of the texts of the draft bills and of the law that was ultimately passed point up the omission of a number of proposed provisions that would have reoriented social programmes towards a more universalist approach. It also indicates that a good many of the institutional provisions that were included in the law were aligned with the experiences and principal features of the *Progres-a-Oportunidades* programme and with the tendency of Congress to incorporate more accountability mechanisms into any social programme that came under its consideration.

A reading of this process yields two main findings. First of all, an examination of the institutional incentives generated by the party system, the electoral system and the legislative powers of the three branches of government helps to arrive at an understanding of the decision-making process that led to the passage of the law and its implementing regulations. This, in turn, provides an indication of the type of high-level negotiations that took place and their dynamics and makes it apparent just how astonishing it was that a consensus was actually reached. It thus becomes clear that the Administration's determination to build consensus played a decisive role in these developments, at least up to 2005, when the customary sort of political and electoral polarization again gained sway and opened the way for the constitutional controversy that arose about the law's implementing regulations.

Second, an overall reading of the situation helps to account for the content of the law (its provisions, limitations and contradictions) in the light, in particular, of the inertial force of earlier public policy decisions, recurring tensions about the federal government's political and electoral use of social policy, the emergence of a more open federal agenda starting in 2000 which coincided with the placement of greater emphasis on transparency and accountability, and the opposition parties' wariness about the discretionary use of federal funds. On the one hand, the law is in line with the way in which federal social policy was reoriented towards a more targeted, residual model in 1995 - 1997. On the other hand, it also provides Congress with an additional mechanism for ensuring accountability on the part of the federal government and particularly for limiting the discretionary use of federal funds. The unanimous passage of this law can therefore be attributed to two factors: (i) the mechanisms for ensuring accountability that were written into the law were attractive to the main parties (including the opposition parties); and (ii) the law provided continuity, rather than breaking with past policy, and incorporated institutional features (lists of beneficiaries, operational rules, external programme assessments, an emphasis on targeting, etc.) into all federal social programmes that had already been tested and legitimized in the *Progres-a-Oportunidades* programme, which had played a central role in the reorientation of federal social policy that had been accomplished years earlier. Seen from this standpoint, the path dependency of the legislative process that led to the passage of this law can be seen to be reflected in the critical juncture experienced by the country in 1995-1997, with the law institutionalizing characteristic features of the social policy model adopted at that time.

In short, as can be seen from box X.1, given the institutional setting that exists in Mexico and the inertial factors and constraints that influence decision-making at the federal level, the achievement of unanimity can in large part be accounted for by the fact that the law provided continuity for the prevailing social policy model, rather than breaking with the past, and fit in with the legislature's push to incorporate various additional types of mechanisms to ensure the accountability of the federal government.

■ Box X.1

Explanatory factors for the unanimous passage of the Social Development Act in Mexico

- The law did not undermine but instead tended to reinforce the pre-existing social policy model.
- The law increased the scope of institutional features and accountability mechanisms developed on the basis of a fairly successful and legitimized initiative (the *Progres-a-Oportunidades* programme).
- It was one more link in a chain of reforms (amendments to election laws in 1996, the Transparency Act of 2002) that curbed the discretionary powers of the federal government in terms of electoral matters, access to information, the use of social development resources, and the assessment of federal programmes and the measurement of their results.
- The law came up for a vote at an exceptional point in time which was later overshadowed by increasing political and electoral polarization in the run-up to the 2006 presidential elections.
- The executive branch's decision to allow different political parties to submit and debate bills on the subject paved the way for the formulation of a final version that incorporated inputs from all the parties.

Source: Martín Hopenhayn and others, "Pactos para una protección social más inclusiva", *Seminarios y Conferencias series*, No. 76 (LC/L.3820), Santiago, Chile, Economic Commission for Latin America and the Caribbean, May 2014, p. 75.

3. Uruguay: the new family allowance system, 2004-2009⁶

The amendment to the Family Allowance Act in Uruguay is of interest on two counts. On the one hand, it represents a drastic change in direction in terms of social policy at a time of economic crisis and shifting government coalitions. On the other hand, as a consensus-building process, the fact that it was adopted by a unanimous vote is significant because the opposition's support was not strictly necessary for its passage, since the government had an ample majority in the legislature. In short, it represented a major change in the Uruguayan social protection system, as it introduced a standing mechanism for allocating transfers to poor households, regardless of their members' employment status, on the basis of a diagnostic analysis that identified child poverty as one of the country's most important social policy challenges.

Two years after the severe economic crisis of 2002, the Broad Front (*Frente Amplio* in Spanish), a coalition of leftist parties and organizations, achieved a stunning electoral victory when it not only saw its leader assume office as President of the Republic, but also won an absolute majority in both houses of the legislature. Acting on its electoral platform, the new coalition launched the National Social Emergency Response Plan (PANES) and later, in 2008, the Equity Plan, which was a package of various reforms and long-term measures. As part of the Equity Plan, the Family Allowance Act was amended to replace an emergency mechanism with the PANES Basic Income Programme. The main idea was that a basic minimum level of actual well-being had to be in place in order to ensure the exercise of the rights and freedoms that all persons are supposed to enjoy and that a certain minimum level of resources has to be made available as an essential component of citizenship. Politicians in the centre and on the right of the political spectrum disapproved of this programme, however, on the grounds that the beneficiaries did not actually qualify for cash transfers and that the system was inefficient, discouraged people from seeking employment in the formal sector and hindered the country's economic and social recovery.

In response to this situation, government officials decided to convert a tool that had been validated by experience (family allowances) into a component of the Equity Plan while giving it a different twist and presenting it as a broader and more accurately targeted conditional transfer programme. This represented a continuation of the Basic Income Programme (although based on a more complex design for targeting transfers and managing the funds) while bringing more households with children (particularly those outside the formal labour market) into the system. The strategy of abandoning the initial proposal for universal registration garnered broad support for the programme from political and social stakeholders, and thereafter no major objections regarding the substantive features of the final version of the bill were raised in the course of the deliberations of the Social Cabinet or, most importantly, in the legislature.

The reform bill passed through three major stages. In the first, government officials began to debate how to go about extending the benefits —especially the cash transfers— that the most vulnerable segments of the population had received under PANES between 2005 and 2007. During that first stage, different technical units in the government, primarily in the Ministry of Social Development and the Ministry of Economic Affairs and Finance, along with the Social Security Institute, discussed the bill at length on the basis of the guidelines formulated by the Office of the President. The School of Economics of the University of the Republic (which had previously been involved in the design and implementation of PANES), the National Social Policy Council and the other members of the Social Cabinet joined in the discussion. In order to socialize the needs and effects of this new plan, a dialogue was held among government agencies, political parties, civil society organizations such as trade unions, associations of retirees and pensioners, businesses and the media. That dialogue was followed by a second stage that involved the presentation of the various components of the

⁶ This section is based on Maldonado Valera and Palma Roco (2013a).

Equity Plan and the new family allowance system, which was designed not only to replace the cash transfers provided under the Basic Income Programme but also to modify the existing family allowance system in order to provide coverage for the most vulnerable segments of the population, regardless of whether or not the people concerned were employed. Instead, benefits would be distributed on the basis of the requirements established by law. Technical experts from the government and advisers from the University of the Republic took part in these discussions. The Ministry of Social Development played a key role in these deliberations but was less deeply involved than it had been during the work on the design and monitoring of PANES because it had been established so recently that its agenda had not yet been clearly defined. It was at this point that the Social Security Institute assumed a more important role in the discussion by taking on the task of verifying beneficiaries' eligibility and monitoring compliance with the established conditionalities in conjunction with the Ministry of Education and Culture and the Ministry of Health.

The third and final stage was the bill's debate and subsequent passage in Congress. During that debate, members of the opposition parties were able to air their views and discuss the bill's various provisions. The bill was passed by unanimous vote because of its social implications, with the only adjustments being in form rather than substance. A realization of the importance of modifying the system and establishing a regime, once and for all, of non-contributory cash transfers for the poorest members of the Uruguayan population served as the mainstay for the consensus, despite the objection raised by some members of the opposition that the reform would have little impact on the middle class. Following a three-month debate, Congress passed the law, and it entered into force in January 2008. At the time that work began on the proposed family allowance reform bill, the country was engaged in a broad-ranging debate about social security following the establishment of the Ministry of Social Development and the creation of PANES and the Equity Plan. The 2007 reform initiative expanded the coverage of the family allowance system by targeting the poorest 20% of the population; no distinction was made as to whether or not the members of that population segment were part of the labour force, since the main beneficiaries were children and women heads of household. This signalled a change in the essential focus of the programme, which thus shifted from the formal labour market to the protection of the most vulnerable members of society.

In sum, the new family allowance system:

- Was the object of a wide-ranging consensus, with the bill that established that system winning approval even from the opposition parties.
- Institutionalized an emergency social programme (Basic Income Programme) that had come in for sharp criticism from the opposition.
- Was created, by law, as a conditional cash transfer programme targeting the poorest households that guaranteed a basic minimum of well-being regardless of the beneficiaries' employment status.
- Constituted one of the centrepieces of the Equity Plan adopted by the Tabaré Vázquez Administration during a time of crisis.
- Represented the reformulation of a mechanism that had been a long-standing component of the social welfare system of Uruguay (family allowances).

From a political vantage point, this reform can be seen as the political system's response to shifts in the dominant political and electoral coalitions and to the demands of certain organized groups of stakeholders. The assumption of office by a new majority coalition was one of the factors behind the State's greater role in the welfare system and in the regulation of the economy and labour market. A second factor was the role played by various interest groups that had succeeded in limiting the

scope of the liberalization movement of the 1990s and that later, in 2004, had helped to strengthen the social protection system and had called into question those earlier liberalization measures. It was at this point that stakeholders associated with the labour market, represented by senior officials of the Broad Front, began to use their influence to pressure for improvements in working conditions and for a variety of reforms in the labour market. Some of these reform measures materialized in the form of PANES and the Equity Plan, and one of those initiatives was the family allowance scheme.

Viewed from this same perspective, the reform can be seen as an exercise in compromise on the part of the opposition and the government coalition that led to the passage of a law that reflects the shared preferences of the actors involved. The new legislation (and the consensus that made it possible) is a balanced synthesis of the preferences of all the quarters that took part in its formulation and represents a sound, historically legitimate arrangement that enjoys the support of the governing coalition, organized groups and the opposition.

Another key element has to do with the narrative or cognitive factors that made it possible to build this consensus. The family allowance system was a policy tool that had been validated by politicians, academics and the public at large, thanks to its long history and its association with social policies that have traditionally enjoyed support in Uruguay, although their limitations have also been recognized. For quite some time, these allowances had been based on certain conditions relating to school attendance and health care. Some sectors on the right advocated the introduction of stricter conditions and wanted to provide the middle class with stronger guarantees that the system would be effective as a policy tool. Meanwhile, some sectors on the left wanted to do away with these conditions on the grounds that they were discriminatory, exclusionary and ran counter to a more universalist, egalitarian approach. There was also discussion about whether or not the benefits should be increased, with some sectors on the left maintaining that they were too low to cover household needs, while those on the right of the political spectrum feared that they deterred the beneficiaries from looking for work and from making an effort to help themselves. The scope of the system's coverage was also a subject of debate, as some circles advocated expanding it to include informal-sector workers. With these narratives as a point of departure, the various stakeholders gradually adapted their positions, chiefly as a result of the 2002 economic crisis, which spurred the search for alternative policy instruments capable of containing the serious social situation that had arisen in the country. The reform entailed a change in narratives, endowed the Basic Income Programme with continuity and introduced additional benefits, but it also abandoned the universalist approach that had been advocated since the system's inception. This strategy of channelling the transfers provided for under the Basic Income Programme through a pre-existing, legitimized structure goes a long way towards explaining how the bill won unanimous approval in both houses of Congress.

From a long-term, historical perspective, the Family Allowance Act (along with other reform measures introduced from 2004 on) can also be seen as the outcome of a critical set of circumstances (an economic crisis) that put an end to a phase during which the State had taken a backseat to the market and that reaffirmed the validity of a long-standing social welfare scheme while at the same time modifying it so that its scope could be expanded to include all the most vulnerable sectors of the population regardless of their source of income (i.e. the formal or informal sector). Considered from this standpoint, the consensus that permitted the bill's passage was a reflection of a new medium- and long-term balance in terms of the scope of the social protection system as it relates to income transfers.

The notion of a window of political opportunity provides a useful framework for understanding these elements, which can be characterized as arising out of the confluence of three different kinds of "streams": (i) the problem stream (the convergence of priorities on the public agenda and governmental priorities); (ii) the public policy, or solutions, stream (the analysis of problems and the development of public policy options); and (iii) the political stream (negotiations and the conflictual interactions of the political actors involved).

- (i) The 1999-2002 economic and social crisis had the effect of putting the issues of rising poverty, falling employment levels, slowing economic growth and increasing inequality at the top of the public agenda while also undermining public support for the market orientation of social policy that had been in evidence in the years preceding the crisis. This made the social agenda a priority issue for public debate and for the government. The focus on social issues paved the way for the ascendancy of the Broad Front Party, the development of the pillars of the Social Uruguay Card, the creation of the Ministry of Social Development and the introduction of PANES and the Basic Income Programme.⁷ The steep increase in poverty and extreme poverty, especially among the population under 18 years of age, made it evident that poverty among children was rising faster than it was in the rest of the population and that existing policy tools were ineffective. In the aftermath of the crisis and its social repercussions, not only did the reputation of the traditional parties (the National and Colorado parties) suffer, but the public also withdrew its support from the model that had prevailed in the 1990s and began to favour a mixed model whose centrepiece was a pension system in which both the State and the private sector take part.
- (ii) One of the most prominent features of the work that went into gathering empirical evidence, analysing the situation and devising public policy options was the baseline assessment of the shortcomings in existing social protection schemes, which focused on formal employment as their basis. This spurred the search for new policy options. The broad-ranging debate among academics of the University of the Republic (and especially of the School of Economics), government representatives and members of the Broad Front about how to address the country's social emergency was a turning point, since it had a strong influence on the nature of PANES, which was to remain in place for only two years but which laid the groundwork for lasting, high-impact social reforms that were implemented under the Equity Plan. Under that plan, the social protection matrix was restructured and a welfare network was formed that entailed the amendment of the Family Allowance Act in order to consolidate the various conditional transfer schemes (previous family allowance legislation, the Basic Income Programme and the Social Uruguay Card) into a single system while also increasing the number of beneficiaries and the size of the benefits. The conditional transfers made under the PANES Basic Income Programme set a very important precedent, but did not have the opposition's support. The adaptation of a pre-existing, legitimized tool (family allowances) to fit in with the new state of affairs was a defining moment, both because it consolidated a feasible policy option and because it garnered greater political support than previous options had.
- (iii) The election of a leftist coalition that enjoyed ample majorities in both houses of Congress paved the way for the adoption of new policies. The overhaul of the family allowance system and the replacement of the Basic Income Programme were one of the pivotal components of the government's platform. The political and electoral line-up of forces in the legislature did not make it necessary to achieve a consensus that extended beyond the government's ranks, and the opposition's support was not needed in order to pass the reform bills. What was of key importance, however, was the legitimacy of the proposed policy tool and the reformulation of the family allowances scheme, which won the cross-cutting support of the country's political forces. The opposition's initial reticence about the Basic Income Programme notwithstanding, the consensus that was ultimately built made more lasting change possible.

In short, the conditional cash transfer programme established under the Family Allowance Act is an example of a scheme which, thanks to its particular features (broad but targeted coverage and its conditionalities), was successfully introduced on the basis of a broad political consensus,

⁷ The main purpose of the Social Uruguay Card was to enable the most vulnerable members of society to afford a basket of staple foods and to purchase basic necessities, with the level of benefits being determined on the basis of the characteristics of each family. For further details on this programme, see: <http://dds.ECLAC.org/bdptc/programa/?id=39>.

as also happened in Brazil (see box X.2). In the case of Uruguay, this consensus was, in large part, possible because it involved the reformulation of a long-standing, legitimized policy instrument. This also is a case in which targeting served as a means of bolstering a universalist strategy, since it made it possible to extend coverage to the poorest households regardless of whether or not any of their members were part of the formal workforce.

■ Box X.2

Brazil: Building broad-based consensus around the *Bolsa Família* conditional cash transfer programme

The introduction and consolidation of Bolsa Família is another interesting case of the emergence of a wide-ranging consensus around a targeted conditional cash transfer programme. This is, first of all, because the centre-left governing coalition that developed it in 2003-2004 had expressed reservations prior to the introduction of conditional transfers by previous Administrations and espoused a more universalist tradition, particularly with respect to the notion of basic income guarantees. Secondly, during the early years of this programme, it came under sharp criticism from the opposition and from the public owing to questions about its use as a political tool and to the fact that it experienced a range of operational and implementation problems.

During the 1990s, as the country attained greater macroeconomic stability, two key issues rose to prominence on the public agenda: the inefficiency of social investment and persistently high levels of poverty and inequality. The proliferation of conditional transfer programmes at the municipal level and the amount of attention being devoted to these issues both by the public and politicians spurred the establishment of a number of nationwide transfer programmes by the federal government. In 2003, as a new centre-left coalition was taking office, several different national programmes were merged to create Bolsa Família.

First, although the continuation and consolidation of conditional transfers under an Administration that advocated—in principle—a more universalist approach may at first seem paradoxical, this actually was a reflection of an inertial component of what amounted to a gradual transition towards a more universalist system of social protection. In other words, the targeting and conditionality of the programme were gradually coming to be seen less and less as “desirable” features of a residual social policy designed to play a subsidiary role to individual effort and more and more as the gateway to a social protection system that afforded increasingly broad coverage, greater benefits and guaranteed services. This was because conditional transfer programmes combine features of residual welfare systems (targeting and conditionality, in particular) with operational and discursive aspects of universalist, rights-based welfare systems.

Second, after the wave of initial criticism of the programme, new management tools and legal changes were introduced in 2005-2006 to expand its coverage and increase its public transparency which won it more support from local governments and increasing public acceptance. These tools included the conclusion of terms of agreement between the federal government and the municipalities, the Decentralized Management Indicator and the passage of further laws by Congress and the promulgation of decrees and other regulations by the federal government. The new institutional arrangement, under which decision-making was monopolized by the Ministry of Social Development and an anti-hunger campaign was launched, ultimately made it possible to include new beneficiaries and to set the amounts of transfers and funding at levels that make it possible to defray the costs to local governments, among other measures. This new system of decentralized but centrally coordinated management was widely supported by groups all along the political spectrum. The municipalities retained responsibility for identifying and signing up new beneficiaries (albeit subject to the final approval of the federal government) and, through their continued participation in the programme’s implementation, maintained a degree of political legitimacy in this connection. They also benefited financially, since the federal government provided funding to subsidize the expenses incurred by the municipalities in carrying out these tasks.

Source: Luis Hernán Vargas Faulbaum, “La construcción de pactos and consensos en materia de política social. El caso de Bolsa Família en el Brasil”, *Políticas Sociales series*, No. 209 (LC/L.3884), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), August 2014, p. 63.

4. El Salvador: the Universal Social Protection System and the Social Protection and Development Act, 2009-2014⁸

The construction of a social protection system in El Salvador has focused on putting in place a rights-based public policy scheme that focuses on universal coverage. Two of the main public policy tools used for this purpose have been the Universal Social Protection System —introduced by the Administration of Mauricio Funes (2009-2014)— and the Social Protection and Development Act, which institutionalizes the Universal Social Protection System and was passed in April 2014 with the unanimous support of all the country’s political forces.

At the discursive level, the Universal Social Protection System (SPSU) is a landmark social policy for El Salvador which marks a sharp contrast with the conceptual frameworks that had prevailed until its inception. Those traditional frameworks had been charity-based, liberal initiatives under which individuals were tasked with ensuring their own well-being with the help of minimal social protection from the State, while small but powerful groups took advantage of their privileged social, economic and political positions. Partially because of these factors, the contributory and non-contributory social protection schemes have limited coverage, and this has played a part in the country’s stark inequalities, high levels of violence and high rates of economically motivated migration. The change in direction of the government’s approach opens up a political opportunity for concluding agreements of greater scope that could help lead the country towards greater levels of well-being, less inequality and the search for ways of mitigating problems that apparently defy solution, such as the extreme violence that is rife in the country. The specific objectives of the Universal Social Protection System are to ensure the population’s progressively greater enjoyment of economic, social, cultural and environmental rights; to introduce a comprehensive policy that will give the population access to a suitable standard of living by improving income distribution and reducing inequality and poverty; to move towards greater equality between men and women and between rural and urban areas by combating discrimination and social exclusion; and to guarantee broad-coverage, secure, rights-based social protection. The Universal Social Protection System places special importance on a rights-based, life-cycle approach, on gender equality and on public participation.

The System is coordinated by the Technical Secretariat of the Office of the President and was formed by merging a number of different social programmes serving the most vulnerable sectors of the population that lack access to the formal social protection system. Most of these programmes were launched as part of the 2009 “Anti-Crisis Plan”, although the Solidarity in Rural Communities Programme, the country’s largest conditional cash transfer programme, which had been set up in 2005, was also incorporated into the System.

The Social Protection and Development Act that was passed in April 2014 established an institutional framework for the Universal Social Protection System and includes a series of provisions on the principles that should govern the government’s social policy. Some of its main provisions are as follows:

- Social policy is defined as a policy of State that encompasses three components: economic and social development, social protection and social inclusion.
- At the start of each Administration, a social inclusion, protection and development plan must be put in place. This plan must have three components, which are outlined in the law, as well as including a baseline study of the social situation and setting out its chief strategic objectives, goals and alternative solutions, the operational regulations governing its constituent programmes and the corresponding mechanisms for follow-up and programme assessment and for ensuring transparency and accountability.

⁸ This section is based on Miranda Baires (2014).

- A national social protection and development system is to be overseen by the chief cabinet ministers and coordinated by an office to be designated by the President which is to be in charge of formulating the social inclusion, protection and development plan, preparing a budget proposal for the system, coordinating the work of the different government units involved, and coordinating, monitoring and providing guidelines for the implementation of the programmes included in the universal social protection subsystem.
- A universal social protection subsystem is to be in charge of all social protection programmes focusing on providing individuals, and particularly those who are not covered by a contributory social security plan and those who are in economically, socially or environmentally vulnerable positions, with security when faced with the risks and challenges associated with the life cycle (article 27). An intersectoral committee is to coordinate the subsystem. This committee is to be made up of all the agencies responsible for the various programmes, with the latter being subject to rigorous, objective, ongoing assessment.
- A technical advisory office designated by the President is to be in charge of conducting multidimensional poverty and inequality measurements in coordination with the Bureau of Statistics and Censuses. The dimensions to be measured are: per capita household income, access to food, education, health-care services, employment, social security, housing and basic services.

The subsystem is composed of 15 social programmes, including the country's largest cash transfer programme, a temporary income support and employment programme and a non-contributory pension scheme.

Despite these advances and refinements, the law did not specify such things as the identity of the system's coordinating office, the specific procedures to be used to assess the programmes and the identity of the technical advisory unit that was to develop poverty measurements. These specifications were left to be resolved by the law's implementing regulations. In addition, the coordination of the subsystem's components and the contributory pillar of the social protection system remained up in the air. Nonetheless, this law did establish the country's first legal and institutional framework for social policies and programmes.

The process involved in building the Universal Social Protection System and in formulating and winning passage of the Social Protection and Development Act was marked by a number of important events, including the implementation of the Anti-Crisis Plan and the introduction of the System's programmes in 2009 and the following years, the presentation and discussion of the draft Social Protection and Development Act in various forums starting in 2013 and, finally, the debate that took place in a legislature in which the governing coalition held a majority during the 2013-2014 presidential campaign.

Two factors —one of a medium-term nature and the other of a more circumstantial one— helped to open up windows of opportunity for the conclusion of an agreement that ultimately led to the unanimous passage of the Social Protection and Development Act. The first was the assumption of office by a new political and electoral coalition in the midst of the deep economic crisis of 2008-2009 which had a majority in the legislature. The crisis called the prevailing economic model into question along with the political forces associated with it. This prompted a changeover in power and an increase in social investment. It also opened the way for the creation of the Universal Social Protection System as a priority item on the government's agenda (it was included in the five-year development plan for 2010-2014). The involvement of the Technical Secretariat of the Office of the President, along with other agencies, at every step along the way was of key importance. Later on, the Secretariat was to devise effective strategies for promoting the bill that was to become the Social Protection and Development Act. The Universal Social Protection System was presented as a means

of integrating the country's social policies in a way that would contribute to the achievement of the ultimate goals of eradicating poverty, social exclusion, and gender and income inequality.

The other factor had to do with the 2013-2014 presidential election —the context in which this law was unexpectedly passed unanimously. The situational elements that contributed to this turnaround included the dynamics of the election campaign itself, the fact that public opinion had come to support the social programmes of the Universal Social Protection System and the resulting change in the stance adopted by the opposition campaign, the Nationalist Republican Alliance (ARENA) regarding these programmes. At this juncture in the public debate, the role of the State had, at least for the time being, been redefined as a guarantor of rights and well-being. Its assumption of a central role in social policy was a break with the conceptual approaches employed by previous Administrations.

The process involved in arriving at further agreements in the wake of the Universal Social Protection System's creation was furthered by stakeholders outside the executive branch that provided support and/or advised the Administration of President Mauricio Funes: socially committed international organizations such as the United Nations (e.g. the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF)), international cooperation agencies that provided partial funding for a number of the social programmes included in the Universal Social Protection System, and a variety of national and international experts. The executive branch also had the support of its own coalition, and particularly of the Frente Farabundo Martí para la Liberación Nacional (FMLN), whose platform included the Universal Social Protection System.

The main opponents of the Universal Social Protection System were ARENA, the largest opposition party and the one that had directed the executive branch for 20 years (1989-2009), private-sector pressure groups such as the National Association for Private Enterprise (ANEP), think tanks such as the Salvadoran Foundation for Economic and Social Development (FUSADES) and large media companies. Despite the opposition of ARENA and its criticism of the Universal Social Protection System and the law that was designed to ensure the continuity of its component programmes, the correlation of forces in the country was more favourable for advances in social protection than it had been in earlier decades, even among the parties on the right. For the first time, this opened up the possibility of discussing proposals for guaranteeing basic minimum levels of social protection. Things took an even greater turn for the better during the 2014-2015 elections due to the political and electoral costs that would be associated with rolling back the Universal Social Protection System social programmes.⁹

In sum, the political environment in which the law was passed opened up a policy window for the consolidation of the Universal Social Protection System based on the Social Protection and Development Act. On the one hand, the make-up of Congress in 2010-2014 was favourable to the Administration, which made the bill's adoption feasible. But it was the context of the election campaign, which pointed up increasing signs that the electorate was receptive to the Universal Social Protection System's programmes, that made it possible to garner not only the governing coalition's support but also the support of the main opposition party. Consequently, however, the agreement that was reached represented a circumstantial compact. While the Administration's discourse and proposals built momentum for a universalist approach founded upon a rights-based perspective, the opposition continued to harbour an approach that focused on social policy as consisting of residual, temporary and targeted actions.

The passage of the Social Protection and Development Act therefore was a partial, limited reform measure but one that nonetheless was a step forward on the path towards the construction

⁹ In El Salvador, the first round of presidential elections was held in February and the second round in March 2014, while legislative and municipal elections were held in 2015, making for a protracted period of time during which election campaigns were going on.

of a social protection system where none had existed before. The consolidation, expansion and refinement of that system will require further fiscal and policy reforms, however. Be that as it may, this development heralded the formation of a political and social coalition that permitted the institutionalization of a more procedurally and substantively complex framework for social programmes than had existed before. Although this circumstantial compact is not yet backed by a wide-ranging national consensus, compact or agreement regarding the content, scope and future path of social protection and social policy in a broad sense, the unanimous approval of this law was a first step in that direction. The immediate challenge is to design implementing regulations that will make the Social Protection and Development Act operational and to ensure the fiscal, political, cultural and conceptual sustainability of the Universal Social Protection System.

5. Costa Rica: The National Childcare and Child Development Network (REDCUDI), 2010-2014¹⁰

Just a little more than one month before the end of President Laura Chinchilla's term in office (2010-2014), a process that had begun at the very start of her Administration culminated in the promulgation of the National Childcare and Child Development Network Act¹¹ (Act No. 9.220) on 24 March 2014. This law had been passed by Congress three weeks earlier and had been supported by a broad spectrum of major political forces. It institutionalized the REDCUDI social programme, which had been working since 2010 to link up a number of pre-existing child assistance schemes in order to expand their coverage and give all young children access to these early childhood services. Further aims were to put in place a solidary funding system, to equalize quality standards and to strengthen the concept of a universal child services system. This reform bolstered the Costa Rican State's commitment to childcare services and to opportunities for women to enter the labour force. Both focuses —caring for children and supporting women in the workforce— were controversial issues that were amply discussed by the various stakeholders, and to some extent this led to these issues' incorporation into the broad debate on social protection, as has also occurred in other countries of the region (see box X.4 for information on the case of Uruguay).

REDCUDI was placed on the Administration's agenda and later was incorporated into the National Development Plan. Initially, however, it was presented as a programme whose objective was to link the various public and private childcare and child development initiatives in the country in order to strengthen existing options and provide a broader spectrum of comprehensive childcare services (Executive Decree No. 36.916 of 2011). The existing childcare facilities that REDCUDI was designed to link up and supplement included the Community Homes (facilities that provide early childhood care at the community level that are overseen by the Joint Institute for Social Aid (IMAS)), Education and Nutrition Centres/Comprehensive Child Nutrition and Services (CEN-CINAI) (attached to the Ministry of Health, Comprehensive Assistance Centres (CAIs)), which offer a variety of childcare options (daycare, nighttime childcare and temporary residence arrangements) and Child Development and Childcare Centres (CECUDIs), an additional service run by the municipalities and other childcare options offered by civil society organizations. The ultimate objective was to bring about the convergence of all these options towards a shared model and basic standards.

REDCUDI has a mixed funding system, with financing being provided by the government via the Social Development and Family Allowance Fund (FODESAF) and by the municipalities and contributions from some private companies and civil society organizations that wish to make donations for the maintenance and management of a number of the CECUDIs. In addition, the State can provide partial or full subsidies to poor, at-risk and socially vulnerable households under the

¹⁰ This section is based on Guzmán León (2014).

¹¹ In Spanish, the name of this network is Red Nacional de Cuido y Desarrollo Infantil (REDCUDI).

terms of the regulations governing the corresponding agencies (IMAS, the National Children's Board (PANI) and others).¹²

Act No. 9.220 provided for the establishment of a technical secretariat attached to IMAS to coordinate REDCUDI, along with an inter-agency technical committee made up of representatives of all the government agencies involved. Its financing comes in the form of at least 4% of the annual resources of FODESAF, in addition to the funds expended by other public agencies in the Network. These funds cannot be subsumed under the 8% of GDP allocated for education. The Network has been presented as an initiative focusing on the need to ensure the development and care of children and capable of offering working women or women students ways of reconciling those activities with their responsibilities as mothers. Future challenges include implementing and expanding the Network to cover the entire country and all population groups and to lock in long-term financing to pay for this expansion.

The factors that made it possible for this initiative to move forward can be seen in the context of a window of political opportunity that paved the way for the conclusion of a broad agreement. First, the expansion of childcare services was part of the government's electoral platform and figured in the National Development Plan and was therefore at the very top of the public and governmental agenda between 2010 and 2014; all the various offices of the executive branch therefore stood ready to lead and support this initiative. Second, as an outcome of the solutions or policy options stream, the Network was structured and presented as an amalgamation of the various pre-existing schemes which would, however, expand their coverage and introduce greater uniformity into childcare standards. The preparation of the bill started out with a comparative study of the regulations and standards in place in European and Latin American countries and an exhaustive review of related bills presented in Costa Rica over the last 10 years. A multidisciplinary team of jurists, experts in the rights of the child and in women's rights, parliamentarians, and social and economic policy experts was tasked with drafting the bill.

The horizon for the third —political— stream was the debate on the bill in the legislature while a presidential campaign was going on. Members of the executive branch met with different legislative factions, labour groups from different sectors and congressional advisers to discuss the bill and conducted information and sensitization sessions. As part of a variety of public outreach activities, arrangements were made for teachers and their students to visit legislators' offices, for the public to meet with municipal authorities and for meetings between legislators and mothers who were receiving benefits. Despite the fact that the election campaigns were at their height, the bill was passed as the end of the outgoing Administration was approaching, following the first round of elections. In fact, during the electoral campaign that ran from October 2013 until April 2014, REDCUDI was the subject of campaign debates and political discussions and, in most cases, the speakers advocated its expansion and reinforcement. This was also reflected in the fact that the law was passed with the support of legislators from a range of political leanings. According to its advocates, one of the reasons for this was that the bill was brief and clearly structured; it did not deal with complex tax matters or contain any provisions that would have amended laws dealing with such matters; it provided a clearly worded explanatory preamble; and it provided for an effective procedure for informing and sensitizing people about the societal problem which it was intended to solve.¹³ However, some of these features are associated with future challenges,

¹² To make childcare services more accessible, social protection subsidies are determined on the basis of a person's total or partial capacity to pay for those services. The partial or total subsidy for each child provided under this programme is therefore a variable amount that is paid out each month based on an assessment by IMAS of the socioeconomic situation and childcare needs of each household. In 2013, more than 32,000 children, most of them from poor, vulnerable or at-risk households, took part in this programme.

¹³ See the presentation given by the former Deputy Minister for Social Welfare in "Forging and renewing social compacts for more inclusive social protection: an international perspective on Latin America's experiences, challenges and outlook", 2 and 3 June 2014, Santiago, Chile [online] <http://dds.ECLAC.org/proteccionsocial/pacto-social/seminario-internacional-proteccion-social-ECLAC-2014/dia1/Presentacion-Isabel-Brenes.pdf>.

such as the need to determine the level and source of the government funding required to expand the Network's infrastructure and coverage over the long term. Be this as it may, the unanimous approval of the National Childcare and Child Development Network Act at the congressional committee stage and at its first and second readings during its consideration in plenary attests to the fact that there was greater scope for arriving at a quite broad-based agreement than there had initially been when the Network was simply a short-run government programme.

■ Box X.3

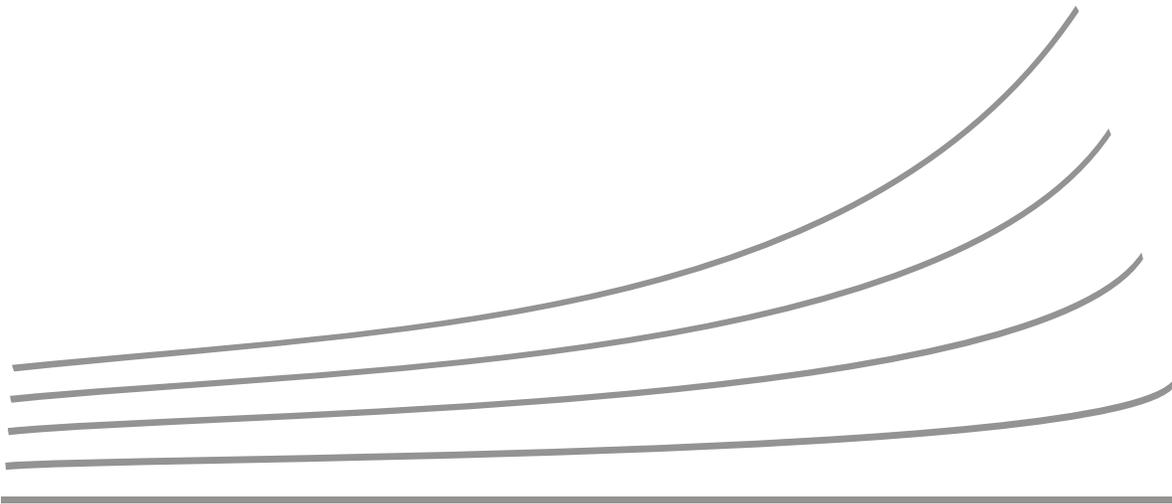
Partially open windows of political opportunity: the establishment of the National Care System in Uruguay, 2008-2014

Windows of political opportunity may be opened part way even when only some of their determinants are in place, and they may remain open for extensive periods during which no definite headway is being made. The process involved in designing the National Care System in Uruguay and, more generally, the process of bringing the issue of social care services into the debate about social protection in the country, provide instructive examples in this respect. A number of factors that are conducive to a large-scale reform and the configuration of strong sources of support have set the stage for the creation of a system for coordinating public and private social care services for all segments and age groups of the population that will be able to draw on government funding in order to provide guaranteed access and greater coverage. These favourable elements include, for example, the fact that the proposed system figures prominently in the government's agenda and electoral platform, the presence of a majority in favour of the proposal in the legislature, and the numerous consultations and participatory initiatives being conducted by social and political advocates all across the political spectrum.

The idea of a social care system first appeared on the government agenda of the Broad Front coalition in 2008. In 2010, by resolution 86/010, an inter-agency working group was created to define the outlines of such a system based on a programme of work approved by the Social Cabinet. A broad-ranging debate and nationwide consultations held in 2011 ultimately led to the presentation of a proposed design to the Social Cabinet and its approval of that proposal in 2012. The working group's proposal represented a significant stride forward inasmuch as it identified the system's target population groups, provided an assessment of the unmet social care service needs of those groups, introduced the conceptual innovation of regarding care providers as subjects at law and identified all the various facilities and services that would need to be linked and coordinated in order to provide care throughout the life cycle on the basis of a rights-based approach that incorporates a gender perspective.

A number of stumbling blocks have hampered progress towards the finalization and submission of a reform package of this type to the legislature and the formation of a broad-based consensus on the need to incorporate care services as a component of the social protection system, however. One of the hurdles is the difficulty of finding additional sources of public funding for the government services and civil society institutions that could take part in the system. Others include the perceived trade-offs between the integration and sectoralization of the agencies concerned, the ongoing debate as to whether services should be targeted at the most vulnerable sectors of society or should be made available to the population as a whole, the reluctance shown by some business circles to lend their support and the fact that the proposed system has not been as high up on the governmental agenda as a number of other issues. Be that as it may, the fact that a social care services system remains a topic of public debate means that such services may continue to be regarded as a possible component of a redefined social protection matrix for Uruguay. What is more, the sophisticated design of the proposed National Care System constitutes a basis for further advances in the future.

Source: Rosario Aguirre and Fernanda Ferrari, "La construcción del sistema de cuidados en el Uruguay: En busca de consensos para una protección social más igualitaria", *Políticas Sociales series*, No. 193 (LC/L.3805), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), April 2014.



Chapter XI

Impacts of social protection on well-being

Source:

Part I. ECLAC (2018), *The Inefficiency of Inequality*

https://repositorio.cepal.org/bitstream/handle/11362/43443/6/S1800058_en.pdf

Part II. ECLAC (2016), *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/39101/4/S1600098_en.pdf

Part III. L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean*

https://repositorio.cepal.org/bitstream/handle/11362/44622/1/S1900004_en.pdf

Part IV. ECLAC (2018), *Social Panorama of Latin America 2017*

https://repositorio.cepal.org/bitstream/handle/11362/42717/6/S1800001_en.pdf

Introduction

The ultimate objective of social protection is to allow the population to exercise their economic, social and cultural rights by improving their living conditions, helping to eradicate poverty and closing equality gaps. To that end, the impact of social protection on the population's well-being must be quantified, both at the aggregate level and at the level of individual policies and programmes.

Chapter XI examines the positive effects of social protection and care on growth and employment, and identifies the impact of specific programmes, namely conditional cash transfers, productive and labour inclusion programmes, and pensions, on poverty, inequality and other social indicators.

Part I ECLAC (2018), *The Inefficiency of Inequality*; A, pp. 131-135.**A. The positive effects of social protection and care on growth and employment**

Social protection seeks to ensure a basic level of income, access to services (including care services), development of human capacities and opportunities for decent work over the whole life cycle (Cecchini and Martínez, 2011). It helps to give effect to economic, social and cultural rights and reduce poverty and inequality, and it can also yield growth-boosting productivity gains (Arim, 2017; ECLAC, 2006).

The evidence for the impact of social protection policies largely comes from analysis of non-contributory cash transfer programmes designed for poverty relief. This evidence provides a different perspective on social protection policies, which are often treated as though they were potentially inefficient compensation mechanisms liable to create dependency on public policies and jeopardize the sustainability of the public finances.

The reality shows that these transfers have had large effects on school enrolment, attendance, progress and retention (ECLAC, 2014a) and have helped to improve access to health services, especially check-ups and immunization coverage (Cecchini and Veras Soares, 2015). However, impact assessments indicate that learning outcomes, anthropometric and nutrition outcomes and health effects are heterogeneous and largely depend on the quantity and quality of universal public services (see box XI.1).

■ Box XI.1**The effects of non-contributory social protection on final indicators of human capabilities**

There is a huge amount of evidence for the positive effects of conditional transfer programmes in the region. Báez and Camacho (2011) find that pupils participating in Colombia's Families in Action programme are between 4 and 8 percentage points more likely to complete secondary school than the control group. García and others (2012) state that participating in this programme increases standardized mathematics test scores by 1.07 standard deviations. Barham, Macours and Maluccio (2013) and Barham and others (2016) estimate the effects of Nicaragua's Social Protection Network, 10 years from its inception, on those who participated in the programme for three years, focusing mainly on the educational attainments of minors who had participated between the ages of 9 and 12. Their findings show an accumulated 0.5 extra grades at school and better learning outcomes. In Mexico, the Prospera programme (formerly Oportunidades) has helped to reduce and almost eliminate gender gaps in secondary school enrolment, especially in rural areas (Parker, 2003), and has increased enrolment and promotion rates among indigenous students (Escobar and González, 2002 and 2009). Lastly, Rasella and others (2013) indicate that Brazil's Bolsa Família programme contributed to a 17% drop in mortality among infants aged under 5 between 2004 and 2009 by acting on poverty-related causes of death such as malnutrition and dysentery.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J. Baez and A. Camacho, "Assessing the long-term effects of conditional cash transfers on human capital: evidence from Colombia", *IZA Discussion Paper*, No. 5751, Bonn, Institute for the Study of Labor (IZA), 2011; A. García and others, "Impactos de largo plazo del programa Familias en Acción en municipios de menos de 100.000 habitantes en los aspectos claves del desarrollo del capital humano. Informe final", Bogotá, Unión Temporal Econometría/National Planning Department, 2012 [online] https://colaboracion.dnp.gov.co/CDT/Sinergia/Documentos/393_Impactos_de_Largo_Plazo_en_el_Programa_Familias_en_Accion_DOC.pdf; T. Barham, K. Macours and J. Maluccio, "More schooling and more learning? Effects of a three-year conditional cash transfer program in Nicaragua after 10 years", *IDB Working Paper series*, No. 432, Washington, D.C., Inter-American Development Bank (IDB), 2013; T. Barham and others, "Long-term impacts of conditional cash transfers in Latin America: review of the evidence", *IDB Working Paper series*, No. 732, Washington, D.C., Inter-American Development Bank (IDB), 2016; S. Parker, "Evaluación del impacto de Oportunidades sobre la inscripción escolar: primaria, secundaria y media superior", *Documentos de Investigación*, No. 6, Mexico City, National Institute of Public Health/Economic Research and Teaching Centre (CIDE), 2003; D. Rasella and others, "Effect of a conditional cash transfer programme on childhood mortality: a nationwide analysis of Brazilian municipalities", *The Lancet*, vol. 382, No. 9886, Amsterdam, Elsevier, 2013; A. Escobar and M. González, "Girls, mothers and poverty reduction in Mexico: evaluating Progres-Oportunidades", *The Gendered Impacts of Liberalization: Towards "Embedded Liberalism"*, S. Razavi (ed.) New York, Routledge, 2009; "Documento final de diagnóstico cualitativo de hogares semiurbanos: localidades de 2500 a 50000 habitantes, 2001", Guadalajara, Centre for Research and Higher Learning in Social Anthropology (CIESAS), 2002 [online] <http://lanic.utexas.edu/project/etext/oportunidades/2002/escobar1.pdf>.

As regards employment, cash transfer programmes designed to overcome poverty do not discourage participation in the workforce at the household level, and may even encourage it. Evidence of this can be found both in randomized controlled trials in countries of Latin America (Honduras, Mexico and Nicaragua), Asia (Indonesia and the Philippines) and Africa (Morocco) (Banerjee, Chassang and Snowberg, 2016) and in impact assessments carried out in Latin America (ECLAC, 2017a; ECLAC/ILO, 2014). In the case of Brazil's Bolsa Família programme, for example, the proportion of people looking for work is significantly higher in households using the programme (De Oliveira and others, 2007), and labour force participation rates in the bottom three deciles of the income distribution are higher among programme beneficiaries than among non-beneficiaries (Medeiros, Britto and Soares, 2008).

In Colombia, an assessment of Families in Action shows that this programme has been having a significant positive impact on the employment rate in urban households, contributing to declines of 3.2 percentage points and 0.7 percentage points, respectively, in inactivity and unemployment rates. It has also boosted per capita household income by an average of 25% (Núñez, 2011). Findings for the entry of women into the workforce are mixed (Holmes and others, 2010). The effects on men and women differ because of factors that may operate to a greater or lesser degree depending, for example, on the design of conditionalities, the characteristics of local labour markets and the availability of care-related services or benefits. One such factor is the time that has to be put into meeting programme conditions and the burden of responsibility this represents, which falls primarily on women (ECLAC, 2014 and 2017b; Martínez and Voorend, 2008). Another is that becoming regular recipients of transfers, even if small, means that women (who are worse placed than men in the labour market) do not have to submit to excessively poor working conditions, such as low incomes, long days, long travel times between home and work or exposure to abuses (ECLAC, 2017a).

Social protection can affect productivity through a number of interconnected channels and can operate on the micro (individual or household), meso (local community and economy) and macro levels (Alderman and Yemtsov, 2012). Through the interaction of these three levels, and by linking to production development and decent work strategies with a gender approach and an emphasis on ethnic and racial equality, social protection can help to create a virtuous circle of independent income generation, with large multiplier effects (ECLAC, 2017a; Hanlon, Barrientos and Hulme, 2010; Samson, 2009).¹

At the individual level, social protection improves education and health care along with employment indicators and the ability to generate income in families (Hanlon, Barrientos and Hulme, 2010; Samson, 2009). Cash transfers also have multiplier effects on local economies by increasing consumption and demand. Non-contributory social protection programme participants spend a large part of the cash transfers they receive from programmes within their local areas, especially on food (Cecchini, 2014; Ibararán and others, 2017), which creates positive externalities for households that are not users of the programmes and for business owners.² At the community level, the multiplier effect arises as a result of greater public investment in infrastructure.

With regard to rural pensions in Brazil, Schwarzer (2000) describes the dynamizing effect of increased purchasing power among those receiving cash transfers on the economies of municipalities in the state of Paraná. Payment day is when “the wheel of the economy turns” in small rural localities, and many firms, including commercial banks, are profitable because of these transfers. Similar results have been seen in the case of Bolsa Família: Luiz Pereira and others (2008) find that, in the five municipalities with the lowest human development index scores in Brazil as of 2006, the programme's cash transfers substantially boosted the earnings of food shops, and commerce would lose 40% of its revenues if

¹ The extent of the impact of social protection on economic growth is influenced by the scale and distribution of social protection spending. Although social protection may affect production capacity at the individual or community level, its direct effect on aggregate growth is unlikely to be substantial in countries with low social spending and high levels of inequality (Mathers and Slater, 2014).

² Davis, Di Giuseppe and Zezza (2017) use general equilibrium models based on household survey microdata to calculate multipliers for cash transfers made under seven programmes in sub-Saharan Africa and find that they all generate positive effects for the local economy. Real income multipliers range from 1.08 (Kenya) to 1.81 (Ethiopia).

the programme did not exist. Similarly, Landim (2009) shows for 5,500 Brazilian municipalities that a 10% annual per capita increase in transfers from the Bolsa Família programme increases municipal GDP by 0.6%, largely thanks to increased commerce.³

At the aggregate level, the impact of social protection, both contributory and non-contributory, may arise from aggregate demand shifts, changes in overall labour force participation and the activation of capital markets, for example by way of pension funds (Mathers and Slater, 2014; Alderman and Yemtsov, 2012), and indeed by efforts to promote social cohesion and reduce violence, all actions that help create a more favourable growth environment. Social protection can also act as an economic stabilizer during crises, bolstering domestic demand (Videt, 2014).

The multiplier effect of social protection does not act just at the local level, but throughout the economy. In the United States, when Barack Obama's government implemented a fiscal stimulus package to deal with the 2008 financial crisis, an increase of one dollar in food stamps had a multiplier effect of 1.73 dollars of GDP, while the extension of unemployment insurance benefits generated a rise of 1.63 dollars of GDP for each dollar spent (Zandi, 2009). Chimerine, Black and Coffey (1999) estimate that unemployment insurance in the United States played a substantial countercyclical role in real GDP changes over three decades, as a result of which an average of 131,000 jobs were preserved each year, and that each dollar added to the economy by unemployment insurance increased GDP by 2.15 dollars.⁴ In the case of Brazil, Mostafa, Monteiro and Ferreira (2010) and Côrtes, Monteiro and Guimarães (2013) estimated short-run multipliers for government cash transfers. Their findings showed that Bolsa Família had had a greater effect than other benefits, with each real invested in the programme in 2009, for example, adding 1.78 reais to the country's GDP.⁵

Childcare policies likewise set out to increase equality and can have substantial effects on productivity. Social protection systems in developed countries have made major efforts to extend childcare provision, with a variety of rationales. For one thing, there is abundant evidence that the returns to early childhood education are high, particularly in the case of households suffering from high levels of deprivation, and this has begun to be used as one of the main arguments for investment in public policies aimed at this age group. The most recent education studies maintain not only that skills acquired early in life yield cumulative benefits for the acquisition of capabilities at later stages, but that, in addition, certain skills are harder to attain after a certain age (Cunha and others, 2006; Cunha and Heckman, 2010). Another consideration is that childcare services are a way of stimulating the labour market and moving towards gender equality by increasing the rate of female labour market participation.

In developing countries, policy experiences of this type are more recent, as is the analysis of their effects.⁶ Where the effects on childhood development are concerned, most of the data concern childcare or child development programmes targeted at the most vulnerable children, and the results are generally positive. This is probably due to the situation these children would be in if they did not attend a care centre, i.e. what they would be doing if these services were unavailable. The effects depend on the quality of services and care and on how much stimulation they would receive at home. In the case of children from more disadvantaged environments whose carers (mothers, fathers or

³ Additionally, money invested in these programmes flows back into the municipal coffers. Thus, a 10% rise in the beneficiary population increases municipal tax receipts by an average of 1.05%, while a rise of 10% in the value of transfers increases receipts by 1.36%.

⁴ Unemployment insurance covered an average of 5 million people in the troughs of the five recessions between 1969 and the early 1990s, cushioning the loss of real GDP by about 15% each quarter.

⁵ The other benefits analysed were the Continuous Cash Benefit (BPC) programme, unemployment insurance, the wage top-up programme, the General Social Security Regime (RGPS), the Public Sector Social Security Regime (RPPS) and the Length of Service Indemnity Fund (FGTS).

⁶ The main problem for assessments is to identify the causal effect of policies, as families opting to use care services usually have special characteristics that may affect the workforce participation of women and the development of children, even if they did not take up these services. The review centres on studies that take this endogeneity into account, concentrating on ex post impact assessments of childcare programmes.

grandparents, among others) have low levels of education, even poor-quality services can positively affect their cognitive and non-cognitive development (Cascio and Whitmore, 2013).

The situation with universal childcare services is unclear. Positive effects on cognitive and non-cognitive outcomes can be found in the literature review presented by Cascio (2015). Likewise, high-quality services can increase adults' attendance at education centres and their employability. Almost all studies show the best results for children from more vulnerable homes, although the benefits diminish or disappear as they grow up. Where quality is low, the effects of care policies can actually be negative.

In Latin America, researchers have documented positive effects on child development, even though service quality differs substantially between the countries and territories of the region.⁷ For Ecuador and in one of the studies available on Chile, the conclusion is that poor-quality care services have negative effects. In general, these effects depend on age (they are greater for older children), the vulnerability of households and the time spent in the programme (longer exposure enhances the effects). Studies evaluating the effects on children in Argentina, Colombia and Uruguay years after they have attended care services found them to be persistent. Regarding women's participation in the workforce, Del Boca (2015) concentrates on studies carried out in Europe and the United States and finds that the effects depend on each country's starting point in relation to this variable. In countries where participation was relatively low, childcare programmes generally have positive effects. If participation was high, these programmes do not improve employment opportunities for women and essentially bring about displacement between informal and formal care. The effects generally differ between groups, with less educated women benefiting most.

In Latin America, studies analysing the effects of childcare services on mothers' labour market participation have shown the importance of programme operating hours spanning the working day and the significant effect of the number of children people have and their ages, including those not directly affected by the policy being assessed.⁸ In Chile, where care services for children aged under 6 are part-time and therefore mothers do not have time to work full-time, there are no effects on female labour force participation. When school hours extension programmes are analysed, however, positive and significant effects are found.

In Argentina, an effect on women's labour force participation is seen exclusively in cases where the child accessing the preschool service is the youngest, while in Uruguay full-time schooling is found to have a positive effect on the labour force participation of mothers who do not live with children under 6. The findings of the studies carried out in Rio de Janeiro, Colombia, Ecuador and Mexico, which relate to programmes more targeted on situations of vulnerability, are invariably positive, with the effects being greatest for mothers who were not working before their children entered the programme.

⁷ The targeted programme studies referred to are Behrman, Cheng and Todd (2004) on the Plurinational State of Bolivia, Attanasio, Meghir and Vera-Hernández (2007) and Bernal and others (2009) on Colombia, Rosero and Oosterbeek (2011) on Ecuador, Ángeles and others (2011) on Mexico and Urzúa and Veramendi (2011) and Noboa-Hidalgo and Urzúa (2012) on Chile. Four studies analyse universal programmes: Berlinski, Galiani and Gertler (2009) in Argentina and Berlinski, Galiani and Manacorda (2008), Borraz and Cid (2013) and Mullin and Vairo (2015) in Uruguay.

⁸ The studies referred to are Berlinski and Galiani (2007) and Berlinski, Galiani and McEwan (2011) on Argentina, Nollenberger and Perazzo (2016) and Vairo (2014) on Uruguay, Barros and others (2011) on Rio de Janeiro, Attanasio, Meghir and Vera-Hernández (2007) on Colombia, Rosero and Oosterbeek (2011) on Ecuador and Ángeles and others (2011) on Mexico. There is a particularly large number of studies for Chile: Encina and Martínez (2009), Medrano (2009), Aguirre (2011), Bentancor (2013), Manley and Vázquez (2013), Contreras, Sepúlveda and Cabrera (2010) and Martínez and Peticarà (2017).

Part II ECLAC (2016), *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*; B, pp. 75-77.

B. 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.

1. 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, 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.⁹

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 are significant.¹⁰ 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

⁹ 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).

¹⁰ 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).

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.

2. 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 (Hoddinstt and Bassett, 2009; Cecchini and Veras Soares, 2014) (see box XI.1).

■ Box XI.1

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 Progresá 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

Box XI.1 (continued)

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 Families 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 Tekoporã 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 Progresá 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 Progresá [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.

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

Box XI.1 (concluded)

nutrition, such as health training and advisory events for mothers. Programmes that provide nutritional benefits, such as Oportunidades, Más Familias en Acción, Bolsa Família, 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, Tekoporá 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 Família 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 Progres/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 Família 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 Família 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. .

C. Impact evaluations of labour and productive inclusion programmes

1. Evidence for Latin America and the Caribbean

In Latin America and the Caribbean, the increase in the number of labour and productive inclusion programmes in recent years has awakened interest in assessing their effects at the micro level (Bucheli, 2005), but a large pool of information is not yet available. The shortage of information in this respect becomes all the more evident when the data on these programmes is compared to the data on other social programmes such as conditional transfer programmes.¹¹ This situation points up the wisdom of heeding the warning of the International Labour Organization (ILO) (2016) regarding the importance of undertaking rigorous evaluations before scaling up labour and productive inclusion programmes in order to determine their actual scope and limitations.

This section will look at the reviews of 37 quantitative studies that evaluated the results of 22 labour and productive inclusion programmes implemented in the region during the period 1998–2014 (some which are still under way while others have been discontinued).¹² In the case of 32 of those studies, a variety of supply-side and labour inclusion indicators were examined, such as the probabilities of employment, unemployment and underemployment, the number of hours worked and labour income levels. In the case of 23 of the studies, the programmes' effects in terms of the quality of employment were assessed (i.e. an evaluation was made of their impact on the probability of obtaining a job in the formal sector of the economy, of the person having a written contract and of payments being made into the pension and health-care system, among others).¹³

For slightly more than half (58%) of the 645 indicators that were examined, some degree of statistical significance was observed. In 73% of those cases (269 indicators), the impact on the labour supply and insertion of the adults participating in labour and productive inclusion programmes was evaluated, and a positive impact was detected for 71% (190) of those indicators. The other 27% of the statistically significant indicators were measuring the labour formalization of participants, and 69% (70 indicators) were found to be reflecting a positive impact (see diagram XI.1 and table XI.1).

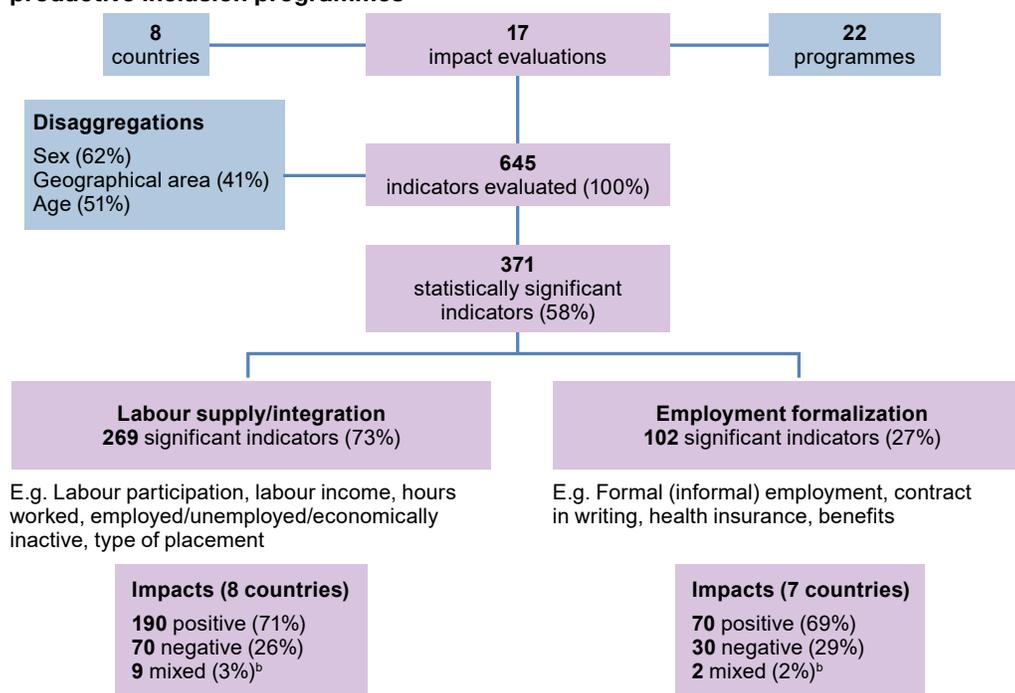
¹¹ Some macro evaluations of the net impact on aggregate employment and unemployment levels and a few cost-benefit analyses of the different approaches (Bucheli, 2005) have not been included in the overview provided in this section.

¹² This is an updated and somewhat more detailed version of an earlier study presented by ECLAC (2017a).

¹³ Some evaluations found both of these effects, which are therefore not mutually exclusive.

■ **Diagram XI.1**

Latin America and the Caribbean (8 countries): review of impact evaluations of labour and productive inclusion programmes^a



Source: Prepared by the authors.

^a The countries are Argentina, Brazil, Chile, Colombia, Dominican Republic, El Salvador (labour supply and insertion only), Mexico and Peru.

^b The results are classified as mixed if the effects are differentiated by, for example, the time that a given indicator was estimated.

■ **Table XI.1**

Latin America and the Caribbean (8 countries): impact evaluations of labour and productive inclusion programmes

| Country | Programmes | Evaluations | Indicators | Statistically significant indicators | | | | | | Indicators that were not statistically significant | | | | |
|--------------------|------------|-------------|------------|--------------------------------------|--------|--------|-----|-----|------------|--|--------|----|-----|--|
| | | | | Indicators | | Effect | | | Indicators | | Effect | | | |
| | | | | | % | + | - | +/- | | % | + | - | +/- | |
| Argentina | 3 | 4 | 121 | 73 | 60,3% | 47 | 26 | 0 | 48 | 39,7% | 31 | 15 | 2 | |
| Brazil | 2 | 5 | 64 | 30 | 46,9% | 10 | 20 | 0 | 34 | 53,1% | 34 | 0 | 0 | |
| Chile | 6 | 6 | 103 | 45 | 43,7% | 45 | 0 | 0 | 58 | 56,3% | 38 | 12 | 8 | |
| Colombia | 4 | 7 | 102 | 67 | 65,7% | 47 | 15 | 5 | 35 | 34,3% | 25 | 9 | 1 | |
| Dominican Republic | 1 | 4 | 70 | 33 | 47,1% | 20 | 13 | 0 | 37 | 52,9% | 22 | 9 | 6 | |
| El Salvador | 1 | 1 | 8 | 8 | 100,0% | 8 | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 | |
| Mexico | 2 | 3 | 43 | 36 | 83,7% | 33 | 0 | 3 | 7 | 16,3% | 7 | 0 | 0 | |
| Perú | 3 | 7 | 134 | 79 | 59,0% | 50 | 26 | 3 | 55 | 41,0% | 41 | 6 | 8 | |
| Total | 22 | 37 | 645 | 371 | 57,5% | 260 | 100 | 11 | 274 | 42,5% | 198 | 51 | 25 | |

Source: Prepared by the authors.

Note: +: positive effect; -: negative effect; +/-: mixed effect.

In 32 of the 37 studies that were reviewed, the effects were disaggregated by specific population groups. This is important because it reveals the heterogeneity of the results in relation to different aspects of the social inequality matrix (ECLAC, 2016a). The data are disaggregated by sex (in 19 studies), age (in 16 studies) and area of residence (in 19 studies, 8 of which concern urban areas only and 2 of which focus on rural areas). None of the studies disaggregated the data by ethnicity and/or race, which ECLAC (2016a) has identified as one of the dimensions that has a strong influence on access to employment.¹⁴

The impact evaluations that were based on continuous household survey data (13 evaluations), census results (1), ad hoc surveys (19) or administrative records (15).¹⁵ Different methodologies and study periods were used. Most of the evaluations are semi-experimental (78%), while the most commonly used methodologies were propensity score matching and difference in differences.

A summary of the results of the various evaluations indicates that the effects in terms of indicators of labour inclusion were mostly positive and especially so in the case of women in regard to labour supply and integration indicators (see figure XI.1) and in the case of men for formalization indicators (see figure XI.2).

Evaluations of the impact of labour and productive inclusion programmes in Latin America and the Caribbean may suffer from a series of methodological limitations, however. One of the major limitations of this sort is underscored by González-Velosa, Ripani and Rosas-Shady (2012), who point out that these studies rarely isolate the impact of each of the different types of interventions carried out by any given programme and, as was discussed earlier, most of the programmes offer a combination of interventions. Evaluations of a programme as a whole do not provide the information that would be needed to determine which component or combination of components is the most effective, and this is something that decision-makers need to know. These studies do not always indicate under what circumstances and in what contexts the programmes are most effective either, and they rarely include calculations of the cost-efficiency ratios.¹⁶ McKenzie (2017) also points out some of the problems associated with impact evaluations of labour and productive inclusion programmes, such as the fact that the samples are sometimes not very representative and long-term effects are often not accurately measured. The methodological differences between each evaluation and the next and the existence of constraints in terms of the availability and quality of the data used in them also reduce their comparability across countries and across programmes (Urzúa and Puentes, 2010).

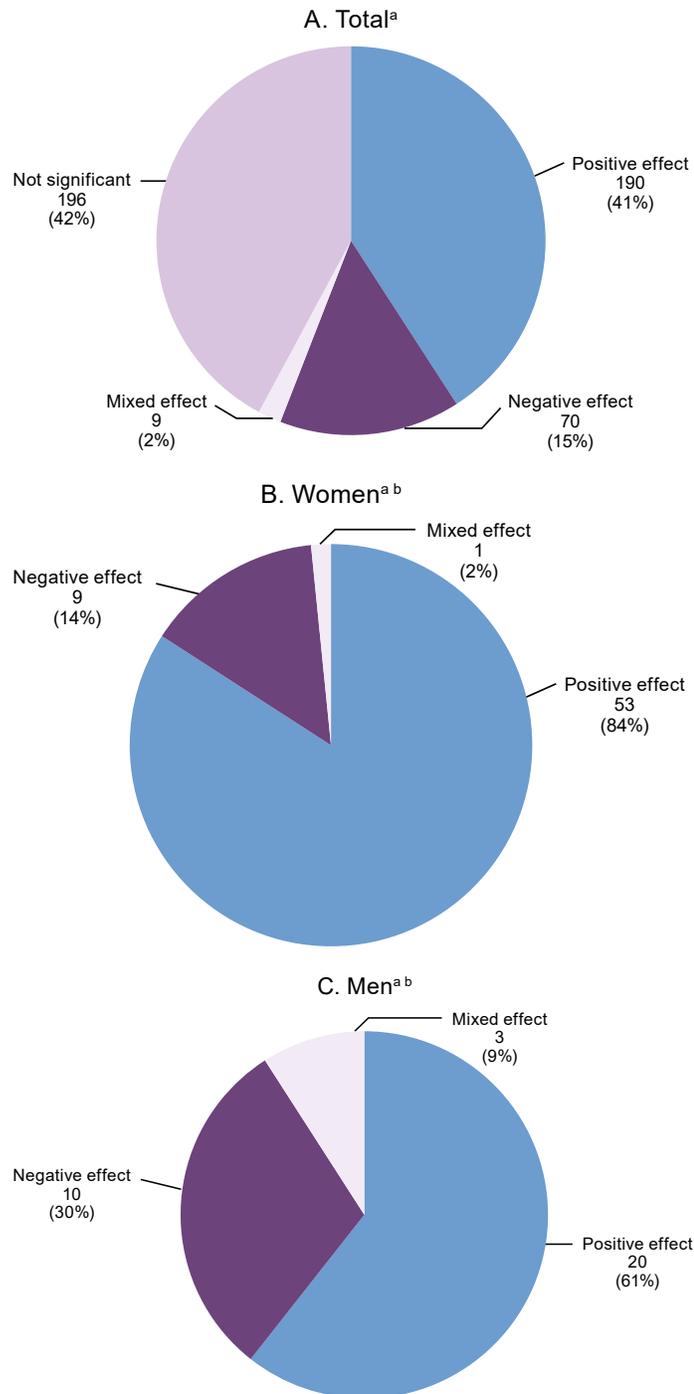
¹⁴ The lack of disaggregation for these variables is not necessarily an omission on the part of the researchers. On the one hand, in many cases this disaggregation is not present in the programmes' administrative records and, on the other, very few household surveys in the region include these variables and, even if they do, the corresponding analysis cannot always be carried out because of problems with statistical significance. For a discussion of the challenges involved in terms of the quality and coverage of statistics on the population of African descent, see ECLAC (2017b and 2017c).

¹⁵ Some studies used a combination of primary and secondary sources.

¹⁶ According to McKenzie (2017), in terms of a cost-benefit analysis, training programme participants would take between three and four years at least in order for their wages to cover the cost of the programme. However, the cost per participant of labour intermediation programmes is low (US\$ 25 per participant). Therefore, if the programme raises the probability of obtaining employment by just 2% (the impact of a typical intervention of this type), that is enough to justify its implementation.

■ **Figure XI.1**

Latin America and the Caribbean (8 countries): results of the indicators of the impact of labour and productive inclusion programmes on participants' labour supply and integration
(Numbers and percentages)



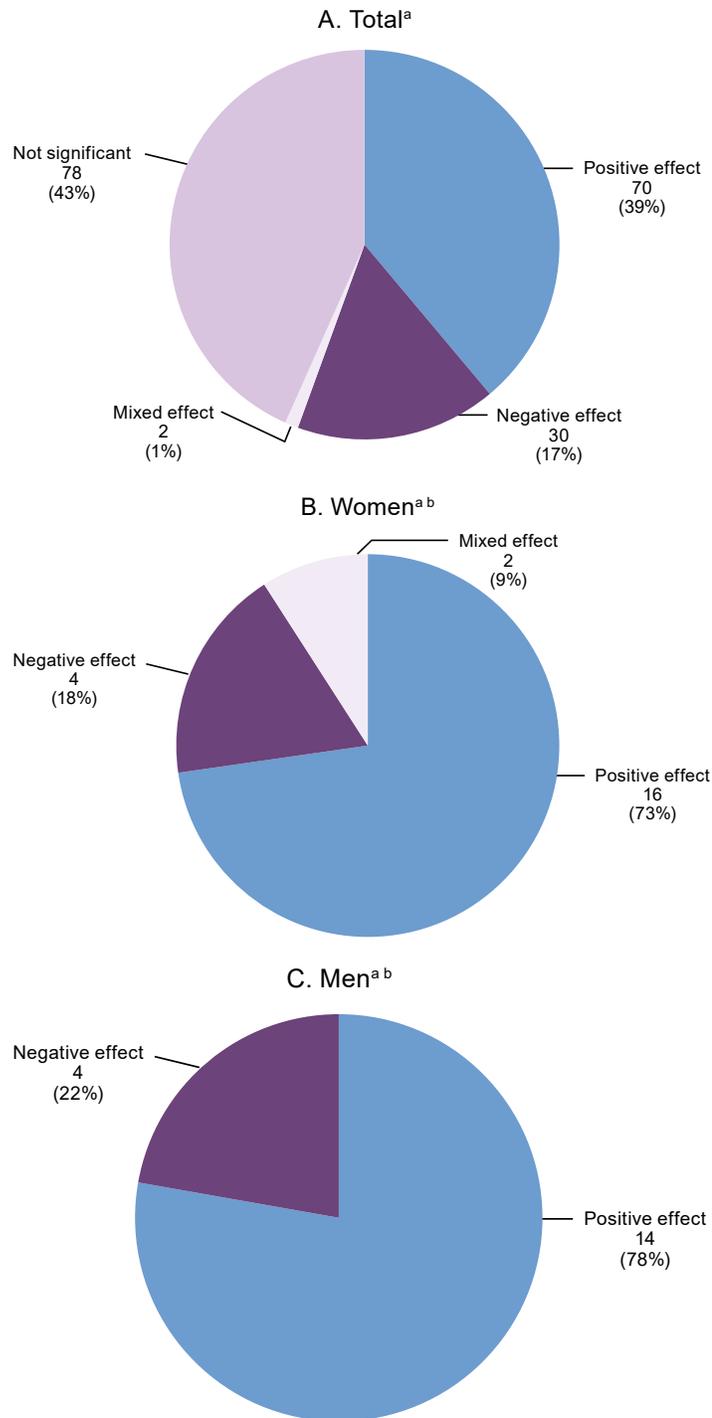
Source: Prepared by the authors.

^a The results are classified as mixed if the effects are differentiated by, for example, the time that a given indicator was estimated.

^b Only statistically significant results are reported.

■ **Figure XI.2**

Latin America and the Caribbean (7 countries): results for indicators of the impact of labour and productive inclusion programmes on participants' occupational formalization
(Numbers and percentages)



Source: Prepared by the authors.

^a The results are classified as mixed if the effects are differentiated by, for example, the time that a given indicator was estimated.

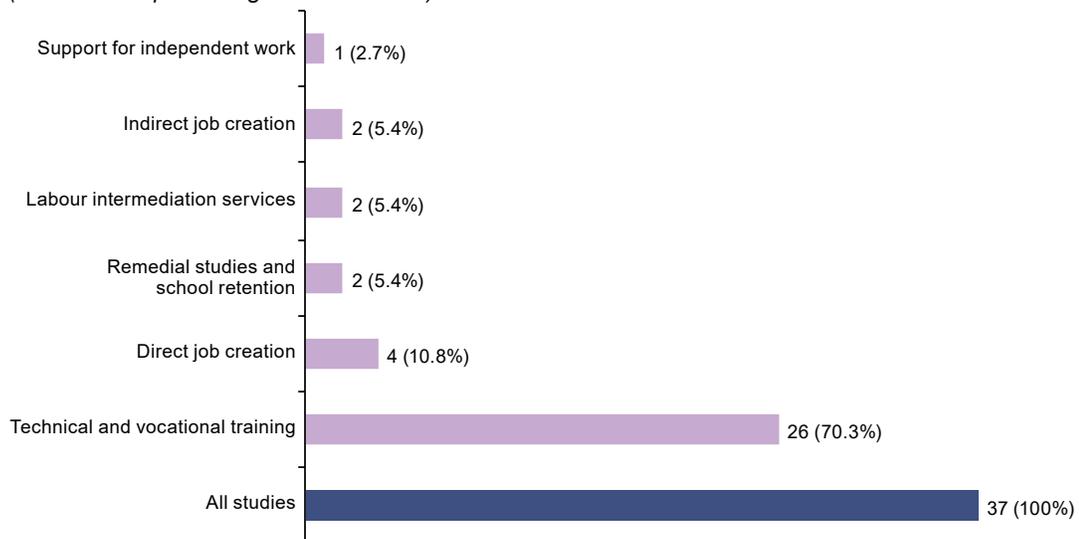
^b Only statistically significant results are reported.

These limitations notwithstanding, the results of these evaluations for each sphere of action are presented below. When the studies have not specified which component is being evaluated (probably because the evaluation looked at the programme as a whole), the classification is based on the main focus of the authors' conclusions or, if information is available, then priority is given to the component with the largest number of participants. A majority of the evaluations focus on technical and vocational training interventions, followed by direct job creation (see figure XI.3).

■ **Figure XI.3**

Latin America (8 countries): impact evaluations of labour and productive inclusion programmes, by component

(Number and percentage of evaluations)



Source: Prepared by the authors.

Part IV ECLAC (2018), *Social Panorama of Latin America 2017*; D, pp. 100-103.

D. Poverty and pension income

In the previous section, the income level of occupied persons was measured as multiples of poverty lines. This section adopts a similar approach, analysing income received from old-age, disability and survivor pensions according to three thresholds: below the poverty line, between the equivalent of the poverty line and two times the poverty line, and higher than two times the poverty line.¹⁷ The selection criteria for the first threshold is the same as that used for occupied persons identifying incomes from pension that are not enough to keep the beneficiary out of poverty. The second threshold is set for situations in which pensions are insufficient to keep beneficiaries and one additional person out of poverty.¹⁸ In all cases, the data provided refer to persons 65 years or over.

Based on this premise, in 2016 10% of pensioners received income that was below the poverty line; 33% received income that was between the equivalent of the poverty line and two times the poverty line; and 57% reported receiving income that was more than two times the poverty line. This represented an improvement over 2002, when 22.5% of pensioners —almost one quarter of the population group— had pensions below the poverty line, 36% received a sum between the equivalent of the poverty line and two times the poverty line and 41% declared income more than two times the poverty line (see figure XI.4).

■ **Figure XI.4**

Latin America (15 countries):^a incomes of pensioners aged 65 years or older, as multiples of the poverty line, 2002, 2008, 2012 and 2016

(percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

^a Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

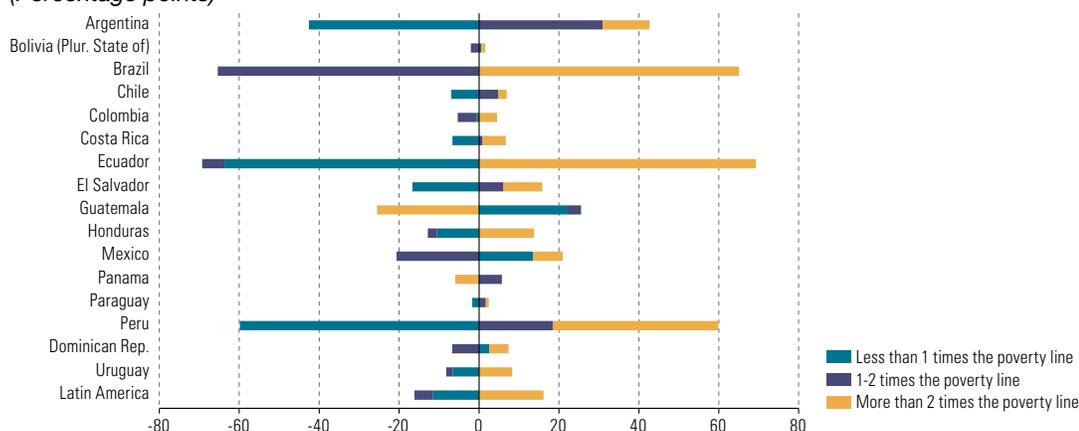
¹⁷ Since the aim is to assess the sufficiency of the benefits paid by contributory pension systems, age groups in which there are no pension recipients have not been included. Likewise, contributory pensions are only considered for those countries that distinguish them from non-contributory pensions in the survey. For the other countries, it is assumed that pensions are mainly contributory.

¹⁸ This criterion takes into account the income that allows persons who live on their own or couples whose adult children no longer live in the household to stay out of poverty.

There has been a trend towards increasing pension benefits in all the countries in the region, with a few exceptions. Argentina, Chile, the Dominican Republic, Ecuador, El Salvador, Honduras, Peru and Uruguay recorded declines in the numbers of persons receiving income below the poverty line, along with an increase in numbers in the other two thresholds. In Brazil and Colombia, the improvement was reflected in a drop in pensions that are between the poverty line and two times the poverty line and an increase in pensions that are more than two times the poverty line.¹⁹ In the Plurinational State of Bolivia and Paraguay, the variation was of little significance, while in Mexico and the Dominican Republic the variation was mixed and in Panama the structure of pension income shifted towards lower incomes.²⁰ (see figure XI.5)

■ **Figure XI.5**

Latin America (15 countries): variation in incomes of pensioners aged 65 years or older, as multiples of the poverty line, between 2002 and 2016^a
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

^a Data are for 2002 and 2016, except in the case of Argentina (2003 and 2016), Brazil (2002 and 2015), Chile (2003 and 2015), Ecuador (2001 and 2016), El Salvador (2001 and 2016), Panama (2001 and 2016) and the Plurinational State of Bolivia (2002 and 2015).

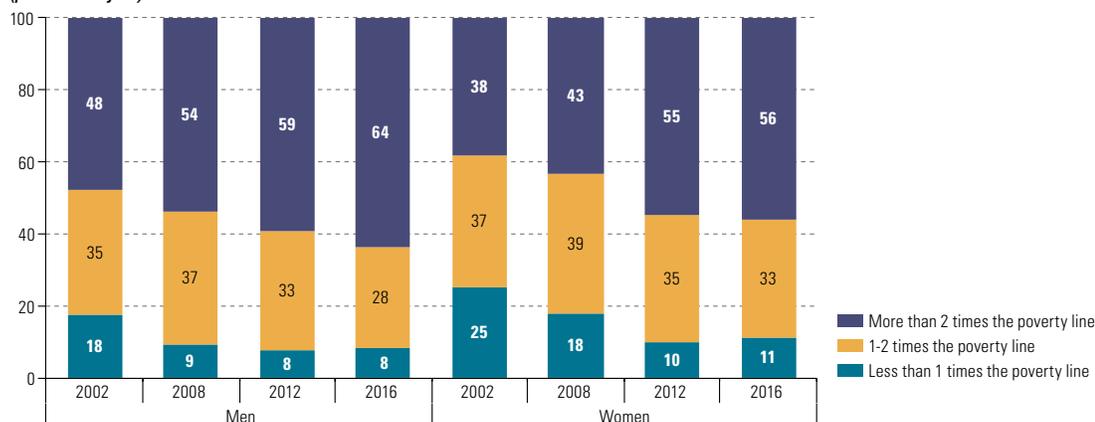
As in the case of labour income, there is a gender bias in terms of the pension benefits received: there is a greater number of women in the lowest income brackets. However, between 2002 and 2016, the gender gap narrowed slightly, probably because women make up a larger share of direct beneficiaries of pensions as their participation in the labour market has soared in the last few decades. As a result, in the period under review and for the income brackets considered, the shift of the structure of pension income towards higher incomes was more pronounced for women than for men (see figures XI.6 and XI.7).

¹⁹ The case of Brazil is unusual in that there is a minimum value for pensions that is equivalent to the minimum wage. In addition, the minimum wage increased significantly in real terms during the period under review.

²⁰ Eight countries of the region have detailed information on non-contributory pensions. When considered together with contributory pensions, there are two effects: one the one hand, there is a spike in coverage; on the other, the structure of pension income shifts towards lower incomes, particularly in groups whose income is below the poverty line or between the poverty line and two times the poverty line, depending on the country.

■ **Figure XI.6**

Latin America (16 countries):^a income levels of pensioners aged 65 years or older, as multiples of the poverty line, by sex, 2002, 2008, 2012 and 2016
(porcentajes)

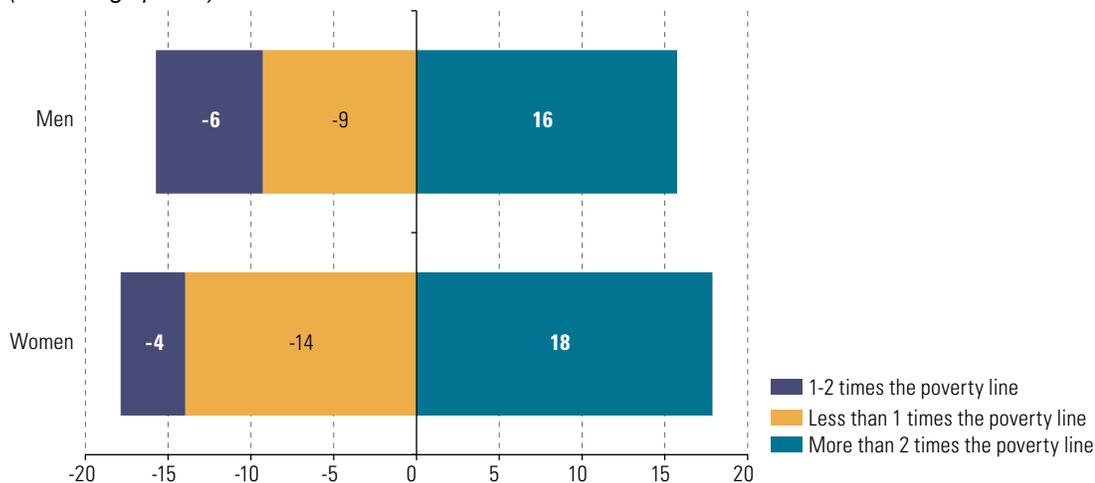


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

^a Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

■ **Figure XI.7**

Latin America (16 countries):^a variation in incomes of pensioners aged 65 years or older, as multiples of the poverty line, between 2002 and 2016^b
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

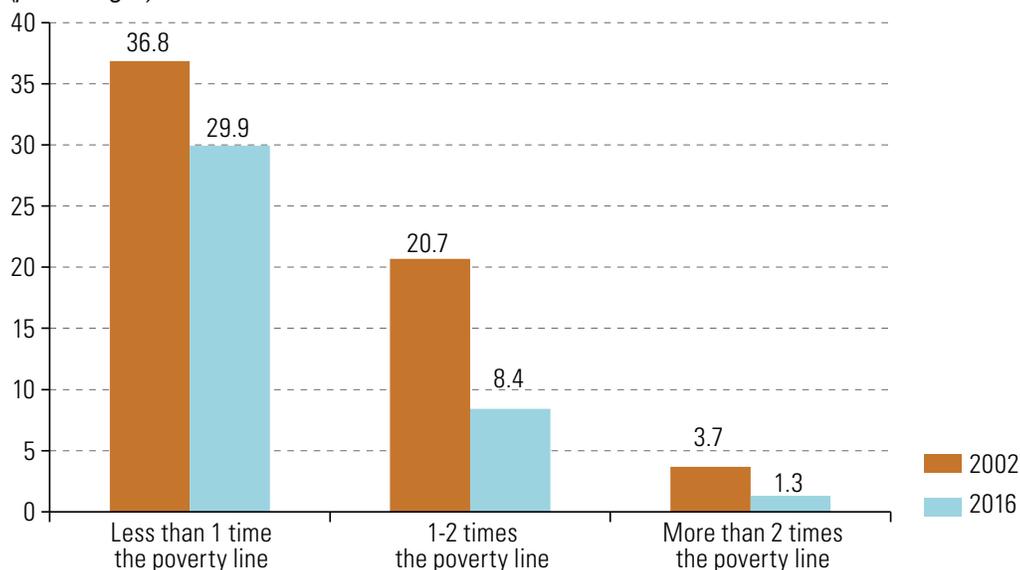
^a Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

^b Data are for 2002 and 2016, except in the case of Argentina (2003 and 2016), Brazil (2002 and 2015), Chile (2003 and 2015), Ecuador (2001 and 2016), El Salvador (2001 and 2016), Guatemala (2000 and 2014), Panama (2001 and 2016) and the Plurinational State of Bolivia (2002 and 2015).

The receipt of pension income below certain thresholds has an impact on the well-being of recipients and their households. While pensions are not the only source of income of persons aged 65 or over, the incidence of poverty and extreme poverty in this age group is measured by the level of their pension income against poverty lines. Figure XI.8 shows that in 2016, the incidence of poverty of persons aged 65 or over receiving pension benefits below the poverty line was 29.9%. For pensioners whose benefits were between the equivalent of the poverty line and two times the poverty line, the incidence of poverty was 8.4%; for those whose pensions were more than two times the poverty line, the incidence was just above 1%. As in the case of occupied persons, pensioner poverty is the product of the make-up of the household and the income each member of the household receives from different sources. Between 2002 and 2016, there was a marked improvement, in particular among pensioners receiving income between the equivalent of the poverty line and two times the poverty line: the incidence of poverty in this group fell by more than 12 percentage points in 12 years.

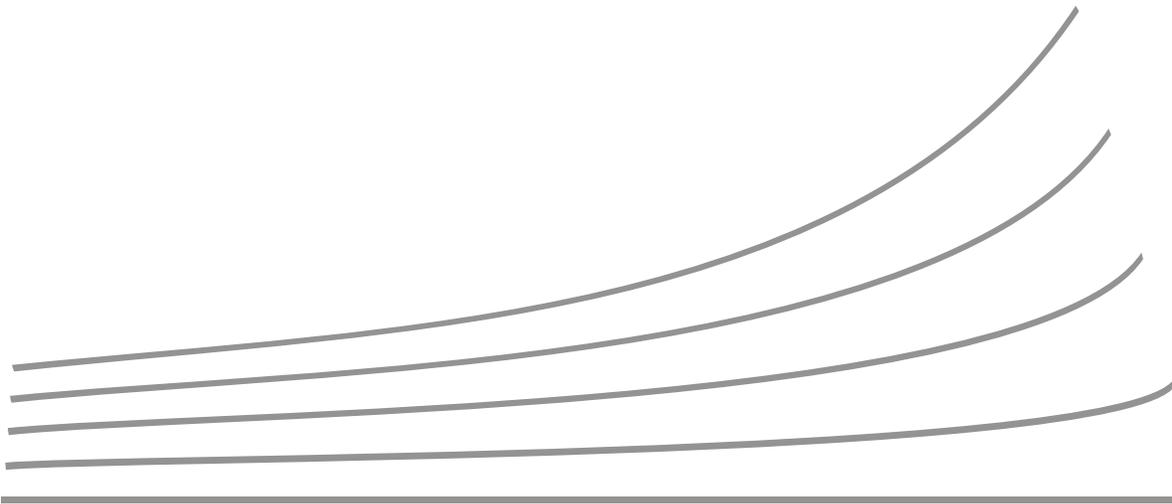
■ **Figure XI.8**

Latin America (15 countries):^a incidence of poverty among pensioners aged 65 or older, as multiples of the poverty line, based on their pension income, 2002 and 2016^b
(percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

^a Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. ^b The data refer to 2016, except for Brazil (2105), Chile (2015) and the Plurinational State of Bolivia (2015).



Chapter XII

Emerging challenges

Source:

Part I. ECLAC (2018), *Social Panorama of Latin America 2017*
https://repositorio.cepal.org/bitstream/handle/11362/42717/6/S1800001_en.pdf

Part II. ECLAC (2017), *Linkages between the social and production spheres: gaps, pillars and challenges*
https://repositorio.cepal.org/bitstream/handle/11362/42269/1/S1700768_en.pdf

Part III. ECLAC (2018), *Towards a regional agenda for inclusive social development: bases and initial proposal*
https://repositorio.cepal.org/bitstream/handle/11362/44020/4/S1800661_en.pdf

Part IV. ECLAC (2017), *Linkages between the social and production spheres: gaps, pillars and challenges*

Introduction

In addition to structural challenges, Latin America and the Caribbean also face a series of emerging critical obstacles that hinder the achievement of inclusive social development. These obstacles, which include the accelerated population ageing process, the technological revolution, rising intraregional migration and natural disasters, must be taken into account when designing, implementing and reforming social protection policies and programmes.

Chapter XII briefly explores four emerging critical obstacles that pose major challenges for social protection systems: ageing, the technological revolution, migration¹ and disasters.

¹ For further analysis of the topic of migration, see issue No. 7 of this digital collection, L. Reboiras (comp.) “Migración y desarrollo sostenible: la centralidad de los derechos humanos. Textos seleccionados 2008–2019”, *Select pages of ECLAC* (LC/M.2019/4), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), October 2019.

Part I ECLAC (2018), *Social Panorama of Latin America 2017*; A, pp. 19-21.

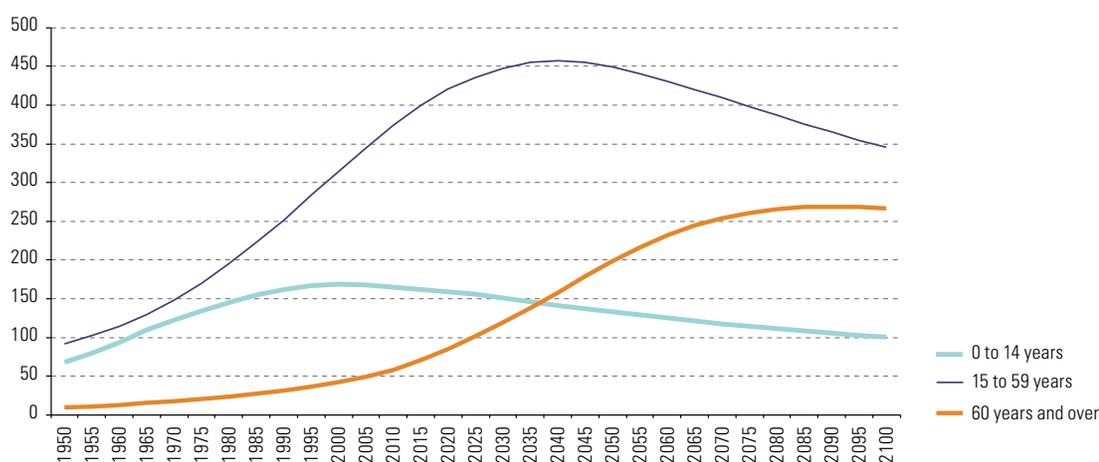
A. The ageing of the region's population

Demographic change implies quantitative and qualitative shifts in the organization of societies, and it must be taken into account in planning social security and social protection policies (ECLAC, 2016a). In particular, demographic transitions accentuate the urgency of questions arising from the current situation of the equation of State, market and family and highlight the need for a strong public response to address old and new requirements arising from changes in the population's age distribution (ECLAC, 2011a).

The steady ageing of the population manifests itself in increased numbers of older persons and a decrease in the proportion of children in the population. In the region, people aged 60 or over will for the first time outnumber children and adolescents under the age of 15 sometime around 2036, and their numbers will continue to rise until 2080 (United Nations, 2017) (see figure XII.1). The region has gone from a young population structure in 1950 to a population that is currently ageing and will continue to do so rapidly over the coming decades.

■ **Figure XII.1**

Latin America and the Caribbean: population by broad age groups, 1950-2100
(Millions)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, “World Population Prospects: The 2017 Revision”, 2017 [online] <https://esa.un.org/unpd/wpp/>.

This drop in the child population implies a certain decline in the demand for education, care and health services for mothers and children in some of the region's countries, because there is a large contingent of potentially active-age people (15 to 59 years), while older adults (76 million in 2017) still account for a relatively moderate share of the total population. In 2060, that number will have tripled and, by the end of the twenty-first century, will have risen to 266 million. The context therefore demands a more proactive and engaged State, to prevent the repercussions of rapid population ageing on social protection systems and, particularly, on pension systems.

Since 1970, the proportion of children and adolescents under the age of 15 in the population has been shrinking: their numbers fell from 40% of the total population in 1950 to approximately 25% in 2017, and the figure is expected to decrease to 19% in 2040 and to drop below 15% by 2100. In absolute terms, the under-15 age group peaked in 2000 (at 169 million) and has been declining since then. At the same time, changes in the share of the population aged 15 to 59 are increasingly

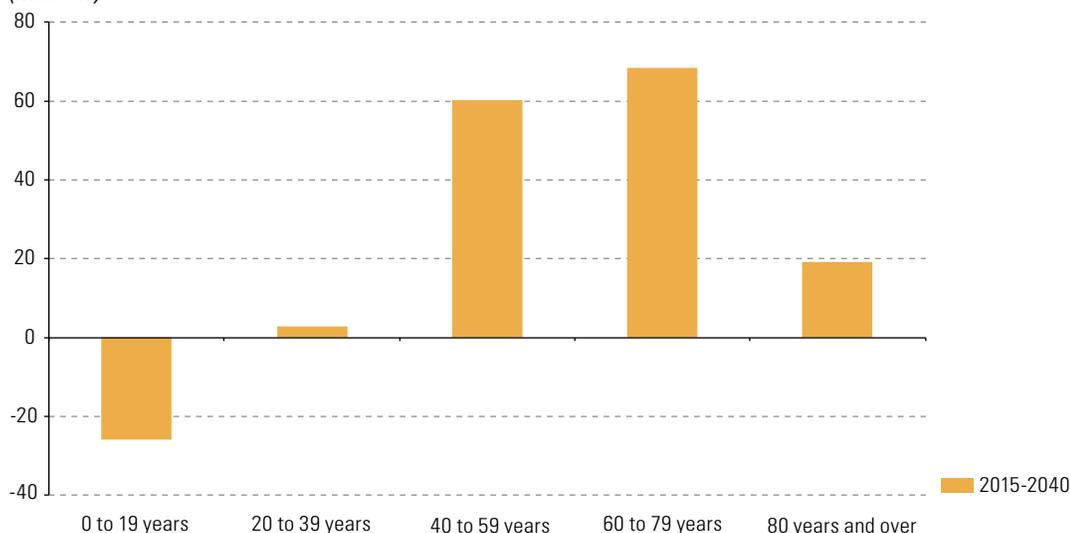
important because this is, in theory, the working-age group. In 1950, members of that age group accounted for about 54% of the region's total population, and that share increased steadily to reach a peak of 63% in 2017, after which it will begin a gradual decline.¹ It is estimated that people between the ages of 15 and 59 will account for 60% of the region's population in 2040 and that, by 2100, the figure will have dropped to 49%. In absolute terms, the number of working-age young people and adults will peak at 457 million in 2040, after which it will begin to shrink. The result of this is a rise in the relative share of people aged 60 and over: from just 5.6% of the region's total population in 1950 to 12% per cent in 2017, with forecasts indicating they will account for 21% of the population in 2040 and almost 37% in 2100, with a peak in absolute numbers of 269 million in 2090.

It is estimated that between 2015 and 2040, the region's population aged over 60 will increase by almost 87 million people, while the numbers of those aged 20 to 59 will rise by nearly 63 million. In contrast, those aged under 20 will number 26 million fewer in 2040 than in 2015 (see figure XII.2). In relative terms, older persons will report exceptionally high growth rates. The population aged over 60 in Latin America and the Caribbean is expected to grow by 3.4% per annum between 2015 and 2040: a much faster rate of growth than the 0.5% annual expansion forecast for those aged 20 to 59, while those aged under 20 will decrease by 0.5% a year.

■ **Figure XII.2**

Latin America and the Caribbean: variations in the population by different age groups between 2015 and 2040

(Millions)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "World Population Prospects: The 2017 Revision", 2017 [online] <https://esa.un.org/unpd/wpp/>.

¹ A demographic dividend is said to occur at times when the proportion of the population of potentially active age is on the rise.

Part II ECLAC (2017), *Linkages between the social and production spheres: gaps, pillars and challenges*; B, pp. 112-117.**B. The technological revolution and the future of work**

The world of work is undergoing profound changes related not only to the next stage of the technological revolution —exponential growth of digitization, robotization and industrial application of new information and communication technologies, and artificial intelligence— but also to the increased complexity of global value chains, new challenges and opportunities arising from the need to shift towards a low-carbon (environmentally sustainable) economy and demographic trends. These changes have implications for many of the issues discussed in this chapter and throughout this document, such as labour inclusion, education systems, technical and vocational training, labour and productive inclusion programmes and social protection systems.

The issue of the impact of new technologies and new processes of organization of production on employment, labour market stakeholders and labour institutions is not a new one in Latin America. Since the end of the 1980s, the crises of Taylorism and Fordism and the influx of new microelectronic technologies have given rise to a plethora of studies, research and discussions on the repercussions of these processes on the world of work. One optimistic view saw Post-Fordism and flexible specialization as an opportunity for the emergence of new, high-skilled jobs and the elimination of repetitive, low-skilled forms of employment (Piore and Sabel, 1984; Coriat, 1993). Other studies, however, drew attention to the limited nature of such opportunities and to the emergence or strengthening of new forms of segmentation, insecurity and intensification of work that tended to occur among workers, both in companies that were becoming modernized and along production chains (Castillo, 1994; Novick and Gallart, 1997; de la Garza, 2000). They also pointed out that these processes were strongly marked by the gender dimension and other forms of inequality that are characteristic of labour markets in Latin American countries (Abreu and Sorj, 1994; Abramo, 1997).

This was also a time when the march of globalization was stepping up the pressure on Latin American economies and businesses to adapt to new patterns of competitiveness on an international scale. In many cases, this has meant that efforts are geared more towards reducing production costs, including labour costs, by cutting down on the workforce or relaxing labour rights and contracts (downward adjustment) than towards diversification, productivity and innovation indicative of upward adjustment (Tokman and Martínez, 1997). The perspective of an inevitable decline or gradual disappearance of formal, protected and regulated employment and a weakening of trade union action —caused by the advance of new microelectronic technologies that led to structural unemployment and globalization (Abramo, 2015)— is gaining traction in the discussion on the future of the work. Labour market developments in Latin America since the turn of the new century indicate that these trends were not inevitable and were largely the result of development strategies defined at the country level. Between 2002 and 2014, the region saw positive evolution in labour market indicators, including reduced unemployment, increased formalization and higher labour incomes (ECLAC, 2015).

In recent years, in developed countries the debate about the future of work has been dominated by the emergence of a new wave of technological change —the fourth industrial and technological revolution (ECLAC, 2016b) characterized, *inter alia*, by an exponential increase in the pace of change, the diversification of the fields of application, and rapidly falling costs of automation. It is argued that these processes will lead to the disappearance of a significant number of jobs, especially the most routine and low-skilled ones which can be easily performed by computers or robots (Acemoglu and Autor, 2011; Rodríguez, 2017). However, there are substantial discrepancies in the estimations of the impact of technological change on employment. A study by the McKinsey Global Institute stated that 44% of the companies that had reduced their workforce since the 2008 did so by automating tasks

(MGI, 2011). Looking forward, the World Economic Forum estimates that 65% of children entering primary schools today will ultimately work in new job types and functions that currently do not yet exist (WEF, 2016). In the same vein, Frey and Osborne (2013) estimate that 47% of total employment in the United States is at high risk of being automated within the next decade or two. These changes are projected to affect primarily low- and middle-skill jobs in administration, sales, and financial operations, which tend to have higher proportions of women (ManpowerGroup, 2017). However, when the estimates are based on tasks that would undergo changes but would not necessarily imply job losses, the results are less alarming. Similarly, Arntz, Gregory and Zierahn (2016) calculate that across the OECD countries, 9% of jobs are at high risk of being automated, while Manyika and others (2017) find that, globally, less than 5% of occupations can be fully automated. According to a study conducted by OECD, ECLAC and the Development Bank of Latin America (CAF) based on data from the World Economic Forum and the International Labour Organization, projections for Latin America point to the net destruction of 3.38 million jobs by 2030 (OECD/ECLAC/CAF, 2016). This would represent between 1% and 2% of total employment, with losses concentrated in manufacturing (production and support functions) and construction. The creation of new jobs in the sectors of trade and, to a lesser extent, transport, will not offset the losses in other branches of activity. Continuing the focus on activity types, Manyika and others (2017) estimate that in eight Latin American countries, between 45% and 51% of activities can be automated. Following Manyika and others (2017), Weller (2017) estimates that, considering employment in medium- and high-productivity sectors only, approximately 8 million jobs would be lost in Latin America.

However, the impact of technological change on the world of work in Latin America, either at present or in the past, is not pre-determined. It is likely that in terms of job creation and destruction, the results will not be homogenous. Novick (2017), Weller (2017) and Salazar (2017) all present nuanced assessments that move away from the viewpoints characterised by a form of technological determinism that warns of massive job losses and those of a perfect market in which supply and demand offset the creation and destruction of jobs. The scenario is uncertain and the net result will depend on macroeconomic dynamics and the ways in which work is organized, as well as a number of political and institutional factors, including State and public institution action, existing labour regulations, trade union organization and the ability to create spaces for collective bargaining and social dialogue between stakeholders in the world of work (governments, the private sector and trade unions). From this perspective, the State must actively promote and channel these changes in at least three ways other than through industrial and technology policy. First, it must promote adequate labour regulation and spaces for engaging in dialogue and establishing agreements on the processes of change in the world of work, strengthen instruments such as collective bargaining and the minimum wage, and protect freedom of association. Second, it must encourage more equal distribution of the benefits of technological upgrading and the potential applications of new technologies in the fields of health and education (see box II.1, on the role of these technologies in health). Third, it must strengthen and improve the quality of universal social protection systems that protect workers and their families and the general population during the transition process. In this context, as set out in chapters II and IV, technical and vocational education and training are increasingly important in responding to the new characteristics of jobs and the new qualification requirements that come with technological change.

In industrialized countries, one of the greatest concerns today relates to the expansion of atypical (non-standard) employment, a concept that includes various modalities whose common denominator is that they break from the employment that has characterized these economies for decades: permanent, full-time work in a dependent relationship with a clearly identified employer (ILO, 2016a; Novick 2017) and more social protection. These new forms of work, which are often associated with increased precariousness, would translate into new labour relations and new challenges to existing institutional structures. In this context, the question of the introduction of universal basic

income as a measure to complement and strengthen social protection systems that are insufficient to cope with the new dynamics of the world of work is being given increasing prominence.

In Latin America, the risk of job insecurity and vulnerability associated with these new forms of work that are accompanying technological change appear to be even higher, owing to the high rates of informality and structural inequalities that still characterize their labour markets. In this regard, Weller (2017) emphasizes that for Latin America, the main consequence of the potential losses of medium- and high-productivity jobs in the formal sector could be increasing informality, rather than a rise in unemployment. However, like in the more advanced countries, new technologies would also increase the diversity and variety of contract and labour relations, which would create new institutional challenges. For example, automation is expected to weaken trade union organization, collective bargaining and the right to strike. As a result, the social protection systems in the region would be affected both by weakened collective bargaining and by an increasing fragility of formal employment which, up to now, has been the main point of access to social protection (Novick, 2017).

To understand the potential changes in employment, at least three additional factors must be taken into account: demographic changes, the increasing international fragmentation of production processes marked by global value chains (Scarpetta, 2016)³² and the challenges and opportunities created by the transition to low-carbon (environmentally sustainable) economies.

C. The new dynamics of migration and the challenges they pose

In recent years, migration has established itself as a shared, but very heterogeneous, issue in all countries in the region. Public policies, in general, and social protection in particular, have started to mobilize and adapt, but still have a long way to go, while new global pressures, starting with current United States migration policy towards Latin America and the Caribbean, have lent added urgency to the issue. Lastly, the region also sees migration flows caused by natural and climatic phenomena that are hard to foresee, as well as other caused by economic and public safety crises and instability in countries within the region, all of which require responses that are not easy to muster immediately.

Regional migration trends continue to show a predominance of emigration over immigration (Martínez Pizarro and Orrego Rivera, 2016); that is, in net terms for the region as a whole (not for specific countries), cumulative immigration in the region continues to be less widespread than emigration. Thus, based on data from the 2010 round of censuses, the share of the immigrant population compared to the native-born population averaged 1.3% in the region, a figure that was fairly similar for the various subregions of Latin America and the Caribbean, ranging from 0.9% in South America to 1.1% in Central America and 2.8% in the Caribbean. Emigration accounted on average for 4% of the total regional population, with marked differences from one subregion to another, with the Caribbean and Central America standing out as having the highest share of emigrants compared to the native-born population (11.1% and 10.2% respectively), whereas the figure for South America was 1.6% (Martínez Pizarro, Cano and Soffia, 2014). The same census round also shows a structural change in immigration, from mostly extraregional (especially from Europe) to intraregional. New and more active migration corridors have developed towards Argentina, Belize, Brazil, Chile, Costa Rica, the Dominican Republic, Panama and Trinidad and Tobago (ILO, 2016). Thus, census information from 2010 for 10 countries shows that intraregional immigrants account for 63% of total immigration or nearly 3.7 million people (Maldonado, Martínez and Martínez, 2018). These changes in migration patterns are very important since they pose major challenges for achieving inclusive social development, above all in contexts where there is significant irregular migration as well as frequent cases of trafficking and smuggling of persons and labour exploitation of migrants in both regular and irregular situations. Another challenge has to do with the social inclusion of dependants (and, in general, of family members) of persons who migrate (mostly) for work-related reasons, with a view to guaranteeing rights and making the most of the contributions and dynamism they can generate in host countries.

The panorama of migration in the region has thus become more diverse and complex. Of particular importance from the point of view of policymaking (especially social policies) is the transnationality of the phenomenon and the existence of people at different stages of the migratory cycle: origin, transit, destination and, possibly, return. Each stage brings specific risks associated with migration (and within each stage, risks associated with the stage of life of migrants themselves). In the country of origin and in the transit process, those risks include some related to the security of migrants and their ability to embark on a safe migration plan. In the transit phase and in the country of destination, there are risks associated with irregular migratory status and being exposed to worse labour conditions and exploitation, as well as the risks of becoming a victim of child labour or human trafficking. In the country of destination, too, there is a risk of exclusion from networks or even from basic health, education and food services. This is in addition to the challenges relating to disconnection from —and the possible loss of— any social protection benefits available in the country of origin. In

cases in which migrants return, a new challenge is posed for social inclusion and reconnection with social protection in the country of origin, as well as the risk of losing rights, benefits and entitlements accumulated in the country to which the migrant initially emigrated.

Irrespective of the heterogeneity of migration patterns in the region, all countries in Latin America and the Caribbean face inclusive social development challenges relating to one or more of these stages in the migration cycle, depending on their particular circumstances in relation to migration. That is why it is essential to devise a comprehensive framework taking into consideration the existing gaps and most relevant social protection instruments at each stage in order to begin to cater systematically to this group, which has hitherto been afforded little priority by public administrations (Maldonado, Martínez and Martínez, 2018). At the same time, in this new context, coordination of objectives, equivalence of the standards set and policy agreements among countries all become key factors for progressing towards a regional model of inclusive social development, so as to ensure that no one is left behind and to make the portability and effective enjoyment of human rights in general a reality, especially as regards social security.

Part IV ECLAC (2017), *Linkages between the social and production spheres: gaps, pillars and challenges*; D, pp. 33.

D. Disasters

■ Box XII.1

Disasters and intersection of public policies

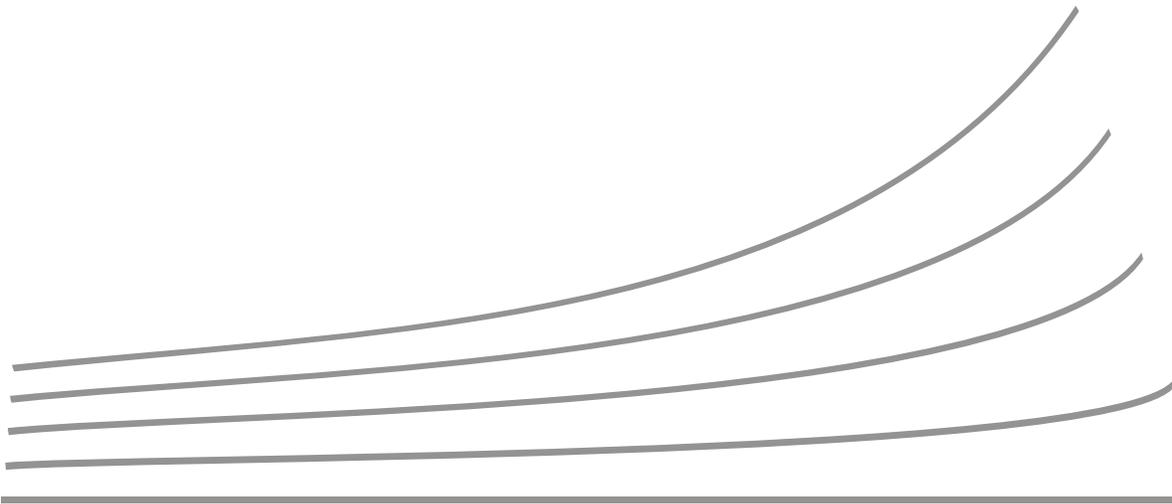
The occurrence and social impact of disasters and environmental degradation, particularly relating to pollution and extreme weather events, is a key link between different policy domains. At present, disasters are a combination of natural phenomena and conditions of physical, social, economic and environmental vulnerability of persons and human settlements. Therefore, they are not so much physical phenomena as social ones whose ill effects could be prevented and mitigated (ECLAC, 2014a). Their impact and the capacity for recovery in their wake tend to be uneven, and are strongly influenced by factors such as gender, age, disability and territory. Disasters also have socioeconomic consequences that go beyond immediate effects: assets and savings that have been accumulated over the years —such as housing— may be destroyed in minutes by a flood or an earthquake (Hallegatte and others, 2017). Disasters can also destroy income-generating productive assets, such as stocks and reserves of commercial goods, agricultural assets (such as livestock), work materials, workshops and means of transportation. Unemployment and loss of income owing to a disaster can have a significant impact on the well-being of people or families in the short term (including in terms of survival), resilience and life prospects. Communities or people living in poverty are particularly vulnerable to disasters and suffer disproportionately and increasingly from their effects.

The greater frequency of disasters in Latin America and the Caribbean means that it is increasingly essential to develop strategies with a view to reducing the population's exposure to these events, including mitigation plans, as well as economic and social measures that allow people, families and communities to recover from the loss of physical and productive assets and to restore their well-being. In this respect, within the areas of humanitarian aid and development, there is increasing recognition of the potential links between social protection, disaster management and climate change adaptation (Beazley, Solórzano and Sossouvi, 2016).

By guaranteeing a basic income and access to promotion and social services (health, education and housing, for example), social protection strengthens responsiveness (Cecchini and Martínez, 2011) and reduces vulnerability. Thus, it is a crucial factor in preparing for disasters before, during and after these events. In the same vein, social protection can help people to cope with the negative effects of climate-related shocks and loss of livelihoods, through regular and reliable cash transfers (Ulrichs and Slater, 2016).

With a view to helping build resilience, public policies must strengthen all processes and mechanisms that develop or improve the following: institutional capacity, prioritization of disaster-risk reduction at the different levels of government (local, subnational and national); knowledge of risks through the identification, evaluation and monitoring of disaster risks and the improvement of early warning systems; public understanding and awareness, use of knowledge and encouragement of a risk-management culture; risk prevention and mitigation through territorial planning, environmental, social and economic measures, and preparation for events giving rise to damage, ensuring an effective response at all levels (UNICEF/RET International, 2013).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, Handbook for Disaster Assessment (LC/L.3691), Santiago, 2014; S. Hallegatte and others, *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*, Washington, D.C., World Bank, 2017; R. Beazley, A. Solórzano and K. Sossouvi, *Study on Shock-Responsive Social Protection in Latin America and the Caribbean: theoretical framework and literature review*, Oxford, Oxford Policy Management (OPM), 2016; S. Cecchini and R. 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), 2011; M. Ulrichs and R. Slater, "How can social protection build resilience? Insights from Ethiopia, Kenya and Uganda", *BRACED Working Paper*, London, Overseas Development Institute (ODI), 2016; United Nations Children's Fund/RET International (UNICEF/RET International), *Actions for children and youth resilience. Guide for governments*, Panama, 2013.



Chapter XIII

Policy proposals

Source:
Part I. ECLAC (2018), *The Inefficiency of Inequality*
https://repositorio.cepal.org/bitstream/handle/11362/43443/6/S1800058_en.pdf
Parte II. ECLAC (2019), *Proposed regional agenda for inclusive social development*
https://crds.cepal.org/3/sites/crds3/files/19-00633_cds.3_proposed_regional_agenda.pdf
Part III. ECLAC (2010), *Time for Equality: closing gaps, opening trails*
https://repositorio.cepal.org/bitstream/handle/11362/3066/1/S2010005_en.pdf
Part IV. ECLAC (2018), *The Inefficiency of Inequality*
https://repositorio.cepal.org/bitstream/handle/11362/43443/6/S1800058_en.pdf

Introduction

Over the years, in addition to its studies and analyses of social protection in the region, ECLAC has put forward social protection public policy proposals. During the period covered by this document, these proposals have been presented to the countries at the ECLAC sessions and at the most recent session of the Regional Conference on Social Development in Latin America and the Caribbean. All of the proposals have sought to make rights a reality, establish universal coverage and strengthen the welfare state.

Chapter XIII calls for social protection and care systems to be strengthened, proposes a shift towards a system of redistributive monetary transfers for citizens and examines the basic income option.

Part I ECLAC (2018), *The Inefficiency of Inequality*; A, pp. 234-235.

A. Strengthening social protection and care systems

To facilitate the transition to occupations, production activities and sectors that respond to progressive and environmentally sustainable structural change requires defending historically acquired labour rights and forging new rights that allow access to a minimum level of security and well-being that is independent of labour market participation. This means enhancing the connection between contributory social protection, based on formal employment, and non-contributory social protection. Adequate mechanisms and institutions are needed, including the provision of basic and universal welfare levels and access to quality services; insurance against unemployment and loss of income; access to contributory pensions; minimum wage policies; effective rights to trade union organization and collective bargaining, and forums for negotiation and social dialogue between the public sector and stakeholders in the world of work (employers and trade unions) (ECLAC, 2017b).

Another area of action is the creation or strengthening of a care system which, from a rights standpoint, requires a new social reproduction rationale that supports due provision of public goods and services in order to spotlight and redistribute the unpaid day-to-day work shouldered by women. There is a particularly urgent need for a care system to provide children and older persons, as well as the chronically ill and persons with disabilities, with better living environments, greater possibilities for development and access to higher levels of well-being; to defeminize and share out social reproduction tasks to free up women's time and enable them to access the labour market and pursue life plans; and to transform gender roles and achieve a more equitable distribution of care work between men and women in the home.

The care pillar is not only about making up for shortcomings and meeting urgent needs; it also includes the aim of developing people's abilities and allowing them to enjoy a decent life. This contributes to closing the economic participation gap between men and women and to overcoming the sexual division of labour that results in most care work falling to women.

B. Universal and comprehensive social protection systems

Lines of action

- (i) Strengthen comprehensive and universal social protection systems that, in their design and operation, and in the design and operation of their policies and intervention models, mainstream the rights-based, gender, ethnic and racial, life-cycle, territorial and disability approaches.
- (ii) Establish inter-institutional work mechanisms involving the various social, labour and economic bodies, which will serve to agree upon the scope of the social protection system, structure roles and coordinate joint implementation models, at the central and decentralized levels, in order to implement the system's various components and instruments. In addition, strengthen the links between social protection policies and social and productive inclusion policies, in order to guarantee mechanisms for sustained reductions in poverty and inequality.
- (iii) Advance in consolidating the guarantee of a basic level of income for all, prioritizing those living in poverty and extreme poverty, considering appropriate coverage and amounts of income transfers, including non-contributory pensions for older persons and persons with disabilities, in conjunction with social security entitlements, and entitlements and transfers aimed at children and their families. Assess the desirability and feasibility of gradually and progressively incorporating a universal transfer for children and a citizen's basic income as active policies of social protection systems, given their contribution to eradicating poverty, reducing inequality and promoting inclusion in the face of emerging risks.
- (iv) Move towards ever greater interlinkage between the components of social protection systems. Promote coordination with social security institutions to broaden their coverage, the adequacy of their entitlements and their sustainability, eliminating any discriminatory mechanisms that may persist in the design of their instruments, while drawing attention to the specific challenges faced by informal workers, unpaid caregivers, women, older persons, indigenous peoples, populations of African descent, persons with disabilities, the rural population and migrants.
- (v) Strengthen the guarantee of access to education, health and housing to enable the population to exercise rights, promoting linkages between sectoral policies and social protection, and seeking to increase coverage of these sectors, with a focus on the population most affected by poverty and social exclusion.
- (vi) Incorporate care into social protection systems, interlinking care instruments with the other components, from a perspective of gender equality, rights, and the promotion of joint responsibility, advancing towards universalization of care. This entails ensuring the accessibility of care policies, combining time, resources, services and regulations for dependent persons, including children, older persons and persons with disabilities, as well as caregivers of such dependants, paying special attention to the circumstances of young people who are not attending school and are excluded from the labour market owing to caregiving duties.
- (vii) Define a set of instruments appropriate to the social protection needs of the population that, having emerged from poverty, is socioeconomically vulnerable and highly exposed to a return to poverty, guaranteeing protection of their income and access to mechanisms for social and labour inclusion. In addition, expand provision of entitlements to middle-income sectors, in line with the goal of universal social protection.

- (viii) Incorporate into the design of social protection policies the principle of active search for eligible participants in order to reach all those living in poverty and vulnerability, with integrated social information systems to assist in identifying the requirements of the various populations, facilitating their access to social protection and closing existing gaps in coverage.
- (ix) Consider the specific social protection challenges of informal workers, taking into account existing forms of informality and new forms that have arisen as a result of changes in the world of work, as well as the challenges related to the transition to an environmentally sustainable economy, promoting strategies for formalization of such workers and expansion of their access to social security.
- (x) Ensure that the entitlements included in social protection systems have a child-sensitive perspective, taking into account the specific risks affecting children, strengthening their access to services aimed at building their capacities, family entitlements and care. In particular, contribute to the consolidation of comprehensive early childhood care systems through programmes that link social protection, health, nutrition, early education and care actions, promoting the required intersectoral coordination.
- (xi) Contribute to social protection initiatives for the prevention and eradication of child labour, strengthening existing actions by ministries of social development and equivalent entities, as well as enhancing coordination with other bodies in this area, such as ministries of labour, education, trade unions, civil society organizations and the private sector.
- (xii) Increase awareness of the specific social protection needs of populations in rural areas, promoting initiatives aimed at overcoming gaps in access to entitlements, encompassing food security and considering linkages with local development strategies and strategies linked to the transition to environmentally sustainable economies.
- (xiii) Incorporate into social protection systems the challenges arising from the emerging risks affecting the region, including the impacts of climate change, the technological revolution in the world of work and in other spheres of society, violence and migration, designing instruments that are relevant to national and subregional realities.
- (xiv) Guarantee access to social protection for migrants at all stages of the migration cycle, taking into account the growing demand that migration flows place on related policies, and paying special attention to the circumstances of migrant children. Contribute to the construction and strengthening of agreements on the portability of social security entitlements. Also, treat social protection as one of the fundamental policies for addressing the root causes of migration in places of origin.
- (xv) Contribute to increasing the response capacity of public institutions and the resilience of populations affected by humanitarian crises and disasters, especially those living in poverty, also taking into account the heightened vulnerability and limited response capacity of children, women, older persons and persons with disabilities to adverse effects during and after crises.

Part III ECLAC (2010), *Time for Equality: closing gaps, opening trails*; C, pp. 192-193.

C. Towards a redistributive system of monetary transfers: when ethical and pragmatic concerns coincide

To a large extent, it is the structure of deep inequality and low average productivity that explains why a large proportion of the population still lacks an adequate minimum income in most of the region's countries. Individual and household incomes are insufficient for three essential reasons: unemployment, low wages, and inactivity (not by choice but owing to a number of obstacles). This situation must be addressed in a number of ways, including the direct redistribution of income through non-contributory systems.

Two arguments have been raised against such redistribution. The first is that countries lack the fiscal capacity for it. Yet to varying degrees the countries of the region do have fiscal room for assuming this redistributive role. The range of transfers, their amount and their progressivity will depend on a combination of factors that in each country determine the well-being gap. In any case, the evidence presented below suggests that in much of the region the problem is not technical but political.

The second argument has to do with the right incentives, inasmuch as the receipt of non-labour income is said to undermine people's willingness to join the labour market. This argument is mistaken on several grounds. In the first place, the transfer amounts proposed barely reach minimum consumption thresholds and, in many cases, are insufficient to bring households across the poverty line. In the second place, the experience of recent years shows that the expansion of non-contributory mechanisms in the region has been accompanied by rising participation rates among beneficiaries. Third, in a region where the income of over a third of the population cannot lift those households out of poverty, it can hardly be argued that the lack of insurance against vulnerability is a matter of incentives.

There are also some good reasons to defend a basic system of guaranteed partial income. The first reason, as discussed above, has to do with respecting equal social rights among citizens. Poor and vulnerable households facing exogenous shocks or personal life changes will become decapitalized beyond the "shock effect" precisely because there are no guaranteed minimums or instruments that would at least smooth out income flow troughs in the face of adversity. It is just as necessary in practical terms, and even more imperative from an ethical point of view, to avoid the collapse of the household economies that represent a large proportion of the Latin American population and production base as it is to avoid the collapse of the financial systems (by subsidizing their inefficiencies). Then too, the region has few automatic stabilizers for dealing with crisis and turmoil. In this respect, basic guaranteed income systems constitute mechanisms for sustaining domestic demand in adverse situations. Lastly, the proposals made here and their choice of target population are designed to reduce the amount of time households with young children spend in poverty, thereby promoting the development of human capacities in a region in full demographic transition, in which the outlook for future growth depends on strong boosts to labour productivity.

It is not the intention here to propose subsidies to encourage people to leave the labour market. On the contrary, basic guaranteed incomes are a mechanism that will promote people's participation in the labour market, now and in the future. With a sound understanding of the circumstances that incline people towards work, Governments can make proper use of the incentives and thresholds that sustain that activity and predisposition over time. This section therefore presents a series of estimates of the costs to Governments of assuming its crucial role in social protection (see box VI.4), including a non-contributory system of income guarantees and redistribution.

These estimates give an idea of the fiscal effort required for these transfers; naturally, that effort will vary in accordance with the width of the well-being gap in each country, as discussed earlier. It cannot be expected that the fiscal resources to set up this array of transfers will become available overnight, or at the same rate in different countries, or that public institutions will have the capacity to use the resources in the most efficient and effective way from the beginning. But it is clear that the fiscal effort to work towards meeting the challenges of providing well-being and social advancement will require tax reforms, dynamic growth and various alternatives for filling the coffers for government policy.

Part IV ECLAC (2018), *The Inefficiency of Inequality*; D, pp. 246-247.**D. Basic income: an option?**

In developed and developing countries alike, the introduction of a basic income —to complement and strengthen social protection systems— is increasingly being discussed as a way of addressing persistent poverty and inequality and the uncertain impact of technological change processes. The basic income is a regular, unconditional universal payment that the State pays to the country's inhabitants to enable them to meet their basic needs. While it may be thought of as a recent policy option, the concept of basic income is not new: it was debated in the United Kingdom in the early nineteenth century and in the United States in the 1960s and 1970s; and it has already been applied as a pilot experience in some countries (Van Parijs and Vanderborght, 2017). What is new, however, is the extent of the debate on this idea, especially since the global crisis of 2008-2009. ECLAC has begun a process of analysis and reflection on basic income, in relation to proposals on the characteristics and pillars of the new rights-based social regime or welfare States required by the unfolding demographic, labour market, technological and production changes.

By freeing people from the most serious consequences of material dependency, a basic income could lead to a rearrangement of social hierarchies, increase the bargaining power of women, young people and other groups in situations of discrimination and subordination, and open up spaces of greater autonomy and freedom for all people.

It is particularly important for young people, who experience high rates of joblessness or precarious employment amid increasing disconnect between education, employment and income, to have a basic economic security floor enabling them to pursue their life plans. Moreover, as indicated at the second meeting of the Regional Conference on Social Development in Latin America and the Caribbean, a basic income would be an important tool for developing women's economic autonomy. It would increase workers' bargaining power, since they would no longer be forced to accept any job, pay level or hiring conditions. In other words, a basic income can serve as a tool not only to eradicate poverty and reduce inequality, provide economic security and act as an automatic stabilizer, but also to trigger processes of social emancipation and expansion of freedoms.

Basic income is conceptualized on the basis of diverse and sometimes conflicting notions of the principles that should govern society and the role of the State and the market (ECLAC, 2017b). In some cases, it is considered a tool that could monetize benefits and social services and reduce the burden and scope of welfare regimes. The repercussions of basic income on wage negotiations are also a topic of discussion. While there is concern about the risk of instituting a type of subsidy to capital, since part of workers' income would no longer depend on their wages, the opposite point is also made: a basic income would increase workers' bargaining power, particularly in the case of women and sectors with lower pay or in which organized labour is weaker.

Far from being a way to dismantle the welfare State, a basic income is in fact exactly the opposite: it represents an expansion and accrual of rights, not the replacement of social conquests and benefits. In other words, it is a new and additional pillar of the welfare State, which does not replace the services and benefits to which people are already entitled. It is from this perspective that ECLAC explores the relevance and viability of this proposal.

In Latin America and the Caribbean, the debate on basic income stems from the relatively recent expansion of non-contributory social protection.¹ In particular, from the rights standpoint,

¹ Some modalities of monetary transfers are related to the philosophical foundations of guaranteed basic income (individuality, universality, unconditionality), such as the citizen pension for older persons in Mexico City and, to a large extent, the Pension for Older Adults programme in Mexico, the Renta Dignidad programme in the Plurinational State of Bolivia, and the Universal Child Allowance in Argentina.

the implementation of basic income would represent an evolution of the conditional and targeted cash transfers applied in the past 20 years, which, over time, have legitimized cash transfers and the possibility —or, in some cases, the right— of accessing income through a different route than that of asset ownership or employment.

In the countries of the region, a guaranteed universal basic income could only be implemented gradually, progressively and with a long-term perspective. The possible modalities for implementing such an income are highly varied (by age group, by territory, by income level) and would depend on the conditions prevailing in each country; but it is not impossible and it could become a tool to achieve the Sustainable Development Goal of ending poverty.

Extending a basic income guarantee would require a tax system capable of making it possible. Unlike conditional cash transfers, which involve modest resources in GDP terms —both because of both their focus and their small amounts² — a guaranteed basic income would represent a major mobilization of resources. This is not unattainable for the region's development level, but it does require taxation with much greater receipts, progressiveness and redistributive capacity.

Given the varying economic and demographic situations of the region's countries, following analysis of the costs and benefits of universalizing government-funded non-contributory cash transfers to older persons and families with dependent children,³ Filgueira and Espíndola (2015) conclude no single benefits model can be proposed for all countries. Each one would have to have the discussion and adopt strategies to expand basic income guarantees according to its fiscal capacities, social needs and economic possibilities.

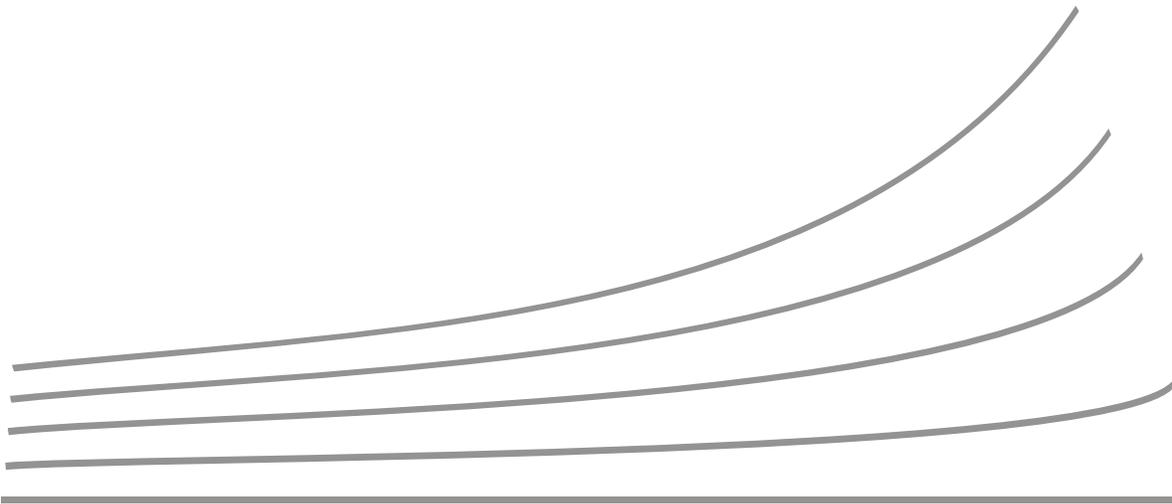
Beyond income differences, unequal ownership of physical and financial assets is a structural condition that deepens and perpetuates inequality, since it is more lasting, intense and rigid than the inequalities that originate in labour markets. It is therefore worth considering the proposal that the new welfare regimes should be based on a more equitable distribution of asset ownership, which can be achieved by strengthening public ownership, the commons, and policies to promote access to asset ownership by the lower-income sectors.

Policies aimed at improving asset distribution seek to strengthen social and solidarity-based economies. Associativity, cooperativism, fair trade initiatives and, in general, the production initiatives of social and community organizations, have not received the policy backing they would need to expand, even though they create a large share of jobs and employment and can boast success stories in terms of innovation, productivity and equitable distribution of results and benefits. Access to credit and financial services under conditions of equality and with a progressive logic —in other words financial inclusion— is another important tool for moving towards a style of development that closes economic and gender gaps.⁴

² Cecchini and Atuesta (2017) estimate that expenditure on conditional transfers in Latin America and the Caribbean amounted to 0.33% of regional GDP in 2015, and expenditure on non-contributory pensions accounted for about 0.40%.

³ Around 2011, the cost of universalizing a monetary transfer equivalent to a poverty line for households with children and members aged over 65 years varied from a minimum of 1.5% of GDP in Argentina and Chile to a maximum of 13.7% of GDP in Guatemala.

⁴ Given the barriers that women face in accessing the financial system, financial inclusion policies can enhance their autonomy and gender equality (Rico, 2017; ECLAC, 2017b).



Bibliography

Chapter I

- Barrientos, A. and C. Santibáñez (2009), "New forms of social assistance and the evolution of social protection in Latin America", *Journal of Latin American Studies*, No. 41.
- Barrientos, A. and D. Hulme (eds.) (2008), *Social Protection for the Poor and Poorest. Concepts, Policies and Politics*, Basingstoke, Palgrave Macmillan.
- _____ (2005), "Chronic poverty and social protection: introduction", *The European Journal of Development Research*, vol. 17, No. 1.
- Barrientos, A. and L. Hinojosa-Valencia. (2009), "A review of social protection in Latin America", paper prepared for the Ford Foundation Social Protection Scoping Study, Centre for Social Protection, Sussex, Institute for Development Studies (IDS).
- Bertranou, Evelina (2008), "Tendencias demográficas y protección social en América Latina y el Caribe", *Población y desarrollo series*, No. 82 (LC/L.2864-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No.S.08.II.G.9.
- Bertranou, F. and L. Saravia (2009), "Trabajadores independientes y la protección social en América Latina: desempeño laboral y cobertura de los programas de pensiones", *Trabajadores independientes y protección social en América Latina*, F. Bertranou (coord.), Santiago, Chile, International Labour Organization (ILO).
- Bertranou, F. and J. Paz (2007), *Políticas y programas de protección social al empleo en Argentina*, Buenos Aires, International Labour Organization (ILO).
- Bertranou, F., C. Solorio and W. van Ginneken (eds.) (2002), *Pensiones no contributivas y asistenciales. Argentina, Brasil, Chile, Costa Rica y Uruguay*, Santiago, Chile, International Labour Organization (ILO).
- Cecchini, Simone and Rodrigo Martínez (2011), *Inclusive social protection in Latin America: a comprehensive, rights-based approach*, *Libros de la CEPAL*, No. 111 (LC/G.2488-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. E.11.II.G.23.
- Cetrángolo, O. and A. Goldschmit (2009), "Metodología, experiencia comparada y recomendaciones", *La seguridad social en América Latina y el Caribe. Una propuesta metodológica para su medición y aplicación a los casos de Argentina, Chile y Colombia*, O. Cetrángolo (ed.), Project documents, No. 258 (LC/W.258), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Daza, J. (2008), "Legal determinants of labour informality", *In Defence of Labour Market Institutions. Cultivating Justice in the Developing World*, J. Berg and D. Kucera (eds.), Geneva, International Labour Organization (ILO).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2010a), *Social Panorama of Latin America 2009* (LC/G.2423-P), Santiago, Chile. United Nations publication, Sales No. E.09.II.G.135.
- _____ (2010b), *Time for equality: Closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile.

- _____ (2009a), *Social Panorama of Latin America, 2008* (LC/G.2402-P), Santiago, Chile. United Nations publication, Sales No. E.08.II.G.89.
- _____ (2008a), "Superar la pobreza mediante la inclusión social", *Project documents*, No.174 (LC/W.174), Santiago, Chile.
- _____ (2006), *Shaping the Future of Social Protection: Access, Financing and Solidarity* (LC/G.2294(SES.31/3)), Santiago, Chile.
- Espinoza, M. (2003), *Trabajo decente y protección social. Eje para la acción sindical*, Santiago, Chile, International Labour Organization (ILO).
- Filgueira, F. (2007), "Cohesión, riesgo y arquitectura de protección social en América Latina", *Políticas sociales series*, No. 135 (LC/L.2752-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.07.II.G.89.
- Franco, R. (2010), "Insitucionalidad de las políticas sociales; ¿Es posible mejorar su efectividad?", *Institucionalidad social en América Latina*, R. Franco and M. Székely Pardo (coords.), Project documents, No. 312 (LC/W.312), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Grosh, M. and others (2008), *For Protection and Promotion. The Design and Implementation of Effective Safety Nets*, Washington, D.C., World Bank.
- Grosh, M. and others (2008d), ILO Declaration on Social Justice for a Fair Globalization, adopted by the International Labour Conference at its ninety-seventh session, Geneva, 10 June.
- Grosh, M. and others (2007a), "Financiamiento de la seguridad social", paper presented at the training workshop on social security for Argentinean unions, Buenos Aires, 27 - 31 August.
- León, A. (2008), "Progresos en la reducción de la pobreza extrema en América Latina. Dimensiones y políticas para el análisis de la primera meta del Milenio" (LCR.2147), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC)/Spanish Agency for International Development Cooperation (AECID).
- Levy, S. (2009), "Dos retos de la política social en América Latina", paper presented at the international seminar "Sistemas de proteção social: desa_os no contexto latinoamericano", Brasilia, Ministry of Social Development, 8 - 11 December.
- Martínez Nogueira, R. (2010), "La coherencia y la coordinación de las políticas públicas. Aspectos conceptuales y experiencias", *Los desafíos de coordinación y la integridad de las políticas y gestión pública en América Latina*, C. H. Acuña (comp.), Buenos Aires.
- Martínez, J. (2008a), *Domesticar la incertidumbre en América Latina, Mercado laboral, política social y familias*, San José, Editorial Universidad de Costa Rica.
- _____ (2008b), *¿Arañando bienestar? Trabajo remunerado, protección social y familias en América Central*, Buenos Aires, Latin American Social Sciences Council (CLACSO).
- Martínez, R. and M. Collinao (2010), "Gasto social: modelo de medición y análisis para América Latina y el Caribe", *Manuales series*, No. 65 (LC/L.3170-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.09.II.G.145.
- Mesa-Lago, C. (2009), "Social insurance (pensions and health), labour markets and coverage in Latin America", *Financing Social Policy. Mobilizing Resources for Social Development*, K. Hujo and S. Mcclanahan (eds.), New York, United Nations Research Institute for Social Development (UNRISD), Palgrave Macmillan.
- _____ (2008), *Reassembling Social Security: A Survey of Pensions and Health Care Reforms in Latin America*, Oxford, Oxford University Press.
- _____ (2004a), "Models of development, social policy and reform in Latin America", *Social Policy in a Development Context*, T. Mkandawire (ed.), New York, United Nations Research Institute for Social Development (UNRISD), Palgrave Macmillan.
- _____ (2000), "Desarrollo social, reforma del Estado y de la seguridad social, al umbral del siglo XXI", *Políticas sociales series*, No. 36 (LC/L.1249-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.00.II.G.5.

- OECD (Organization for Economic Cooperation and Development) (2009), "Promoting pro-poor growth. Employment and social protection" [online] <http://www.oecd.org/dataoecd/63/8/43514582.pdf>.
- Ramírez, J. C. and M.C. Peñaloza (2007), "La coordinación de las políticas sociales", *Gestión y financiamiento de las políticas que afectan las familias*, I. Arriagada (ed.), Seminarios y conferencias series, No. 49 (LC/L.2648-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.06.II.G.174.
- Ribe, H., D. Robalino and I. Walker (2010), *De los derechos a la realidad. Una protección social eficaz para todos en América Latina y el Caribe*, Washington, D.C., World Bank.
- Ringold, D. and R. Rofman (2008), "Argentina: políticas de transferencias de ingreso hacia el bicentenario", *Los programas sociales en Argentina hacia el Bicentenario: visiones y perspectivas*, G. Cruces and others (eds.), Buenos Aires, World Bank.
- Roberts, C. (2006), "Seguimiento del desempeño: Jamaica", paper presented at the Third International Conference on Conditional Cash Transfers, Istanbul, 26-30 June.
- Serrano, C. (2005), "La política social en la globalización. Programas de protección en América Latina", *Mujer y desarrollo series*, No. 70 (LC/L.2364-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.05.II.G.103.
- Sojo, A. (2003), "Social vulnerability, insurance and risk diversification in Latin America and the Caribbean", *CEPAL Review*, No. 80 (LC/G.2204-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Sojo, A. (2009) (ed.), "Hacia la universalidad, con solidaridad y eficiencia: el financiamiento de la protección social en países pobres y desiguales", *Seminarios y conferencias series*, No. 55 (LC/L.3034-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.09.II.G.39.
- Sojo, A. and A. Uthoff (2006) (eds.), *Desempeño económico y política social en América Latina y el Caribe. Los retos de la equidad, el desarrollo y la ciudadanía*, Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC)/ Latin American Faculty of Social Sciences (FLACSO)/Secretariat of Social Development (SEDESOL).
- United Nations (2013a), *A life of dignity for all: Accelerating progress towards the Millennium Development Goals and advancing the United Nations development agenda beyond 2015. Report of the Secretary-General (A/68/202)*, New York, July.
- _____ (2013b), *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development*, High-level Panel of Eminent Persons on the Post-2015 Development Agenda, New York, May.
- _____ (2013c), *Statistics and Indicators for the Post-2015 Development Agenda. Overview. UN System Task Team on the Post-2015 UN Development Agenda*, New York [online], https://www.un.org/en/development/desa/policy/untaskteam_undf/Statistics%20and%20indicators_Overview.pdf.
- United Nations (2006), "Transformaciones del mercado de trabajo e implicaciones para los sistemas de pensiones", *Efectos económicos de los sistemas de pensiones*, R. Ham Chande and B. Ramírez López (eds.), Mexico City, Plaza y Valdés.
- Weller, J. (2008), *Labour Markets, Worker Protection, and Lifelong Learning in a Global Economy: Experiences and Perspectives of Latin America and the Caribbean* (LC/L.2880), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- World Bank (2001b), *Social Protection Sector Strategy: from Safety Net to Springboard*, Washington, D.C., January.

Chapter II

- Abritta, S. and others (2010), "El modelo de agencia única y su relación con los recursos de la seguridad social", *Cuadernos del Instituto AFIP*, No. 13, Institute for Tax, Customs and Social Security Studies (AFIP), Buenos Aires [online] <http://www.afip.gov.ar/instituto/publicaciones/cuadernos/C13.pdf>.

- Andrenacci, L. and F. Repetto (2006), "Universalismo, ciudadanía y Estado en la política social latinoamericana", Washington, D.C., Inter-American Institute for Social Development (INDES).
- Bonino, M., H. Kwon and A. Peyre Dutrey (2007), "Uruguay's social and economic challenges and its policy responses", *Latin America. A New Developmental Welfare State Model in the Making?*, Manuel Riesco (ed.), New York, Palgrave Macmillan.
- Cecchini, Simone and Rodrigo Martínez (2011), "Inclusive social protection in Latin America: a comprehensive, rights-based approach", *Libros de la CEPAL*, No. 111 (LC/G.2488-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC)/German Agency for International Cooperation (GIZ).
- Cohen, E. and R. Franco (2005), *Gestión social: cómo lograr eficiencia e impacto en las políticas sociales*, Coyoacán, Siglo XXI.
- Cohen, E. and R. Franco (coords.) (2006b), *Evaluación de proyectos sociales*, Mexico City, Siglo XXI.
- Cornia, G.A., Frances Stewart and Richard Jolly (eds.) (1987), *Adjustment with a Human Face*, Oxford, Clarendon Press. Coyoacán, Siglo XXI.
- Duhau, E. (1997), "Las políticas sociales en América Latina: ¿del universalismo fragmentado a la dualización?", *Revista mexicana de sociología*, vol. 59, No. 2, April-June.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2010a), *Social Panorama of Latin America 2009* (LC/G.2423-P), Santiago, Chile. United Nations publication, Sales No. E.09.II.G.135.
- _____ (2010a), *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile.
- _____ (2007), *Social Cohesion: Inclusion and a Sense of Belonging in Latin America and the Caribbean* (LC/G.2335), Santiago, Chile.
- _____ (2006), *Shaping the Future of Social Protection: Access, Financing and Solidarity* (LC/G.2294(SES.31/3)), Santiago, Chile.
- _____ (2000), *Equity, Development and Citizenship* (LC/G.2071/ Rev.1-P/E), Santiago, Chile.
- Esping-Andersen, Gosta (2000), *Fundamentos sociales de las economías postindustriales*, Barcelona, Ariel.
- _____ (1996), *Welfare States in Transition*, London, Sage.
- _____ (1993), *Changing Classes. Stratification and Mobility in Postindustrial Societies*, London, Sage.
- Ferreira, F. and D. Robalino (2010), "Social protection in Latin America: achievements and limitations", *Policy Research Working Paper*, No. 5305, Washington, D.C., World Bank.
- Ferreira, F. and D. Robalino (2003), "Descentralización, participación y competencia en la gestión social", paper presented at the seventh international Congress of the Latin American Centre for Development Administration (CLAD), Panama, 28 - 31 October.
- _____ (1996), "Social policy paradigms in Latin America", *CEPAL Review*, No. 58 (LC/G.1916-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), April.
- _____ (2005), "The political keys of the reluctant Latin American social state", *Welfare and Democracy Series*, Geneva, United Nations Research Institute for Social Development (UNRISD).
- _____ (1998), "El nuevo modelo de prestaciones sociales en América Latina: residualismo, eficiencia y ciudadanía estratificada", *Ciudadanía y políticas sociales*, Brian Roberts (ed.), San José, Latin American Faculty of Social Sciences (FLACSO)/Social Sciences Research Council (SSRC).
- Galiani, S. (2006), "Políticas sociales: instituciones, información y conocimiento", *Políticas sociales series*, No. 116 (LC/L.2842-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), October. United Nations publication, Sales No. S.06.II.G.8.
- Marchesi, G. (2004), *La evolución de la política económica y social en Argentina, Chile y Perú: una visión comparativa*, Texas, The University of Austin, Center for Latin American Social Policy.

- Martínez Franzoni, J. (2013a), “Sistemas de protección social en América Latina y el Caribe: El Salvador”, *Project Documents*, No. 521 (LC/W.521), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____ (2013b), “Sistemas de protección social en América Latina y el Caribe: Guatemala”, *Project Documents*, No. 525 (LC/W.525), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____ (2013c), “Sistemas de protección social en América Latina y el Caribe: Honduras”, *Project Documents*, No. 528 (LC/W.528), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____ (2008), *Domesticar la incertidumbre en América Latina: mercado laboral, política social y familias*, San José, Editorial de la Universidad de Costa Rica/United Nations Development Programme (UNDP).
- Mesa-Lago, C. (1977), *Modelos de seguridad social en América Latina: estudio comparado*, Buenos Aires, Siap-Planteos.
- Naranjo Bonilla, M. (2013), “Sistemas de protección social en América Latina y el Caribe: Ecuador”, *Project Documents*, No. 552 (LC/W.552), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Ocampo, J.A. (2001), “A new look at the development agenda”, *CEPAL Review*, No. 74 (LC/G.2135-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Titelman, D. y A. Uthoff (2005), “The role of insurance in social protection in Latin America”, *International Social Security Review*, vol. 58, N° 2-3/2005.
- Uthoff, A. (2006), “Transformaciones del mercado de trabajo e implicaciones para los sistemas de pensiones”, *Efectos económicos de los sistemas de pensiones*, R. Ham Chande and B. Ramírez López (eds.), Mexico City, Plaza y Valdés.
- Uthoff, A., C. Vera and N. Ruedi (2006), “Relación de dependencia del trabajo formal y brechas de protección social en América Latina y el Caribe”, *Financiamiento del Desarrollo series*, No. 169 (LC/L.2497-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).

Chapter III

- Abramovich, Víctor (2006), “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.
- Abramovich, V. and C. Courtis (2006), *El umbral de la ciudadanía: el significado de los derechos sociales en el Estado social constitucional*, Buenos Aires, Editores del Puerto.
- Bobbio, N. (1996), *Left and Right: The Significance of a Political Distinction*, The University of Chicago Press.
- Cain, Leonard D. (1964), “Life course and social structure”, *Handbook of Modern Sociology*, R.E.L. Faris (ed.), Chicago, Rand McNally.
- Cecchini, S. and R. Martínez (2011), *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).
- Clausen, John (1988), “The life course of individuals”, *Sociology of Age Stratification*, Parsons, Talcott (1942), “Age and sex in the social structure of the United States”, *American Sociological Review*, vol. 7.
- Courtis, C. (2007), “Los derechos sociales en perspectiva: la cara jurídica de la política social”, *Desempeño económico y política social en América Latina y el Caribe: los retos de la equidad, el desarrollo y la ciudadanía*, A. Sojo and A. Uthoff (comps.), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC)/Latin American Faculty of Social Sciences (FLACSO).

- ECLAC (Economic Commission for Latin America and the Caribbean) (2007), *Social Cohesion: Inclusion and a sense of belonging* (LC/G.2335), Santiago.
- _____(2006), *Shaping the Future of Social Protection: Access, financing and solidarity* (LC/G.2294(SES.31/3)), Santiago.
- Esping-Andersen, Gøsta (2007), “Cohesión, riesgo y arquitectura de protección social en América Latina”, *Políticas Sociales series*, No. 135 (LC/L.2752-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____(1999), *Social Foundations of Postindustrial Economies*, New York, Oxford University Press.
- _____(1990), *The Three Worlds of Welfare Capitalism*, Princeton, Princeton University Press.
- Esping-Andersen, Gøsta and others (2002), *Why We Need a New Welfare State*, New York, Oxford University Press.
- FAO/ECLAC/OHCHR (Food and Agriculture Organization of the United Nations/Economic Commission for Latin America and the Caribbean/Office of the United Nations High Commissioner for Human Rights) (2011), “Los programas de transferencias condicionadas desde un enfoque de derechos humanos. Guía para el análisis” [online] http://www.fao.org/alc/legacy/iniciativa/expertos/documentos/guia_1-v2.pdf.
- Felstiner, W. L., R. L. Abel and A. Sarat (1980), “The emergence and transformation of disputes: naming, blaming, claiming...”, *Law & Society Review*, vol. 15, No. 3/4, New Jersey, Wiley.
- Ferrajoli, L. (2002), *Derechos y garantías: la ley del más débil*, Madrid, Editorial Trotta.
- Fioretos, O., T. G. Falleti and A. Sheingate (2016), “Historical institutionalism in political science”, *Oxford Handbook of Historical Institutionalism*, Oxford, Oxford University Press.
- Flood, C. M. and A. Gross (2014), “Litigating the right to health: what can we learn from a comparative law and health care systems approach”, *Health and Human Rights Journal*, vol. 16, No. 2, Cambridge, Harvard University Press.
- Gargarella, R. (2014), *La sala de máquinas de la Constitución: dos siglos de constitucionalismo en América Latina (1810-2010)*, Buenos Aires, Katz Editores.
- Gargarella, R. and C. Courtis (2011), “El nuevo constitucionalismo latinoamericano: promesas e interrogantes”, *Sentido de pertenencia en sociedades fragmentadas: América Latina desde una perspectiva global*, M. Hopenhayn and A. Sojo (comps.), Buenos Aires, Siglo XXI/Economic Commission for Latin America and the Caribbean (ECLAC).
- Gloppen, S. (2011), “Litigating health rights: framing the analysis”, *Litigating Health Rights: Can Courts Bring More Justice to Health?*, A. E. Yamin and S. Gloppen, Cambridge, Harvard University Press. Hopenhayn, M. (2001), “Old and new forms of citizenship”, *CEPAL Review*, No. 73 (LC/G.2130-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____(2007), “Derechos sociales, deudas pendientes y necesidad de un nuevo pacto social”, *Notas de Población*, No. 85 (LC/G.2346-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Huber, Evelyne and John D. Stephens (2004), “Combating old and new social risks”, paper presented at the fourteenth International Conference of Europeanists, Palmer House Hilton, 11-13 March.
- _____(2001), *Development and Crisis of the Welfare State: Parties and Policies in Global Markets*, Chicago, University of Chicago Press.
- Huber, Evelyne and John D. Stephens (2012), *Democracy and the Left*, Chicago, University of Chicago Press.
- IPPDH (MERCOSUR Institute of Public Policy on Human Rights) (2014), “Ganar derechos. Lineamientos para la formulación de políticas públicas basadas en derechos”, *Documentos de Trabajo*, No. 2.
- Kilkey, Majella and Jonathan Bradshaw (1999), “Lone mothers, economic well-being, and policies”, *Gender and Welfare State Regimes*, Diane Sainsbury (ed.), Oxford, Oxford University Press.
- Kutzin, J. (2008), “Health financing policy: a guide for decision-makers”, *Health Financing Policy Paper*, No. 2008/1, Copenhagen, WHO Regional Office for Europe.

- López, D. E. (2013), “Comentarios desde una perspectiva académica”, presentation at the workshop on equity in health and judicialization of the right to health in Colombia: stocktaking of two decades and outlook for the reform under way, Bogotá, 21 August.
- Mæstad, O., L. Rakner and O. Motta Ferraz (2011), “Assessing the impact of health rights litigation: a comparative analysis of Argentina, Brazil, Colombia, Costa Rica, India and South Africa”, *Litigating Health Rights: Can Courts Bring More Justice to Health?*, A. E. Yamin and S. Gloppen, Cambridge, Harvard University Press.
- Marco, Flavia (coord.) (2004), “Los sistemas de pensiones en América Latina: un análisis de género”, *Cuadernos de la CEPAL*, No. 90 (LC/G.2262-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.04.II.G.129
- MDS (Ministry of Social Development and Hunger Alleviation of Brazil) (2012), “Portaria No- 251, Gabinete de la Ministra, 12 de diciembre de 2012”, Brasilia.
- OAS (Organization of American States) (2015), *Progress indicators for measuring rights under the Protocol of San Salvador* [online] http://socialprotectionet.org/sites/default/files/publication_progress_indicators_with_cover.pdf.
- Pazos, María and Maribel Rodríguez (coords.) (2010), “Fiscalidad y equidad de género”, *Documento de trabajo*, No. 43, Madrid, Fundación Carolina
- Rawls, J. (1971), *A Theory of Justice*, Cambridge, Massachusetts, The Belknap Press of
- Rico, M. N. (2014b), “El engranaje de las políticas de cuidado con las políticas de protección social”, paper presented at the International seminar “Forging and renewing social compacts for more inclusive social protection: an international perspective on Latin America’s experiences, challenges and Outlook” , Economic Commission for Latin America and the Caribbean (CEPAL), Santiago, 2-3 June [online] <http://dds.cepal.org/proteccionsocial/pacto-social/seminario-internacionalproteccion-social-CEPAL-2014/>.
- Riley, Matilda, Marilyn Johnson and Anne Foner (1988), “A sociology of age stratification”, *Aging and Society*, vol. 3, New York, Russell Sage.
- Sepúlveda, M. (2014), “The rights-based approach to social protection in Latin America: From rethoric to practice”, *Políticas Sociales series*, No. 189 (LC/L.3788), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Soares, S. (2012), “Bolsa Família, its design, its impacts and possibilities for the future”, Working Paper, No. 89, International Policy Centre for Inclusive Growth (IPC-IG), Brasilia.
- Sojo, A. (2006), “La garantía de prestaciones en salud en América Latina: equidad y reorganización de los cuasimercados a inicios del milenio”, *Studies and Perspectives series-ECLAC Subregional Headquarters in Mexico*, No. 44 (LC/L.2484-P), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), February.
- Sorokin, Pitirim (1947), *Society, Culture, and Personality: Their Structure and Dynamics*, Harper.
- Townsend, P. (2009), “Social security and human rights”, *Building Decent Societies: Rethinking the Role of Social Security in Development*, P. Townsend (ed.), International Labour Organization (ILO)/Palgrave Macmillan.
- Uprimny, R. and J. Durán (2014), “Equidad y protección judicial del derecho a la salud en Colombia”, *Social Policy series*, No. 197 (LC.L.3829), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), May.
- Weller, Jürgen (2007), “La flexibilidad del mercado de trabajo en América Latina y el Caribe. Aspectos del debate, alguna evidencia y políticas”, *Macroeconomía del desarrollo series*, No. 61 (LC/L.2848-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), December.
- Yamin, A. E. and S. Gloppen (2011), *Litigating Health Rights: Can Courts Bring More Justice to Health?*, Cambridge, Harvard University Press.

Chapter IV

- Arenas de Mesa, A. (2010), *Historia de la reforma previsional chilena: una experiencia exitosa de política pública en democracia*, Santiago, International Labour Organization (ILO).

- Arenas de Mesa, A. and P. Gana (2001), "Reformas a los sistemas de pensiones y los desafíos de la dimensión de género", *Población y Desarrollo series*, No. 18 (LC/L.1614-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Arza, C. (2017), "El diseño de los sistemas de pensiones y la igualdad de género. Qué dice la experiencia europea?", *Asuntos de Género series*, No.142 (LC/L.4298), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Barr, N. and P. Diamond (2008), *Reforming Pensions: Principles and Policy Choices*, New York, Oxford University Press.
- Becker, U. and C. Mesa-Lago (2013), "Re-reformas de sistemas de pensiones privatizadas en el mundo: estudio comparativo de Argentina, Bolivia, Chile y Hungría", *Revista Trabajo*, year 7, No. 10, México City, International Labour Organization (ILO).
- Bertranou, F. (2001), "Pension reform and gender gaps in Latin America: What are the options?", *World Development*, vol. 29, No. 5, Amsterdam.
- Bertranou, F. and A. Arenas de Mesa (eds.) (2003), *Protección social, pensiones y género en Argentina, Brasil y Chile*, Santiago, International Labour Organization (ILO).
- Birgin, H. and L. Pautassi (2001), "¿Género en la reforma o reforma sin género?. Desprotección social de las leyes previsionales en América Latina", *Mujer y Desarrollo series*, No. 36 (LC/ L.1558-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Cecchini, S. and R. Martínez (2011), *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).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2019), *Economic Survey of Latin America and the Caribbean, 2019* (LC/PUB.2019/12-P), Santiago.
- _____ (2006), *Shaping the Future of Social Protection: Access, financing and solidarity* (LC/G.2294(SES.31/3)), Santiago.
- Gill, I., T. Packard and J. Yermo (2005), *Keeping the Promise of Social Security in Latin America*, Washington, D.C, World Bank.
- Huenchuan, S. (2013), *Ageing, solidarity and social protection in Latin America and the Caribbean. Time for progress towards equity*, ECLAC Books, No. 117 (LC/G.2553-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____ (2009b), *Envejecimiento, derechos humanos y políticas públicas*, Libros de la CEPAL, No. 100 (LC/G.2389-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.08.II.G.94.
- Huenchuan, S. (ed.) (2004), "Marco legal y de políticas en favor de las personas mayores en América Latina", *Población y Desarrollo series*, No. 51 (LC/L.2115-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ILO (International Labour Organization) (2018), "Presente y futuro de la protección social en América Latina y el Caribe", *Panorama Laboral Temático*, No. 4, Lima, July.
- Marco, F. (2016), "La nueva ola de reformas previsionales y la igualdad de género en América Latina", *Asuntos de Género series*, No. 139 (LC/L.4225), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- _____ (2004), *Los sistemas de pensiones en América Latina: un análisis de género*, Cuadernos de la CEPAL, No. 90 (LC/G.2262-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), June.
- Mesa-Lago, C. (2008), *Reassembling Social Security: A Survey of Pensions and Healthcare Reforms in Latin America*, New York, Oxford University Press.
- _____ (2004), "Las reformas de pensiones en América Latina y su impacto en los principios de la seguridad social", *Financiamiento del Desarrollo series*, No. 144 (LC/L.2090-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

- OISS (Ibero-American Social Security Organization) (2007), "Situación y demandas de las personas mayores en los países del Cono Sur. Apuntes para un diagnóstico", Proyecto sobre personas mayores, dependencia y servicios sociales en los países del Cono Sur, Madrid.
- Sojo, A. (2017), *Protección social en América Latina: la desigualdad en el banquillo*, Libros de la CEPAL, No. 43 (LC/PUB.2017/7-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Uthoff, A. (2016), "Aspectos institucionales de los sistemas de pensiones en América Latina", *Social Policy series*, No. 221 (LC/L.4282), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Uthoff, A. (2016), "Aspectos institucionales de los sistemas de pensiones en América Latina", *Políticas Sociales series*, No. 221 (LC/L.4282), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

Chapter V

- Abramo, L. (2016), "Inclusive social development is key to overcoming poverty and reducing inequalities", *ECLAC Notes*, No. 89, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- Barrientos, A. (2003), "Non-contributory pensions and the well-being of older people: evidence on multidimensional deprivation from Brazil and South Africa", Manchester, University of Manchester, unpublished.
- Behrman, J. and others (2011), "First-round impacts of the 2008 Chilean pension system reform", *PARC Working Paper*, No. 33, Philadelphia, University of Pennsylvania.
- Bertranou, F. and C. Grushka (2002), "The non-contributory pension programme in Argentina: assessing the impact on poverty reduction", *ESS Paper Series*, No. 5, Geneva, International Labour Organization (ILO).
- Bertranou, F., C. Solorio and W. van Ginneken (eds.) (2002), *Pensiones no contributivas y asistenciales: Argentina, Brasil, Chile, Costa Rica y Uruguay*, Santiago, International Labour Organization (ILO), December.
- Borrella-Mas, M., M. Bosch and M. Sartarelli (2016), "Non-contributory pensions number-gender effects on poverty and household decisions", *Working Paper*, No. 2016-02, Valencia, Valencian Institute of Economic Research, March.
- Bosch, M., A. Melguizo and C. Pagés (2013), *Better Pensions, Better Jobs: Towards Universal Coverage in Latin America and the Caribbean*, Washington, D.C., Inter-American Development Bank (IDB).
- Campello, T., T. Falcão and P. da Costa (coords.) (2015), *Brazil sin Miseria*, Brazilia, Ministry of Social Development and Hunger Alleviation.
- Cecchini S., P. Villatoro and X. Mancero (2019), "El impacto de las transferencias monetarias no contributivas sobre la pobreza en América Latina y el Caribe", unpublished.
- Cecchini, S. and A. Madariaga (2011), *Conditional cash transfer programmes: the recent experience in Latin America and the Caribbean*, Cuadernos de la CEPAL, No. 95 (LC/G.2497-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), June.
- Cecchini, S. and B. Atuesta (2017), "Conditional cash transfer programmes in Latin America and the Caribbean: coverage and investment trends", *Social Policy series*, No. 224 (LC/TS.2017/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- Cecchini, S. and R. Martínez (2012), *Protección social inclusiva en América Latina: una mirada integral, un enfoque de derechos*, ECLAC Books, No. 111 (LC/G.2488-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), January.
- Cruces, G. and L. Gasparini (2013), "Políticas sociales para la reducción de la desigualdad y la pobreza en América Latina y el Caribe: diagnóstico, propuesta y proyecciones en base a la experiencia reciente", *Working Paper*, No. 142, La Plata, National University of La Plata.
- Dethier, J., P. Pestieau and R. Ali (2010), "Universal minimum old age pensions: impact on poverty and fiscal cost in 18 Latin American countries", *Policy Research Working Paper*, No. 5292, Washington, D.C., World Bank, May.

- DNP (National Planning Department) (2016), *Realizar una evaluación de impacto del Programa Colombia Mayor que permita medir el efecto causal de la intervención en el ingreso, consumo, pobreza y condiciones de dignidad de los beneficiarios*, Bogotá.
- Durán-Valverde, F. (2002), "Anti-poverty programmes in Costa Rica: the noncontributory pension scheme", *ESS Paper Series*, No. 8, Geneva, International Labour Organization (ILO).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2019), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago, February.
- _____ (2018), *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P), Santiago, February.
- _____ (2017), *Linkages between the social and production spheres: gaps, pillars and challenges* (LC/CDS.2/3), Santiago, October.
- _____ (2016a), *Social Panorama of Latin America, 2015* (LC/G.2691-P), Santiago, October.
- _____ (2016b), *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean* (LC.L/4056/Rev.1), Santiago, January.
- _____ (2014), *Social Panorama of Latin America, 2014* (LC/G.2635-P), Santiago, December.
- _____ (2013), *Annual report 2012: a look at grants, support and burden for women* (LC/G.2561), Santiago, Gender Equality Observatory for Latin America and the Caribbean, March.
- _____ (2012), *Eslabones de la desigualdad: heterogeneidad estructural, empleo y protección social* (LC/G.2539-P), Santiago, July.
- _____ (2009), *Social Panorama of Latin America, 2008* (LC/G.2402-P), Santiago, March.
- ECLAC/ILO (Economic Commission for Latin America and the Caribbean/International Labour Organization) (2014), "Conditional transfer programmes and the labour market", *Employment Situation in Latin America and the Caribbean*, No. 10 (LC/L.3815), Santiago, May.
- ECLAC/OAS/ILO (Economic Commission for Latin America and the Caribbean/ Organization of American States/International Labour Organization) (2011), "Protección social y generación de empleo: análisis de experiencias derivadas de programas de transferencias con corresponsabilidad", *Project Documents* (LC/W.398), Santiago, May.
- Escaffi, J., R. Andrade and D. Maguiña (2014), *Evaluación cualitativa del uso de la transferencia en el programa Pensión 65*, Lima, Ministry of Development and Social Inclusion.
- Escobar, F., S. Martínez and J. Mendizábal (2013), *El impacto de la Renta Dignidad: política de redistribución del ingreso, consumo y reducción de la pobreza en hogares con personas adultas mayores*, La Paz, Ministry of Development Planning.
- Fedesarrollo/Saldarriaga Concha Foundation (2015), *Misión Colombia Envejece: cifras, retos y recomendaciones*, Bogotá.
- Galiani, S. and P. Gertler (2016), "Evaluación de Impacto del Programa Pensión 65: nueva evidencia causal de las pensiones no contributivas en Perú", Lima, Ministry of Economy and Finance [online] http://www.midis.gob.pe/dmdocuments/Evaluacion_de_Impacto_Pension_65.pdf.
- Galiani, S., P. Gertler and R. Bando (2017), "The effects of non-contributory pensions on material and subjective well being", *IDB Working Paper*, No. 840, Washington, D.C., Inter-American Development Bank (IDB).
- _____ (2014), "Non-contributory pensions", *IDB Working Paper*, No. 517, Washington, D.C., Inter-American Development Bank (IDB), June.
- García, A. and others (2012), *Impactos de largo plazo del programa Familias en Acción en municipios de menos de 100 mil habitantes en los aspectos claves del desarrollo del capital humano. Informe final*, Bogotá, National Planning Department/Departamento Nacional de Planeación, June.
- Gontero, S. and M. Zambrano (2018), "La construcción de sistemas de información sobre el mercado laboral en América Latina", *Macroeconomics of Development series*, No. 193 (LC/TS.2018/18), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), February.

- Hernani-Limarino, W. and G. Mena (2015), “Intended and unintended effects of unconditional cash transfers: the case of Bolivia’s Renta Dignidad”, *IDB Working Paper*, No. 631, Washington, D.C., Inter-American Development Bank (IDB).
- ILO (International Labour Organization) (2003), “Working out of Poverty”, *Director-General’s Report*, Geneva.
- Joubert, C. and P. Todd (2011), “The impact of Chile’s 2008 pension reform on labor force participation, pension savings, and gender equity”, Philadelphia, University of Pennsylvania [online] <http://www.consejoprevisional.cl/documentos/articulos/impacto-reforma-2008-fza-laboral-ahorro-genero-joubert-todd.pdf>.
- Martinez, S. (2004), “Pensions, poverty and household investments in Bolivia”, Berkeley, University of California, Berkeley, October [online] https://eml.berkeley.edu/~webfac/bardhan/e271_f04/martinez.pdf.
- Martínez, S., M. Pérez and L. Tejerina (2015), “Pensions for the Poor: The Effects of Non-Contributory Pensions in El Salvador”, *Technical Note*, No. 883, Washington, D.C., Inter-American Development Bank (IDB), October.
- Medeiros, M., T. Britto and F. Veras-Soares (2008), “Targeted cash transfer programmes in Brazil: BPC and the Bolsa Familia”, *Working Paper*, No. 46, Brasilia, International Policy Centre for Inclusive Growth (IPC-IG).
- Ministry of Social Development (2017), “Adultos mayores: síntesis de resultados”, Santiago, June [online] http://observatorio.ministeriodesarrollosocial.gob.cl/casenmultidimensional/casen/docs/CASEN_2015_Resultados_adultos_mayores.pdf.
- Oliveri, M. (2016), “Pensiones sociales y pobreza en América Latina”, *Apuntes*, No. 78, Lima, University of the Pacific.
- Parker S. (2003), “Evaluación del impacto de Oportunidades sobre la inscripción escolar: primaria, secundaria y media superior”, *Documentos de Investigación*, No. 6, Mexico City, National Institute of Public Health/Center for Economic Research and Teaching.
- Rasella, D. and others (2013), “Effect of a conditional cash transfer programme on childhood mortality: a nationwide analysis of Brazilian municipalities”, *The Lancet*, vol. 382, No. 9886, New York, Elsevier.
- Rofman, R. and M. Oliveri (2011), “La cobertura de los sistemas previsionales en América Latina: conceptos e indicadores”, *Social Policy Working Paper*, No. 7, Buenos Aires, World Bank.
- Rofman, R., I. Apella and E. Vezza (eds.) (2013), *Más allá de las pensiones contributivas: catorce experiencias en América Latina*, Buenos Aires, World Bank.
- Rossel, C. and F. Filgueira (2015), “Working and reproductive years”, *Towards universal social protection: Latin American pathways and policy tools*, ECLAC Books, No. 136 (LC/G.2644-P), S. Cecchini and others (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Schwarzer, H. and A. Querino (2002), “Non-contributory pensions in Brazil: the impact on poverty reduction”, *ESS Paper Series*, No. 11, Geneva, International Labour Organization (ILO).
- Veras, F. (2009), “El impacto de los PTC y sus desafíos frente la crisis”, paper presented at the seminar Rethinking the Social in Times of Crisis, La Antigua, 28 May [online] <https://dds.cepal.org/eventos/presentaciones/2009/0528/FabioVeras.pdf>.

Chapter VI

- Abramo, L. (2016), “Inclusive social development is key to overcoming poverty and reducing inequalities”, *ECLAC Notes*, No. 89, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- Barrientos, A. and D. Hulme (eds.) (2008), *Social Protection for the Poor and Poorest. Concepts, Policies and Politics*, Basingstoke, Palgrave Macmillan.
- Berg, J., Ch. Ernst and P. Auer (2006), *Meeting the Employment Challenge: Argentina, Brazil and Mexico in the Global Economy*, Boulder, Colorado, Lynne Rienner.
- Cecchini, S. and R. Martínez (2012), *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).

- Cecchini and others (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), November. Filgueira, F. (2015), "Models of development, the welfare State matrix and Latin American social policy tools", *Towards universal social protection: Latin American pathways and policy tools*, ECLAC Books, No. 136 (LC/G.2644-P), S.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2019), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago.
- _____ (2018a), *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P), Santiago, February.
- _____ (2018b), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2017* (LC/PUB.2017/28-P), Santiago, February.
- _____ (2017a), *Linkages between the social and production spheres: gaps, pillars and challenges* (LC/CDS.2/3), Santiago, October.
- _____ (2016a), *Horizons 2030: equality at the centre of sustainable development* (LC/G.2660/Rev.1), Santiago, July.
- _____ (2016b), "Recent improvements and persistent gaps in rural employment", *Employment Situation in Latin America and the Caribbean*, No. 14 (LC/L.4141), Santiago, May.
- _____ (2016c), *Social Panorama of Latin America, 2015* (LC/G.2691-P), Santiago, October.
- _____ (2016d), *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean* (LC/L/4056/Rev.1), Santiago, January.
- _____ (2014), *Compacts for equality: towards a sustainable future* (LC/G.2586(SES.35/3)), Santiago, April.
- _____ (2012a), *Eslabones de la desigualdad: heterogeneidad estructural, empleo y protección social* (LC/G.2539-P), Santiago, July.
- _____ (2010), *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, May.
- _____ (2009), *Social Panorama of Latin America, 2008* (LC/G.2402-P), Santiago.
- IILS (International Institute for Labour Studies) (2008), *World of Work Report 2008: Income Inequalities in the Age of Financial Globalization*, Geneva, International Labour Organization (ILO).
- ILO (International Labour Organization) (2016), *2016 Labour Review. Latin America and the Caribbean*, Lima, ILO Regional Office for Latin America and the Caribbean.
- _____ (2013), *Measuring Informality: A Statistical Manual on the Informal Sector and Informal Employment*, Geneva.
- _____ (2004), *2004 Labour Overview. Latin America and the Caribbean*, Lima, ILO Regional Office for Latin America and the Caribbean.
- Mesa-Lago, C. (2004), "An appraisal of a quarter-century of structural pension reforms in Latin America", *CEPAL Review*, No. 84 (LC/G.2258-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Tokman, V. (2007), "The informal economy, insecurity and social cohesion in Latin America", *International Labour Review*, vol. 146, No. 1-2, Geneva, International Labour Organization (ILO).
- Velásquez, M. (2016), "Regulación del mercado de trabajo y protección social en países de América Latina", *Social Policy series*, No. 218 (LC/L.4244), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

Chapter VII

- Aguirre, R. and F. Ferrari (2014), "La construcción del sistema de cuidados en el Uruguay. En busca de consensos para una protección social más igualitaria", *Social Policy series*, No. 192 (LC/L.3805), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC)/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

- Batthyány, K. (2015), "Las políticas y el cuidado en América Latina: una mirada a las experiencias regionales", *Gender Affairs series*, No. 124 (LC/L.3958), Santiago,
- Blofield, M. and J. Martínez (2015), "Are governments catching up? Work-family policy and inequality in Latin America", *Discussion Paper*, No. 7, New York, United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), September.
- Bonoli, G. (2007), "Time matters: postindustrialization, new social risks, and welfare state adaptation in advanced industrial democracies", *Comparative Political Studies*, vol. 40, No. 5, Thousand Oaks, SAGE Publishing.
- Calderón Magaña, C. (coord.) (2013), "Redistributing care: the policy challenge", *Cuadernos de la CEPAL*, No. 101 (LC/G.2568-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2017a), *Social Panorama of Latin America, 2016. Briefing Paper*, Santiago, May.
- _____ (2016a), *Social Panorama of Latin America, 2015* (LC/G.2691-P), Santiago, October.
- _____ (2016b), *Equality and Women's Autonomy in the Sustainable Development Agenda* (LC/G.2686/Rev.1), Santiago, December.
- _____ (2013a), *Social Panorama of Latin America, 2012* (LC/G.2557-P), Santiago, January.
- _____ (2013b), *Gender Equality Observatory of Latin America and the Caribbean. Annual Report 2012: A Look at Grants, Support and Burden for Women* (LC/G.2561/Rev.1), Santiago, March.
- _____ (2011), *Social Panorama of Latin America, 2010* (LC/G.2481-P), Santiago, January.
- _____ (2007), *Social cohesion: inclusion and a sense of belonging in Latin America and the Caribbean* (LC/G.2335), Santiago.
- Ellingsaeter, A. (1999), "Dual breadwinners between state and market", *Restructuring Gender Relations and Employment: The Decline of the Male Breadwinner*, R. Crompton (ed.), Oxford, Oxford University Press.
- Gascón, S. and N. Redondo (2014), "Calidad de los servicios de largo plazo para personas adultas mayores con dependencia", *Social Policy series*, No. 207 (LC/L.3875), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), August.
- Friedan, B. (1987), *The Second Stage*, New York, Summit Books.
- Gascón, S. and N. Redondo (2014), "Calidad de los servicios de largo plazo para personas mayores con dependencia", *Social Policy series*, No. 207 (LC/L.3875), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Gornick, J. and M. Meyers (2009), "Institutions that support gender equality in parenthood and employment", *Gender Equality: Transforming Family Divisions of Labor*, J. Gornick and M. Meyers (eds.), London, Verso.
- Lamaute-Brisson, N. (2010), "Economía del cuidado de la niñez en Haití: proveedores, hogares y parentesco", *Women and Development series*, No. 95 (LC/L.3130-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), December.
- Leira, A. and C. Saraceno (eds.) (2008), "Childhood: changing contexts", *Comparative Social Research*, vol. 25, Bingley, Emerald Group Publishing Limited.
- Lister, R. (2008), "Investing in children and childhood: a new welfare policy paradigm and its implications", *Comparative Social Research*, vol. 25, A. Leira and C. Saraceno (eds.), Bingley, Emerald Group Publishing Limited.
- Marco, F. (2014), "Calidad del cuidado y la educación para la primera infancia en América Latina: igualdad para hoy y mañana", *Social Policy series*, No. 204 (LC/L.3859), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), July.
- Marco, F. and M. N. Rico (2013), "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 (ELA)/Editorial Biblos.
- Matus, M. and M. Vega (2016), "Los cuidados para la atención a la dependencia", *La economía de los cuidados*, L. Gálvez (ed.), Sevilla, Deculturas Ediciones.

- OECD (Organization for Economic Cooperation and Development) (2011), *Doing Better for Families*, Paris, OECD Publishing.
- Pautassi, L. (2007), “El cuidado como cuestión social desde un enfoque de derechos”, *Women and Development series*, No. 87 (LC/L.2800-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), October.
- Plantenga, J. and others (2008), “Childcare services in 25 European Union member states: the Barcelona targets revisited”, *Comparative Social Research*, vol. 25, A. Leira and C. Saraceno (eds.), Bingley, Emerald Group Publishing Limited.
- Razavi, S. (2012), “Rethinking care in a development context: an introduction”, *Seen, Heard and Counted: Rethinking Care in a Development Context*, London, Wiley-Blackwell.
- Rico, M. N. and C. Robles (2016), “Políticas de cuidado en América Latina: forjando la igualdad”, *Gender Affairs series*, No. 140 (LC/L.4226), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- Rico, M. N. and C. Robles (2016), “Políticas de cuidado en América Latina: forjando la igualdad”, *Gender Affairs series*, No. 140 (LC/L.4226), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Rossel, C. (2016), “Desafíos demográficos para la organización social del cuidado y las políticas públicas”, *Gender Affairs series*, No. 135 (LC/L.4186), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), June.
- Salvador, S. (2015), “Política de cuidados en El Salvador: opciones, metas y desafíos”, *Gender Affairs series*, No. 129, (LC/L.4086), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), October.
- Tronto, J. (1993), *Moral Boundaries: A Political Argument for an Ethic of Care*, New York, Routledge.
- Schmidt, V. A. (2009), “Putting the political back into political economy by bringing the state back in yet again”, *World Politics*, vol. 61, No. 3, Cambridge, Cambridge University Press.
- _____ (2008), “Bringing ideas and discourse back into the explanation of change in varieties of capitalism and welfare states”, *Working Paper*, No. 2, Brighton, University of Sussex.
- Sojo, A. (2011), “De la evanescencia a la mira: el cuidado como eje de políticas y de actores en América Latina”, *Seminars and Conferences series*, No. 67 (LC/L.3393), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

Chapter VIII

- Abramovich, V. (2009), “El rol de la justicia en la articulación de políticas y derechos sociales”, *La revisión judicial de las políticas sociales. Estudio de casos*, V. Abramovich and L. Pautassi (eds.), Buenos Aires, Editores del Puerto.
- Acuña, C.H. (comp.) (2010), *Los desafíos de coordinación y la integridad de las políticas y gestión pública en América Latina*, Buenos Aires, Cabinet Office.
- Adato, M. (2000), *El impacto de Progresá sobre las relaciones sociales en la comunidad*, Washington, D.C., International Food Policy Research Institute (IFPRI) [online] http://www.ifpri.org/sites/default/files/publications/adato_comunidad.pdf.
- Aranibar Quiroga, E. (2010), “Estado Plurinacional de Bolivia: creación, desempeño y eliminación del Ministerio de Desarrollo Humano”, *Institucionalidad social en América Latina*, R. Franco and M. Székely (coords.), Project documents, No. 312 (LC/W.312) Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Artigas, C. (2005), “Una mirada a la protección social desde los derechos humanos y otros contextos internacionales”, *Políticas sociales series*, No. 110 (LC/L.2354-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No.S.05.II.G.98.

- Bastagli, F. (2009), "From social safety net to social policy? The role of conditional cash transfers in welfare State development in Latin America", *Working Paper*, No. 60, Brasilia, Centre for Analysis of Social Exclusion (CASE), London School of Economics and Political Science, International Policy Centre for Inclusive Growth (IPC-IG).
- _____(2008), "Conditionality in public policy targeted to the poor: promoting resilience?", *Social Policy and Society*, vol. 8, No. 1.
- Bronzo, C. (2007a), "Políticas locais de inclusão social, autonomia e empoderamento: reflexões exploratórias", *Serviço Social & Sociedade*, N° 89, São Paulo, Ed. Cortez.
- _____(2007b), "Intersectorialidade como princípio e prática nas políticas públicas: reflexões a partir do tema do enfrentamento da pobreza", paper presented at the XX Concurso del CLAD sobre Reforma del Estado and Modernización de la Administración Pública "¿Cómo enfrentar los desafíos de la transversalidad and de la intersectorialidad en la gestión pública?", Caracas.
- Brugué, Q. (2010), *Una administración que habla es una administración que piensa: de la gestión pública a la administración deliberativa*, Barcelona, Gobierno de Aragón, Dirección General de Participación Ciudadana.
- Cecchini, S. and A. Madariaga (2010), "La trayectoria de los programas de transferencias con corresponsabilidad (PTC) en América Latina y el Caribe. Balance de experiencias y tendencias a futuro", Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), unpublished.
- Cohen, E. and R. Franco (coords.) (2006a), *Transferencias con corresponsabilidad. Una mirada latinoamericana*, Mexico City, Latin American Faculty of Social Sciences (FLACSO)/ Secretariat of Social Development (SEDESOL)/Fondo de Cultura Económica.
- _____(2006b), *Evaluación de proyectos sociales*, Mexico City, Siglo XXI.
- _____(2005), *Gestión social: cómo lograr eficiencia e impacto en las políticas sociales*, Coyoacán, Siglo XXI.
- Cohen, E. and R. Martínez (2004), *Formulación, monitoreo y evaluación de programas y proyectos sociales*, Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Corbett, T. and J.L. Noyes (2008), "Human services systems integration: A conceptual framework", *Discussion Paper*, N° 1333-08, Madison, Wisconsin, Institute for Research on Poverty, University of Wisconsin–Madison.
- Cunill-Grau, N. (2005), "La intersectorialidad en el gobierno and gestión de la política social", documento presentado en el X Congreso Internacional del CLAD sobre la Reforma del Estado and de la Administración Pública, Santiago, Chile.
- Cunill-Grau, N. (2014a), "La intersectorialidad en las nuevas políticas sociales: Un acercamiento analítico-conceptual", *Gestión and Política Pública*, vol. 23, N° 1, México, D.F., Centro de Investigación and Docencia Económicas.
- _____(2014b), "Resistencias a la colaboración interinstitucional. Aprendizajes para la implementación de las nuevas políticas sociales", *Documentos and Aportes en Administración Pública and Gestión Estatal (DAAPGE)*, año 14, N° 23, Santa Fé, Universidad Nacional del Litoral, December.
- Cunill-Grau, N., F. Repetto and C. Bronzo (2015), "Coordinating sectors and institutions for building comprehensive social protection", *Towards universal social protection: Latin American pathways and policy tools*, S. Cecchini and others (eds.), ECLAC Books, No. 136 (LC/G.2644-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Cunill-Grau, N.C., M. Fernández and M. Thezá Manríquez (2013), "La cuestión de la colaboración intersectorial and de la integralidad de las políticas sociales. Lecciones derivadas del caso del sistema de protección a la infancia en Chile", *Revista Polis*, vol. 12, N° 36, Santiago, Chile, Universidad de Los Lagos.
- Christensen, T. and P. Laegreid (2007), "Reformas post nueva gestión pública: Tendencias empíricas and retos académicos", *Gestión and Política Pública*, vol. 16, N° 2, Mexico City, Centro de Investigación and Docencia Económicas.

- De Roux, C. and J.C. Ramírez (2004) (ed.), “Derechos económicos, sociales y culturales, política pública y justiciabilidad”, Estudios y perspectivas series, No. 4 (LC/L.2222-P/E), Bogota, ECLAC office in Bogota. United Nations publication, Sales No. S.04.II.G.140.
- Draibe, S. and M. Riesco (2008a), “Superar la pobreza mediante la inclusión social”, *Project documents*, No.174 (LC/W.174), Santiago, Chile.
- _____(2007), “Latin America: a new developmental welfare State in the making?”, *Latin America. A New Developmental Welfare State Model in the Making?*, Manuel Riesco (ed.), New York, Palgrave Macmillan.
- _____(2009), “El estado de bienestar social en América Latina. Una nueva estrategia de desarrollo”, Documento de trabajo, No. 31, Madrid, Fundación Carolina.
- Fiszbein, A. and N. Schady (2009), *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington, D.C., World Bank.
- Franco, R. (2010), “Insitucionalidad de las políticas sociales; ¿Es posible mejorar su efectividad?”, *Institucionalidad social en América Latina*, R. Franco and M. Székely Pardo (coords.), Project documents, No. 312 (LC/W.312), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Gobierno de Australia (2007), *Tackling Wicked Problems. A Public Policy Perspective*, Commonwealth of Australia.
- González de la Rocha, M. (2010), “Una perspectiva latinoamericana desde México: evaluaciones a los programas de transferencias condicionadas”, presentation at the fifth international seminar Conditional cash transfer programmes in Latin America and the Caribbean: Overview of the last 10 years, Santiago, Chile, Food and Agriculture Organization of the United Nations (FAO).
- Horwath, J. and T. Morrison (2007), “Collaboration, integration and change in children’s services: Critical issues and key ingredients”, *Child Abuse & Neglect*, vol. 31, N° 1, Amsterdam, Elsevier.
- Levy, S. and E. Rodríguez (2005), *Sin herencia de pobreza. El programa Progresa- Oportunidades de México*, Washington, D.C., Inter-American Development Bank (IDB).
- Martínez, R. and M. Collinao (2010), “Gasto social: modelo de medición y análisis para América Latina y el Caribe”, *Manuales series*, No. 65 (LC/L.3170-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.09.II.G.145.
- Mesa-Lago, C. (2009), “Social insurance (pensions and health), labour markets and coverage in Latin America”, *Financing Social Policy. Mobilizing Resources for Social Development*, K. Hujo and S. Mcclanahan (eds.), New York, United Nations Research Institute for Social Development (UNRISD), Palgrave Macmillan.
- _____(2008), *Reassembling Social Security: A Survey of Pensions and Health Care Reforms in Latin America*, Oxford, Oxford University Press.
- Mesquita, C. (2009), “Programa Bolsa Familia”, paper presented at the international seminar “Sistemas de protección social: desafíos no contexto latinoamericano”, Ministry of Social Development, Brasilia, 8 - 11 December [online] <http://www.mds.gov.br/sites/seminariointernacional/sites/seminariointernacional/programacao>.
- _____(2009b), *Gestión de calidad en las redes locales de servicios*, Santiago, Chile, Office of the Executive Secretary of the Intersectoral Social Protection System.
- PAHO/WHO (Pan American Health Organization/World Health Organization) (2015), *Intersectoral Action and Health Equity in Latin America: An Analytical Approach*, Washington, D.C.
- Reimers, F., C. DeShano and E. Trevino (2006), *Where is the “Education” in Conditional Cash Transfers in Education?*, Montreal, UNESCO Institute of Statistics.
- Repetto, F. (2010), “Protección social en América Latina: La búsqueda de una integralidad con enfoque de derechos”, *Revista del CLAD Reforma and Democracia*, N° 47, Caracas, Centro Latinoamericano de Administración para el Desarrollo.
- _____(2010a), “Protección social en América Latina: La búsqueda de una integralidad con enfoque de derechos”, *Revista del CLAD. Reforma y democracia*, No. 47.

- _____ (2010b), “Coordinación de políticas sociales: abordaje conceptual y revisión de experiencias latinoamericanas”, *Los desafíos de coordinación y la integridad de las políticas y gestión pública en América Latina*, C.H. Acuña (comp.), Buenos Aires, Cabinet Office.
- Repetto, F. and F. Potenza (2015a), “Documento final de consultoría. Institucionalidad social y autoridad social en América Latina y el Caribe. Abordaje conceptual, avances y desafíos de la institucionalidad de la política social y de la protección social”.
- Rittel, H.W.J. and M. Webber (1973), “Dilemmas in a general theory of planning”, *Policy Sciences*, vol. 4, N° 2, Springer.
- Román, I. (2010), “Sustentabilidad de los programas de transferencias condicionadas: la experiencia del Instituto Mixto de Ayuda Social y “Avancemos” en Costa Rica”, *Políticas sociales series*, No. 160 (LC/L.3209-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.10.II.G.23.
- Rubio, G. and F. Garfias (2010), “Análisis comparativo sobre los programas para adultos mayores en México”, *Políticas sociales series*, No. 161 (LC/L.3221-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.10.II.G.30.
- Schady, N. (2006), “Programas de transferencias en efectivo condicionadas: repaso de la información disponible”, paper presented at the Third International Conference on Conditional Cash Transfers, Istanbul, 26-30 June.
- Schady, N. and A.M. Milazzo (n/d), “A Bibliography on Evaluations of Conditional Cash Transfer Programs”, draft.
- Sojo, A. (2009) (ed.), “Hacia la universalidad, con solidaridad y eficiencia: el financiamiento de la protección social en países pobres y desiguales”, *Seminarios y conferencias series*, No. 55 (LC/L.3034-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.09.II.G.39.
- _____ (2009a), Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development. Report of the independent expert on the question of human rights and extreme poverty, Magdalena Sepúlveda Carmona (A/HRC/11/9), New York, 27 March.
- _____ (2007), “Evolution of the link between selective anti-poverty policies and social sectors policies”, *CEPAL Review*, No. 91 (LC/G.2333-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Solar, O. and N. Cunill-Grau (2014), “Intersectorialidad and equidad en salud en América Latina: Una aproximación analítica”, Organización Panamericana de la Salud (OPS), draft.
- United Nations (2010), *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: Progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).
- Uprimny, R. (2007), “La judicialización de la política en Colombia: casos, potencialidades y riesgos”, *Justicia, política y derechos en América Latina*, J.M. Palacio and M. Candiotti (eds.), Buenos Aires, Prometeo Libros.
- Veiga, L. and C. Bronzo (2014), “Estratégias intersetoriais de gestão municipal de serviços de proteção social: A experiência de Belo Horizonte”, *Revista Administração Pública*, vol. 48, N° 3, Rio de Janeiro, May/June.
- W. van Ginneken (eds.) (2002), *Pensiones no contributivas y asistenciales. Argentina, Brasil, Chile, Costa Rica y Uruguay*, Santiago, Chile, International Labour Organization (ILO).No. 90, Brasilia, International Policy Centre for Inclusive Growth (IPC-IG), June.
- Winkworth, G. and M. White (2011), “Australia’s children ‘safe and well’? Collaborating with purpose across commonwealth family relationship and state child protection systems”, *Australian Journal of Public Administration*, vol. 70, N° 1, March..

Chapter IX

- Acosta, O. and J.C. Ramírez (2004), “Las redes de protección social: modelo incompleto”, *Financiamiento del desarrollo series*, No. 141 (LC/L.2067-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC).

- Cetrángolo, O. and A. Goldschmit (2009), "Metodología, experiencia comparada y recomendaciones", *La seguridad social en América Latina y el Caribe. Una propuesta metodológica para su medición y aplicación a los casos de Argentina, Chile y Colombia*, O. Cetrángolo (ed.), Project documents, No. 258 (LC/W.258), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Arenas de Mesa, A. (2016), *Sostenibilidad fiscal y reformas tributarias en América Latina* (LC/G.2688-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Cetrángolo, O. and A. Goldschmit (2009), "Metodología, experiencia comparada y recomendaciones", *La seguridad social en América Latina y el Caribe. Una propuesta metodológica para su medición y aplicación a los casos de Argentina, Chile y Colombia*, O. Cetrángolo (ed.), Project Documents (LC/W.258), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2019), *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P), Santiago.
- _____ (2018), *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P), Santiago.
- _____ (2017), "Estimaciones y proyecciones de población a largo plazo 1950-2100: revisión 2017", Santiago.
- _____ (2006), *Shaping the Future of Social Protection: Access, financing and solidarity* (LC/G.2294(SES.31/3)), Santiago.
- Fajnzylber, E. (2010), "Incentives under the new pension solidarity pillar in Chile", unpublished [online] http://economiccluster-lac.org/images/pdf/eventos/NIPabril2010/Incentives_under_the_New_Solidarity_Pillar_in_Chile.pdf.
- Huber, E. (2006), "Un nuevo enfoque para la seguridad social en la región", *Universalismo básico. Una nueva política social para América Latina*, C. Molina (ed.), Washington, D.C., Inter-American Development Bank (IDB).
- Huepe, M. and O. Larrañaga (2010), "El sistema de pensiones solidarias", *Las nuevas políticas de protección social en Chile*, O. Larrañaga and D. Contreras (eds.), United Nations Development Programme (UNDP).
- Knaul, F. M. y otros (2011), "Household catastrophic health expenditures: a comparative analysis of twelve Latin American and Caribbean Countries", *Salud Pública de México*, N° 53, Cuernavaca, Instituto Nacional de Salud Pública.
- Lo Vuolo, R. (2009), "Social exclusion policies and labour markets in Latin America", *Financing Social Policy. Mobilizing Resources for Social Development*, K. Hujo and S. Mcclanahan (eds.), New York, United Nations Research
- Lo Vuolo, Rubén (2014), "Cambio climático, políticas ambientales y regímenes de protección social. Estudios del cambio climático en América Latina", *Project Documents* (LC/W.607), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Marco, F. (coord.) (2004), *Los sistemas de pensiones en América Latina: un análisis de género*, Cuadernos de la CEPAL, No. 90 (LC/G.2262-P/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.04.II.G.129.
- Martínez, Rodrigo and María Paz Collinao (2010), "Gasto social. Modelo de medición y análisis para América Latina y el Caribe", *Manuales series*, No. 65 (LC/L.3171-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC). OECD (Organization for Economic Cooperation and Development) (2015), "Social Expenditure Database (SOCX)" [online] <http://www.oecd.org/social/expenditure.htm>.
- Murray, Ch. y otros (2003), "Assessing the distribution of household financial contributions to the health system: concepts and empirical application", *Health Systems Performance Assessment*, Geneva, World Health Organization (WHO), January.
- Perticara, M. (2008), "Incidencia de los gastos de bolsillo en siete países latinoamericanos", *serie Políticas Sociales*, N° 141 (LC/L.2879-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Ribe, H., D. Robalino and I. Walker (2010), *De los derechos a la realidad. Una protección social eficaz para todos en América Latina y el Caribe*, Washington, D.C., World Bank.

- Rodríguez, J. and L. Flores (2010), "Protección del gasto público social a través de la política fiscal: el caso de Chile", *Financiamiento del desarrollo series*, No. 224 (LC/L.3235-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No.S.10.II.G.38.
- Schwarzer, H. and A. Querino (2002), "Beneficios social y los pobres en Brasil: programas de pensiones no convencionales", *Pensiones no contributivas y asistenciales. Argentina, Brasil, Chile, Costa Rica y Uruguay*, F. Bertranou, C.
- Solimano, A. and C. Allendes (2007), "Migraciones internacionales, remesas y el desarrollo económico: la experiencia latinoamericana", *Macroeconomía del Desarrollo series*, No. 59 (LC/L.2813-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Solorio and W. van Ginneken (eds.), Santiago, Chile, International Labour Organization (ILO).
United Nations publication, Sales No.S.04.II.G.10.
- Uthoff, A. (2009), "La trayectoria de la reforma previsional en Chile y el incremento de la solidaridad", paper presented at the Seminar on social security and comprehensive protection for older persons: challenges and strategies in Latin America and the Caribbean and international experiences, Lima, November and December [online] http://www.gtz-cepal.cl/_les/Andras%20Uthoff%20La%20trayectoria%20de%20la%20reforma%20previsional%20en%20Chile.pdf.
- Xu, K. (2005), "Distribución del gasto en salud y gastos catastróficos. Metodología", *Discussion Paper N° 2*, Ginebra, Organización Mundial de la Salud (OMS) [online] http://www.paho.org/chi/index.php?option=com_docman&task=doc_view&gid=149&Itemid=.
- Xu, K., D. Evans y A.M. Aguilar Rivera (2005), "Designing health financing systems to reduce catastrophic health expenditure", *Technical Briefs for Policy-Makers*, N° 2, Geneva, World Health Organization (WHO).

Chapter X

- Aguirre, Rosario and Fernanda Ferrari (2014), "La construcción del sistema de cuidados en el Uruguay: En busca de consensos para una protección social más igualitaria", *Políticas Sociales series*, No. 193 (LC/L.3805), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), April.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2004b), *Productive Development in Open Economies* (LC/G.2234(SSES.30/3)), Santiago, Chile, June.
- _____ (1998), *The Fiscal Covenant. Strengths, Weaknesses, Challenges*, Libros de la CEPAL series, No. 47 (LC/G.1997/Rev.1-P), Santiago, Chile, July. United Nations publication, Sales No. E.98.II.G.5.
- Hopenhayn, Martín and others (2014), "Pactos para una protección social más inclusiva", *Seminarios y Conferencias series*, No. 76 (LC/L.3820), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), May.
- Maldonado Valera, Carlos F. (2013), "La construcción de pactos y consensos en materia de política social: El caso de la Ley General de Desarrollo Social de México, 2000-2008", *Políticas Sociales series*, No. 181(LC/L.3669), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- _____ (2013b), "La construcción de pactos y consensos en materia de política social: El caso de la reforma previsional en Chile, 2005-2008", *Políticas Sociales series*, No. 189 (LC/L.3665), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), September.
- United Nations (2005), *The Millennium Development Goals: A Latin American and Caribbean Perspective* (LC/G.2331-P), J.L. Machinea, A. Bárcena and A. León (coords.), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. E.05.II.G.107.
- Vargas Faulbaum, Luís Hernán (2014), "La construcción de pactos y consensos en materia de política social. El caso de Bolsa Família en el Brasil", *Políticas Sociales series*, No. 209 (LC/L.3884), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), August.

Chapter XI

- Agis, E., C. Cañete and D. Panigo (2010), “El impacto de la Asignación Universal por Hijo en Argentina” [online] www.ceil-piette.gov.ar/docpub/documentos/AUH_en_Argentina.pdf.
- Aguirre, R. (2011), “El reparto del cuidado en América Latina”, El trabajo del cuidado en América Latina y España, Documento de Trabajo, No. 54, M. Á. Durán (coord.), Madrid, Fundación Carolina.
- Alderman, H. and R. Yemtsov (2012), “Productive role of safety nets: background paper for the World Bank 2012-2022 Social Protection and Labor Strategy”, Discussion Paper, No. 1203, Washington, D.C., World Bank, March.
- Alleviation (MDS).
- Amarante Verónica y Mirentxu Jiménez (2013), “El escaso efecto directo de las transferencias monetarias condicionadas sobre la pobreza de ingresos y la desigualdad”, unpublished.
- Ángeles, G. and others (2011), “Evaluación de impacto del programa Estancias Infantiles para apoyar a madres trabajadoras: informe final de la evaluación de impacto”, Cuernavaca, National Institute of Public Health, July [online] http://www.normateca.sedesol.gob.mx/work/models/SEDESOL/EvaluacionProgramasSociales/Evaluacion_Impacto/EI_PEI_2011/Inf_Final_PEI.pdf.
- Arim, R. (2017), “Cambio estructural y distribución del ingreso: disyuntivas para la coyuntura. Borrador”, document prepared for the second session of the Regional Conference on Social Development in Latin America and the Caribbean and the Ninth Ministerial Forum for Development in Latin America and the Caribbean, Montevideo, Economic Commission for Latin America and the Caribbean (ECLAC), 25-27 October
- Attanasio, O., C. Meghir and M. Vera-Hernández (2007), “Investigating different benefits of workfare programs”, London, University College London/Institute For Fiscal Studies [online] <https://pdfs.semanticscholar.org/2290/1a929d234c3b4f493813d85afb9386a30b5f.pdf>.
- Attanasio, O., J. Trias and M. Vera-Hernández (2009), “Old and new welfare: the relative effect on child nutrition”, *Working Papers*, No. 8, Hunger-Free Latin America and the Caribbean Initiative, Food and Agriculture Organization of the United Nations (FAO).
- Baez, J. and A. Camacho (2011), “Assessing the long-term effects of conditional cash transfers on human capital: evidence from Colombia”, IZA Discussion Paper, No. 5751, Bonn, Institute for the Study of Labor (IZA), May.
- Baez, J. and A. Camacho (2011), “Assessing the long-term effects of conditional cash transfers on human capital: Evidence from Colombia”, *Policy Research Working Paper*, No. 5681, Washington, D.C., World Bank.
- Banerjee, A., S. Chassang and E. Snowberg (2016), “Decision theoretic approaches to experiment design and external validity”, NBER Working Paper, No. 22167, Cambridge, National Bureau of Economic Research (NBER), April.
- Barham, T. and others (2016), “Long-term impacts of conditional cash transfers in Latin America: review of the evidence”, IDB Working Paper series, No. 732, Washington, D.C., Inter-American Development Bank (IDB), October.
- Barham, T., K. Macours and J. Maluccio (2013), “More schooling and more learning? Effects of a three-year conditional cash transfer program in Nicaragua after 10 years”, IDB Working Paper series, No. 432, Washington, D.C., Inter-American Development Bank (IDB), July.
- Barrios, F., L. Galeano and S. Sánchez (2008), “El impacto del programa Tekoporâ de Paraguay en la nutrición, el consumo y la economía local”, paper presented at the third International seminar on conditional cash transfer programmes: Eradication of hunger and stunting, Santiago, 1 - 2 December [online] <http://www.rlc.fao.org/es/prioridades/seguridad/ingreso3/pdf/mejorando.pdf>.
- Barros, R. and others (2011), “Uma avaliação do impacto da qualidade da creche no desenvolvimento infantil”, *Pesquisa e Planejamento Econômico*, vol. 41, No. 2, Brasília, Institute of Applied Economic Research (IPEA), August.
- Bassett, L. (2008), “Can conditional cash transfer programs play a greater role in reducing child undernutrition?”, *Social Protection Discussion Paper*, No. 0835, Washington, D.C., World Bank.

- Behrman, J., Y. Cheng and P. Todd (2004), "Evaluating preschool programs when length of exposure to the program varies: a nonparametric approach", *The Review of Economics and Statistics*, vol. 86, No. 1, Cambridge, The MIT Press, February.
- Berlinski, S. and S. Galiani (2007), "The effect of a large expansion of pre-primary school facilities on preschool attendance and maternal employment", *Labour Economics*, vol. 14, No. 3, Amsterdam, Elsevier.
- Berlinski, S., S. Galiani and M. Manacorda (2008), "Giving children a better start: preschool attendance and school-age profiles", *Journal of Public Economics*, vol. 92, No. 5-6, Amsterdam, Elsevier.
- Berlinski, S., S. Galiani and P. Gertler (2009), "The effect of pre-primary education on primary school performance", *Journal of Public Economics*, vol. 93, No. 1-2, Amsterdam, Elsevier, February.
- Berlinski, S., S. Galiani and P. McEwan (2011), "Preschool and maternal labor market outcomes: evidence from a regression discontinuity design", *Economic Development and Cultural Change*, vol. 59, No. 2, Chicago, University of Chicago Press.
- Bernal, R. and others (2009), "Evaluación de impacto del Programa Hogares Comunitarios de Bienestar del ICBF", serie Documentos CEDE, No. 16, Bogota, University of the Andes, July.
- Borraz, F. and A. Cid (2013), "Preschool attendance and school-age profiles: a revision", *Children and Youth Services Review*, vol. 35, No. 5, Amsterdam, Elsevier, May.
- Bucheli, M. (2005), "Las políticas activas de mercado de trabajo: un panorama
- Cascio, E. and D. Whitmore (2013), "The impacts of expanding access to high-quality preschool education", NBER Working Paper, No. 19735, Cambridge, National Bureau of Economic Research (NBER), December.
- Cecchini, S. (2014), "Transferencias monetarias y empleo: ¿círculo vicioso o virtuoso?", Madrid, EUROsocial Programme, 18 November [online] <http://reciprocamente.eurosocial-ii.eu/transferencias-monetarias-y-empleo-circulovicioso-o-virtuoso-de-simone-cecchini-cepal/>.
- Cecchini, S. y F. Veras Soares (2014), "Conditional cash transfers and health in Latin America", *The Lancet*, vol. 385, N° 9975.
- Cecchini, Simone (2014), "Educación, programas de transferencias condicionadas y protección social en América Latina y el Caribe", *Educación y políticas sociales: sinergias para la inclusión*, María del Carmen Feijoó and Margarita Poggi (coords.), Buenos Aires, International Institute for Educational Planning (IIEP), United Nations Educational, Scientific and Cultural Organization (UNESCO).
- Cireno, F., J. Silva and R. P. Proença (2013), "Condicionalidades, desempenho e percurso escolar de beneficiários do Programa Bolsa Família", *Programa Bolsa Família: uma década de inclusão e cidadania*, T. Campello and M. Côrtes Neri (orgs.), Brasilia, Institute of Applied Economic Research (IPEA).
- Cohn, A. and A.M. Medeiros (2004), "O programa Bolsa família: a questão social no Brazil", unpublished.
- Colafranceschi, M. and A. Vigorito (2013), "Uruguay: evaluación de las políticas de transferencias. La estrategia
- Contreras, D., P. Sepúlveda and S. Cabrera (2010), "The effects of lengthening the school day on female labor supply: evidence from a quasi-experiment in Chile", *Documentos de Trabajo series*, No. 323, Santiago, University of Chile, July.
- Côrtes, M., F. Monteiro and P. Guimarães (2013), "Efeitos macroeconômicos do Programa Bolsa Família: uma análise comparativa das transferências sociais", *Programa Bolsa Família: Uma Década de Inclusão e Cidadania*, T. Campello and M. Côrtes (coords.), Brasilia, Institute of Applied Economic Research (IPEA).
- Costa, P.V. and others (2014), "A Estratégia de Inclusão Produtiva Urbana no Plano Brasil Sem Miséria", *O Brasil sem Miséria*, T. Campello, T. Falcão and P.V. Costa (orgs.), Brasilia, Ministry of Social Development and Hunger
- Cruces, G. and L. Gasparini (2012), *Políticas sociales para la reducción de la desigualdad y la pobreza en América Latina y el Caribe. Diagnóstico, propuesta y proyecciones en base a la experiencia reciente*, Centre for Distributive, Labour and Social Studies, Faculty of Economic Sciences, Universidad Nacional de La Plata, Argentina, 15 June.

- Cunha, F. and J. Heckman (2010), "Investing in our young people", NBER Working Paper, No. 16201, Cambridge, National Bureau of Economic Research (NBER), July.
- Cunha, F. and others (2006), "Interpreting the evidence on life cycle skill formation", Handbook of the Economics of Education, E. Hanushek and F. Welch (eds.), Amsterdam, Elsevier.
- Chimerine, L., T. Black and L. Coffey (1999), "Unemployment insurance as an automatic stabilizer: evidence of effectiveness over three decades", Unemployment Insurance Occasional Paper, No. 99-8, Washington D.C., United States Department of Labor, July.
- De Brauw, A. and A. Peterman (2011), "Can conditional cash transfers improve maternal health and birth outcomes? Evidence from El Salvador's Comunidades Solidarias Rurales", *IFPRI Discussion Paper*, No. 01080, International Food Policy Research Institute (IFPRI), abril.
- De Brauw, A. and J. Hoddinott (2008), "Must conditional cash transfer programs be conditioned to be effective? The impact of conditioning transfers on school enrollment in Mexico", *IFPRI Discussion Paper*, No. 757, International Food Policy Research Institute (IFPRI).
- De Brauw, A. and others (2012), *The Impact of Bolsa Família on Child, Maternal, and Household Welfare*, Washington, D.C., International Food Policy Research Institute (IFPRI).
- de inclusión y sus desafíos", *Hacia un Uruguay más equitativo: los desafíos del sistema de protección social*, R. Rofman (ed.), Montevideo, World Bank.
- De Oliveira, A. and others (2007), "Primeiros resultados da análise da linha de base da pesquisa de avaliação de impacto do Programa Bolsa Família", *Avaliação de Políticas e Programas do MDS: Resultados*, vol. 2, J. Vaitsman and R. Paes- Sousa (orgs.), Belo Horizonte, Federal University of Minas Gerais.
- Desafios*, vol. 2, J. Abrahão de Castro and L. Modesto (orgs.), Brasília, Institute of Applied Economic Research (IPEA).
- DNP (National Planning Department of Colombia) (2006), *Programa Familias en Acción. Impacto del Programa a un año y medio de su ejecución*, Bogota, May.
- DNP (National Planning Department of Colombia) (2008), "Evaluación de políticas públicas. Subprograma Jóvenes en Acción: consultoría para la evaluación de impacto del subprograma Jóvenes en Acción", Bogota, October.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2017a), Linkages between the social and production spheres: gaps, pillars and challenges (LC/CDS.2/3), Santiago.
- _____ (2017b), Demographic Observatory of Latin America. Population Projections (LC/PUB.2017/3-P), Santiago, March.
- _____ (2017c), *Social Panorama of Latin America, 2016* (LC/PUB.2017/12-P), Santiago.
- _____ (2016a), *Social Panorama of Latin America, 2015* (LC/G.2691-P), Santiago, October.
- _____ (2014b), *Social Panorama of Latin America 2014* (LC/G.2635-P), Santiago.
- _____ (2012b), *Eslabones de la desigualdad: Heterogeneidad estructural, empleo y protección social* (LC/G.2539-P), Santiago.
- _____ (2006), Shaping the future of social protection: access, financing and solidarity (LC/G.2294(SES.31/3)), Santiago, March.
- ECLAC/ILO (Economic Commission for Latin America and the Caribbean/International Labour Organization) (2014), "Conditional transfer programmes and the labour market", The Employment Situation in Latin America and the Caribbean, No. 10 (LC/L.3815), Santiago, May.
- Encina, J. and C. Martínez (2009), "Efecto de una mayor cobertura de salas cuna en la participación laboral femenina: evidencia de Chile", Documentos de Trabajo series, No. 303, Santiago, University of Chile, November.
- Escobar, A. and M. González (2009), "Girls, mothers and poverty reduction in Mexico: evaluating Progresa-Oportunidades", The Gendered Impacts of Liberalization: Towards "Embedded Liberalism", S. Razavi (ed.) New York, Routledge.

- Fernald, L., P. Gertler and L. Neufeld (2008), "Role of cash in conditional cash transfer programmes for child health, growth, and development: an analysis of Mexico's Oportunidades", *Lancet*, No. 371.
- Fiszbein, A. y N. Schady (2009), *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington, D.C., World Bank.
- Gertler, P. and S. Boyce (2001), "An experiment in incentive-based welfare: The impact of PROGRESA on health in Mexico", University of California at Berkeley [online] <https://web.warwick.ac.uk/res2003/papers/Gertler.pdf>.
- Gertler, P., H. Patrinos and M. Rubio-Codina (2008), "Empowering parents to improve education: evidence from rural Mexico", *Policy Research Working Paper*, No. 3935, Washington, D.C., World Bank.
- González-Velosa, C., L. Ripani and D. Rosas-Shady (2012), "How can job opportunities for young people in Latin America be improved?", *Technical Note*, No. 305, Washington, D.C., Inter-American Development Bank (IDB), May.
- Guerreiro Osório, R. (2008), "The recent impact of government transfers on poverty in Honduras and alternatives to enhance their effects", *Working Paper*, No. 47, Brasília, International Policy Centre for Inclusive Growth (IPC-IG), August.
- Gutiérrez, J. P. (2011), *Evaluación de impacto de Mi Familia Progresá*, Mexico City, National Institute of Public Health (INSP).
- Gutiérrez, J. P. and others (2005), *Impacto de Oportunidades en la morbilidad y el estado de salud de la población beneficiaria y en la utilización de los servicios de salud. Resultados de corto plazo en zonas urbanas y de mediano plazo en zonas rural*, Mexico City, National Institute of Public Health (INSP).
- Hanlon, J., A. Barrientos and D. Hulme (2010), "Pro-poor growth: turning a \$1 grant into \$2 income", *Just Give Money to the Poor: The Development Revolution from the Global South*, London, Kumarian Press.
- Hanlon, J., A. Barrientos and D. Hulme (2010), *Just Give Money to the Poor*, Kumarian Press.
- Hoddinott, J. and L. Bassett (2009), "Conditional cash transfer programs and nutrition in Latin America: assessment of impacts and strategies for improvement", *Working Papers*, No. 9, Santiago, Food and Agriculture Organization of the United Nations (FAO).
- Holmes, R. and others (2010), "Cash transfers and gendered risks and vulnerabilities: lessons from Latin America", ODI Background Note, London, Overseas Development Institute (ODI), October.
- Ibarrarán, P. and others (eds.) (2017), *How Conditional Cash Transfers Work: Good Practices after 20 Years of Implementation*, Washington, D.C., Inter-American Development Bank (IDB).
- internacional de experiencias y evaluaciones", *Studies and Perspectives series-*
- Jannuzzi, P.M and A.R. Pinto (2013), "Bolsa Família e seus Impactos nas Condições de Vida da População Brasileira: Uma síntese dos principais achados da pesquisa de avaliação de impacto do Bolsa Família II", *Programa Bolsa Família: Uma década de inclusão e cidadania*, T. Campello y M. Neri Brasília, Institute of Applied Economic Research (IPEA)/ Ministry of Social Development and Hunger Alleviation (MDS).
- Landim, P. (2009), "Relatório final: os efeitos do Programa Bolsa Família sobre a economia dos municípios brasileiros", São Paulo, Insper, August [online] <http://www.ipcig.org/publication/mds/33P.pdf>.
- Levy, D. and J. Ohls (2007), "Evaluation of Jamaica's PATH program: final report", Mathematica Policy Research Inc.
- Luiz Pereira, L. and others (2008), "Efeitos do Programa Bolsa Família nas condições de vida de beneficiários em municípios de muito baixo IDH", Brasília, International Policy Centre for Inclusive Growth (IPC-IG) [online] <http://www.ipcig.org/publication/mds/33M.pdf>.
- Lustig, N., C. Pessino and J. Scott (2013), "The impact of taxes and social spending on inequality and poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay: An overview", *CEQ Working Paper*, No. 13, April.
- McKenzie, D. (2017), "How effective are active labor market policies in developing countries? A critical review of recent evidence", *Policy Research Working Paper*, No. 8011, Washington, D.C., World Bank.
- Naranjo, M. (2008), "Ecuador: análisis de la contribución de los programas sociales al logro de los Objetivos del Milenio", *Project Documents*, No. 201 (LC/W.201), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

- Oliveira, L. F. and S. Soares (2013), “Bolsa Família e repetência: Resultados a partir do Cadúnico, projeto frequência e censo escolar”, *Programa Bolsa Família: Uma década de inclusão e cidadania*, T. Campello and M. Côrtes Neri (orgs.), Brasília, Institute of Applied Economic Research (IPEA).
- Parker, S. (2003), “Evaluación del impacto de Oportunidades sobre la inscripción escolar: primaria, secundaria y media superior”, *Resultados de la evaluación externa del Programa de Desarrollo Humano Oportunidades 2002*, National Institute of Public Health (INSP)/Center for Research and Higher Studies in Social Anthropology (CIESAS), Mexico City, Secretariat of Social Development (SEDESOL).
- _____, “Evaluación del impacto de Oportunidades sobre la inscripción, reprobación y abandono escolar”, *Resultados de la evaluación externa del Programa de Desarrollo Humano Oportunidades 2003, documentos finales*, National Institute of Public Health (INSP)/Center for Research and Higher Studies in Social Anthropology (CIESAS), Mexico City, Secretariat of Social Development (SEDESOL).
- Perova, E. and R. Vakis (2009), *Welfare impacts of the “Juntos” Program in Peru: Evidence from a non-experimental evaluation*, Washington, D.C., World Bank.
- Rasella, D. and others (2013), “Effect of a conditional cash transfer programme on childhood mortality: A nationwide analysis of Brazilian municipalities”, *The Lancet*, vol. 382, No. 9886.
- Sánchez, A. and M. Jaramillo (2012), “Impacto del programa Juntos sobre nutrición temprana”, *Documento de Trabajo*, No. 2012-001, Lima, Banco Central de Reserva del Perú, January.
- SEDESOL (Secretariat of Social Development of Mexico) (2008), *Oportunidades, un programa de resultados*, Mexico City, September.
- Silveira Neto, R. M. (2010), “Impacto do programa Bolsa Família sobre a frequência à escola: Estimativas a partir de informações da Pesquisa Nacional por Amostra de Domicílio (PNAD)”, *Bolsa Família 2003-2010: avanços e*.
- Soares, S. (2012), “Bolsa Família, its design, its impacts and possibilities for the future”, *Working Paper*, No. 89, Brasília, International Policy Centre for Inclusive Growth (IPC-IG).
- Urzúa, S. and E. Puentes (2010), “La evidencia del impacto de los programas de capacitación en el desempeño en el mercado laboral”, *Technical Note*, No. 268, Washington, D.C., Inter-American Development Bank (IDB).
- Veras Soares, F., R. Perez Ribas and G. I. Hirata (2008), “Achievements and shortfalls of conditional cash transfers: impact evaluation of Paraguay’s Tekoporâ programme”, *IPC Evaluation Note*, No. 3, Brasília, International Policy Centre for Inclusive Growth (IPC-IG), March.

Chapter XII

- Abramo, L. (2015), *Uma década de promoção do trabalho decente no Brasil: uma estratégia de ação baseada no diálogo social*, Geneva, International Labour Organization (ILO).
- _____(1997), *Um olhar de gênero: visibilizando precarizações ao longo das cadeias produtivas*, Economic Commission for Latin America and the Caribbean (ECLAC), December [online] <http://repositorio.cepal.org/handle/11362/30922>.
- Abreu, A. y B. Sorj (1994), “Sub-contratação e trabalho a domicilio: a influência do gênero”, *Terceirização: diversidade e negociação no mundo do trabalho*, H. de Souza Martins y J. R. Ramalho, São Paulo, HUCITEC Editora/CEDI-NETS.
- Acemoglu, D. and D. Autor (2011), “Skills, tasks and technologies: beyond the canonical model” [online] <http://www.oecd.org/els/emp/45261203.pdf>.
- Arntz, M., T. Gregory and U. Zierahn (2016), “The risk of automation for jobs in OECD countries: a comparative analysis”, *OECD Social, Employment and Migration Working Papers*, No. 189, Paris, OECD Publishing.
- Beazley, R., A. Solórzano and K. Sossouvi (2016), *Study on Shock-Responsive Social Protection in Latin America and the Caribbean: theoretical framework and literature review*, Oxford, Oxford Policy Management (OPM), December [online] <https://docs.wfp.org/api/documents/WFP-0000021124/download/>.

- Castillo, J. J. (1994), “¿De qué postfordismo me hablas?: más sobre reorganización productiva y organización del trabajo”, *Sociología del Trabajo*, No. 21, Madrid, Siglo XXI Editores.
- Cecchini, S. and R. Martínez (2011), *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), March.
- Coriat, (1993), *Pensar al revés: trabajo y organización en la empresa japonesa*, Buenos Aires, Siglo XXI Editores.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2016a), *Social Panorama of Latin America, 2015* (LC/G.2691-P), Santiago.
- _____ (2016b), *Horizons 2030: Equality at the Centre of Sustainable Development*, (LC/G.2660/ Rev.1), Santiago.
- _____ (2015), *Inclusive Social Development: The next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean* (LC/L/4056/Rev.1), Santiago.
- _____ (2014a), *Handbook for disaster assessment* (LC/L.3691), Santiago, April.
- _____ (2011a), “Long-term projections”, *Demographic Observatory*, No. 11 (LC/G.2515-P), Santiago.
- Frey, C. B. and M. A. Osborne (2013), *The Future of Employment: How Susceptible are Jobs to Computerisation?*, University of Oxford.
- Hallegatte, S. and others (2017), *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*, Washington, D.C., World Bank.
- ILO (International Labour Organization) (2016), *Labour migration in Latin America and the Caribbean: diagnosis, strategy, and ILO’s work in the region*, Lima, ILO Regional Office for Latin America and the Caribbean.
- Maldonado, C. J. Martínez and R. Martínez (2018), “Protección social y migración: una mirada desde las vulnerabilidades a lo largo del ciclo de la migración y de la vida de las personas”, unpublished.
- ManpowerGroup (2017), *The Skills Revolution: Digitization and Why Skills and Talent Matter* [online] http://www.manpowergroup.com/wps/wcm/connect/5943478f-69d4-4512-83d8-36bfa6308f1b/MG_Skills_Revolution_FINAL.pdf?MOD=AJPERES&CACHEID=5943478f-69d4-4512-83d8-36bfa6308f1b.
- Manyika, J. and others (2017), *A Future that Works: Automation, Employment, and Productivity*, McKinsey Global Institute.
- Martínez Pizarro, J., V. Cano and M. Soffia (2014), “Tendencias y patrones de la migración latinoamericana y caribeña hacia 2010 y desafíos para una agenda regional”, *Population and Development series*, No. 109 (LC/L.3914), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Novick, M. (2017), “Cambios en el mundo del trabajo y desafíos de inclusión”, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), unpublished.
- Novick, M. and M. A. Gallart (coords.) (1997), *Competitividad, redes productivas y competencias laborales*, Montevideo, Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR).
- OECD and others (2017), *Revenue Statistics in Latin America and the Caribbean, 2017*, Paris.
- OECD/ECLAC/CAF (Organization for Economic Cooperation and Development/ Economic Commission for Latin America and the Caribbean/Development Bank of Latin America) (2016), *Latin American Economic Outlook 2017: Youth, Skills and Entrepreneurship*, Paris, OECD Publishing.
- Piore, M. J. and C. F. Sabel (1984), *The Second Industrial Divide: Possibilities for Prosperity*, New York, Basic Books.
- Rodríguez, J. M. (2017), *Transformaciones tecnológicas, su impacto en el mercado de trabajo y retos para las políticas del mercado de trabajo*, Economic Commission for Latin America and the Caribbean (ECLAC) [online] <http://www.relats.org/documentos/FTgeneral.JMRodriguezCEPAL.pdf>.
- Salazar, J. M. (2017), “The metamorphosis of work”, *Robot-lution: The Future of Work in Latin America Integration 4.0*, Integration and Trade Journal, No. 42, Inter-American Development Bank (IDB).

- Samson, M. (2009), "Social cash transfers and employment: a note on empirical linkages in developing countries", *Promoting Pro-Poor-Growth: Employment*, Paris, Organization for Economic Cooperation and Development (OECD).
- Tokman, V. and D. Martínez (1997), "Costo laboral y competitividad en el sector manufacturero de América Latina", *Costos laborales y competitividad industrial en América Latina*, Lima, International Labour Organization (ILO).
- Ulrichs, M. and R. Slater (2016), "How can social protection build resilience? Insights from Ethiopia, Kenya and Uganda", *BRACED Working Paper*, London, Overseas Development Institute (ODI), December.
- UNICEF/RET International (United Nations Children's Fund/RET International) (2013), *Actions for children and youth resilience. Guide for governments*, Panama City, May.
- Weller, J. (2017), "Las transformaciones tecnológicas y su impacto en los mercados laborales", *Macroeconomía del Desarrollo series*, No. 190 (LC/TS.2017/76), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).

Chapter XIII

- Cecchini, S. and B. Atuesta (2017), "Programas de transferencias condicionadas en América Latina y el Caribe: tendencias de cobertura e inversión", *Social Policy series*, No. 224 (LC/TS.2017/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ECLAC (Economic Commission for Latin America and the Caribbean) (2017b), Linkages between the social and production spheres: gaps, pillars and challenges (LC/CDS.2/3), Santiago.
- _____ (2010), *Time for Equality: Closing Gaps, Opening Trails* (LC/G.2432(SES.33/3)), Santiago.
- Filgueira F. and E. Espíndola (2015), "Toward a system of basic cash transfers for children and older persons: an estimation of efforts, impacts and possibilities in Latin America", *Social Policy series*, No. 216 (LC/L.3934), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Rico, M. N. (2017), "Presentación del informe 'Género en el sistema financiero', SBIF. Chile. CEPAL, 10 July 2017" [online] http://www.cepal.org/sites/default/files/news/files/inclusion_financiera_para_las_mujeres.pdf.

Documents included in this compilation

The following texts have been partially reproduced in this volume. If you wish to consult or download the complete documents, click on the respective titles.

- ECLAC (2016), *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/39101/4/S1600098_en.pdf
- S. Cecchini and R. Martínez (2011), *Inclusive Social Protection in Latin America: a comprehensive, rights-based approach*
https://repositorio.cepal.org/bitstream/handle/11362/2596/1/S1100566_en.pdf
- R. Martínez (editor, 2019), *Institutional frameworks for social policy in Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/44170/7/S1900423_en.pdf
- ECLAC (2017), *Linkages between the social and production spheres: gaps, pillars and challenges*
https://repositorio.cepal.org/bitstream/handle/11362/42269/1/S1700768_en.pdf
- A. Arenas (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*
https://repositorio.cepal.org/bitstream/handle/11362/44851/4/S1900521_es.pdf
- ECLAC (2019), *Proposed regional agenda for inclusive social development*
https://crds.cepal.org/3/sites/crds3/files/19-00633_cds.3_proposed_regional_agenda.pdf
- A. Sojo (2017), *Protección social en América Latina: la desigualdad en el banquillo*
https://repositorio.cepal.org/bitstream/handle/11362/41105/6/S1600819_es.pdf
- ECLAC (2006), *Shaping the future of social protection: access, financing and solidarity*
https://repositorio.cepal.org/bitstream/handle/11362/2807/S2006001_en.pdf
- ECLAC (2018), *Social Panorama of Latin America 2017*
https://repositorio.cepal.org/bitstream/handle/11362/42717/6/S1800001_en.pdf
- L. Abramo, S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/44622/1/S1900004_en.pdf
- S. Cecchini, F. Filgueira and C. Robles (2014), *Social protection systems in Latin America and the Caribbean: a comparative view*
https://repositorio.cepal.org/bitstream/handle/11362/37340/1/S1420689_en.pdf
- ECLAC (2018), *The Inefficiency of Inequality*
https://repositorio.cepal.org/bitstream/handle/11362/43443/6/S1800058_en.pdf
- ECLAC (2010), *Time for Equality: closing gaps, opening trails*
https://repositorio.cepal.org/bitstream/handle/11362/3066/1/S2010005_en.pdf
- ECLAC (2018), *Towards a regional agenda for inclusive social development: bases and initial proposal*
https://repositorio.cepal.org/bitstream/handle/11362/44020/4/S1800661_en.pdf
- S. Cecchini, F. Filgueira, R. Martínez and C. Rossel (editors) (2015), *Towards universal social protection: Latin American pathways and policy tools*
https://repositorio.cepal.org/bitstream/handle/11362/39484/1/S1500752_en.pdf
- ECLAC (2010), *What kind of State? what kind of equality?: XI Regional Conference on Women in Latin America and the Caribbean*
https://repositorio.cepal.org/bitstream/handle/11362/16527/1/S1000328_en.pdf

Additional ECLAC bibliography on the subject

- Acosta, O.L. and J.C. Ramírez (2004) Las redes de protección social: modelo incompleto, Financing for Development Series No. 141
https://repositorio.cepal.org/bitstream/handle/11362/5124/1/S04142_es.pdf
- Acosta, O.L., N. Forero and R. Pardo (2015), Sistema de protección social de Colombia: avances y desafíos, Studies and Perspectives Series No. 28
https://repositorio.cepal.org/bitstream/handle/11362/37882/1/S1421114_es.pdf
- Aguirre, R. and F. Ferrari (2014), La construcción del sistema de cuidados en el Uruguay: en busca de consensos para una protección social más igualitaria, Social Policies Series No. 192
https://repositorio.cepal.org/bitstream/handle/11362/36721/1/S2014269_es.pdf
- Angulo, R. and N. Gómez (2014), Inclusión social e inclusión productiva de los beneficiarios del programa Más Familias en Acción: Estudio de caso de Colombia
https://dds.cepal.org/redesoc/archivos_recursos/4371/Roberto-Angulo_2014_Colombia.pdf
- Arim, R., G. Cruces and A. Vigorito (2009), Programas sociales y transferencias de ingresos en Uruguay: los beneficios no contributivos y las alternativas para su extensión, Social Policies Series No.146
https://repositorio.cepal.org/bitstream/handle/11362/6152/1/S0900040_es.pdf
- Carranza, C. and M.V. Cisneros (2014), Hacia un sistema de protección social más inclusivo en el Ecuador: seguimiento y desenlace de un proceso de construcción de consensos en la búsqueda del Buen Vivir, Social Policies Series No. 205
https://repositorio.cepal.org/bitstream/handle/11362/36859/S1420175_es.pdf
- Cecchini, S. and A. Madariaga (2011), Conditional cash transfer programmes: the recent experience in Latin America and the Caribbean, Cuadernos de la CEPAL No. 95
https://repositorio.cepal.org/bitstream/handle/11362/27855/S1100263_en.pdf
- Cecchini, S. and B. Atuesta (2017), Conditional cash transfer programmes in Latin America and the Caribbean: Coverage and investment trends, Social Policies Series No. 224
https://repositorio.cepal.org/bitstream/handle/11362/42109/S1700429_en.pdf
- Cecchini, S., B. Atuesta y B. Morales (2018), Programmes de transferts monétaires conditionnels en Amérique latine et les Caraïbes, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/44154/S1800750_fr.pdf
- Cecchini, S., R. Gilbert and B. Morales (2018), Renforcer la protection sociale: L'expérience de l'Amérique latine et des Caraïbes, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/43859/S1800328_fr.pdf
- ECLAC (2009), "Conditional transfer programmes: a key element in the new social protection matrix?" In Social Panorama of Latin America 2009
<https://repositorio.cepal.org/handle/11362/1249>
- Cecchini, S. and A. Uthoff (2007), Reducción de la pobreza, tendencias demográficas, familias y mercado de trabajo en América Latina, Social Policies Series No. 136
https://repositorio.cepal.org/bitstream/handle/11362/6142/1/S0700601_es.pdf
- Cecchini, S. and M. Lavigne (editores) (2014), Políticas públicas para la igualdad: hacia sistemas de protección social universal, Seminars and Conferences Series No. 78
http://repositorio.cepal.org/bitstream/handle/11362/36830/1/S1420331_es.pdf
- Cecchini, S., A. Leiva, A. Madariaga y D. Trucco (2009), Desafíos de los programas de transferencias con corresponsabilidad: los casos de Guatemala, Honduras y Nicaragua
http://repositorio.cepal.org/bitstream/handle/11362/3656/1/S2009178_es.pdf
- ECLAC (2014), Transferencias de ingresos para la erradicación de la pobreza: dos décadas de experiencia en los países de la Unión de Naciones Suramericanas (UNASUR)
https://repositorio.cepal.org/bitstream/handle/11362/37390/1/S1420810_es.pdf
- ECLAC (2012), Eslabones de la desigualdad. Heterogeneidad estructural, empleo y protección social
https://repositorio.cepal.org/bitstream/handle/11362/27973/1/S1200141_es.pdf

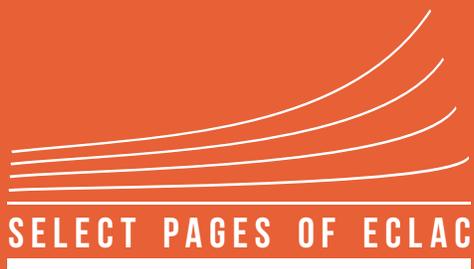
- ECLAC (2011), “Social protection and inequality: cracks, rigidities, open ground and opportunities” In Social Panorama of Latin America 2011.
https://repositorio.cepal.org/bitstream/handle/11362/1243/S1100928_en.pdf
- ECLAC (2009), “Los programas de transferencias condicionadas: ¿pieza clave de la nueva matriz de protección social?” In Panorama Social de América Latina 2009
http://repositorio.cepal.org/bitstream/handle/11362/1232/1/S0900786_es.pdf
- ECLAC (2008), Superar la pobreza mediante la inclusión social
https://repositorio.cepal.org/bitstream/handle/11362/21390/S2007376_es.pdf
- ECLAC (2007) Los objetivos de desarrollo del Milenio y los desafíos para América Latina y el Caribe para avanzar en mayor bienestar, mejor capital humano y más igualdad de oportunidades, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/3600/1/S2007326_es.pdf
- ECLAC and ILO (2014), The employment situation in Latin America and the Caribbean: Conditional transfer programmes and the labour market, ECLAC-ILO Bulletin No. 10.
https://repositorio.cepal.org/bitstream/handle/11362/40700/ECLAC-ILO-Bulletin10_en.pdf
- ECLAC, OAS and ILO (2011), Protección social y generación de empleo: análisis de experiencias derivadas de programas de transferencias con corresponsabilidad, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/3871/1/S2011030_es.pdf
- Cruces, G., N. Epele y L. Guardia (2008), Los programas sociales y los objetivos de desarrollo del Milenio en Argentina, Social Policies Series No. 142
https://repositorio.cepal.org/bitstream/handle/11362/6148/1/S0800251_es.pdf
- Debrott, D., R. Bitrán and C. Rebolledo (2014), Procesos de priorización en salud y prestaciones no priorizadas ni explícitas: la evolución de algunas prestaciones trazadoras en Chile, Social Policies Series No. 201
https://repositorio.cepal.org/bitstream/handle/11362/36843/1/S1420038_es.pdf
- Dorsainvil, D. (2015), Évaluation du financement public de la politique de protection sociale: Une lecture spéciale du Programme Ede Pèp
https://repositorio.cepal.org/bitstream/handle/11362/38231/S1500500_fr.pdf
- Filgueira F. (2014), Towards a universal social protection model in Latin America, Social Policies Series No. 188
https://repositorio.cepal.org/bitstream/handle/11362/37516/S1420719_en.pdf
- Filgueira, F. and D. Hernández (2012), Social protection systems in Latin America and the Caribbean: Uruguay, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4037/S1201025_en.pdf
- Filgueira, F. and E. Espindola (2015), Toward a system of basic cash transfers for children and older persons: An estimation of efforts, impacts and possibilities in Latin America, Social Policies Series No. 216
https://repositorio.cepal.org/bitstream/handle/11362/37820/S1420990_en.pdf
- Gómez, J.C., O. Cetrángolo y D. Morán (2014), La evasión contributiva en la protección social de salud y pensiones: Un análisis para la Argentina, Colombia y el Perú, Social Policies Series No. 208
https://repositorio.cepal.org/bitstream/handle/11362/37017/1/S1420447_es.pdf
- Gonçalves, T.M. (2014), A relação entre o público e o privado e o contexto federativo do SUS: Uma análise institucional, Social Policies Series No. 196
https://repositorio.cepal.org/bitstream/handle/11362/36759/1/S2014359_pt.pdf
- Gregol de Farias, T. (2014), Estudio de caso sobre la inserción productiva y laboral de los beneficiarios de los programas de transferencias condicionadas en Brasil
http://dds.cepal.org/redesoc/archivos_recursos/4372/Tamara-Gregol-de-Farias_2014_Brasil.pdf
- Guzmán, J. (coordinator) (2014), Red Nacional de Cuido y Desarrollo Infantil en Costa Rica: el proceso de construcción 2010-2014, Social Policies Series No. 203
https://repositorio.cepal.org/bitstream/handle/11362/36819/1/S1420021_es.pdf
- Hopenhayn, M. and others (editores) (2014), Pactos sociales para una protección social más inclusiva: experiencias, obstáculos y posibilidades en América Latina y Europa, Seminars and Conferences Series No. 76
https://repositorio.cepal.org/bitstream/handle/11362/36738/1/S2014171_es.pdf

- Lamaute-Brisson, N. (2015), Protection et promotion sociales en Haïti: La stratégie nationale d'assistance sociale (SNAS/EDE PEP), enjeux stratégiques et institutionnels
https://repositorio.cepal.org/bitstream/handle/11362/38232/S1500501_fr.pdf
- Lamaute-Brisson, N. (2014), Promoción y protección social de la infancia y adolescencia en Haití, Social Policies Series No. 212
https://repositorio.cepal.org/bitstream/handle/11362/37776/1/S1420892_fr.pdf
- Lamaute-Brisson, N. (2013), Social protection systems in Latin America and the Caribbean: Haiti, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4075/S2013068_en.pdf
- Lavigne, M. (2012), Social protection systems in Latin America and the Caribbean: Paraguay, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4027/S2012909_en.pdf
- Lavigne, M. (2013) Social protection systems in Latin America and the Caribbean: Peru, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4049/S2013059_en.pdf
- Lavigne, M. and L. H. Vargas (2013), Social protection systems in Latin America and the Caribbean: Dominican Republic, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/35921/LCW557_en.pdf
- Lavigne, M. and L. H. Vargas (2013), Social protection systems in Latin America and the Caribbean: Jamaica, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4068/S2013156_en.pdf
- León, A. (2008), Progresos en la reducción de la pobreza extrema en América Latina: dimensiones y políticas para el análisis de la primera meta del milenio
https://repositorio.cepal.org/bitstream/handle/11362/2904/1/S200801_es.pdf
- León, M. (2017), Protección social de la niñez en el Ecuador, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/41233/1/S1700082_es.pdf
- Maldonado, C. (2013), La construcción de pactos y consensos en materia de política social: el caso de la Ley General de Desarrollo Social de México, 2000-2008, Social Policies Series No.181
https://repositorio.cepal.org/bitstream/handle/11362/6198/1/LCL3669_es.pdf
- Maldonado, C. and A.F. Palma (2013), La construcción de pactos y consensos en materia de política social: apuntes para un marco de análisis Social Policies Series No. 179
https://repositorio.cepal.org/bitstream/handle/11362/6196/1/S2013437_es.pdf
- Maldonado, C. and A.F. Palma (2013), La construcción de pactos y consensos en materia de política social. El caso del Nuevo Régimen de Asignaciones Familiares del Uruguay, 2004-2009, Social Policies Series No. 182
https://repositorio.cepal.org/bitstream/handle/11362/6199/1/LCL3671_es.pdf
- Maldonado, C. and A.F. Palma (2013), La construcción de pactos y consensos en materia de política social: el caso de la reforma previsional en Chile, 2005-2008, Social Policies Series No. 183
https://repositorio.cepal.org/bitstream/handle/11362/6201/1/LCL3665_es.pdf
- Maldonado, C., J. Martínez y R. Martínez (2018), Protección social y migración. Una mirada desde las vulnerabilidades a lo largo del ciclo de la migración y de la vida de las personas. Project Documents
http://repositorio.cepal.org/bitstream/handle/11362/44021/1/S1800613_es.pdf
- Marco, F. (2014), Calidad del cuidado y la educación para la primera infancia en América Latina: igualdad para hoy y mañana, Social Policies Series No. 204
https://repositorio.cepal.org/bitstream/handle/11362/36822/1/S1420230_es.pdf
- Marco, F. (2012), El bono Juancito Pinto del Estado Plurinacional de Bolivia. Programas de transferencias monetarias e infancia, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4005/1/S1200591_es.pdf
- Martinez Franzoni, J. (2013) Social protection systems in Latin America and the Caribbean: Guatemala, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4058/S2013097_en.pdf

- Martínez Franzoni, J. (2013), Social protection systems in Latin America and the Caribbean: Nicaragua, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4059/S2013119_en.pdf
- Martínez Franzoni, J. (2013), Social protection systems in Latin America and the Caribbean: El Salvador, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4048/S2013057_en.pdf
- Martínez Franzoni, J. (2013), Social protection systems in Latin America and the Caribbean: Honduras, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4061/S2013117_en.pdf
- Mesa-Lago, C. (2009), Efectos de la crisis global sobre la seguridad social de salud y pensiones en América Latina y el Caribe y recomendaciones de políticas, Social Policies Series No. 150
https://repositorio.cepal.org/bitstream/handle/11362/6156/1/S0900631_es.pdf
- Mesa-Lago, C. (2013), Social protection systems in Latin America and the Caribbean: Cuba, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4057/S2013094_en.pdf
- Mina Rosero L. (2013), Social protection systems in Latin America and the Caribbean: Colombia, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4077/S2013323_en.pdf
- Miranda, D. (2014), Hacia un sistema de protección social universal en El Salvador: seguimiento de un proceso de construcción de consensos, Social Policies Series No. 206
https://repositorio.cepal.org/bitstream/handle/11362/36860/1/S1420201_es.pdf
- Monterrey Arce, J. (2013), Social protection systems in Latin America and the Caribbean: Plurinational State of Bolivia, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4104/S2013617_en.pdf
- Morlachetti, A. (2013), Sistemas nacionales de protección integral de la infancia: fundamentos jurídicos y estado de aplicación en América Latina y el Caribe, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4040/1/S2012958_es.pdf
- Naranjo, M. (2014), Social protection systems in Latin America and the Caribbean: Ecuador, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/36715/S2013600_en.pdf
- Naranjo, M. (2008), Ecuador: análisis de la contribución de los programas sociales al logro de los objetivos del Milenio, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/3625/1/S2008428_es.pdf
- Naranjo, M. (2008), Ecuador: reseña de los principales programas sociales y lecciones aprendidas, 2000-2006, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/3626/1/S2008353_es.pdf
- Pautassi, L. and C. Zibecchi (2010), La provisión de cuidado y la superación de la pobreza infantil: Programas de transferencias condicionadas en Argentina y el papel de las organizaciones sociales y comunitarias, Social Policies Series No. 159
https://repositorio.cepal.org/bitstream/handle/11362/6164/1/S1000086_es.pdf
- Pautassi, L. and L. Royo (2013), Enfoque de derechos en las políticas de infancia: indicadores para su medición, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4044/1/S1201027_es.pdf
- Pautassi, L., P. Arcidiácono y M. Straschnoy (2013), Asignación Universal por Hijo para la Protección Social de la Argentina: entre la satisfacción de necesidades y el reconocimiento de derechos, Social Policies Series No. 184
https://repositorio.cepal.org/bitstream/handle/11362/6193/1/LCL3662_es.pdf
- Prado, A. and A. Sojo (2010), Envejecimiento en América Latina. Sistemas de pensiones y protección social integral, ECLAC Books No. 110
https://repositorio.cepal.org/bitstream/handle/11362/2567/S1000741_es.pdf
- Repetto, F. and F. Potenza Dal Masetto (2012), Social protection systems in Latin America and the Caribbean: Argentina, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4029/S2012967_en.pdf

- Repetto, F. and F. Potenza Dal Masetto (2011), Protección social en Argentina, Social Policies Series No.174
https://repositorio.cepal.org/bitstream/handle/11362/6185/1/S1100668_es.pdf
- Repetto, F. and V. Tedeschi (2013), Protección social para la infancia y la adolescencia en la Argentina: retos críticos para un sistema integral, Social Policies Series No. 186
https://repositorio.cepal.org/bitstream/handle/11362/6197/1/LCL3698_es.pdf
- Rico, M.N. (Coordinadora) (2011), El desafío de un sistema nacional de cuidados para el Uruguay, Seminars and Conferences No. 66
https://repositorio.cepal.org/bitstream/handle/11362/7022/1/S1100468_es.pdf
- Rico, M.N. and D. Trucco (2014), Adolescentes. Derecho a la educación y al bienestar futuro, Social Policies Series No. 190
https://repositorio.cepal.org/bitstream/handle/11362/35950/4/S2014097_es.pdf
- Robles, C. (2012), Social protection systems in Latin America and the Caribbean: Chile, Project Documents.
https://repositorio.cepal.org/bitstream/handle/11362/4031/S2012104_en.pdf
- Robles, C. (2011), El sistema de protección social de Chile: Una mirada desde la igualdad, Project Documents
<https://repositorio.cepal.org/bitstream/handle/11362/3907/1/S1100694.pdf>
- Robles, C. (2009), Pueblos indígenas y programas de transferencias con corresponsabilidad. Avances y desafíos desde un enfoque étnico, Social Policies Series No. 156.
https://repositorio.cepal.org/bitstream/handle/11362/6165/1/S0900855_es.pdf
- Robles, C. and L. H. Vargas (2012), Social protection systems in Latin America and the Caribbean: Trinidad and Tobago, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4039/S1201017_en.pdf
- Robles, C. and V. Mirosevic (2013), Social protection systems in Latin America and the Caribbean: Brazil, Project Documents.
https://repositorio.cepal.org/bitstream/handle/11362/4062/S2013126_en.pdf
- Rodríguez Mojica, A. (2013), Social protection systems in Latin America and the Caribbean: Panama, Project Documents.
https://repositorio.cepal.org/bitstream/handle/11362/35920/S2013433_en.pdf
- Rodríguez, A. (2010), Programas de transferencias condicionadas, políticas sociales y combate a la pobreza en Panamá, Serie Políticas Sociales No. 162
https://repositorio.cepal.org/bitstream/handle/11362/6167/1/S1000317_es.pdf
- Román, I. (2012), Social protection systems in Latin America and the Caribbean: Costa Rica, Project Documents.
https://repositorio.cepal.org/bitstream/handle/11362/4038/S1201016_en.pdf
- Román, I. (2009), Sustentabilidad de los programas de transferencias condicionadas: la experiencia del Instituto Mixto de Ayuda Social y “Avancemos” en Costa Rica, Social Policies Series No. 160
https://repositorio.cepal.org/bitstream/handle/11362/6179/1/S2010202_es.pdf
- Rossell, C. (2013), Desbalance etario del bienestar. El lugar de la infancia en la protección social en América Latina, Social Policies Series No. 176
https://repositorio.cepal.org/bitstream/handle/11362/6190/1/S1300902_es.pdf
- Rubio, G.M. and F. Garfias (2010), Análisis comparativo sobre los programas para adultos mayores en México, Social Policies Series No. 161
https://repositorio.cepal.org/bitstream/handle/11362/6166/1/S1000316_es.pdf
- Rubio, M. (2017), La construcción de un sistema de protección social adecuado a la infancia en el Perú: oportunidades y retos, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/43193/1/S1701141_es.pdf
- Schmidt, V.A. (2014), La política de los pactos sociales y la protección social: ¿Importa el discurso? Experiencias internacionales, Social Policies Series No. 178
http://repositorio.cepal.org/bitstream/handle/11362/35902/1/S2013402_es.pdf

- Sepúlveda, M (2014), The rights-based approach to social protection in Latin America: From rhetoric to practice, Social Policies Series No. 189
https://repositorio.cepal.org/bitstream/handle/11362/37517/S1420720_en.pdf
- Sojo, A. (2014), El sistema contributivo de pensiones como locus de rivalidad y de un nuevo pacto social en Chile, Social Policies Series No. 211
https://repositorio.cepal.org/bitstream/handle/11362/37138/1/S1420567_es.pdf
- Sojo, A. (Editora) (2009), Hacia la universalidad, con solidaridad y eficiencia: el financiamiento de la protección social en países pobres y desiguales, Seminars and Conferences Series No. 55
https://repositorio.cepal.org/bitstream/handle/11362/6938/S0900199_es.pdf
- Staab, S. (2013), Protección social para la infancia y la adolescencia en Chile, Serie Social Policies Series No. 180
https://repositorio.cepal.org/bitstream/handle/11362/6192/1/LCL3661_es.pdf
- Ullmann, H., C. Maldonado and M.N. Rico (2014), La evolución de las estructuras familiares en América Latina, 1990-2010: los retos de la pobreza, la vulnerabilidad y el cuidado, Social Policies Series No.193
https://repositorio.cepal.org/bitstream/handle/11362/36717/1/S2014182_es.pdf
- Uprimny, R. and J. Durán (2014), Equidad y protección judicial del derecho a la salud en Colombia, Social Policies Series No. 197
https://repositorio.cepal.org/bitstream/handle/11362/36758/S2014181_es.pdf
- Valencia Lomelí, E., D. Foust Rodríguez and D. Tetreault Weber (2012), Social protection systems in Latin America and the Caribbean: Mexico, Project Documents
https://repositorio.cepal.org/bitstream/handle/11362/4030/S2012969_en.pdf
- Valencia, E., D. Foust and D. Tetreault (2011), Sistema de protección social en México a inicios del siglo XXI, Documentos de Proyectos
https://repositorio.cepal.org/bitstream/handle/11362/3979/1/S1200229_es.pdf
- Vargas, L.H. (2018), Reformas del sistema de pensiones en Chile (1952-2008), Social Policies Series No. 229
https://repositorio.cepal.org/bitstream/handle/11362/43223/1/S1701268_es.pdf
- Vargas, L.H. (2014), Inclusión laboral y productiva de los beneficiarios de Chile Solidario e Ingreso Ético Familiar
https://dds.cepal.org/redesoc/archivos_recursos/4370/Luis-Hernan-Vargas-Faulbaum_2014_Chile.pdf
- Vargas, L.H. (2014), La construcción de pactos y consensos en materia de política social: El caso de Bolsa Família en el Brasil, Social Policies Series No. 209
https://repositorio.cepal.org/bitstream/handle/11362/36972/1/S1420466_es.pdf
- Vidal, A., F. Cuadros and C. Sánchez (2012), Flexibilización laboral en el Perú y reformas de la protección social asociada: un balance tras 20 años, Social Policies Series No. 175
https://repositorio.cepal.org/bitstream/handle/11362/6188/1/S1100960_es.pdf
- Villatoro, P. (2007), Las transferencias condicionadas en América Latina: luces y sombras
https://www.cepal.org/sites/default/files/events/files/2007-nov-cepal_pablovillatoro_ptc.pdf
- Villatoro, P. and S. Cecchini (2018), ¿Cuál es el alcance de las transferencias no contributivas en América Latina? Discrepancias entre encuestas y registros, Statistical Studies Series No. 96
https://repositorio.cepal.org/bitstream/handle/11362/43642/S1800299_es.pdf



Economic Commission for Latin America and the Caribbean (ECLAC)
Comisión Económica para América Latina y el Caribe (CEPAL)
www.eclac.org