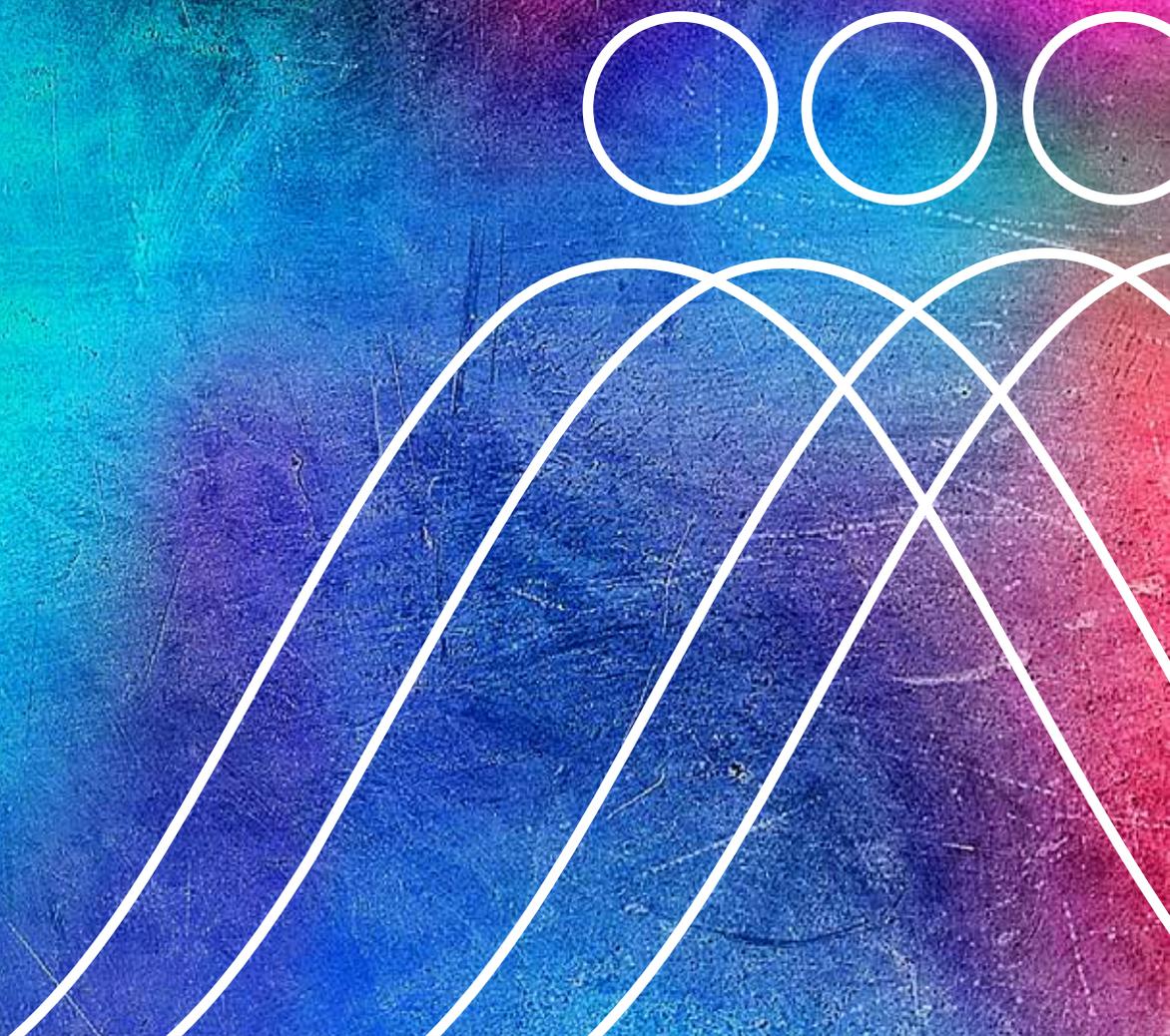


# Disasters and inequality in a protracted crisis

Towards universal, comprehensive, resilient  
and sustainable social protection systems  
in Latin America and the Caribbean



UNITED NATIONS

ECLAC

Fourth session of the Regional  
Conference on Social Development  
in Latin America and the Caribbean

Virtual meeting, 26–28 October 2021

# 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](http://www.cepal.org/en/publications)



[www.cepal.org/apps](http://www.cepal.org/apps)

**Alicia Bárcena**  
Executive Secretary

**Mario Cimoli**  
Deputy Executive Secretary

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

**Alberto Arenas de Mesa**  
Chief, Social Development Division

**Sally Shaw**  
Officer in Charge, Documents and Publications Division

This document was prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) for the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean, organized by ECLAC, the Ministry of Social Transformation, Human Resource Development and the Blue Economy of Antigua and Barbuda and the United Nations Development Programme (UNDP) (virtual meeting, 26–28 October 2021).

Alberto Arenas de Mesa, Chief of the Social Development Division of ECLAC, was responsible for the overall coordination of the document, and Rodrigo Martínez, Senior Social Affairs Officer of the same Division, for its general preparation. The following staff members of the Social Development Division of ECLAC contributed to the preparation of different sections of the document: Bernardo Atuesta, Simone Cecchini, Ernesto Espindola, Raúl Holz, Carlos Maldonado Valera, María Luisa Marinho, Amalia Palma, Claudia Robles, Varinia Tromben, Daniela Trucco and Luis Hernán Vargas. Catarina Camarinhas, Candice Gonzales and Francis Jones also contributed to the preparation of this document, under the direction of Diane Quarless, Chief of the ECLAC subregional headquarters for the Caribbean. Substantive inputs and statistical processing were provided by: Camilo Acuña, Nicole Araya, Catalina Cea, Consuelo Fariás, Gabriel Kattan, Isabel Loyola, Beatriz Morales, Florencia Rebolledo, José Suárez, Tamara Van Hemelryck and Fernando Villanueva of the Social Development Division of ECLAC, and Héctor Palomino and Soledad Villafañe of the ECLAC office in Buenos Aires.

Valuable comments on different sections of the document were also received from Omar Bello, Miguel del Castillo, Jimmy Ferrer, Sandra Huenchuan, Santiago Lorenzo, Joseluis Samaniego, Iliana Vaca Trigo and Pablo Yanes.

---

United Nations publication  
LC/CDS.4/3  
Distribution: G  
Copyright © United Nations, 2021  
All rights reserved  
Printed at United Nations, Santiago  
S.21-00467

This publication should be cited as: Economic Commission for Latin America and the Caribbean (ECLAC), *Disasters and inequality in a protracted crisis: towards universal, comprehensive, resilient and sustainable social protection systems in Latin America and the Caribbean* (LC/CDS.4/3), Santiago, 2021.

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), Documents and Publications 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.

# Contents

Foreword .....	7
Introduction.....	11
<b>Chapter I</b>	
<b>The COVID-19 pandemic and its aftermath: a health disaster seen through the lens of the social inequality matrix and the Regional Agenda for Inclusive Social Development .....</b>	<b>17</b>
Introduction .....	19
A. Pandemic and other disasters in the light of the social inequality matrix.....	20
1. The social inequality matrix: a framework for analysing the pandemic’s impact .....	20
2. Disasters, poverty and the social inequality matrix in the region.....	21
3. The health crisis and other disasters exacerbate the critical obstacles facing inclusive social development.....	22
B. Direct and indirect social effects of the pandemic .....	23
1. Health effects of the pandemic .....	23
2. Impact of the pandemic on poverty, inequality and employment .....	26
3. Differentiated impacts on particular groups and specific issues.....	28
4. Middle-income countries at a crossroads: increased social demands, inadequate financing and substantial debt .....	31
C. The middle-income strata: a population that while (initially) not poor, is highly vulnerable to poverty in a protracted crisis.....	35
1. The middle-income strata and vulnerability.....	35
2. The situation and characteristics of the middle-income strata .....	38
3. The impact and aftermath of the pandemic and the effects of social protection policies on the middle-income strata.....	38
D. Concluding remarks.....	40
Bibliography.....	41
<b>Chapter II</b>	
<b>Government responses to the pandemic.....</b>	<b>45</b>
Introduction .....	47
A. Emergency social protection responses .....	47
1. Non-contributory social protection.....	47
2. Support systems for unemployed persons .....	51
3. The impact of emergency measures.....	53
B. Challenges, innovation and lessons learned in emergency responses.....	56
1. Identifying and communicating with the target population in the emergency.....	57
2. Provision of assistance during the emergency.....	60
C. Concluding remarks.....	61
Bibliography.....	62

**Chapter III**

<b>Disasters and resilience-building in the Caribbean: addressing a multidimensional crisis .....</b>	<b>63</b>
Introduction .....	65
A. Multidimensional vulnerabilities in the Caribbean .....	65
B. Understanding the systemic impacts of social protection .....	68
C. Identifying subregional coordination mechanisms as key institutional support for Caribbean resilience-building.....	69
D. Leadership and governance instruments for integrated response.....	70
E. Learning from previous disasters: articulating responses towards resilience-building .....	71
F. Resilience-building and social protection in the Caribbean.....	73
G. Overcoming challenges: financial sustainability for social protection systems .....	75
H. Concluding remarks.....	76
Bibliography.....	78

**Chapter IV**

<b>Health crisis and disasters: social protection systems in the face of a constant and growing threat to well-being.....</b>	<b>81</b>
Introduction .....	83
A. Analytical proposal for social protection in the event of disasters .....	84
1. Hazards, disasters and extreme events.....	85
2. Disasters and their impact.....	88
3. The disaster cycle and social protection needs .....	90
B. Inclusive and resilient social protection as a component of a comprehensive disaster management and mitigation policy .....	92
1. Characteristics of inclusive and disaster-resilient social protection .....	94
2. Functions and strategies.....	95
3. Institutional requirements.....	98
4. Social protection instruments to strengthen social resilience to disasters.....	102
C. Concluding remarks.....	104
Bibliography.....	105
Annex IV.A1.....	108
Annex IV.A2 .....	110

**Chapter V**

<b>Social protection and disasters: rethinking a future with inclusion, equality and sustainability.....</b>	<b>113</b>
Introduction .....	115
A. Social protection and disaster policies: response measures for a transformative recovery with equality.....	115
1. Income protection .....	116
2. Protecting food and nutritional security .....	119
3. Guaranteed access to housing and basic services.....	120
4. The care system in coping with disasters .....	123
5. Strengthening labour inclusion.....	124
6. Investing in social infrastructure for recovery and progress towards a care society .....	127
B. Institutional arrangements and compacts to provide resilient social protection against disasters.....	128
1. Institutional coordination and technology to provide better social protection .....	129
2. Strengthening regional cooperation for disaster response.....	132
3. Social and fiscal compacts: the key to the big push for equality and sustainability.....	134
C. Concluding remarks.....	137
Bibliography.....	138
Annex V.A1.....	143

## Tables

I.1	Latin America and the Caribbean: social inequality matrix, components and conceptual referents.....	21
I.2	Critical and emerging obstacles in inclusive social development.....	23
I.3	Latin America and the Caribbean: the differentiated impact of the pandemic on population groups .....	28
I.4	Latin America and the Caribbean (32 countries): World Bank country classification, 2020–2021.....	32
II.1	Latin America and the Caribbean (7 countries): changes to unemployment insurance and individual unemployment savings accounts introduced in 2020.....	52
II.2	Latin America (4 countries): poverty and extreme poverty, with and without emergency cash transfers, 2019 and 2020 .....	54
II.3	Latin America and the Caribbean (7 countries): examples of changes in access requirements for emergency programmes, 2020 and 2021 .....	57
III.1	The Caribbean (28 countries and territories): number of disasters and population affected, 2000–2021 .....	66

## Figures

I.1	Latin America and the Caribbean: total population, COVID-19 infections and deaths compared to the world .....	24
I.2	Latin America and the Caribbean (41 countries and territories): prevalence of COVID-19 vaccination among the population .....	25
I.3	Latin America (18 countries): poverty and extreme poverty, 1990–2020 .....	26
I.4	Latin America (15 countries): Gini coefficient, 2002–2020 .....	27
I.5	Latin America and the Caribbean (29 countries): gross central government public debt, 2019–2021.....	32
I.6	Latin America (16 countries): central government revenues, spending and overall and primary balances, 2010–2021 .....	33
I.7	Latin America and the Caribbean (28 countries): central government primary balance, 2019 and 2020 .....	34
I.8	Latin America (18 countries): population by per capita income strata, around 2002, 2008, 2017 and 2019.....	38
I.9	Latin America (18 countries): population by per capita income strata, 2019, 2020 and 2021 .....	39
II.1	Latin America and the Caribbean (31 countries): announced emergency non-contributory social protection measures, by type of measure, 1 March 2020–30 June 2021 .....	48
II.2	Latin America and the Caribbean (31 countries): persons in households benefiting from emergency cash and in-kind transfers (1 March 2020–30 April 2021) and conditional transfer programmes (latest year available), simple average by subregion .....	49
II.3	Latin America and the Caribbean (31 countries): distribution of spending on emergency cash and in-kind transfers, March to December 2020–January to June 2021 .....	50
II.4	Latin America and the Caribbean (30 countries): estimated average monthly expenditure on emergency cash and in-kind transfers, March 2020–June 2021.....	51
II.5	Latin America and the Caribbean (6 countries): recipients and disbursements of unemployment insurance and individual unemployment savings accounts, 2010–2020 .....	52
II.6	Latin America (18 countries): poverty and extreme poverty, with and without emergency cash transfers, 2019 and 2020.....	54
II.7	Latin America (20 countries): target population of emergency non-contributory social protection measures, 1 March 2020–30 April 2021.....	59
II.8	The Caribbean (13 countries): target population of emergency non-contributory social protection measures, 1 March 2020–30 April 2021.....	60
IV.A1.1	Latin America and the Caribbean (33 countries): year of creation of each country's current civil protection system .....	108
IV.A1.2	Latin America and the Caribbean (33 countries): coordinating authorities of national civil protection systems.....	109
IV.A1.3	Latin America and the Caribbean (33 countries): role of social development ministries, departments and secretariats in the national civil protection system.....	110

**Boxes**

I.1	Overindebtedness in the middle-income strata: an additional factor of vulnerability.....	36
IV.1	Types of disasters.....	86
IV.2	Destruction of ocean biodiversity and promotion of the blue economy.....	89
IV.3	Disaster risk assessment and planning for resilient and sustainable recovery.....	92
IV.4	Civil society as a key agent of inclusion and protection during disaster crises.....	98
IV.5	Information systems for social protection against the COVID-19 pandemic.....	100
IV.6	Social protection and environmental services.....	103

**Diagrams**

I.1	Social inequality and disasters.....	22
IV.1	Social protection under the United Nations global framework for disasters and climate change.....	85
IV.2	Disasters and their impact.....	88
IV.3	The disaster cycle in time and resources.....	91
IV.4	Social protection in a comprehensive disaster policy system.....	94
IV.5	Logic of inclusive and disaster-resilient social protection.....	96
IV.6	From functions to instruments of social protection.....	97



# Foreword



In recent decades, the frequency and destructive capacity of disasters have increased, irrespective of their origin or the speed at which they unfold. Latin America and the Caribbean is a highly exposed region. Devastating hurricanes buffet the Caribbean islands and the coasts of Central and North America. At the same time, prolonged droughts, affecting vast geographic areas of the Central America Dry Corridor and the Southern Cone, threaten food systems and the safe provision of drinking water for communities, generating new conflicts over the control of this vital resource and access to it. Paradoxically, out-of-season torrential rainfall increasingly catches areas unprepared, causing significant losses and damage. Such phenomena are becoming a structural element that increasingly requires public policies for risk management in general and social protection in particular.

Human-induced climate change plays an incontrovertible role in many of these phenomena. In its most recent report, the Intergovernmental Panel on Climate Change (IPCC) warns that rising global temperature trends are a fact, and there is no longer any possibility of returning to the state of the climate that existed in earlier times. The last window of opportunity involves ensuring that temperatures rise by no more than 1.5°C, to avoid the worst-case scenario predicted by the simulations for the end of this century.

No one is immune from the ravages of a disaster; and the clearest proof of this is the health, social and economic crisis caused by the coronavirus disease (COVID-19) pandemic. This biological disaster has led countries to adopt emergency measures that have had a profound impact on national economies, labour markets and the general welfare of the population. Latin America and the Caribbean has been the hardest hit region; as of October 2021, it accounted for 18.5% of infections and 30.3% of deaths globally, despite having just 8.4% of the world's total population.

This has had a devastating impact on the region's economies. The Economic Commission for Latin America and the Caribbean (ECLAC) has estimated that in 2020 GDP shrank by 6.8%, while the social impact can be encapsulated as a massive withdrawal of women from the labour market, 22 million additional people living in poverty (raising the total to 209 million, 33.7% of the Latin American population) and a 2.9% rise in the Gini coefficient. In short, the region today is more unequal, with more people living in poverty and more women permanently withdrawing from the workforce, owing in part to their increased burden of unpaid care work.

The social impacts of disasters compound the economic losses. Accordingly, coping with disasters—whether or not directly related to climate change—requires a form of governance that applies multisectoral risk management that is not confined to the national emergency response agencies.

In this context of burgeoning change, disaster risk management must include generating capacities to respond and adapt as these phenomena unfold in their different stages. The aim should be to harness permanent and emergency policies in the different sectors and levels of government. Disaster risk management also requires a social protection component to support the adaptation of production processes, along with public and private infrastructure, ecosystem protection, land-use planning and sustainable financing.

Ministries of Social Development play a central role in facilitating risk mitigation, impact containment and transformative recovery from the crises caused by disasters. They are strategically placed to foster the social and institutional resilience of social protection systems to cope with present and future risks. The promotion of social resilience, by strengthening prevention, adaptation and response capacities—especially among the most vulnerable households—is crucial in this regard. Institutional resilience implies strengthening public capacities to address short-, medium- and long-term requirements in a comprehensive and coordinated manner; and it requires institutions based on legal frameworks and management models that fulfil the standards of a quality public policy: effective, efficient, sustainable and transparent.

The functions of social protection in disaster situations, and the institutional role of the ministries of social development, are fundamental for achieving a transformative recovery from the current crisis caused by the COVID-19 pandemic, and to be able to attain a sustainable development path.

At the third session of the Regional Conference on Social Development in Latin America and the Caribbean, the countries approved the Regional Agenda for Inclusive Social Development, which includes a set of axes and lines of action to be implemented, in order to make progress in achieving the Sustainable Development Goals

in the region. With regard to disasters, two clear lines of action serve as the basis for the work presented here: firstly, “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”; and, secondly, “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”. This document also places special emphasis on the role of the region’s ministries and secretariats of social development and equivalent entities.

The COVID-19 pandemic has made these aims even more relevant today. The crisis that has resulted thus also offers an opportunity to move forward with stronger drive and transform our reality in pursuit of sustainable development. The analyses and proposals contained in this position paper are an invitation to the region’s governments to adopt the institutional reforms needed to establish universal, comprehensive, sustainable and resilient social protection systems. In conjunction with disaster management systems, this will make it possible to put adequate preparedness policies in place for future extreme events and to support a rapid, lasting and sustainable recovery.

In addition to the technical and organizational challenges raised by the proposals presented here, the proposals also require political decisions to make it possible to move forward in areas of inclusion and social cohesion, towards new social and fiscal compacts that will make these advances possible and enhance democracy with participation and equality in the region.

Our society is exceeding planetary boundaries. The present crisis is a wake-up call from our planet and a summon to arms for our policies to forge a transformative recovery that places equality at the centre and proceeds towards sustainable development, leaving no one behind.

**Alicia Bárcena**

Executive Secretary

Economic Commission for Latin America  
and the Caribbean (ECLAC)



# Introduction



The coronavirus disease (COVID-19) pandemic has caused an unprecedented impact in Latin America and the Caribbean. What started as a public health crisis has become the worst economic and social crisis in a century and has exposed significant structural gaps in the region's development model. The health catastrophe has impacted on areas as varied as production, economic growth, labour, transport, education, housing and mental health. It is a crisis of global scope, with consequences that are here to stay, along with the challenge of learning to live with those consequences and prepare for possible new epidemics in the years to come. However, it has also created opportunities to strengthen social cohesion by forging new social and fiscal compacts to support a big push for sustainability and progress towards a new development model in line with the 2030 Agenda for Sustainable Development (ECLAC, 2020a).

As of October 2021, the impacts of COVID-19 in the region include nearly 43 million infections; 1.4 million cumulative deaths (WHO, 2021); a contraction of 6.8% in gross domestic product (GDP) in 2020; a 3.4 percentage point rise in the unemployment rate; an increase of 3.2 percentage points in the proportion of the population living in poverty; increasing food insecurity; loss of educational processes, and school dropout (ECLAC, 2020a and 2021). The crisis has turned a spotlight on the matrix of inequality in the region and has exacerbated the differences in income, exercise of rights and well-being in our countries (ECLAC, 2020a).

The pandemic has brought out more clearly the rifts in Latin American and Caribbean societies and the vulnerability of the majority of their populations. The response to the crisis must heal these rifts and foster more egalitarian and resilient societies. The magnitude and depth of the challenges require greater efforts to advance transformative recovery with equality and sustainability.

The COVID-19 crisis has also highlighted the weaknesses and insufficiencies of social protection systems in the region, characterized by unequal access to and fragmentation in protection, with low coverage of the contributory component (in 2019, only 47.2% of employed persons were affiliated with or contributed to pension systems) and limited non-contributory protection, as this focused primarily on mitigating extreme poverty (in 2019, conditional transfer programmes covered an average of 18.5% of the population in the region) (ECLAC, 2021a). Accordingly, the pandemic also represents an opportunity to pursue a new generation of social protection policies that address the challenges—both existing and emerging—in terms of well-being and social rights that our societies are facing.

This disaster of biological origin arose at a time of major changes: some of global scope, such as climate change and the technological revolution, and others of a regional or subregional nature, such as migration and demographic, epidemiological and nutritional transitions (ECLAC, 2019). This has accelerated major processes in the development and use of technologies, expanding the possibilities for e-commerce, teleworking, tele-education and telemedicine, and the production of vaccines and new tools for public policy and the management of social protection (ECLAC, 2020a). With regard to migration, the adjustment pattern has been mixed: in some cases, migration has slowed or migrants have tended to return, but in others it has continued or intensified, as seen in the new wave of unaccompanied children and adolescents in 2021 and the increase in asylum-seekers in Mexico (ECLAC, 2020b). Meanwhile, the pandemic has somewhat overshadowed other processes in the public eye, such as climate change and its consequences, but these have not relented or gone away; on the contrary, their incidence has increased and they have continued to intensify disasters, with impacts on ecosystems and biodiversity (Weiskopf and others, 2020).

Latin America and the Caribbean, like other regions of the world, has seen a steady increase in the frequency of disasters, be they hydrological, meteorological, geophysical, climatological or biological in origin (ECLAC, 2014; Bello, Bustamante and Pizarro, 2020). Moreover, in some cases, the increased frequency and intensity of disasters has led to prolonged social, economic and environmental crises that jeopardize the possibility of recovery and the viability of advancing towards the Sustainable Development Goals (SDGs) (ECLAC, 2020a).

Of particular concern is the ongoing crisis experienced today by the Caribbean, largely comprised of small island developing States, where recurrent hurricanes, water pollution, drought and volcanic eruptions, in combination with their high indebtedness, have significant impacts on infrastructure and quality of life. Added to this subregion's particular challenges related to its vulnerability and exposure to the effects of climate

change and sea level rise, most of the Caribbean economies are fragile, depending heavily on tourism and related services. As a result, there is significant exposure to risk that affects economic growth and employment opportunities, as witnessed during the pandemic.

According to information contained in The International Disaster Database (EM-DAT) compiled by the Centre for Research on the Epidemiology of Disasters (CRED) of the Catholic University of Louvain (Belgium), approximately 3,570 disasters occurred in Latin America and the Caribbean between 1960 and 2020. It is estimated that around 573,000 people died and 321 million were affected by these events. Over the same period, economic damages have been estimated at nearly US\$ 328 billion (CRED, 2021, cited in Cecchini, Holz and Robles, 2021). For example, specific estimates placed the economic impact in Guatemala from the passage of Hurricanes Eta and Iota at equivalent to 0.95% of GDP in 2019 (Bello and Peralta, 2021).

The Caribbean is particularly exposed to climate-change-related or climate-change-induced hazards, and disasters have a significant impact on national economies. In terms of the macroeconomic impact of disasters, 9 of the 10 countries and territories most impacted in GDP terms anywhere in the world during the period 2000–2019 are in the Caribbean. A single event can derail an entire country's economic trajectory, as was the case when Hurricane Maria struck Dominica in 2017, causing damage and losses equivalent to 226% of the country's GDP (UNDRR/CRED, 2019). The situation in Haiti is of particular concern owing to the recurrence and diversity of disasters, presenting major institutional challenges and serving as a call for action in the region.

These disaster-generating and crisis-producing events worsen inequalities, as lower-income households are more vulnerable (as they are more exposed to risks and have less autonomous capacity to protect themselves from disaster impacts and to recover their assets). This contrasts with the fact that they are the households that contribute the least to greenhouse gas emissions. These groups include those living in poverty and extreme poverty (33.7% in 2020), but also the non-poor low-income group (26.6% in 2020) and the middle-income group (41.2% in 2020), which have limited capacity to cope with large-scale disasters and lack access to social protection systems. The COVID-19 pandemic has laid this situation, bare in the region: given the proportion of the population that has needed government support, and despite the emergency policies implemented, the impact of economic and labour mobility restrictions has pushed 21 million people into poverty (ECLAC, 2021b) and has increased the vulnerability of the middle sectors, limiting their ability to recover in a sustainable manner.

The increasing recurrence and intensity of disasters and the multidimensionality of their impacts in the region have heightened the need to move, not without difficulty, towards a comprehensive approach that not only addresses disasters, but also emphasizes the role of prevention. To this end, over the past two decades, proposals have been developed that have highlighted the importance of social protection systems in dealing with emergencies triggered by disasters. These include approaches such as disaster risk management, shock-responsive social protection (OPM, 2015; Beazley, Solórzano and Barca, 2019) or adaptive social protection (Davies and others, 2009; Bowen and others, 2020), which have taken various forms in public policy and international cooperation. The social impacts generated by disasters show that there is still a long way to go in this area in the region, and that the COVID-19 crisis itself may constitute an opportunity to make a substantive shift towards linking protection with a transformative recovery approach, which not only contains and mitigates the impacts, but also strengthens the population to face new challenges and opportunities, with dual inclusion (labour and social), as required by sustainable development.

The 2030 Agenda is more relevant today than ever. In the face of the profound impacts of the crisis, it will be necessary to redouble efforts to achieve the SDGs and tackle inequality, which represents one of the main barriers to their achievement in the region. Moreover, rising inequality has been a key driver of increasing social and political tensions in recent times.

The region is currently at a critical juncture of great uncertainty; it is suffering significant and recurrent impacts of disasters and the crises they cause, but at the same time there is a growing conviction that these must be dealt with in a sustainable and collaborative manner, paving the way for significant advances in social protection and disaster management that help to develop dual resilience.

As emphasized in this document, a transformative recovery with equality that meets the challenge by seizing opportunities will require public policy decisions in the area of social protection to ensure income security to achieve basic levels of well-being, with food and nutrition security and access to education and health for the entire population. It will also be necessary to ensure access to quality basic services (water, sanitation, electricity and Internet) and to put forward innovative investment proposals to universalize care and decent housing, with social inclusion and decent work. All these initiatives, if dealt with in a comprehensive manner as proposed here, support progress towards achieving the social dimension of the 2030 Agenda and produce important synergies with economic growth and environmental stewardship. This requires the region to continue its efforts to achieve robust social institutions, sustainable financing, regional integration and multilateralism.

The analytical work and the deliberations and agreements that the countries have pursued within the framework of the Regional Conference on Social Development in Latin America and the Caribbean have positioned the Conference as a key forum for making this leap. Likewise, the Regional Agenda for Inclusive Social Development, adopted at the third session of the Conference in Mexico City in 2019, provides an enabling framework to achieve social and fiscal compacts that underpin progress towards welfare states with universal, comprehensive, sustainable and resilient social protection systems, in which a central place is afforded to the prevention, containment and mitigation of the impact of disasters, coupled with a transformative recovery approach, thus aligning with the objective of strengthening public policy to advance the social dimension of the SDGs.

The lines of action of the first axis of the Regional Agenda for Inclusive Social Development include “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” (ECLAC, 2020c).

This document seeks to explore these aspects in greater depth, and discusses various alternatives for implementing some of the lines of action of the Regional Agenda, in relation to the role that social protection must play in dealing with disasters, with an approach geared towards a transformative recovery with equality and sustainability. The first chapter presents an analysis of the matrix of social inequality and the Regional Agenda for Inclusive Social Development in the context of the COVID-19 pandemic, the new empirical data that have emerged on the vulnerability of the population and the way in which the different axes of inequality have influenced the direct and indirect effects of the pandemic in the region, with a special focus on the situation of the middle-income strata.

The second chapter gives an overview of the responses of the region’s governments to the pandemic and how they have managed their social protection systems to cope with an emergency that has developed into a protracted crisis. It highlights the challenges faced, the innovations generated and the lessons learned over the past two years, and concludes with a set of conclusions and recommendations in the field of non-contributory social protection.

The third chapter provides an overview of the crisis situation in the Caribbean in relation to disasters. It draws attention to the vulnerabilities of this subregion, marked by hurricanes, droughts, volcanic eruptions and earthquakes, as well as a complex fiscal situation due to its indebtedness. This is contrasted with the space of public policy, the institutional framework developed in the countries and regional cooperation to address these vulnerabilities.

The fourth chapter presents a conceptual discussion of the various types of disasters, the characteristics of their evolution and impact, and the challenges or requirements they impose on public policy in general and social protection in particular. This is then complemented with a proposed approach to the treatment of disasters in social protection systems, incorporating the principles of universality, comprehensiveness, sustainability, dual resilience and transformative recovery. This, in turn, is linked to the opportunities and challenges to be faced to provide a big push for sustainability in the social dimension.

The fifth and final chapter focuses on proposals for making progress with regard to social protection and disasters and promoting inclusion, equality and sustainability, based on the lines of action of the Regional Agenda

for Inclusive Social Development (ECLAC, 2020c), highlighting specific actions that ministries and secretariats of social development can take or support in order to prevent and mitigate the damage caused by disasters and increase the resilience of institutions and the population, with the aim of achieving a transformative recovery with equality and sustainability. The chapter closes by highlighting the opportunity offered by the crisis to move towards new social compacts and fiscal covenants capable of endowing social protection with financial sustainability and building a welfare state with social protection systems that are universal, comprehensive, sustainable and dually resilient to disasters.

## Bibliography

- Beazley, R., A. Solórzano and V. Barca (2019), *Study on Shock-Responsive Social Protection in Latin America and the Caribbean: Summary of Key Findings and Policy Recommendations*, Oxford, Oxford Policy Management (OPM)/World Food Programme (WFP).
- Bello, O. and L. Peralta (coords.) (2021), *Evaluación de los efectos e impactos de las depresiones tropicales Eta y Iota en Guatemala* (LC/TS.2021/21), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bello, O., A. Bustamante and P. Pizarro (2020), "Planning for disaster risk reduction within the framework of the 2030 Agenda for Sustainable Development", *Project Documents* (LC/TS.2020/108), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bowen, T. and others (2020), *Adaptive Social Protection: Building Resilience to Shocks*, International Development in Focus, Washington, D.C., World Bank.
- Cecchini, S., R. Holz and C. Robles (2021), "Los sistemas de protección social ante desastres", *Gestión e institucionalidad de las políticas sociales para la igualdad en América Latina y el Caribe. Caja de herramientas*, Cecchini, S., R. Holz and H. Soto de la Rosa (coords.) Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), forthcoming.
- CRED (Centre for Research on the Epidemiology of Disasters) (2021), EM-DAT International Disaster Database [online] [www.emdat.be](http://www.emdat.be).
- Davies, M. and others (2009), "Climate change adaptation, disaster risk reduction and social protection: Complementary roles in agriculture and rural growth?", *IDS Working Paper*, No. 320, Brighton, Institute of Development Studies, University of Sussex.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2021a) *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago.
- \_\_\_\_\_(2021b), "The recovery paradox in Latin America and the Caribbean: growth amid persisting structural problems: inequality, poverty and low investment and productivity", *COVID-19 Special Report*, No. 11, Santiago, July.
- \_\_\_\_\_(2020a), "The social challenge in times of COVID-19", *COVID-19 Special Report*, No. 3, Santiago, May.
- \_\_\_\_\_(2020b), "The impact of COVID-19: an opportunity to reaffirm the central role of migrants' human rights in sustainable development", *COVID-19 Reports*, Santiago, November.
- \_\_\_\_\_(2020c), *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago.
- \_\_\_\_\_(2019), *Critical obstacles to inclusive social development in Latin America and the Caribbean: background for a regional agenda* (LC/CDS.3/3), Santiago.
- \_\_\_\_\_(2014), *Handbook for Disaster Assessment* (LC/L.3691), Santiago.
- OPM (Oxford Policy Management) (2015), "Working paper 1: conceptualising shock-responsive social protection", *Shock-Responsive Social Protection Systems Research*, Oxford.
- UNDRR/CRED (United Nations Office for Disaster Risk Reduction/Centre for Research on the Epidemiology of Disasters) (2019), *The human cost of disasters: an overview of the last 20 years (2000-2019)*, Geneva.
- Weiskopf, S. and others (2020), "Climate change effects on biodiversity, ecosystems, ecosystem services, and natural resource management in the United States", *Science of the Total Environment*, vol. 733, No. 1, September.
- WHO (World Health Organization) (2021), "WHO Corona Virus Dashboard" [online] <https://covid19.who.int/table>.



## CHAPTER

# I

# The COVID-19 pandemic and its aftermath: a health disaster seen through the lens of the social inequality matrix and the Regional Agenda for Inclusive Social Development

## Introduction

- A. Pandemic and other disasters in the light of the social inequality matrix
- B. Direct and indirect social effects of the pandemic
- C. The middle-income strata: a population that while (initially) not poor, is highly vulnerable to poverty in a protracted crisis
- D. Concluding remarks

## Bibliography



## Introduction

The coronavirus disease (COVID-19) pandemic erupted globally in 2020, almost simultaneously disrupting the health, economies, well-being, coexistence and sense of security of societies across the world. With the common denominator of uncertainty, a period of crisis began on multiple fronts. The first was the health sector, which made successive attempts to contain outbreaks of contagion and treat the most serious cases with medical infrastructure that was forced to adapt quickly and treatments that were being tested in real time. Lockdown measures paralysed economic activity and caused massive job losses and rising poverty levels, while the suspension of face-to-face activities at care facilities, schools and universities forced education systems to experiment with distance education mechanisms, with varying and unequal levels of coverage and connectivity among the population. The emergency phase then gave way to a prolonged crisis, apace with the unpredictable evolution of one or more waves of contagion, even after mass vaccinations began in early 2021.

The health crisis and its aftermath highlighted the vast vulnerabilities and inequalities that already existed in the countries of Latin America and the Caribbean. First, although everyone was exposed to the disease and its consequences, the possibility of abiding by containment measures, the degree of exposure and the availability of effective access to health services have been highly unequal, depending on the various structuring factors of what the Economic Commission for Latin America and the Caribbean (ECLAC) has called the social inequality matrix. In general, these factors determine access to well-being and the exercise of rights, as well as the level of exposure to various risks (ECLAC, 2016a). In the early days, for example, age was identified as a leading risk factor in the pandemic, with older people most vulnerable to complications and death from the disease. As the pandemic dragged on, other age groups also began to face those difficulties. For example, in a context of unequal public health coverage, territorial location has been a determining factor for access to timely diagnoses and treatment during this health crisis. With gaps in coverage and overloaded public services, differences in access are again determined by socioeconomic level. Even the ability to comply with isolation and quarantine measures has been extremely uneven. For many productive activities in the informal sector, on which large sectors of the population depend, the suspension of work was tantamount to renouncing subsistence, thus posing a harsh choice between exposure to contagion or forgoing livelihoods. In addition to widening inequalities within countries, the pandemic has also highlighted inequalities from one country to the next, especially in terms of access to and the ability to acquire vaccines, treatments and medical supplies.

Despite all its specificities and the magnitude of its negative impact, this pandemic must not be seen as an isolated event. Although unique in its characteristics, this biological disaster is another in the range of catastrophic events to which the region is exposed, the occurrence of which is increasing due to a series of factors including climate change, environmental degradation and biodiversity loss. Disasters are the consequence of natural phenomena triggering processes that lead to physical damage, cause losses of human lives and capital assets, upturn the lives of communities and individuals and disrupt economic activities in the affected territories (ECLAC, 2014). As will be seen in chapter IV, the catastrophic nature of such natural phenomena does not derive from the event itself, but rather from the vulnerability of societies to their impact. As with the pandemic, exposure to various types of disasters, their associated risks and the capability to cope with them are very unequal within the region's societies and from one country to the next. As a result, their impact on well-being and the enjoyment of rights also varies considerably, in line with the patterns of exclusion and discrimination that characterize social inequality in the region, with widely different effects in the social, territorial, economic and sectoral dimensions.

Section I.A below discusses disasters in greater detail in the light of the analytical framework provided by the social inequality matrix, examining the critical obstacles to inclusive social development that the Regional Agenda for Inclusive Social Development takes as the foundation for its pillars and policy measures and emphasizing the ways in which disasters intensify those challenges. Section I.B uses selected data to illustrate the recent pandemic's impact on various aspects of well-being (such as health, employment, poverty and inequality) and to highlight some specific repercussions on certain population groups. Section I.C explores the pandemic's impact on middle-income strata, showing their considerable vulnerability to poverty from a protracted crisis and, in some countries, high levels of indebtedness.

## A. Pandemic and other disasters in the light of the social inequality matrix

### 1. The social inequality matrix: a framework for analysing the pandemic's impact

Inequality is a negative trait that has historically been present in Latin American and Caribbean societies, a source of concern and unease for individuals, a long-standing structural phenomenon and a central obstacle to the exercise of rights and to inclusive social development. Analysing it requires taking into account the multiple areas of rights and well-being where it manifests itself, as well as the various determinants that perpetuate it: from aspects of the productive structure to its cultural roots in people's mindsets, within both social relations and institutionalized practices that generate dynamics of discrimination and exclusion (ECLAC, 2016a). Inequality is past and present. Although colonial origins determined the starting point for the great inequality (highly hierarchical societies in social, economic and racial terms) in the formation of modern Latin American societies, several subsequent structural factors have contributed to perpetuate it. A central role in this has been played by the culture of privilege: the tendency —among both those who are disadvantaged and those who, in contrast, enjoy privileged positions— to accept colossal inequalities as part of the status quo.

The other related factor is the heterogeneous production structure that has historically characterized the region's countries. The foundation of the social inequality matrix is a highly segmented and poorly diversified productive apparatus in which most jobs and productive resources depend on low-productivity activities, while high-productivity sectors are generally associated with a culture of privilege (ECLAC, 2016b and 2017). At the same time, inequality in all its manifestations not only affects the social component of development, but is also a brake on the economic and environmental dimensions and, therefore, an obstacle to sustainable development as a whole (ECLAC, 2018). Moreover, there is a "growing consensus that inequality is an enemy of productivity, learning and innovation" (ECLAC, 2020a, p. 14).

Although structural heterogeneity is a long-standing problem, ECLAC has highlighted the central role of three simultaneous crises that have occurred in recent years: the crisis of low growth and instability, the crisis of inequality and the environmental crisis. All these fuel enormous internal and external tensions and underscore the need to adopt a less unequal and more sustainable development model (ECLAC, 2020a). From the perspective of the Latin American and Caribbean periphery, these three crises reflect those of the international system itself: "weak growth in a global economy that reproduces technological and productive asymmetries, forcing deficit-running economies to adjust through lower growth rates; unequal economic structures that cannot generate high-productivity formal jobs and allow the concentration of political and economic power; and the destruction of the environment in economies that depend on natural-resource exports to sustain growth and imitative consumption patterns" (ECLAC, 2020a, p. 22). The two-way causality between equality and growth is highlighted in this analysis: "technological and productive lags feed inequality because they limit growth and the creation of higher productivity jobs; but inequality in turn limits growth because it builds economic and political barriers to the dissemination of technology to the entire production fabric" (ECLAC, 2020a, p. 21).

As noted at the first meeting of the Presiding Officers of the Regional Conference on Social Development in Latin America and the Caribbean (ECLAC, 2016a), the main axes that structure and reproduce the social inequality matrix in the region are socioeconomic status, gender, ethnicity and race, territory and age (different stages in the life cycle).<sup>1</sup> Other important factors include migration status, disabilities and sexual orientation and gender identity. These factors intersect with and feed off each other, generating large gaps in areas such as access to income, paid work, social protection and care, education, health and basic services. Those gaps also manifest themselves in other areas, such as the enjoyment of a life without violence or insecurity, time distribution, political participation and access to decision-making, and the right to a healthy environment (see table I.1).

<sup>1</sup> The structural axes of social inequality respond to the structural dynamics of social exclusion and discrimination. These processes of exclusion and discrimination combine and reinforce each other, resulting in large gaps in well-being and in the exercise of rights. For example, the probability of living in poverty is much higher for an indigenous girl from an agricultural family in a rural area than for a 35-year-old non-indigenous or non-Afrodescendent male employed in the service sector and living in the capital city of any country in the region.

**Table I.1**

Latin America and the Caribbean: social inequality matrix, components and conceptual referents

Conceptual bases	Social inequality matrix in Latin America and the Caribbean	
	Structuring axes	Impacted aspects of well-being and rights
<ul style="list-style-type: none"> <li>• Structural heterogeneity (unequal and unsustainable production matrix)</li> <li>• Culture of privilege</li> <li>• Concept of equality               <ul style="list-style-type: none"> <li>- Equality of means (income and productive resources)</li> <li>- Equality of rights</li> <li>- Equality of capabilities</li> </ul> </li> <li>• Autonomy and reciprocal recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Socioeconomic level</li> <li>• Gender</li> <li>• Race and ethnicity</li> <li>• Age</li> <li>• Territory</li> </ul> <p>Other factors:</p> <ul style="list-style-type: none"> <li>• Disability status</li> <li>• Migratory status</li> <li>• Sexual orientation and gender identity</li> </ul>	<ul style="list-style-type: none"> <li>• Income</li> <li>• Work and employment</li> <li>• Social protection and care</li> <li>• Education</li> <li>• Health and nutrition</li> <li>• Basic services (water, sanitation, electricity, housing, transport, information and communication technologies)</li> <li>• Citizen security and a life free of violence</li> <li>• Time distribution</li> <li>• Participation and decision-making</li> <li>• Healthy environment</li> </ul>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC. *Building a New Future: Transformative Recovery with Equality and Sustainability* (LC/SES.38/3-P/Rev.1), Santiago, 2020; *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018; *Horizons 2030: Equality at the Centre of Sustainable Development* (LC/G.2660/ Rev.1), Santiago, 2016; *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)), Santiago, 2016; *Compacts for Equality: Towards a Sustainable Future* (LC/G.2639), Santiago, 2014; *Structural Change for Equality: An Integrated Approach to Development* (LC/G.2524(SES.34/3)), Santiago, 2012, and *Time for Equality: Closing Gaps, Opening Trails* (LC/G.2432(SES.33/3)), Santiago, 2010.

In this context, care, education, health and social protection must be seen as human rights and as an investment, and social policies must be viewed as “key pieces for realizing rights, expanding well-being and building the capacities required to integrate all stakeholders into higher productivity formal employment and innovation, thus accelerating technical progress” (ECLAC, 2020a, p. 20), in a comprehensive way and not merely as palliative measures.

Together with the culture of privilege and the implications of the productive structure, the emphasis on the effective enjoyment of rights highlights not only the inequality of capabilities and opportunities among people, but also the inequalities in the outcomes of social and economic processes (Atkinson, 2015). This requires addressing and reducing inequalities in both people’s capabilities and in the means available to them (such as income, resources and income-generating assets and capital). This emphasis on equality of rights, means and capabilities is complemented by the subjective nature of well-being: in particular, the way in which people are treated and perceive that treatment, and the extent to which they possess autonomy for the exercise of their freedom, their rights and the definition of their identities.

In order to reduce inequality, inclusive social development policies must be geared towards overcoming the gaps in access to rights generated by social inequalities in the region, taking into account the factors that structure and reproduce them. The challenge for social policy is therefore to reduce inequality, raise well-being and support capacity-building, as part of a systemic approach to close the three gaps of low growth and instability, high inequality and environmental degradation, and thus advance the idea of the big push for sustainability (ECLAC, 2020a). This is even more pressing today, amidst the pandemic and prolonged crises.

## 2. Disasters, poverty and the social inequality matrix in the region

The recurrence of disasters and their impact could be one of the barriers to overcoming poverty and reducing inequality. That impact varies according to the level of exposure and the vulnerability of people and human settlements. Moreover, the very occurrence of disasters widens gaps that already existed.

All individuals and communities are exposed to a series of daily risks that are not disaster-related, but arise from other structural factors present prior to the event (e.g. a degree of food insecurity, the risk of certain diseases or of shocks due to fluctuations in economic and political cycles). Also present is the risk —be it large or small— of being impacted by a disaster. The frequency and magnitude of these events vary according to the specific characteristics of each territory, but vulnerability to their effects is also related to the level of exposure and to the resources for

coping with them available to individuals and communities (UNDRR, 2021). In our societies, risk is also unequally distributed, as are the effects and impact of disasters. As described in chapter IV, without adequate prevention, the capacity for an immediate response and resilience to disasters, continued exposure to these events can translate into a vicious cycle of poverty and inequality, inefficient use of resources and increased repercussions.

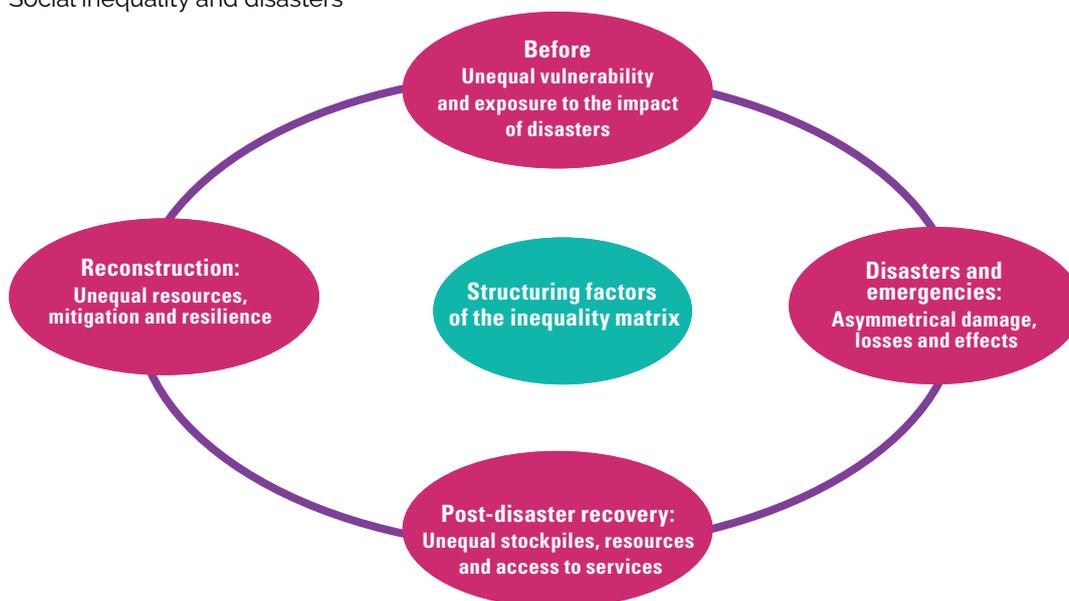
When a disaster occurs, its immediate effects include increased mortality and health problems (injuries, illnesses and others), damage to homes and their contents (food stocks, work tools, merchandise, savings and personal assets), local infrastructure, crops and livestock, and businesses and workshops. This first shock causes immediate damage to people's incomes, health, assets and capital, which plunges those who were already poor even deeper into poverty and may precipitate others into the same situation, in both cases for more or less lengthy periods, depending on their capacities and resources and the external support they receive for repairs and reconstruction.

In the absence of sufficient individual and institutional capacities to prevent, mitigate and cope with exposure to risks, disasters fuel a downward spiral of well-being and deprivation, severely limiting the medium- and long-term possibilities for improved living conditions and for overcoming poverty and inequality.

Disasters disproportionately affect people in accordance with existing patterns of inequality, thereby widening the existing gaps. The factors underlying risk arise from processes such as poor management and planning of urban, rural and regional development, environmental degradation, poverty, climate change and weak governance, together with the asymmetrical way in which those factors affect different people. Thus, one central link between disasters and inequality relates to the unequal social, economic and territorial distribution of risk and exposure to the effects of disasters, and of the ability to subsequently overcome and prevent them through increased resilience, i.e. through a reduction in the risk of potential future disasters and in exposure to them (UNDRR, 2015) (see diagram I.1). These linkages are discussed in greater detail in chapter IV.

**Diagram I.1**

Social inequality and disasters



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

### 3. The health crisis and other disasters exacerbate the critical obstacles facing inclusive social development

In order to respond in full to the goals of the 2030 Agenda for Sustainable Development, with which the social dimension is deeply intertwined, ECLAC has highlighted some of the key factors that persistently hinder the improvement of well-being and inclusion in the various areas of social development, so that no one is left behind.

In parallel to the multiple expressions of the social inequality matrix, there are seven critical obstacles that directly impede the attainment of inclusive social development; they are interrelated and must be addressed in concert by social policies. In addition, a set of five emerging obstacles also exists: major challenges that indirectly determine the achievement of better outcomes for inclusive social development (ECLAC, 2019a) (see table I.2). The joint analysis of these critical obstacles contributed to the devising of the Regional Agenda for Inclusive Social Development.

**Table I.2**  
Critical and emerging obstacles in inclusive social development

Critical obstacles
1. Deeply rooted poverty and vulnerability to poverty
2. Structural, unjust and inefficient inequalities, and the culture of privilege
3. Gaps in human capacity-development (in education, health, nutrition) and in access to basic services
4. Deficits in decent work and uncertainties linked to technological changes in the world of work
5. Still partial and unequal access to social protection
6. A social institutional framework that is still under construction
7. Insufficient social investment
Emerging obstacles
1. Different forms of violence
2. Disasters and climate change
3. Demographic, epidemiological and nutritional transitions
4. Migration at the crossroads of inclusive social development
5. Changes in technologies and capabilities

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Critical obstacles to inclusive social development in Latin America and the Caribbean: background for a regional agenda* (LC/CDS.3/3), Santiago, 2019.

While these critical obstacles were already increasing the population's vulnerability and distancing the region even further from meeting the 2030 Agenda before the current crisis, the pandemic has exacerbated them and underscored the magnitude of their negative impact on well-being and development. They also continue to guide the design and orientation of public policies. First, it should be noted that disasters —such as the one that triggered the current global pandemic crisis— are one of the critical obstacles identified by ECLAC. As will be seen below, its effects are further complicating several other of the critical obstacles (poverty, inequality, skills gaps and deficits in decent work). At the same time, the relevance of several of these obstacles is confirmed by the way they limit the ability of policies to respond to the crisis, as in the case of unequal and partial access to social protection, weak social institutions and insufficient social investment.

Pandemics and disasters stand at the forefront among the emerging obstacles because of their recurrent destabilizing effect and their capacity to destroy well-being. Some of the emerging obstacles are becoming more acute, such as gender-based violence and violence against children and adolescents, or the even greater vulnerability faced by migrants, especially irregular ones. In other cases, they intertwine with the effects of the pandemic to deepen social gaps, as is the case with new technologies and unequal access to them among students from different social strata, or with demographic, epidemiological and nutritional transitions to determine some of the population groups in each country most vulnerable to infection and with the severest symptoms and repercussions.

Sections I.B and I.C examine the effects of the current pandemic and show how the situation is putting a strain on specific dimensions of well-being and rights while, at the same time, asymmetrically affecting certain groups, highlighting or widening existing inequality gaps.

## B. Direct and indirect social effects of the pandemic

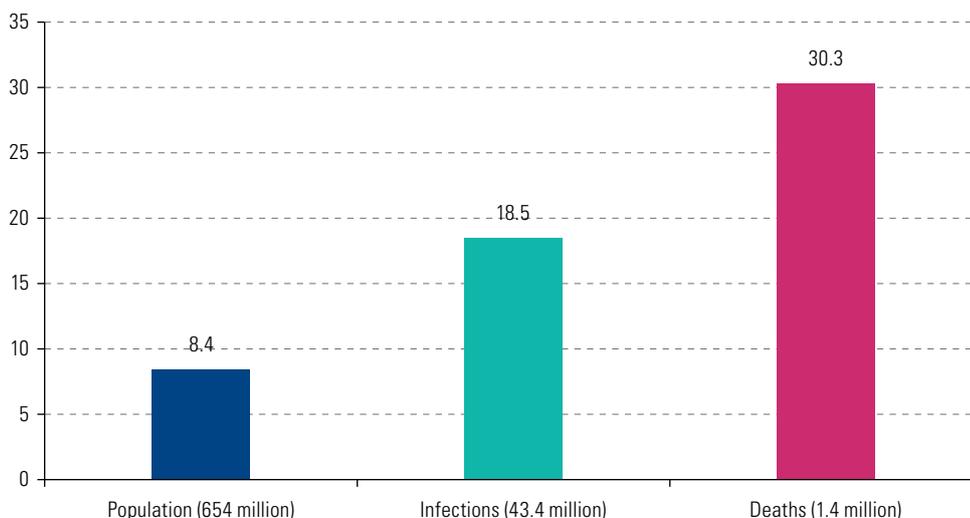
### 1. Health effects of the pandemic

Latin America and the Caribbean have been strongly impacted by the COVID-19 pandemic in a number of areas. In particular, people's health and well-being have been hit hard. Over the course of this health crisis, the region's countries have proven to be particularly vulnerable, with an overrepresentation of its population

among total COVID-19 infections and deaths. Thus, although Latin America and the Caribbean make up 8.4% of the world's population (United Nations, 2019), the region has accounted for 18.5% of total infections and 30.3% of total deaths due to COVID-19 (see figure I.1).

**Figure I.1**

Latin America and the Caribbean: total population, COVID-19 infections and deaths compared to the world  
(Percentages and millions of people)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), WHO Coronavirus (COVID-19) Dashboard [online database] <https://covid19.who.int/> [accessed on 1 October 2021].

The health sectors of the region's countries were already weak before the outbreak of the pandemic, with underfunded, segmented and fragmented systems, high barriers to access and gaps in coverage (ECLAC/PAHO, 2020). The immense additional pressure that COVID-19 has brought to bear on health systems has meant that the pandemic's health consequences go beyond the impact of the coronavirus disease. According to data collected by the World Health Organization (WHO), the emergence of COVID-19 caused a global trend of health service disruptions (WHO, 2021). For example, there was a decrease in routine medical check-ups and a reduction in health promotion programmes and services. In the case of Latin America and the Caribbean, almost half the countries that answered the WHO survey reported having experienced interruptions in essential health services, including sexual and reproductive health services, maternal, child and adolescent health, nutrition, immunization, communicable and non-communicable diseases and, most importantly, mental and neurological health services.<sup>2</sup>

Although the prolonged duration of the health crisis means that the medium- and long-term impact that the neglect of diseases other than COVID-19 will have on public health cannot yet be estimated, the consequences are very likely to be felt unevenly across different population groups, given that those living in more vulnerable situations tend to have worse health outcomes. Moreover, because some of the health services that were suspended focused directly on women and girls —reproductive health, for instance— the physical autonomy of many women (especially those on lower incomes) has been put at risk.

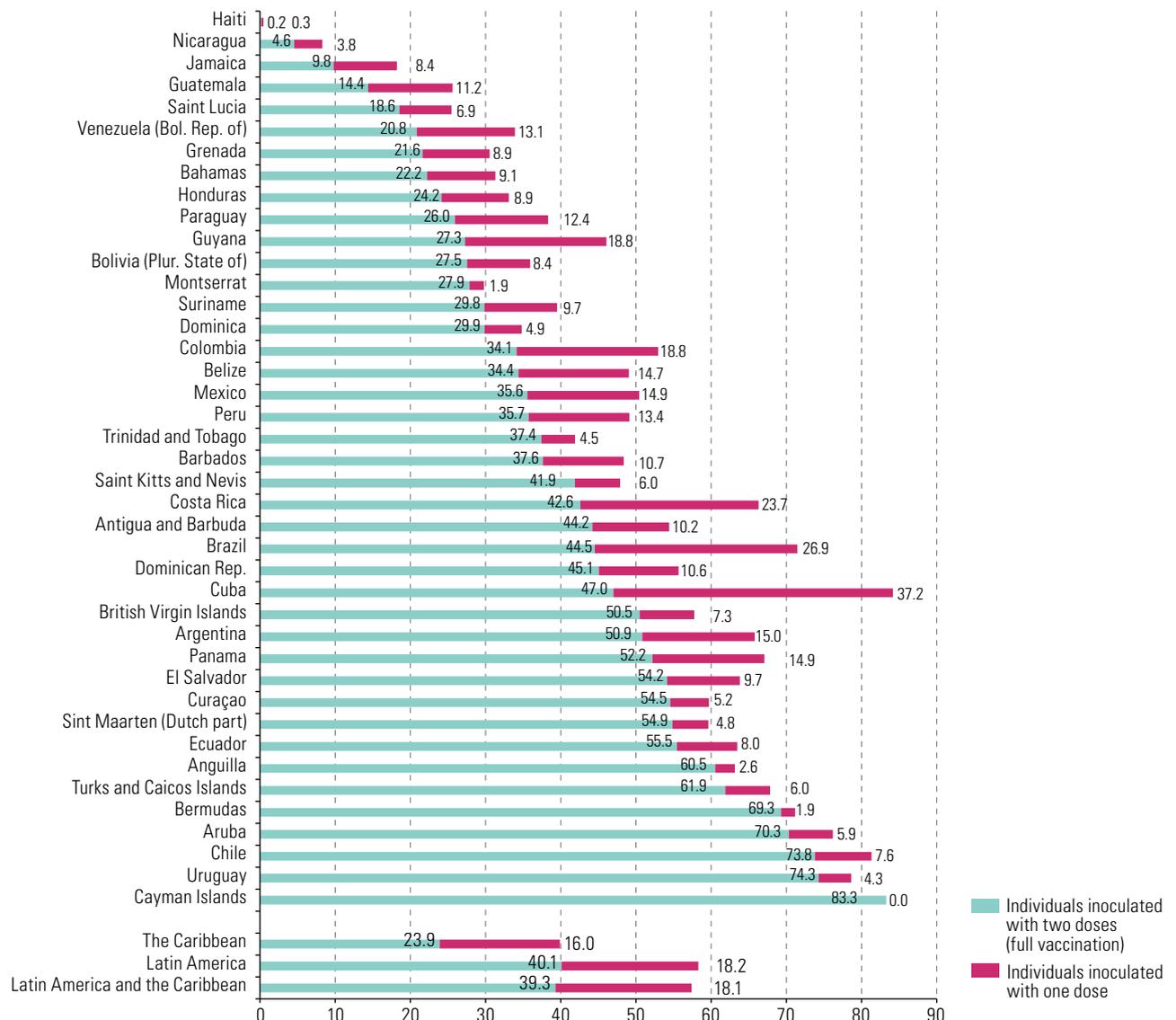
This inequality is mainly due to the weight of the social determinants of health and the social inequality matrix in Latin America and the Caribbean, the importance of which has been revealed through the preliminary correlation of COVID-19 incidence and mortality with socioeconomic status and ethnic and racial origin (Baqui and others, 2020; Bilal, Alfaro and Vives, 2021; Mena and others, 2021; Macchia and others, 2021; Rocha and others, 2021; Cifuentes and others, 2021). In turn, differences in countries' levels of institutional development and response policies have determined the different ways in which the pandemic and its impacts have been addressed.

<sup>2</sup> A total of 29 Latin American and Caribbean countries responded to the WHO survey.

Against that backdrop, ECLAC and the Pan American Health Organization (PAHO) have emphasized the need to guarantee the right to health through health policies and intersectoral interventions that take account of the social and economic determinants of health and of the importance of moving towards universal access to high-quality essential health services and ensuring health funding equal to at least 6% of GDP (ECLAC/PAHO, 2020). The central importance of the health dimension lies in the fact that only once the health crisis has been brought under control will the region's countries be able to focus on sustainable economic recovery and overcome their deep social and economic crisis. Accordingly, ECLAC has stressed the urgent need to step up COVID-19 vaccination processes, which are one of the main tools in stopping or significantly reducing contagion. However, progress with inoculations has been characterized by sluggishness and wide disparities between countries, suggesting that the target of vaccinating 70% of the region's total population during 2021 will not be met (ECLAC, 2021a). As shown in figure I.2, during the first 10 months of 2021, the only countries and territories showing levels of progress in line with meeting that target this year are the Cayman Islands, Bermuda and Aruba in the Caribbean, and only Chile and Uruguay in Latin America.

**Figure I.2**

Latin America and the Caribbean (41 countries and territories): prevalence of COVID-19 vaccination among the population  
(Percentages of total population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Our World in Data [online] <https://ourworldindata.org/> [accessed on 1 October 2021].

## 2. Impact of the pandemic on poverty, inequality and employment

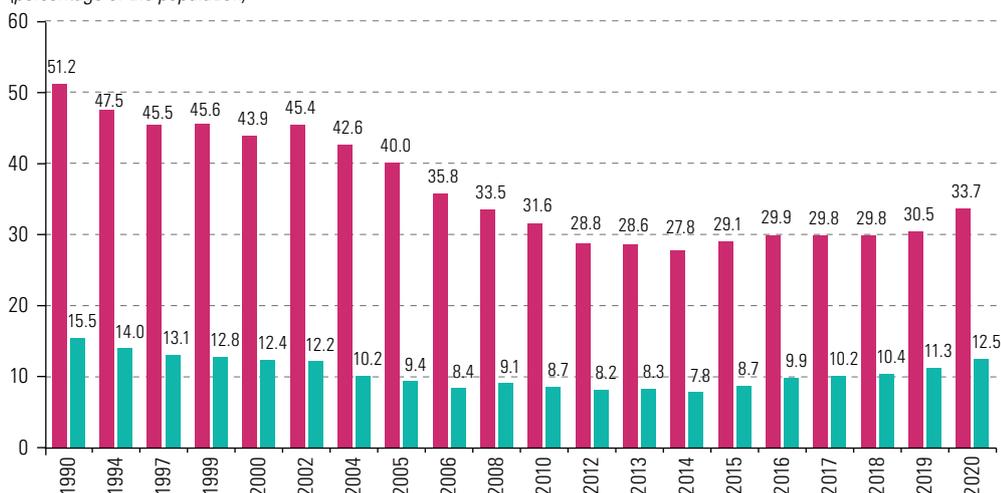
ECLAC calculates that the progress made over the past 12 years and 20 years in reducing poverty and extreme poverty, respectively, will have been lost in Latin America and the Caribbean. In 2020, poverty and extreme poverty rates in Latin America are likely to have increased to 33.7% and 12.5% of the population, respectively, for totals of 209 million and 78 million people (see figure I.3) (ECLAC, 2021a).

**Figure I.3**

Latin America (18 countries): poverty and extreme poverty, 1990–2020

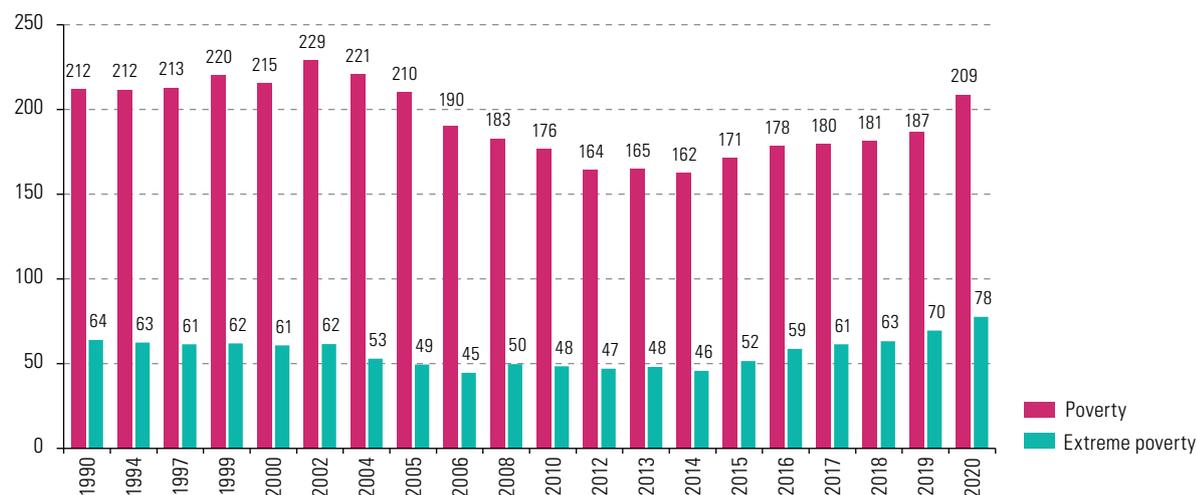
### A. Poverty and extreme poverty rates

(percentage of the population)



### B. People living in poverty and extreme poverty

(millions)



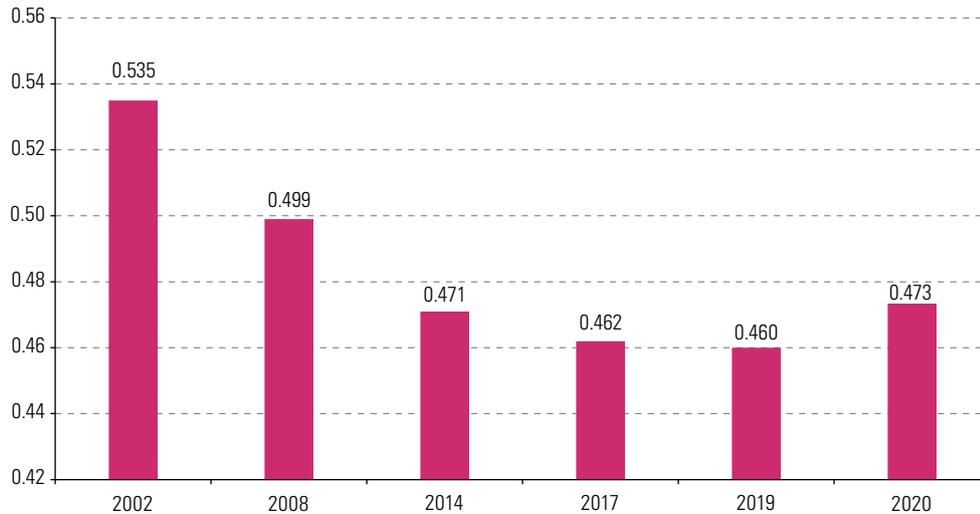
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

Income inequality has always been an inexcusable characteristic of the region. In 2019, Latin America reported a Gini coefficient of 0.460, which was 9.7 points higher than the average of 0.365 reported by the member countries of the Organisation for Economic Co-operation and Development (OECD) (OECD and others, 2019) (see figure I.4). The pandemic is also likely to have deepened pre-existing income inequality. ECLAC estimates that owing to the impact of the COVID-19 pandemic, the Gini coefficient for 2020 will be 0.473, reversing the downward trend that the region had been exhibiting since the start of the century. This is because job losses impacted household incomes

directly, but unevenly across different social strata: according to ECLAC projections, in 2020, 5.7% of people in the first income quintile stopped receiving labour income, compared to 0.7% in the fifth quintile (ECLAC, 2021a). At the same time, falling demand and the inability to work are likely to lead to a 42% contraction in labour income among the first quintile, against a 7% drop in income in the fifth quintile (ECLAC, 2021a).

**Figure I.4**

Latin America (15 countries): Gini coefficient, 2002–2020



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

**Note:** The figure for 2020 is an estimate.

The contraction in economic activity due to the COVID-19 pandemic amounted to 6.8% of GDP in 2020 (the largest for a century). This had a direct impact on jobs and the unemployment rate, which rose by 2.5 percentage points, taking the regional average to 10.5% (ECLAC, 2021e). The report *Employment Situation in Latin America and the Caribbean* recently published by ECLAC and the International Labour Organization (ILO) notes that the harshest impact was felt during the second quarter of 2020, when the employment rate fell by 10.2 percentage points (a sharper drop than that of the participation rate, which fell by 9.6 percentage points) and the unemployment rate posted a significant increase of 2.7 percentage points (ECLAC/ILO, 2021).

Moreover, this contraction was more pronounced in the informal sector, where the figures for the second quarter of 2020 were double those of the formal sector. This was on account of confinement measures and government policies aimed at protecting formal jobs (subsidies, reduced working hours). People who lost their jobs were unable to find opportunities for prompt re-entry into the labour market or were limited by mobility restrictions and ended up withdrawing from the labour force (ECLAC/ILO, 2021).

To complete this picture, Latin America and the Caribbean has been the region of the world with the largest drop in working hours, with an estimated loss in the order of 16.2% in 2020 compared to 2019 (ECLAC/ILO, 2021). This figure is almost double the global estimate of 8.8% (Mauricio, 2021).

Before the pandemic, people in the region—which is one of the most urbanized in the world—reported high levels of vulnerability over and above income poverty. In Latin America, 82% of the population lives in urban areas and 17% of them are concentrated in six megacities with more than 10 million inhabitants. In the Caribbean, 74% of the population is urban, albeit with significant differences from one territory to the next (Anguilla, the Cayman Islands and Sint Maarten, for example, have urbanization rates of close to 100%). This is a cause for concern given that the COVID-19 pandemic is predominantly urban in nature and that as it unfolded, it exposed the inequalities that exist in cities and urban spaces in general. The economic and social declines are also causing a renewed boom in the construction of precarious housing, overcrowding and human settlements in at-risk areas. Before the pandemic, an average of 30% of the region's urban households lived in overcrowded conditions, according to the established threshold of more than two persons per bedroom, and

that rate rose to 55.1% among poor households and 55.4% in extremely poor households (ECLAC, 2021a). It is estimated that one out of every five inhabitants of Latin America and the Caribbean lives in an informal settlement, and that the figure will rise over the coming years as greater difficulties in accessing adequate housing increase the vulnerability of urban dwellers (Bárcena, quoted in ECLAC, 2021h).

Thus, with the arrival of the pandemic, the pre-existing conditions of vulnerability increased the risk factors for contagion, population density, overcrowding and lack of access to basic services, and hindered compliance with health measures (Ferreira and Schoch, 2020). That situation has resulted in differentiated impacts determined by inequality.

### 3. Differentiated impacts on particular groups and specific issues

Before the pandemic, a higher incidence of poverty was observed among people living in rural areas (45.7%, almost 19 percentage points more than in urban areas), among children and adolescents aged 0 to 14 (47.2%, or 20.1 points more than among adults aged 35 to 44), among the indigenous population (46.7%) and Afrodescendants (25.8%) (as compared to 17.3% among non-indigenous and non-Afrodescendent persons, which is particularly relevant in Latin American countries, where the mixed racial composition differs from the Caribbean) and among people with incomplete primary education (48.5%, or 28.5 points more than among those with complete secondary education and 44.6 points more than among those with complete tertiary education) (ECLAC, 2021b). The direct and indirect impacts of the crisis have widened some of these differences, reconfirming the tendency for the effects of disasters to align with existing structural inequalities. Thus, gaps have widened in dimensions critical to social development, including income access and distribution and access to employment, health care, food security and the all-round development of children, adolescents and the young (see table I.3).

**Table I.3**

Latin America and the Caribbean: the differentiated impact of the pandemic on population groups

Population	Impact
Women	<ul style="list-style-type: none"> <li>– Employment: down 10.1% for women and 8.0% for men</li> <li>– Participation in the labour market: down 8.8% for women and 6.8% for men (-4.5 and -5.1 percentage points, respectively)</li> <li>– Domestic violence: increase (before the pandemic, one woman in every three on average was subjected to physical, psychological or sexual violence)</li> <li>– Unpaid work: considerable increase (before the pandemic, women spent from 22 to 42 hours a week on this, three times as much as men)</li> </ul>
Children and adolescents	<ul style="list-style-type: none"> <li>– Monetary poverty: 51.3% of children and adolescents, as against 33.7% of the overall population</li> <li>– Education: increase in numbers dropping out of school, loss of learning and unequal access owing to lack of digital connectivity</li> <li>– Violence against children: increased risk</li> </ul>
Youth	<ul style="list-style-type: none"> <li>– Employment: down by 7.8% among the young and by 7.3% among those aged over 25</li> <li>– Unemployment: during the second quarter of 2020, the rate rose by 3.4% for the young and by 1.8% for those aged over 25</li> </ul>
Migrants	<ul style="list-style-type: none"> <li>– Flows: limitations on movement because of border closures; increase in numbers of unaccompanied children and adolescents in Central America and Mexico</li> <li>– Protection and social inclusion: problems of coverage and limitations in health-care and education provision</li> <li>– Remittances: flows up by 8% in 2020 and by as much as 21% in 2021</li> </ul>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago, 2021; ECLAC/United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), “Santiago Commitment: a regional instrument to respond to the COVID-19 crisis with gender equality”, Santiago, February 2021 [online] <https://www.cepal.org/es/publicaciones/46658-compromiso-santiago-un-instrumento-regional-dar-respuesta-la-crisis-covid-19>; ECLAC, “The COVID-19 pandemic is exacerbating the care crisis in Latin America and the Caribbean”, *COVID-19 Reports*, Santiago, 2020; ECLAC, “The impact of COVID-19: an opportunity to reaffirm the central role of migrants’ human rights in sustainable development”, *COVID-19 Reports*, Santiago, 2020; ECLAC/International Labour Organization (ILO), “Employment trends in an unprecedented crisis: policy challenges”, *Employment Situation in Latin America and the Caribbean*, No. 23 (LC/TS.2020/128), Santiago, 2020; ECLAC/United Nations Children’s Fund (UNICEF)/Office of the Special Representative of the Secretary-General on Violence against Children (OSRSG-VAC), “Violence against children and adolescents in the time of COVID-19”, *COVID-19 Report - ECLAC-UNICEF-Office of the Special Representative of the Secretary-General on Violence against Children*, Santiago, 2020; ECLAC/United Nations Children’s Fund (UNICEF), “Social protection for families with children and adolescents in Latin America and the Caribbean: an imperative to address the impact of COVID-19”, *COVID-19 Report - ECLAC-UNICEF*, Santiago, 2020; ECLAC/United Nations Educational, Scientific and Cultural Organization (UNESCO), “Education in the time of COVID-19”, *COVID-19 Report - ECLAC-UNESCO*, Santiago, 2020; United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), *Progress of the World’s Women 2015–2016: Transforming Economies, Realizing Rights*, New York, 2015; ECLAC, “Addressing violence against women and girls during and after the COVID-19 pandemic requires financing, responses, prevention and data compilation”, November 2020 [online] [https://repositorio.cepal.org/bitstream/handle/11362/46425/1/S2000874\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/46425/1/S2000874_en.pdf); ECLAC, “The recovery paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity”, *COVID-19 Special Report*, No. 11, Santiago, 2021.

As mentioned in section I.A, the lockdown measures implemented for health reasons impacted employment and incomes. However, their implications varied by population group. The impact on the unemployment rate of informal workers was particularly large because of their greater occupational instability and relative lack of teleworking options, and this had disproportionate consequences for the labour market participation, income and quality of life of women, the young, those with low levels of education, Afrodescendants, indigenous persons, persons with disabilities and migrants, who are more likely to be working informally and thus uncovered by contributory social protection (ECLAC, 2021a, 2021c, 2021d and 2021e). While urban areas have generally suffered the greatest health impact of COVID-19 owing to the transmissibility of the disease, rural sectors are more vulnerable to the social effects of pandemic, particularly because of the higher concentration of poverty, high levels of informality, the seasonality of agricultural work and lower social protection coverage. This has widened gaps with urban areas in terms of labour conditions, poverty and food and nutrition security (FAO/ECLAC, 2020).

### (a) Women

The reduction in employment at the regional level between 2019 and 2020 was greater for women (10.1%) than for men (8.0%), and more economically active women (7.5%) than men (5.6%) exited the labour market (ECLAC, 2021e). In addition, there was an increased workload, as women in the region spend three times as much time as men on unpaid domestic and care work each day, and these tasks increased exponentially with lockdown (ECLAC, 2020c). Limited access to health-care systems and to services affects women in this situation, as those living in households without access to safe drinking water spend, on average, between 5 and 12 hours more per week on domestic and care work than those living in households without such deprivations, while the cost of health services makes access to medical care more difficult, leaving the task of health care to the women of the household (Bidegain, Scuro and Vaca Trigo, 2020; ECLAC, 2020c). Lockdown measures also increase the risk of domestic violence. Prior to the pandemic, 15% of women reported having experienced domestic violence, and exposure to this increased during lockdown (ECLAC/UN-Women, 2021).

### (b) Children and adolescents

ECLAC and the United Nations Children's Fund (UNICEF) estimate that the child population living in monetary poverty in Latin America could increase by 7.6 percentage points. If that came about, monetary poverty would affect 51.3% of this population, or 1 in every 2 children and adolescents. In this context, ECLAC and UNICEF have called urgently for the implementation of social protection measures that take account of children's needs in the context of the current crisis (ECLAC/UNICEF, 2020).

Lockdown measures also had an impact on the development and vulnerability of children and adolescents, as most Latin American countries closed their educational institutions either totally (8 countries) or partially (18 countries) and moved to online education (ECLAC/UNESCO, 2020).<sup>3</sup> In the Caribbean, all countries closed schools, albeit for varying lengths of time (UNESCO, 2021). This situation has resulted in unequal access to education, since according to 2019 data, 66.7% of the region's inhabitants had an Internet connection, and this percentage varied by income quintile (only 38% of those in the first quintile were connected), area of residence (only 23% of rural areas had connections) and race or ethnicity (the Afrodescendent and indigenous population had between 50% and 25% less access than the non-Afrodescendent and non-indigenous population) (ECLAC, 2020d and 2021c). The situation is even more challenging for children and adolescents who are refugees or migrants in an irregular situation or come from indigenous communities, and particularly for those with disabilities, given that they do not have access to specialized centres with the support of multidisciplinary teams to guide their school activities and that their work routines are not easy to apply at home, which makes learning difficult (ECLAC, 2021d). In parallel, it is estimated that lockdown measures and difficulties in accessing education are increasing the time spent on unpaid work by girls in the region, especially in rural and indigenous areas (ECLAC and others, 2021).

Factors such as constraints on economic activity, school closures, reduced access to health services and physical distancing have increased this population's vulnerability and exposure to violence. The home is where children and adolescents spend the most time, and it is also where violence is most often perpetrated against

<sup>3</sup> Information collected up to 31 May 2021.

them, as well as against adult women. Lockdown measures create an imbalance between risk factors and factors that protect children from violence, as they limit the ability of educational institutions to detect, protect and follow up on cases of physical violence (as stress increases, adults' ability to meet children's needs is impaired, leading them to respond aggressively), sexual violence (owing to a lessening of privacy and increasing close quarters contact with abusers, who usually belong to the family or its circle), digital sexual violence (because children with Internet access spend more time in the digital environment, which increases their exposure to abusers from outside their own environment) and cyberbullying (because a greater number of hours spent on the Internet means greater exposure to systematic bullying) (ECLAC/UNICEF/OSRSG-VAC, 2020).

Unemployment, lack of access to education and limited access to social protection generate pressures to incorporate children and adolescents into working activities in order to replace wage labour in family activities or businesses or bring in supplementary income from outside the home, leading to an increase in the rate of child labour in the region (ECLAC/ILO, 2020b).

Sanitary measures have also had an impact on the food security of children and adolescents. School meals programmes covered more than 80 million children before the pandemic, but these services were paralysed by the closure of educational centres as part of pandemic lockdown measures and children's vulnerability has increased owing to the loss of parental employment and income, limited access to safety nets and greater vulnerability to poverty (ECLAC/FAO, 2020). Restrictive sanitary measures are also affecting the activity and market access of indigenous producers, leading to conditions of food insecurity (ECLAC and others, 2021).

### (c) The young

One indirect short-term effect of the pandemic has been a drop in the employment rate resulting from the impact of lockdown measures on youth employment. Initial estimates for Latin America and the Caribbean showed a decline of 7.8 percentage points among young people aged 18 to 25 and one of 7.3 percentage points among those aged 25 and over in the first half of 2020 (ECLAC/ILO, 2020a). This was due to lower availability of vacancies for first-time jobseekers, a decrease in the number of new hires and a lower rate of renewal of temporary contracts.

In the medium and long term, the number of inactive young people who are neither seeking employment nor studying is expected to increase, in which case informality will be the keynote of their labour market participation (the informality rate averaged 67.5% in 2019) (ECLAC/ILO, 2020a). In this regard, the recent ECLAC/ILO report (2021) indicates that the growing generation of employment in the area of digital platforms is an opportunity to counteract the increase in the youth unemployment rate, citing as an example the fact that in the Dominican Republic, 69% of location-based platform workers and 68% of web-based platform workers are aged 29 or younger (ECLAC/ILO, 2021). However, it is important to note that platform employment is often unstable and lacking in employment rights.

### (d) Migrants

COVID-19 has produced major changes in quality of life and human mobility. Border closures and travel restrictions led to a sharp reduction in the regular movement of people, both domestically and internationally. This has resulted in a substantial decrease in journeys for tourism and work as labour migration, international student movements and all types of travel within countries and across borders have been greatly curtailed. As of mid-July 2020, the International Organization for Migration (IOM) estimated that at least three million people had been stranded abroad, many with limited or no access to consular assistance (IOM, 2020). Border closures have also reduced the ability of displaced persons to claim sanctuary, so that the number of asylum seekers was at least one third lower during the first half of 2020 than in the same period the previous year (Benton and others, 2021). Some countries have introduced changes in the visa requirements for entry to their territory and in the documents required (e.g., vaccination certificates), as well as implementing other measures such as medical certificates and mandatory quarantine at preestablished sites that hinder international mobility (IOM, 2020).

In host and transit countries, generally speaking, the migrant population is a group whose vulnerability has been magnified by the pandemic and its aftermath, and this is amplified in the case of migrants in an irregular situation. Along with mobility restrictions, teleworking measures, the suspension of certain types

of work and the low level of working activity have affected migrants and their families. Many have lost the jobs that entitled them to residence visas and were their main source of income (ECLAC, 2020e). In addition, these are people who are poorly covered by social services in general, especially health services, and have limited access to social protection. They are therefore at high risk of losing their livelihoods and having their rights violated. Faced with this situation, some countries have opted to implement visa extensions to mitigate the impact of border closures for people migrating for seasonal work and foreign students so as not to force them to return under unsafe conditions, as noted by the International Labour Organization (ILO, 2020).

The region displays some peculiarities in this regard. In the case of migrants from the Bolivarian Republic of Venezuela, it was estimated that only 2% of the 5.4 million Venezuelans in South America elected to return to the country during 2020 (Benton and others, 2021; Mazza, 2020). A large number have suffered a considerable reduction in income because of the pandemic, and one third of all Venezuelan migrants had been reported as unemployed as of August 2020 (IOM/WFP, 2020). Many intraregional migrants have been stranded during the pandemic, including a large number of Venezuelans who do want to return to their country but have been unable to, as well as Bolivians and Peruvians stranded at the northern border of Chile in early 2021 (Benton and others, 2021).

In the Central America-Mexico-United States corridor, the pandemic did not stop irregular migration flows. Instead, they have been sustained by the desperate situation in the northern countries of Central America and the expectation of a change in United States migration policies (ECLAC, 2020e). In 2021, there has even been a new wave of migration of unaccompanied children and adolescents and an increase in asylum applications in Mexico (UNICEF, 2021). In the first half of the year, a record number of asylum applications were reported in the country, and authorities estimate that they could receive 100,000 applications for the whole year.

Unaccompanied children are posing a major educational challenge during the pandemic, as they have very limited access to formal education owing to their invisibility, lack of support from older companions and barriers in education systems. However, there are practices in emergency contexts that can help. Numerous programmes in refugee centres and relief shelters in the region have taken the initiative of running classes and encouraging children to continue their education (Caarls and others, 2021).

In sum, the pandemic has meant an increase in the existing inequalities affecting migrants in the region and has brought new health, inclusion and adaptation challenges for these populations in both destination and transit countries. Venezuelan and Central American refugees and migrants (unaccompanied migrant children and adolescents in the case of Central America) are two particularly notable examples of the increased difficulties in this period, with the emergence of a number of vulnerabilities and risks that need to be addressed. In the case of Venezuelan migrants, governments and host communities in South American countries have made great efforts to integrate the migrant population into social protection, with statutory guarantees for emergency health care and access to basic education. In all cases, the legal status of migrants is a prerequisite for access to social protection, since regular migratory status is a necessary (although not sufficient) condition for access to most social protection programmes (IPC-IG/UNICEF/WFP, pp. 49-50).

Against all predictions, one thing observed during the pandemic in Mexico and Central America is that remittances not only did not fall, but increased and played a very important role in maintaining and channelling income for millions of households. The increase in the region is estimated at 8% in 2020, with a 21% rise in the first months of 2021 (ECLAC, 2021e, p. 13).

#### 4. Middle-income countries at a crossroads: increased social demands, inadequate financing and substantial debt

Latin America and the Caribbean is characterized by inequalities within and between countries. However, the World Bank classifies countries into four broad groups according to the national per capita income indicator. Countries are considered middle-income when their per capita income is between US\$ 1,036 and US\$ 12,535 in current dollars per year (for 2021). Of 32 Latin American and Caribbean countries analysed, 23 are middle-income, 8 are high-income and only Haiti is considered low-income (see table I.4).

Table I.4

Latin America and the Caribbean (32 countries): World Bank country classification, 2020–2021

Low-income countries (< US\$ 1 036)	Lower middle-income countries (US\$ 1 036 to US\$ 4 045)	Upper middle-income countries (US\$ 4 046 to US\$ 12 535)	High-income countries (> US\$ 12 535)
Haiti	Bolivia (Plurinational State of) El Salvador Honduras Nicaragua	Argentina Belize Brazil Colombia Cuba Dominica Dominican Republic Ecuador Grenada Guatemala Guyana Jamaica Mexico Paraguay Peru Saint Lucia Saint Vincent and the Grenadines Suriname	Antigua and Barbuda Bahamas Barbados Chile Costa Rica Panama Saint Kitts and Nevis Trinidad and Tobago Uruguay

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, “GNI per capita, Atlas method (current US\$)” [online] <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD>.

**Note:** In July 2021, the World Bank decided to temporarily stop classifying the Bolivarian Republic of Venezuela pending publication of its national accounts.

The international cooperation system classifies the countries of the region as “middle-income,” which considerably limits the amount of resources arriving through this channel. Although most of the countries are considered middle-income, in terms of horizontal gaps the region’s economic and social performance indicators are generally below those of East Asia and the Pacific, but above those of the Middle East and North Africa and Sub-Saharan Africa. The challenge now seems even greater given the increase in social demands during the pandemic and the level of borrowing in a number of countries. In 2019, before the pandemic, the region had public (central government) debt levels of around 45.6% of GDP, a figure that had risen to 55.3% of GDP by 2021 (see figure I.5.A). This is equivalent to an average increase for the region of 10 percentage points of GDP. The situation in the Caribbean is more difficult, as it had higher levels of public debt than Latin America at the outset, exceeding 100% of GDP in four countries (see figure I.5.B).

Figure I.5

Latin America and the Caribbean (29 countries): gross central government public debt, 2019–2021

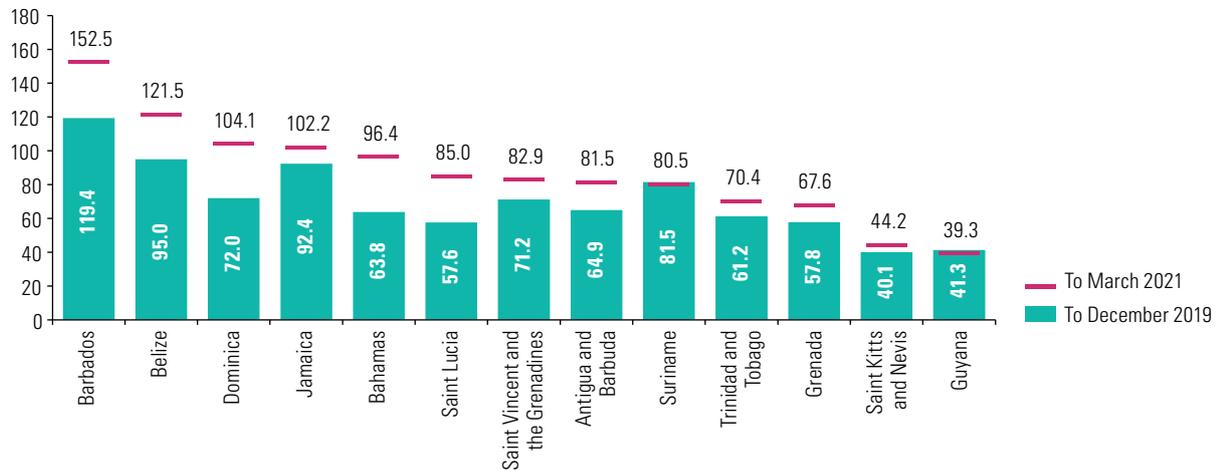
(Percentages of GDP)

## A. Latin America (16 countries)



Figure I.5 (concluded)

## B. The Caribbean (13 countries)



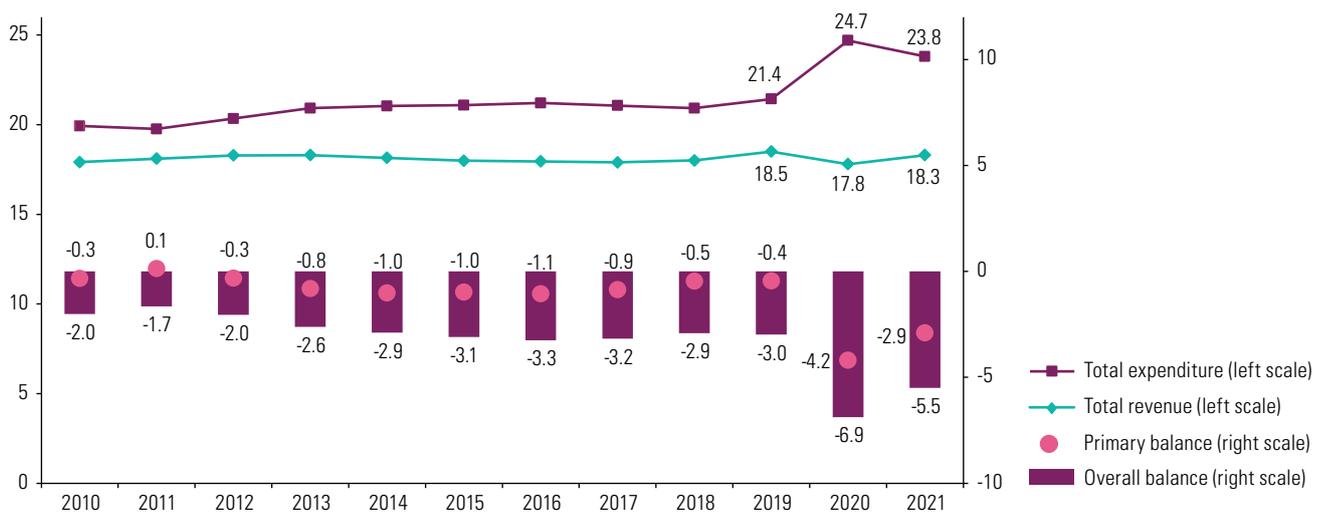
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2021* (LC/PUB.2021/10-P), Santiago, 2021.

**Note:** In the cases of Argentina, Chile, Honduras, Nicaragua and Peru the figures shown are for March 2021. In the case of Guyana and Jamaica, the data refer to the public sector. Figures for 2021 include changes in borrowing levels and projected nominal GDP values for the year.

The increase in public debt is due to two concomitant factors. First, public revenues were depressed in 2020 because of the contraction in economic activity, but also because of various tax and administrative measures (deferrals offered to companies and individuals). Thus, for Latin America as a whole, public revenues fell from 18.5% of GDP in 2019 to 17.8% of GDP in 2020 (see figure I.6). One exception is Mexico, which managed to maintain and even slightly increase revenue collection in the midst of the pandemic through an active policy targeting tax evasion, avoidance and privileges. Meanwhile, central government public spending increased from 21.4% of GDP in 2019 to 24.7% of GDP in 2020 as programmes to mitigate the social and economic effects associated with the pandemic were created and expanded. This has meant countries having to finance fiscal deficits mainly with public debt (ECLAC, 2021f).

Figure I.6

Latin America (16 countries): central government revenues, spending and overall and primary balances, 2010–2021 (Percentages of GDP)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2021* (LC/PUB.2021/10-P), Santiago, 2021.

In the Caribbean, the COVID-19 pandemic had a huge impact on revenue sources, especially tourism, which was one of the sectors hardest hit by the crisis. In the first five months of 2020, tourist arrivals in the subregion, where this sector represents 35% of GDP, fell by 50% (ECLAC, 2020f). In addition, output and investment are estimated to have fallen by 8% and 20%, respectively, as a result of the reduction in economic activity (see figure I.7) (ECLAC, 2021g).

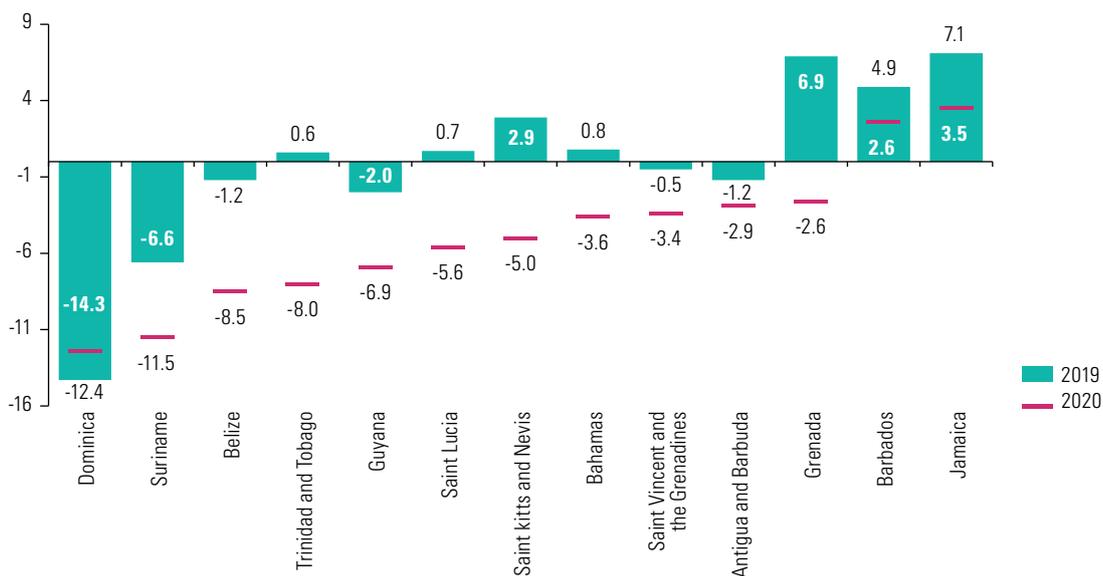
**Figure I.7**

Latin America and the Caribbean (28 countries): central government primary balance, 2019 and 2020 (Percentages of GDP)

**A. Latin America**



**B. The Caribbean**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2021* (LC/PUB.2021/10-P), Santiago, 2021.

**Note:** Data for the Bahamas are for the fiscal year 1 July–30 June; for Barbados, Belize and Jamaica for fiscal year 1 July–30 June; and for Trinidad and Tobago for fiscal year 1 October–30 September.

These fiscal balances show that the countries of the region need more liquidity. In a protracted crisis, access to finance becomes crucial for middle-income countries with high inequality. Liquidity problems may limit States' response capacity, as austerity policies could be generated in a context where populations and economies need higher public spending. In addition, the cost (maturities and rates) at which countries access the financing available must be considered.

This situation makes it necessary to reconsider the way countries are classified, introducing a multidimensional focus in line with the 2030 Agenda. There also needs to be access to concessional finance for middle-income countries, particularly the island countries of the Caribbean. The middle-income category should not be allowed to mask the deep inequalities and deprivations in the region's countries, including those formally classified as high-income.

## C. The middle-income strata: a population that while (initially) not poor, is highly vulnerable to poverty in a protracted crisis

### 1. The middle-income strata and vulnerability

Strong, resilient and prosperous middle-income sectors are essential for any successful economy and cohesive society, as they underpin a considerable portion of consumption and investment in education, health care and housing, as well as playing a key role in social protection systems through their contributions. Their resilience lies, among other things, in savings and assets (mostly derived from earnings), movable and immovable capital, public or private insurance against critical episodes (unemployment, illness and accidents, natural disasters, etc.), contributory social protection mechanisms, and the ability to cope with unemployment or bankruptcy by finding new employment options. These elements allow them to cope with temporary or even medium-term income shocks.

Labour income represents an average of 64% of total household income in the region (ECLAC, 2019b). Thus, the better a household's employment position (and remuneration) and the more of its members are in paid work, the better placed on the social scale it is likely to be. In the case of Latin America's middle-income strata, labour informality and the lack of non-contributory social protection expose households to significant welfare losses in episodes of unemployment, especially if they are prolonged, like those that have occurred during the pandemic. Suspension of basic bill and debt payments, suspension of services and liquidation of savings and movable assets are common strategies to mitigate loss of income in the face of unemployment or job insecurity (e.g., temporary suspension of contracts, reduction of working hours, dismissal and rehiring under worse conditions or, in the case of own-account workers or microentrepreneurs, the discontinuation of activities or a significant decline in income due to lack of demand). This loss can be large enough for people to end up falling into poverty. The likelihood of falling into poverty when the main earner loses income averaged 27% in the middle-income segments in 2017 and was as high as 35% in the lower middle-income sectors and 82% for households in the non-poor low-income strata, most of which have only one earner. If the loss of employment sources is complete (all household members), this average probability increases to 65% (75% in the lower middle-income strata), which indicates how vulnerable to poverty vast sectors of the population are, since their well-being depends substantially on earnings from work. High levels of household debt in several countries of the region prior to the crisis are an additional vulnerability factor (see box I.1).

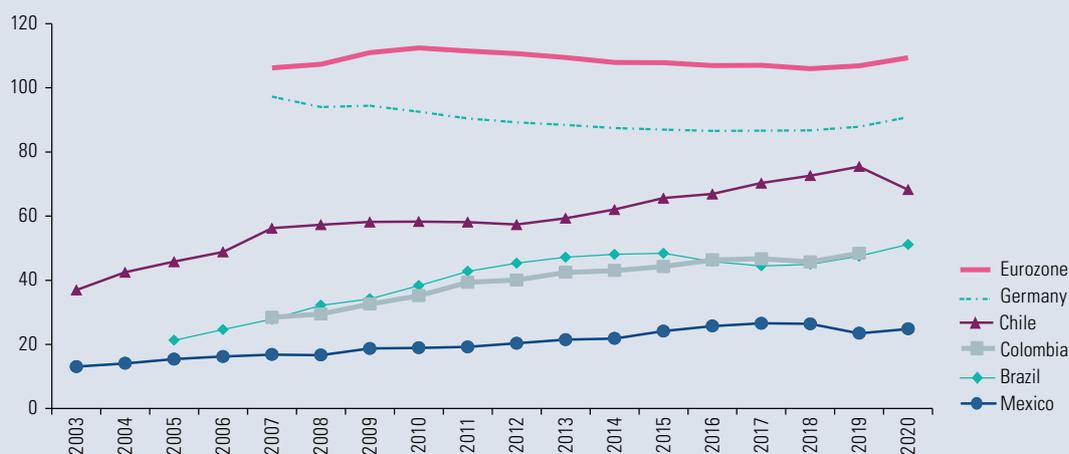
**Box I.1****Overindebtedness in the middle-income strata: an additional factor of vulnerability**

As noted by ECLAC (2021b), household overindebtedness can be a factor for uncertainty, vulnerability and distress. While households may have various and very valid reasons for taking on debt (increased consumption, acquisition of durable goods or real estate, financing a business venture or paying for education or health services), the burden of debt repayment can become unsustainable in some cases, especially at times of economic crisis. It would seem that this is precisely what has been happening in the region.

In Latin America, the data available for four countries (Brazil, Chile, Colombia and Mexico) show a sustained increase in the level of household indebtedness over the last 15 years (see figure 1). This is most evident in the cases of Brazil, Chile and Colombia: the indicator of indebtedness as a percentage of household disposable income increased from 21% in 2005 to 51% in 2020 in Brazil, from 36% in 2003 to 68% in 2020 in Chile, and from 28.4% in 2007 to 48.4% in 2019 in Colombia. In the case of Mexico, the trend is also upward, but less steeply.

Figure 1

Latin America (4 countries), Germany and eurozone countries (19 countries): household debt ratio, 2003-2020  
(Percentages of household disposable income)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Union, Eurostat [online database] <https://ec.europa.eu/eurostat>; and data from the Organisation for Economic Co-operation and Development (OECD), the Central Bank of Brazil and the Bank of the Republic of Colombia.

In the case of Chile, some developments in 2020 may be highlighted: households mitigated the fall in income during that year with public cash transfers, but also through the liquidation of long-term assets (the three pension savings withdrawals) and the rollover of liabilities (Central Bank of Chile, 2021a and 2021b). In fact, a portion of the pension withdrawals was used to repay debts (Central Bank of Chile, 2021a), which, together with a reduced supply of credit, explains the moderation in household indebtedness during 2020.

Aggregate levels of household debt based on national accounts analysis mask disparities between different population groups. To observe these differences, the household financial surveys of Chile and Colombia are analysed.<sup>a</sup> In Chile, 68% of households had some form of debt in 2017, while in Colombia the figure stood at 39% of households in 2018.<sup>b</sup> In both cases, the amount of debt held increases up the income quintiles, while the financial burden, conversely, is higher for the lower quintiles. The type of debt incurred is mostly consumer debt: while 56% of Chilean households have some type of consumer debt and 22% have mortgage debt, in Colombian households these figures are 37% and 6%, respectively (see figure 2).<sup>c</sup> It is also estimated that 11.9% of households in Chile and 12.2% of households in Colombia are overindebted, meaning that their current and expected resources are insufficient to meet their financial obligations without compromising their standard of living.<sup>d</sup>

A starting situation in which households had already built up large debts to finance consumption and routine services has made the impact of the pandemic and its aftermath on the low- and middle-income strata even more severe. This confirms that the loss of jobs and livelihoods, with the consequent drop in incomes, has been compounded by the risk of even greater overindebtedness, defined as a situation in which a household or individual struggles not only to meet their contractual obligations but to pay for basic services (housing rent, education, health care, etc.). Overindebtedness

## Box 1.1 (concluded)

can be both a cause and a consequence of social exclusion, and it is imperative for governments to consider measures (debt rescheduling, freezing of mortgage instalments without interest, a ban on utility providers cutting off basic services, a ban on evictions for arrears) to avoid extreme situations in which families lose everything.

Figure 2

Chile and Colombia: amount of debt by quintile and debt type, and financial burden, 2017 and 2018  
(Percentages of households and of household income)

## A. Chile, 2017



## B. Colombia, 2018



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household financial surveys.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago, 2021; ECLAC, *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago, 2020; Central Bank of Chile, *Informe de Política Monetaria: junio 2021*, Santiago, June 2021; *Informe de Estabilidad Financiera: primer semestre 2021*, Santiago, May 2021; C. Balestra and R. Tonkin, "Inequalities in household wealth across OECD countries: evidence from the OECD Wealth Distribution Database", *OECD Statistics Working Papers*, No. 2018/01, Paris, OECD Publishing, 2018; F. Dorin, H. Epstein and S. Marconi, "Las cuentas de hogares y el bienestar en América Latina: más allá del PIB", *Cuadernos Estadísticos*, No. 44 (LC/G.2.657-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), March 2016; F. Ferreira and M. Schoch, "Covid-19 in Latin America: a pandemic meets extreme inequality", World Bank, 10 June 2020 [online] <https://blogs.worldbank.org/developmenttalk/covid-19-latin-america-pandemic-meets-extreme-inequality>; United Nations Children's Fund (UNICEF), "Nine times more migrant children in Mexico over the past three months", *Press Release*, Panama City, 19 April 2021 [online] <https://www.unicef.org/press-releases/nine-times-more-migrant-children-mexico-over-past-three-months-unicef>.

**Note:** Brazil, Chile, Colombia and Mexico have made progress with their systems of national accounts, incorporating the institutional sector that constitutes households, along the lines proposed by the System of National Accounts 2008 (Dorin, Epstein and Marconi, 2016).

<sup>a</sup> For more information on the data sources used, see the Household Financial Survey (EFH) of the Central Bank of Chile, [online] <https://www.efhweb.cl>, and the Household Financial Burden and Financial Education Survey (IEFIC) of Colombia's National Administrative Department of Statistics (DANE).

<sup>b</sup> According to Balestra and Tonkin (2018), 51% of households in 28 Organisation for Economic Co-operation and Development (OECD) countries had some form of debt in 2015. Chile ranks fourth among the OECD countries with the highest levels of debt, after Norway (81%), the United States (77%) and Denmark (76%).

<sup>c</sup> By way of comparison, an average of 30% of households in the OECD countries have consumer debt (Balestra and Tonkin, 2018).

<sup>d</sup> The percentage of overindebted households is calculated on the basis of a liquidity indicator, the debt service to household income ratio. When this exceeds the 50% threshold, households are considered to be overindebted.

## 2. The situation and characteristics of the middle-income strata

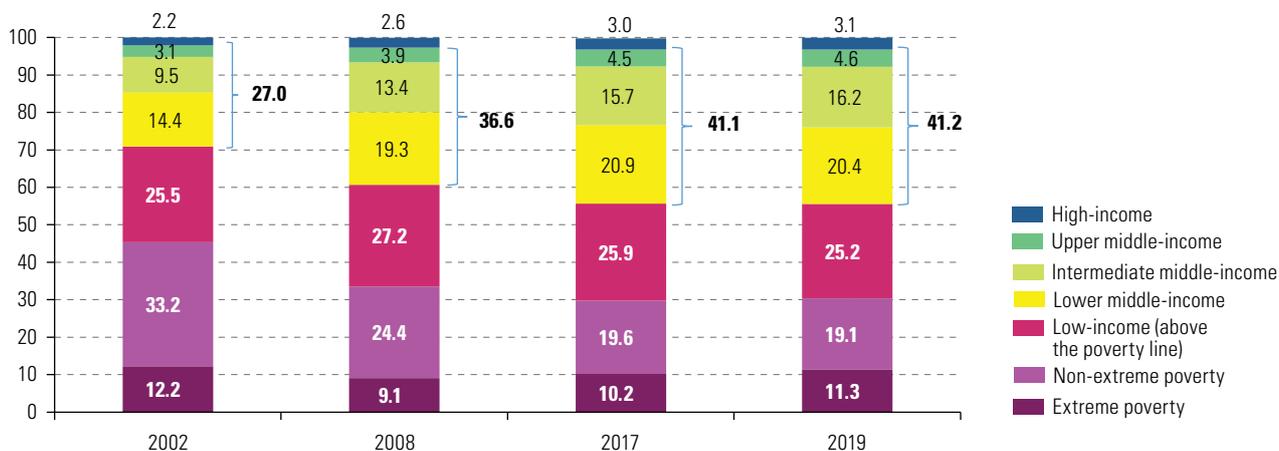
In twentieth-century Latin America, with a few exceptions, the middle-income strata developed mainly under the aegis of the state and (incipient) industrialization, concentrated in urban and metropolitan areas. Thus, social security systems were mainly for the high- and upper middle-income strata, with coverage levels that did not exceed one third of the population at best. Since the 1980s, in a context of high labour informality and high levels of poverty (which came to affect almost half the regional population), the separation between predominantly contributory social security systems and non-contributory systems focusing mainly on extreme poverty has been reinforced. Although fluctuating and volatile, the growth of the 1990s did mean a decline in poverty in the region and gradually rising incomes. Vast sectors of the population were thus lifted out of poverty but on the whole did not benefit from public mechanisms providing protection against events that could have a negative impact on their well-being, either temporarily or permanently.

During the 2000s, in the more favourable economic context of a commodity boom and a variety of labour market improvements, together with public policies that placed great emphasis on reducing poverty and inequality and increasing social inclusion, social spending grew, programmes to combat poverty and extreme poverty increased, and public services were expanded. Between 2002 and 2019, poverty in Latin America fell from 45.4% to 30.4%, while the population share of the middle-income strata increased from 27.0% to 41.2% (see figure I.8). However, a gradual deterioration in the labour market and in some social indicators has been apparent since 2015, with a slight rise in extreme poverty and total poverty. This relative stagnation (and in some cases decline) in the level of household income, associated with a slow pace of economic growth and persistent deterioration of the labour market, characterized the situation at the end of the last decade. Thus, the COVID-19 pandemic found fertile ground for its spread amidst the region's historical structural problems: high levels of inequality, labour informality, lack of social protection, poverty and vulnerability to a wide range of individual and collective risks (ECLAC, 2021a).

**Figure I.8**

Latin America (18 countries):<sup>a</sup> population by per capita income strata, around 2002, 2008, 2017 and 2019

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago, 2021.

<sup>a</sup> The countries included are: Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

## 3. The impact and aftermath of the pandemic and the effects of social protection policies on the middle-income strata

The social crisis that resulted from the restrictions on movement and the decline in economic activity caused by the COVID-19 pandemic and the consequent job losses and reduction in earnings not only led to the increase in poverty and extreme poverty described above, but also resulted in an increase in the population

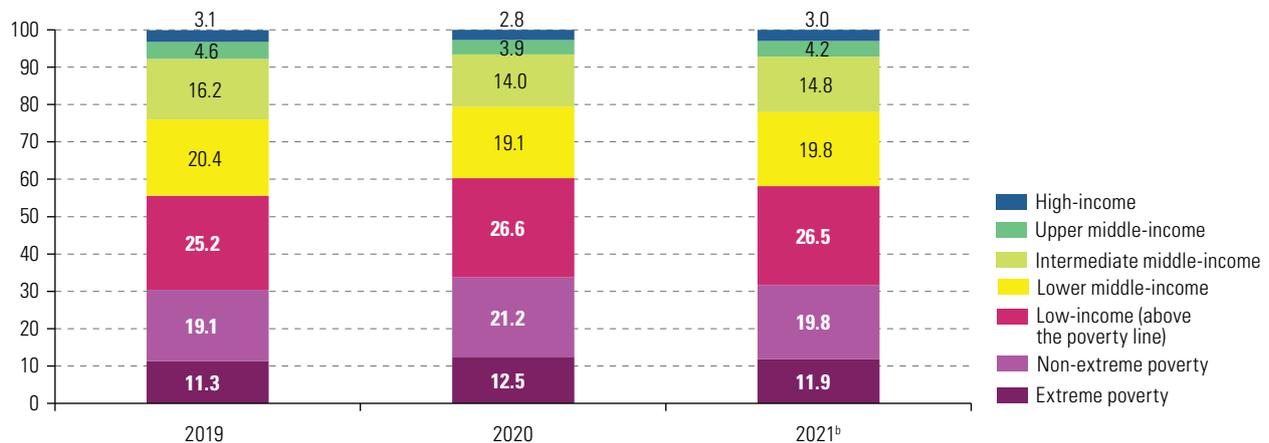
in the low-income strata and in downward mobility in the middle-income strata and the upper part of the low-income strata. This has highlighted the vulnerability in which a large part of this population lives in the region, since households obtain their income primarily from paid work, with low levels of contribution to contributory social protection, and are not usually part of the target population of non-contributory social protection policies and programmes.

The pandemic and the measures to contain it are estimated to have swelled the low-income strata by about 28 million people between 2019 and 2020. Of an estimated total of around 59 million people who were in the middle-income strata in 2019 and experienced downward economic mobility in 2020, just over 3 million are believed to have fallen directly into poverty or extreme poverty and just over 25 million to have moved into the non-poor low-income stratum. While the emergency social protection measures were usually focused on the poor or those highly vulnerable to falling into poverty, they did succeed in partially supporting the middle-income strata. As a result, the population living on incomes up to three times the poverty line is estimated to have increased by 20 million between 2019 and 2020.

In percentage terms, while the size of the high- and upper middle-income strata is estimated to have contracted by one percentage point in 2020, the intermediate middle-income and lower middle-income strata are estimated to have shrunk by 3.5 points. In contrast, the size of the low-income strata (those with incomes below 1.8 times the poverty line) is estimated to have increased by 4.7 points, with an increase of 3.3 percentage points in the poor and extremely poor population. The group of strata with incomes below three poverty lines (the low- and lower middle-income strata) increased from 76% to 79.4% of the total (see figure I.9).

**Figure I.9**

Latin America (18 countries):<sup>a</sup> population by per capita income strata, 2019, 2020 and 2021  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

<sup>a</sup> The countries included are: Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

<sup>b</sup> Projection based on amounts equivalent to 100% of the transfers made in 2020.

In 2021, the three middle-income strata are projected to still make up less than the 41.2% of the population they represented before the pandemic, but slightly more than the 37% recorded in 2020. Considering the estimates for economic growth this year, they should represent 38.8% of the population if transfers remain at their 2020 level and 38% if transfers are halved. Household income transfers are clearly necessary, but the emergency response has not been sufficient.

It should be noted that the impact has also been felt across the various income strata, and the average income of the 246 million people who remained in the middle-income strata is also estimated to have declined. The incorporation of all income strata into social protection systems is now becoming an even more urgent precondition for sustainable recovery (ECLAC, 2021b).

## D. Concluding remarks

This chapter has presented the profound adverse impacts of the COVID-19 pandemic and its economic and social consequences for health, well-being, poverty levels, inequalities, employment and the rights of specific population groups. It has also pointed out how these effects limit the region's future prospects for progress in overcoming the critical obstacles to inclusive social development highlighted by ECLAC at the third session of the Regional Conference on Social Development in Latin America and the Caribbean (ECLAC, 2019a). Chapter II presents the social protection policy measures that have been taken in the region to counteract the effects described here and the extent to which they have succeeded in mitigating them.

As the pandemic and containment measures continue, the limited ability of the low- and middle-income strata to cope with this adverse situation has also become apparent. The vast majority have only a limited capacity to respond with their own resources. In the absence of other social protection mechanisms, this defencelessness ends up determining access to other crucial aspects of well-being, such as private health and education services, the availability and use of information and communications technologies (ICTs), which are essential for teleworking and distance learning, and care services.

These vulnerabilities and welfare gaps have been widening in the face of an emergency that has turned into a prolonged health and social crisis, and the groups already living in poverty are being joined by a large part of the middle-income strata, who are not covered by most social policies and programmes because these target the poorest. This presents governments with the challenge of generating new responses from social protection systems that can be relevant, adequate and sustainable and grounded in a rights-based approach with a universalism that is sensitive to differences.

Looking beyond the current crisis, it has also been emphasized that, as a unique and unpredictable health disaster, this pandemic is part of a wide range of catastrophic events whose increasing recurrence represents an ongoing challenge and which, as noted in chapter IV, must be confronted with a response capacity that is likewise ongoing, with a view to building greater resilience, both for the population and at the institutional level.

In sum, the pandemic and disasters affect particular dimensions and groups, violating rights and widening or exposing existing inequality gaps. The Regional Agenda for Inclusive Social Development, alongside its normative principles, presents four priority pillars of social policy action whose relevance is underscored even more clearly by this context and which will be referred to throughout this document (ECLAC, 2020b):<sup>4</sup>

- (i) Universal and comprehensive social protection systems, to end poverty and significantly reduce inequalities.
- (ii) Policies to promote social and labour inclusion, to foster dual inclusion and leave no one behind.
- (iii) A strengthened social institutional framework, to implement high-quality social policies.
- (iv) Regional cooperation and integration, to progress towards inclusive social development and achieve sustainable development.

The present of Latin America and the Caribbean is marked by the negative effects of the COVID-19 pandemic and its aftermath, a health crisis with far-reaching social and economic consequences. In the future, the greater frequency of this and other types of disasters constitutes an additional challenge for the region as it seeks to move towards inclusive social development with less inequality and more sustainable patterns of production and consumption. As will be illustrated in the following chapters, addressing this situation requires the construction of universal, comprehensive, sustainable and resilient social protection systems that are consistent with the guidelines of the Regional Agenda for Inclusive Social Development and the 2030 Agenda for Sustainable Development.

<sup>4</sup> To provide a framework for the design of policies under the different pillars, the Regional Agenda for Inclusive Social Development identifies the following guiding principles: (i) the rights-based approach as a normative principle; (ii) empowerment and autonomy; (iii) dignified life and progressive well-being; (iv) universalism that is sensitive to differences; (v) an approach based on redistribution and solidarity, with financial sustainability; (vi) a systemic perspective on sustainable development; (vii) high-quality public policies; and (viii) partnerships and social compacts to consolidate State policies (ECLAC, 2020b).

## Bibliography

- Atkinson, A. (2015), *Inequality: What Can Be Done?*, Cambridge, Harvard University Press.
- Balestra, C. and R. Tonkin (2018), "Inequalities in household wealth across OECD countries: evidence from the OECD Wealth Distribution Database", *OECD Statistics Working Papers*, No. 2018/01, Paris, OECD Publishing.
- Baqi, P. and others (2020), "Ethnic and regional variations in hospital mortality from COVID-19 in Brazil: a cross-sectional observational study", *The Lancet Global Health*, vol. 8, No. 8, August.
- Benton, M. and others (2021), *COVID-19 and the State of Global Mobility in 2020*, Washington, D.C./Geneva, Migration Policy Institute (MPI)/International Organization for Migration (IOM).
- Bidegain, N., L. Scuro and I. Vaca Trigo (2020), "Women's economic autonomy during the COVID-19 pandemic", *CEPAL Review*, No. 132 (LC/PUB.2021/4-P), Santiago, Economic Commission for Latin America and the Caribbean (CEPAL).
- Bilal, U., T. Alfaro and A. Vives (2021), "COVID-19 and the worsening of health inequities in Santiago, Chile", *International Journal of Epidemiology*, vol. 50, No. 3, June.
- Caarls, K. and others (2021), "Lifting barriers to education during and after COVID-19: improving education outcomes for migrant and refugee children in Latin America and the Caribbean", *Innocenti Research Report*, Florence, UNICEF Office of Research - Innocenti.
- Central Bank of Chile (2021a), *Informe de Política Monetaria: junio 2021*, Santiago, June.
- (2021b), *Informe de Estabilidad Financiera: primer semestre 2021*, Santiago, May.
- Cifuentes, M. and others (2021), "Socioeconomic inequalities associated with mortality for COVID-19 in Colombia: a cohort nationwide study", *Journal of Epidemiology and Community Health*, vol. 75, No. 7, March.
- Dorin, F., H. Epstein and S. Marconi (2016), "Las cuentas de hogares y el bienestar en América Latina: más allá del PIB", *Cuadernos Estadísticos*, No. 44 (LC/G.2657-P), Santiago, Economic Commission for Latin America and the Caribbean (CEPAL), March.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2021a), *Building forward better: action to strengthen the 2030 Agenda for Sustainable Development* (LC/FDS.4/3/Rev.1), Santiago.
- (2021b), *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago.
- (2021c), "People of African descent and COVID-19: unveiling structural inequalities in Latin America", *COVID-19 Reports*, Santiago, January.
- (2021d), "Persons with disabilities and their rights in the COVID-19 pandemic: leaving no one behind", *COVID-19 Reports*, Santiago, January.
- (2021e), "The recovery paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity", *COVID-19 Special Report*, No. 11, Santiago, July.
- (2021f), *Fiscal Panorama of Latin America and the Caribbean, 2021* (LC/PUB.2021/5-P), Santiago.
- (2021g), "Financing for development in the era of COVID-19 and beyond: priorities of Latin America and the Caribbean in relation to the financing for development global policy agenda", *COVID-19 Special Report*, No. 10, Santiago, March.
- (2021h), "Cities and housing provide an opportunity to transform Latin America and the Caribbean's development model into a more inclusive, egalitarian and sustainable one", 17 May [online] <https://www.cepal.org/en/news/cities-and-housing-provide-opportunity-transform-latin-america-and-caribbeans-development-model>.
- (2020a), *Building a New Future: Transformative Recovery with Equality and Sustainability* (LC/SES.38/3-P/Rev.1), Santiago.
- (2020b), *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago.
- (2020c), "The COVID-19 pandemic is exacerbating the care crisis in Latin America and the Caribbean", *COVID-19 Reports*, Santiago, April.
- (2020d), "Universalizing access to digital technologies to address the consequences of COVID-19", *COVID-19 Special Report*, No. 7, Santiago, August.
- (2020e), "The impact of COVID-19: an opportunity to reaffirm the central role of migrants' human rights in sustainable development", *COVID-19 Reports*, November.
- (2020f), *Economic Survey of Latin America and the Caribbean, 2020* (LC/PUB.2020/12-P), Santiago.
- (2019a), *Critical obstacles to inclusive social development in Latin America and the Caribbean: background for a regional agenda* (LC/CDS.3/3), Santiago.
- (2019b), *Social Panorama of Latin America, 2019* (LC/PUB.2019/22-P/Rev.1), Santiago.
- (2018), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago.
- (2017), *Linkages between the social and production spheres: gaps, pillars and challenges* (LC/CDS.2/3), Santiago.
- (2016a), *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)), Santiago.
- (2016b), *Horizons 2030: Equality at the Centre of Sustainable Development* (LC/G.2660/Rev.1), Santiago.

- \_\_\_\_\_(2014), *Handbook for disaster assessment* (LC/L.3691), Santiago.
- ECLAC/FAO (Economic Commission for Latin America and the Caribbean/Food and Agriculture Organization of the United Nations) (2020), "Preventing the COVID-19 crisis from becoming a food crisis: urgent measures against hunger in Latin America and the Caribbean," *COVID-19 Report - ECLAC-FAO*, Santiago, June.
- ECLAC/ILO (Economic Commission for Latin America and the Caribbean/International Labour Organization) (2021), "Decent work for platform workers in Latin America," *Employment Situation in Latin America and the Caribbean*, No. 24 (LC/TS.2021/71), Santiago.
- \_\_\_\_\_(2020a), "Employment trends in an unprecedented crisis: policy challenges," *Employment Situation in Latin America and the Caribbean*, No. 23 (LC/TS.2020/128), Santiago.
- \_\_\_\_\_(2020b), "The COVID-19 pandemic could increase child labour in Latin America and the Caribbean," *Technical Note*, No. 1, Santiago, June.
- ECLAC/PAHO (Economic Commission for Latin America and the Caribbean/Pan American Health Organization) (2020), "Health and the economy: a convergence needed to address COVID-19 and retake the path of sustainable development in Latin America and the Caribbean," *COVID-19 Report - ECLAC-PAHO*, Santiago, July.
- ECLAC/UN-Women (Economic Commission for Latin America and the Caribbean/United Nations Entity for Gender Equality and the Empowerment of Women) (2021), "Santiago Commitment: a regional instrument to respond to the COVID-19 crisis with gender equality," Santiago, February [online] [https://repositorio.cepal.org/bitstream/handle/11362/46659/4/S2100045\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/46659/4/S2100045_en.pdf).
- ECLAC/UNESCO (Economic Commission for Latin America and the Caribbean/ United Nations Educational, Scientific and Cultural Organization) (2020), "Education in the time of COVID-19," *COVID-19 Report - ECLAC-UNESCO*, Santiago, August.
- ECLAC/UNICEF (Economic Commission for Latin America and the Caribbean/United Nations Children's Fund) (2020), "Social protection for families with children and adolescents in Latin America and the Caribbean: an imperative to address the impact of COVID-19," *COVID-19 Report - ECLAC-UNICEF*, Santiago, December.
- ECLAC/UNICEF/OSRSG-VAC (Economic Commission for Latin America and the Caribbean/United Nations Children's Fund/ Office of the Special Representative of the Secretary-General on Violence against Children) (2020), "Violence against children and adolescents in the time of COVID-19," *COVID-19 Report - ECLAC-UNICEF-Office of the Special Representative of the Secretary-General on Violence against Children*, Santiago, November.
- ECLAC (Economic Commission for Latin America and the Caribbean) and others (2021), "The impact of COVID-19 on indigenous peoples in Latin America (Abya Yala): between invisibility and collective resistance," *Project Documents* (LC/TS.2020/171), Santiago.
- FAO/ECLAC (Food and Agriculture Organization of the United Nations/Economic Commission for Latin America and the Caribbean) (2020), "Food systems and COVID-19 in Latin America and the Caribbean: the role of social protection measures," *Bulletin*, No. 7, Santiago.
- Ferreira, F. and M. Schoch (2020), "Covid-19 in Latin America: a pandemic meets extreme inequality," World Bank, 10 June [online] <https://blogs.worldbank.org/developmenttalk/covid-19-latin-america-pandemic-meets-extreme-inequality>.
- IPC-IG/UNICEF/WFP (International Policy Centre for Inclusive Growth/United Nations Children's Fund/World Food Programme) (2021), "Social protection and Venezuelan migration in Latin America and the Caribbean in the context of COVID-19," *Research Report*, No. 58, Brasilia/Panama City.
- Macchia, A. and others (2021), "COVID-19 among the inhabitants of the slums in the city of Buenos Aires: a population-based study," *BMJ Open*, vol. 11, No. 1, January.
- Mauricio, R. (2021), "The employment crisis in the pandemic: towards a human-centred job recovery," *Labour Overview Series: Latin America and the Caribbean 2021*, International Labour Organization (ILO), Lima, April.
- Mazza, J. (2020), "Venezuelan migrants under COVID-19: managing South America's pandemic amid a migration crisis," *Working Paper*, Washington, D.C., Wilson Center, December.
- Mena, G. and others (2021), "Socioeconomic status determines COVID-19 incidence and related mortality in Santiago, Chile," *Science*, vol. 372, No. 6545, May.
- ILO (International Labour Organization) (2020), "Seasonal migrant workers' schemes: rethinking fundamental principles and mechanisms in light of COVID-19," *ILO Brief*, Geneva, May.
- IOM (International Organization for Migration) (2020), "Cross-border human mobility amid and after COVID-19," *Policy Paper*, 17 June [online] [https://www.iom.int/sites/default/files/default\\_pp\\_cross-border\\_human\\_mobility\\_amid\\_and\\_after\\_covid-19\\_policy.pdf](https://www.iom.int/sites/default/files/default_pp_cross-border_human_mobility_amid_and_after_covid-19_policy.pdf).
- IOM/WFP (International Organization for Migration/World Food Programme) (2020), *Populations at Risk: Implications of COVID-19 for Hunger, Migration and Displacement*, Geneva/Rome.
- OECD (Organisation for Economic Co-operation and Development) and others (2019), *Latin American Economic Outlook 2019: Development in Transition* (LC/PUB.2019/14), Paris, OECD Publishing.

- Rocha, R. and others (2021), "Effect of socioeconomic inequalities and vulnerabilities on health-system preparedness and response to COVID-19 in Brazil: a comprehensive analysis," *The Lancet Global Health*, vol. 9, No. 6, June.
- UNDRR (United Nations Office for Disaster Risk Reduction ) (2021), *Regional Assessment Report on Disaster Risk in Latin America and the Caribbean: Challenges in disaster risk reduction and progress towards the Sendai Framework for Disaster Risk Reduction (2015-2030) targets*, Panama City.
- \_\_\_\_\_(2015), *Global Assessment Report on Disaster Risk Reduction 2015. Making Development Sustainable: The Future of Disaster Risk Management*, Belley.
- UNESCO (United Nations Educational, Scientific and Cultural Organization) (2021), "Dashboards on the global monitoring of school closures caused by the COVID-19 pandemic" [online] <http://covid19.uis.unesco.org/global-monitoring-school-closures-covid19/>.
- UNHCR (Office of the United Nations High Commissioner for Refugees) (2020), *Mid-Year Trends 2020*, Copenhagen.
- \_\_\_\_\_(2019), "Niñez no acompañada, los más vulnerables", 15 July [online] <https://www.acnur.org/es-mx/noticias/historia/2019/7/5d2c93904/ninez-no-acompanada-losmas-vulnerables.html>.
- UNICEF (United Nations Children's Fund) (2021), "Nine times more migrant children in Mexico over the past three months", *Press Release*, Panama City, 19 April [online] <https://www.unicef.org/press-releases/nine-times-more-migrant-children-mexico-over-past-three-months-unicef>.
- United Nations (2019), *World Population Prospects 2019*, New York [online] <https://population.un.org/wpp/>.
- WHO (World Health Organization) (2021), *Second round of the national pulse survey on continuity of essential health services during the COVID-19 pandemic: January-March 2021. Interim report*, Geneva.





CHAPTER



# Government responses to the pandemic

Introduction

A. Emergency social protection responses

B. Challenges, innovation and lessons learned in emergency responses

C. Concluding remarks

Bibliography



# Introduction

Since the start of the coronavirus disease (COVID-19) pandemic, the countries of Latin America and the Caribbean have implemented various emergency measures to mitigate the impact of the contraction of economic activity on household income. These have consisted primarily of non-contributory social protection programmes and employment protection programmes in response to the need to assist households whose members have lost their jobs, are unable to work or work fewer hours due to the pandemic.

This chapter reviews the countries' efforts, many of which were carried out by ministries of social development and other government bodies in this area, to support households during the COVID-19 pandemic and highlights the innovative measures adopted to address new challenges. The chapter concludes with brief reflections on the need to strengthen social protection systems and ensure the sustainability of support against the backdrop of a prolonged crisis.

## A. Emergency social protection responses

### 1. Non-contributory social protection

Between 1 March 2020 and 30 June 2021, the 33 countries of Latin America and the Caribbean had announced 430 emergency non-contributory social protection measures to guarantee income, food security and access to basic services for households in situations of poverty and vulnerability and to reduce their expenses. These measures, involving the introduction of new programmes or the modification of existing ones, have sought primarily to support the households struggling most with the loss of income as a result of the health measures implemented to curb the spread of the pandemic. Of the 430 measures implemented, 218 were adopted in South America, 109 in the English-speaking Caribbean, and 103 in the group comprising Central America, Mexico, Cuba, Haiti and the Dominican Republic.<sup>1</sup>

The emergency response has consisted mainly of cash transfers (195 measures in 31 countries), in-kind transfers (103 measures in 31 countries),<sup>2</sup> other measures to reduce the expenditure of households affected by the pandemic, such as tax relief, pricing and payment facilities (85 measures in 29 countries), guaranteeing and facilitating access to basic services (water, energy, telephone and Internet) (47 measures in 27 countries) (see figure II.1).

Cash transfers, which have been the most frequent measure (46% of all measures), are a quick and effective mechanism that draw on more than two decades of experience in permanent cash transfer programmes aimed at alleviating poverty or providing universal protection of specific social groups, such as older persons. Emergency cash transfers have been implemented in four formats: (i) new cash transfers (146 measures); (ii) increases in the amount of existing transfers (28 measures); (iii) advance payments under existing transfer programmes (12 measures); and (iv) increased population coverage of existing transfer programmes (9 measures).

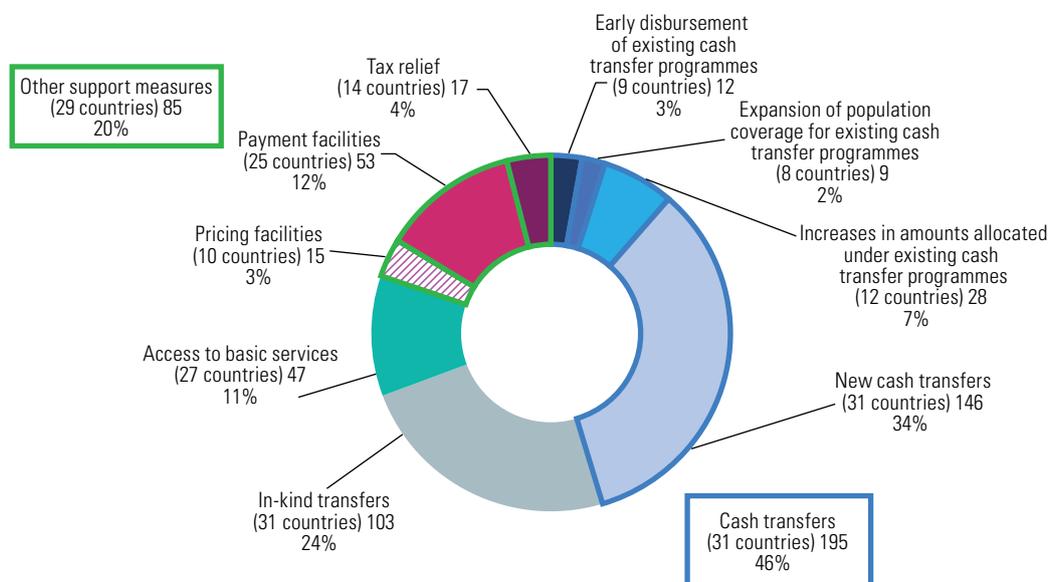
In-kind transfers, which include the delivery of food, medicines and educational materials such as computers and tablets, account for close to a quarter of the measures implemented in the region. Measures aimed at labour and productive inclusion, such as scholarships for online training courses or the provision of courses and supplies for entrepreneurs have also been implemented. Twenty-seven countries implemented other types of measures aimed at ensuring access to basic services, including a ban on disconnection of services, reconnection after disconnection owing to arrears and deferral of bills or payment agreements.

<sup>1</sup> A further 61 measures were announced in 14 dependent territories of the Caribbean.

<sup>2</sup> In-kind transfers include measures to support labour and productive inclusion, such as training, labour intermediation and labour market participation measures.

**Figure II.1**

Latin America and the Caribbean (33 countries): announced emergency non-contributory social protection measures, by type of measure, 1 March 2020–30 June 2021  
(Number of countries and measures, and percentage distribution)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online database] <https://www.cepal.org/es/temas/covid-19>; "Social protection measures to confront COVID-19", Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>.

At the same time, 85 measures were put in place to reduce spending in the households most affected by income loss as a result of containment measures to reduce the spread of COVID-19. Payment schemes account for 60% of these measures and have been implemented in 25 countries. They include deferral of credit and mortgage instalments, loan rescheduling and refinancing, exemption from payment or suspension of penalties and interest on arrears, and support for residential rent payments.

In addition, 17 measures in 14 countries have provided tax relief, mainly exemption from tax fines, postponement of collection and of auctions upon default, and deferral of tax payments. Lastly, 15 price-setting and price-control measures concerning basic food basket items and, to a lesser extent, a ban on rent increases have been adopted in 10 countries.

The cash and in-kind transfers announced vary widely in terms of population coverage. In total, between March 2020 and June 2021, an estimated 105 million households, accounting for 395 million people (on average, 59.6% of the region's population), were covered. This coverage is almost triple that of conditional cash transfer programmes and other permanent cash transfer programmes, which cover a simple average of 18.4% of the population in the region according to the latest figures. In South America, more than three quarters of the population have been covered by emergency measures, compared with two fifths in the English-speaking Caribbean (see figure II.2).

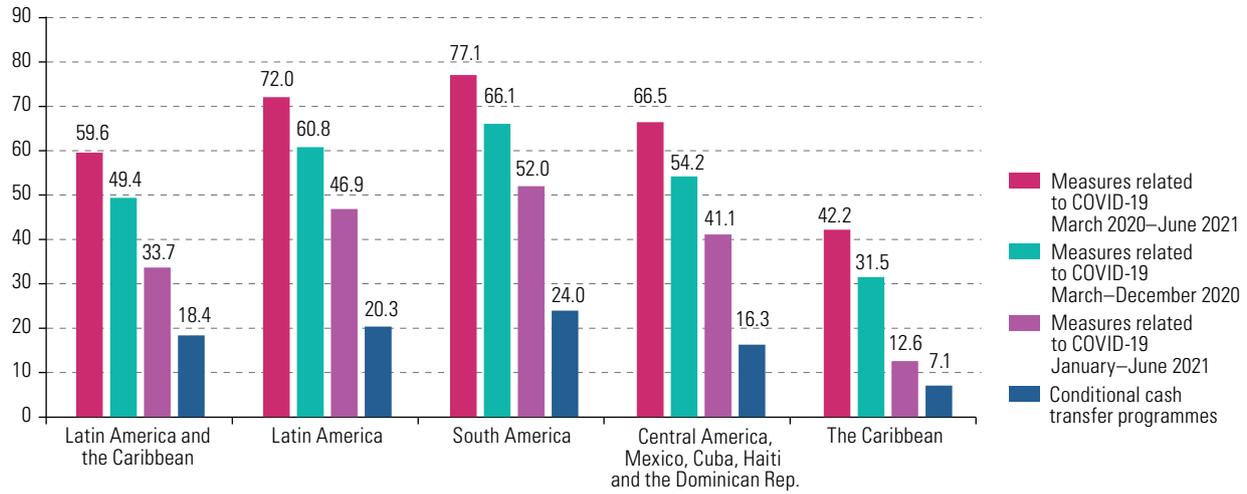
As the pandemic has lingered on, the emergency measures implemented in early 2020 have been extended in duration and coverage in a number of countries. For example, in Argentina, the Emergency Family Income (IFE), initially planned as a single payment, was disbursed three times. In Brazil, the emergency assistance programme for vulnerable persons (Auxílio Emergencial de Proteção Social a Pessoas em Situação de Vulnerabilidade, Devido à Pandemia da COVID-19) was extended on three occasions, resulting in nine disbursements between March and December 2020.<sup>3</sup> In Chile, the period, amount and scope of the Emergency Family Income (IFE) have been gradually increased and the measure, which initially covered the most vulnerable 60% of the population, was subsequently extended to the most vulnerable 80%. In June 2021, the vulnerability requirement was eliminated to cover 100% of households included in the Social Register of Households (RSH) and migrants with visa applications pending

<sup>3</sup> While disbursements were suspended in the first quarter of 2021, new disbursements were made between April and July.

and whose children are registered in the Civil Registry. In Colombia, the Solidarity Income, which was initially to last three months (with disbursements starting in April 2020), was first extended until December 2020 and then, in July, for a total duration of 15 months (to June 2021). In Jamaica, the duration of the Supporting Employees with Transfer of Cash (SET Cash) programme was extended from three to five months. However, there have also been cases of programmes not being extended and concerns persist regarding the adequacy of the measures.

**Figure II.2**

Latin America and the Caribbean (31 countries): persons in households benefiting from emergency cash and in-kind transfers (1 March 2020–30 April 2021) and conditional transfer programmes (latest year available), simple average by subregion<sup>a,b</sup>  
(Percentages of the total population)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online database] <https://www.cepal.org/es/temas/covid-19>; "Social protection measures to confront COVID-19", Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>. CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/Portada.html?idioma=english>; Non-contributory Social Protection Programmes Database in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc/cct>.

<sup>a</sup> Coverage of conditional cash transfer programmes or other permanent cash transfer programmes in the last year based on information available in the Non-contributory Social Protection Programmes Database - Latin America and the Caribbean.

<sup>b</sup> South America includes Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, the Plurinational State of Bolivia, and Uruguay. Central America includes Costa Rica, El Salvador, Guatemala, Honduras and Panama. The Caribbean includes Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago.

The policy launched in Mexico in 2019 to universalize and increase the amounts of cash transfers, facilitated advance payments under some programmes in 2020, most notably the Pension Programme for the Well-Being of Older Persons, and the Pension Programme for the Well-Being of Persons with Permanent Disabilities, both of which are recognized as rights in article 4 of the Constitution.<sup>4</sup> Additionally, from the second half of 2021, eligibility for old-age pensions will be lowered to 65 years of age and the amount of the transfer will be increased by 15%. The government also presented a roadmap that would increase the transfer to around US\$ 150 per month (equivalent to 80% of the poverty line) by the end of the current term of office (2024), covering more than 10 million people and representing 1.35% of GDP.

In the region, spending committed to cash and in-kind transfers between March and December 2020 totalled around US\$ 89 billion, and between January and June 2021 it exceeded US\$ 21 billion.<sup>5</sup> Most of this

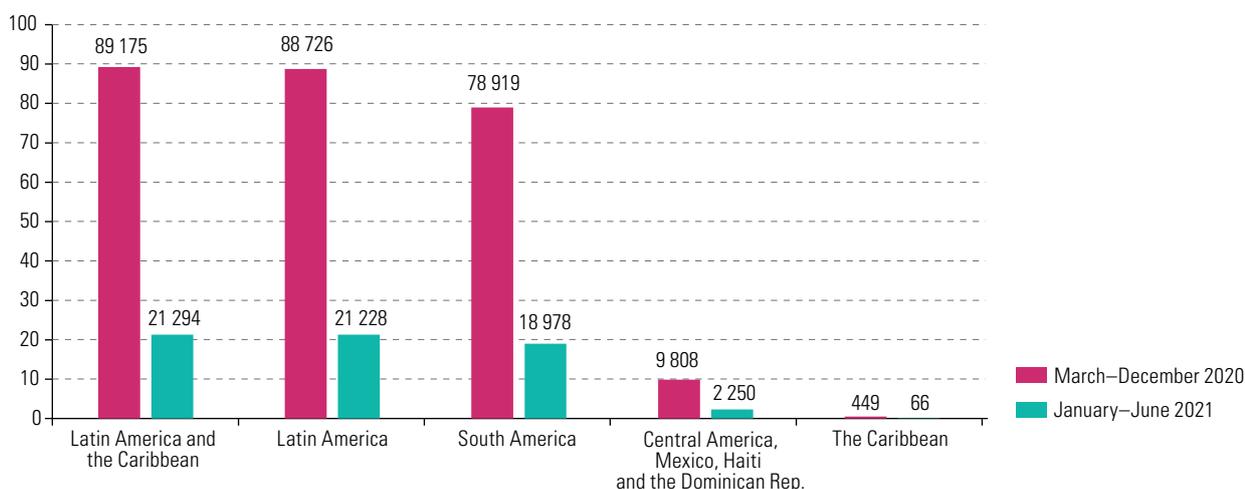
<sup>4</sup> The first advance was allocated in March 2020 and covered payments from March to June; and the second in July 2020, to cover the months of July to October of that year.

<sup>5</sup> Spending on some of these measures was already considered in the annual budget of the countries concerned. These measures in question are: the *Renta Dignidad* annual bonus, in the Plurinational State of Bolivia (US\$ 43.4 million); humanitarian assistance for victims of the conflict, and administrative reparations for victims of the conflict in Colombia (US\$ 134.4 million); advance payment of the non-contributory regime pensions in Costa Rica (US\$ 53.1 million); advance payment of the pension programme for the well-being of older persons, and advance payment of the pension programme for the well-being of persons with permanent disabilities, in Mexico (US\$ 4.127 billion); advance payment of the food pension for older persons in a situation of poverty, in Paraguay (US\$ 16.7 million); and advance payment of the non-contributory pensions –*Pensión 65* and *CONTIGO*, and advance transfer to users of the National Programme of Direct Support for the Poorest (*Juntos*) in Peru (US\$ 520.9 million). There are also 17 measures within existing programmes that make use of the programmed budget, but redirected to new actions. Examples include the use of school feeding programmes to procure food baskets for the families of children and adolescents who stopped attending school.

spending has been committed by South American countries, estimated at around US\$ 79 billion in 2020 and US\$ 19 billion in 2021. For the group of countries comprising Central America, Mexico, Haiti and the Dominican Republic, spending is estimated at around US\$ 9.8 billion in 2020 and US\$ 2.25 billion in 2021. The information available for the English-speaking Caribbean countries suggests that committed spending will be around US\$ 450 million in 2020 and US\$ 66 million in 2021 (see figure II.3).

**Figure II.3**

Latin America and the Caribbean (31 countries):<sup>a</sup> distribution of spending on emergency cash and in-kind transfers, March to December 2020–January to June 2021  
(Percentage of total in millions of current dollars)<sup>b</sup>



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/es/temas/covid-19> and Observatory on Social Development in Latin America and the Caribbean, “Social Development and COVID-19 in Latin America and the Caribbean” [online] <https://dds.cepal.org/observatorio/socialcovid19/listamedidas.php>.

<sup>a</sup> Latin America includes the following 19 countries: 10 South American countries (Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and 9 countries from the group comprising Central America (Costa Rica, Cuba, El Salvador, Guatemala, Honduras and Panama), the Dominican Republic, Haiti and Mexico. The Caribbean includes 12 countries: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

<sup>b</sup> The average monthly exchange rate from March to October 2020 published by the International Monetary Fund (IMF) [online] <https://data.imf.org/regular.aspx?key=61545862> was used, except in the case of the Bolivarian Republic of Venezuela, where the average daily exchange rate published by the Central Bank of Venezuela [online] <http://www.bcv.org.ve/estadisticas/tipo-cambio-de-referencia-smc> was used.

An analysis of announced spending on cash and in-kind transfers as a percentage of average monthly GDP in 2020 shows significant changes between the different periods under consideration.<sup>6</sup> As figure II.4 shows, there was growth in South America in the first months of 2020, and average monthly expenditure as a share of GDP was highest in the period June–August 2020 (an estimated 2.45%), before falling to 1.28% in the first four months of 2021; it then picked up again between May and June 2021. In the subregion comprising Central America, Mexico, Haiti and the Dominican Republic, average monthly spending was highest in the period March–May 2020, at 2.07% of monthly GDP for that year, then fell to 0.76% in the last four months of 2020, before recovering in the period January–April 2021 (1.24%); a further fall (to 0.35%) was recorded between May and June 2021. Spending commitments by English-speaking Caribbean countries remained relatively steady during 2020 (with monthly expenditure averaging around 1.0% of monthly GDP for that year), but in 2021 they fell to less than half of that level, and to just over one third of that level between May and June 2021.

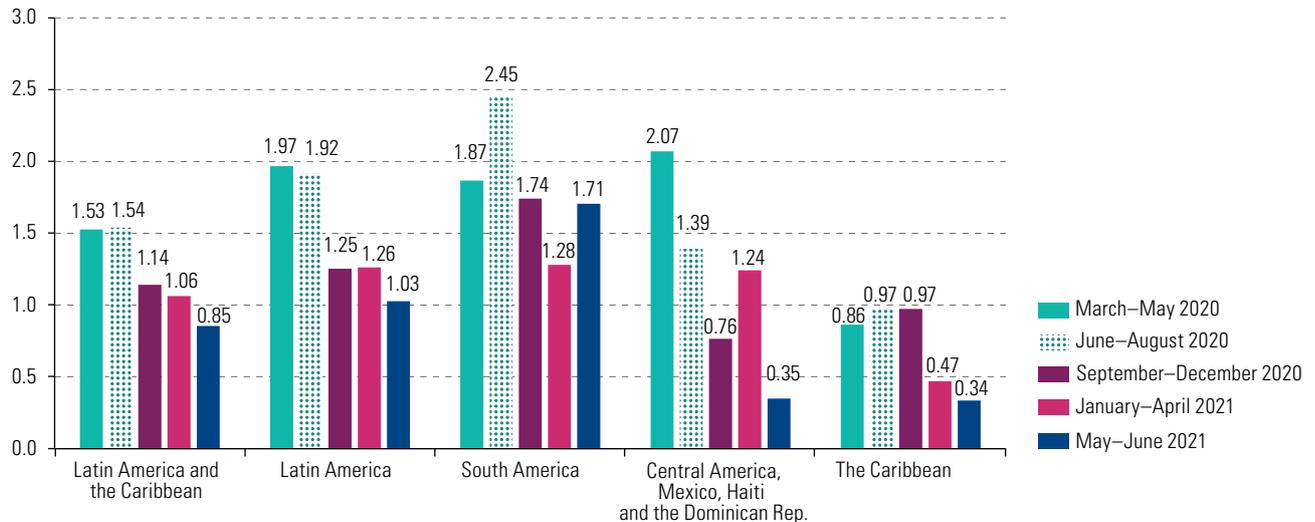
These data are indicative of the considerable economic efforts the countries of the region have made, but at the same time are a red flag in terms of the committed spending for the second year of the pandemic. In view of the severity, duration and unpredictability of the pandemic, it is essential to recover and expand the resources used in cash and in-kind transfer measures targeting vulnerable populations, which have been and

<sup>6</sup> For this exercise, the average monthly spending for each period under analysis is calculated and expressed as a percentage of the average monthly GDP for 2020 (total 2020 GDP divided by 12).

continue to be the hardest hit by the crisis caused by COVID-19. Failing this, levels of poverty and extreme poverty could rise even further.

**Figure II.4**

Latin America and the Caribbean (30 countries): estimated average monthly expenditure on emergency cash and in-kind transfers, March 2020–June 2021<sup>a</sup>  
(Percentages of monthly GDP for 2020)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/es/temas/covid-19> and Observatory on Social Development in Latin America and the Caribbean, “Social Development and COVID-19 in Latin America and the Caribbean” [online] <https://dds.cepal.org/observatorio/socialcovid19/listamedidas.php>.

<sup>a</sup> Simple averages. Latin America includes the following 18 countries: 9 South American countries (Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and 9 countries from the group comprising Central America (Costa Rica, Cuba, El Salvador, Guatemala, Honduras and Panama), the Dominican Republic, Haiti and Mexico. The Caribbean includes 12 countries: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago. Owing to lack of data, the simple averages for the periods January–April 2021 and May–June 2021 do not include the following Caribbean countries: Antigua and Barbuda, Dominica, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines and Suriname.

## 2. Support systems for unemployed persons

Measures to protect against the risk of unemployment exist in various forms, such as unemployment insurance, individual unemployment savings accounts, severance pay and assistance to the unemployed. According to the International Labour Organization (ILO, 2020), since March 2020, countries with unemployment insurance and individual unemployment savings accounts have been making a number of adjustments to respond to a crisis that looked set to be worse and longer than previous ones. In the seven countries for which information is available (Argentina, Bahamas, Barbados, Brazil, Chile, Ecuador and Uruguay), the changes came in various forms: certain conditions for access to insurance (e.g. the number of previous contributions) were relaxed;<sup>7</sup> insurance coverage was extended to previously excluded groups, such as domestic workers; the duration of benefits and amounts were increased; and additional unemployment insurance programmes were established. This was the case in Argentina, with the Emergency Assistance Programme for Work and Production, and Brazil, with the Emergency Programme to Safeguard Employment and Income. In addition, many countries have been simplifying the formalities for insurance amid lockdowns and mobility restrictions on citizens (see table II.1).

As seen in figure II.5, the available data show that the number of recipients under these programmes increased significantly in Barbados, Brazil, Chile and Uruguay while the upward trend seen in Argentina in previous years continued. Available data also show significant increases in disbursements as a share of GDP, particularly in the cases of Barbados and Chile.

<sup>7</sup> The countries covered in this section have a obligatory unemployment insurance systems or individual savings accounts for workers. In Colombia, unemployment insurance is private and optional. Information on unemployment insurance in the Bolivarian Republic of Venezuela was not available.

**Table II.1**

Latin America and the Caribbean (7 countries): changes to unemployment insurance and individual unemployment savings accounts introduced in 2020

	Measure	Argentina	Bahamas	Barbados	Brazil	Chile	Ecuador	Uruguay
Requirements	Simplification of formalities	X	X	X		X	X	X
	Fewer contributions	X	X			X		
	Extension of coverage to previously excluded groups		X	X		X		X
	Extension of coverage to partial unemployment				X	X		X
Entitlement	Extension of duration of benefits	X				X		
	Increased amounts (as a percentage of wages)					X		X
	Increase in minimum and maximum amounts	X				X		X
	Withdrawal of funds				X			
	Establishment of unemployment insurance support programmes <sup>a</sup>	X			X			

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

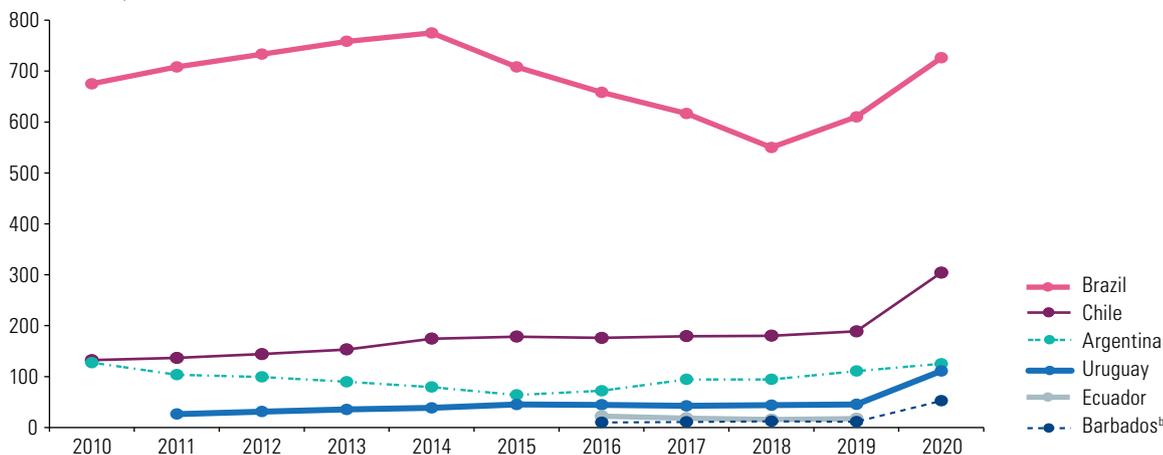
<sup>a</sup> A programme implemented to support the Mexico City unemployment insurance system can also be cited as an example here.

**Figure II.5**

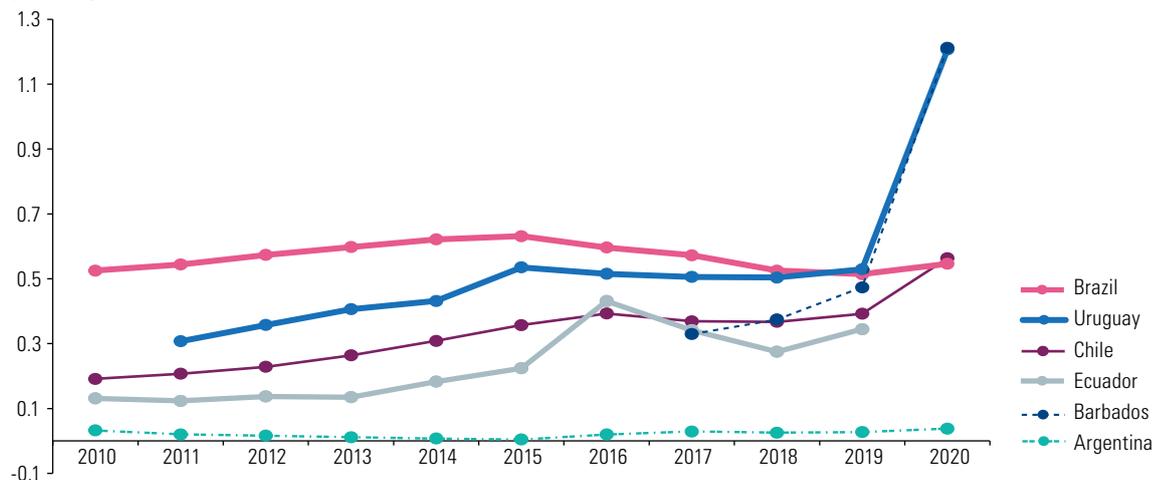
Latin America and the Caribbean (6 countries): recipients and disbursements of unemployment insurance and individual unemployment savings accounts, 2010–2020

**A. Recipients<sup>a</sup>**

(thousands of persons)

**B. Disbursements**

(percentages of GDP)



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

<sup>a</sup> Monthly averages.

<sup>b</sup> Data refer to the number of applications received each year.

There are also notable experiences at the subnational level, as in the case of Mexico City, which has, since 2005, provided unemployment insurance for workers residing in the city who have been forced out of their jobs. Under this system, payments are made for a period not exceeding six months every two years, on the condition that recipients participate in federal employment programmes or in promotion, training or vocational retraining activities. In response to the pandemic, a target was set to cover 40% of unemployed persons from the formal sector through a limited budget increase. The programme to support Mexico City residents who lost formal jobs during the SARS-COV2 (COVID-19) crisis transfers a monthly amount of 1,500 pesos (US\$ 70) for two months to workers not covered by unemployment insurance.

Lastly, while it cannot be classified as unemployment insurance, Peru's Compensation for Time of Service (CTS) benefit was created in 1997 with the aim of providing income to formal workers who lose their jobs.<sup>8</sup> Since the global financial crisis, withdrawals of these funds —up to a certain amount— have been possible. In the face of the pandemic-induced crisis, the government made these funds freely available to formal workers who were completely out of work, through monthly payments and withdrawals of up to 2,400 soles (US\$ 686). Individuals whose funds are depleted may request an advance on future payments. In early 2021, Peru's Congress authorized the withdrawal of up to 100% of CTS funds until the end of the year.

In addition to the above public policy measures, some countries have allowed withdrawals from individual capitalization funds. Mexico saw an increase in withdrawals due to unemployment, which is permitted by law, with withdrawals from individualized accounts (*Administradoras de Fondos para el Retiro – AFORES*) amounting to US\$ 1.5 billion (0.14% of GDP) between January 2020 and March 2021. Amid the economic and health crisis caused by COVID-19, Chile and Peru also authorized exceptional and voluntary withdrawals of funds from private pension fund management (AFP) companies. In Peru, withdrawals were authorized for those meeting certain conditions, such workers who had ceased contributions to the pension fund for given periods or could prove that they had been furloughed, and amounted to US\$ 7.8 billion (3.9% of GDP) in 2020 (SBS, 2021). In Chile, between 2020 and 2021, withdrawals of up to 10% of individual capitalization funds were authorized on three occasions, amounting US\$ 49.322 billion, equivalent to 18% of GDP (SP, 2021). While these withdrawals have mitigated the effects of the pandemic, they will exacerbate social protection challenges in these countries in the future.<sup>9</sup>

### 3. The impact of emergency measures

How effective cash transfers are in reducing or preventing an increase in poverty depends on the amount, duration and coverage of transfers. The latter is particularly important because, as discussed in chapter I, a protracted crisis not only plunges low-income populations deeper into poverty but can also precipitate middle- and lower-middle income strata into poverty.

To estimate the impact of emergency social protection measures on poverty, the Economic Commission for Latin America and the Caribbean (ECLAC, 2021) used two types of projections: one based on the rate of income growth and the expected distributional change expected in 2020 (without transfers) and another that aggregates the emergency cash transfers provided by governments in 2020 (with transfers).

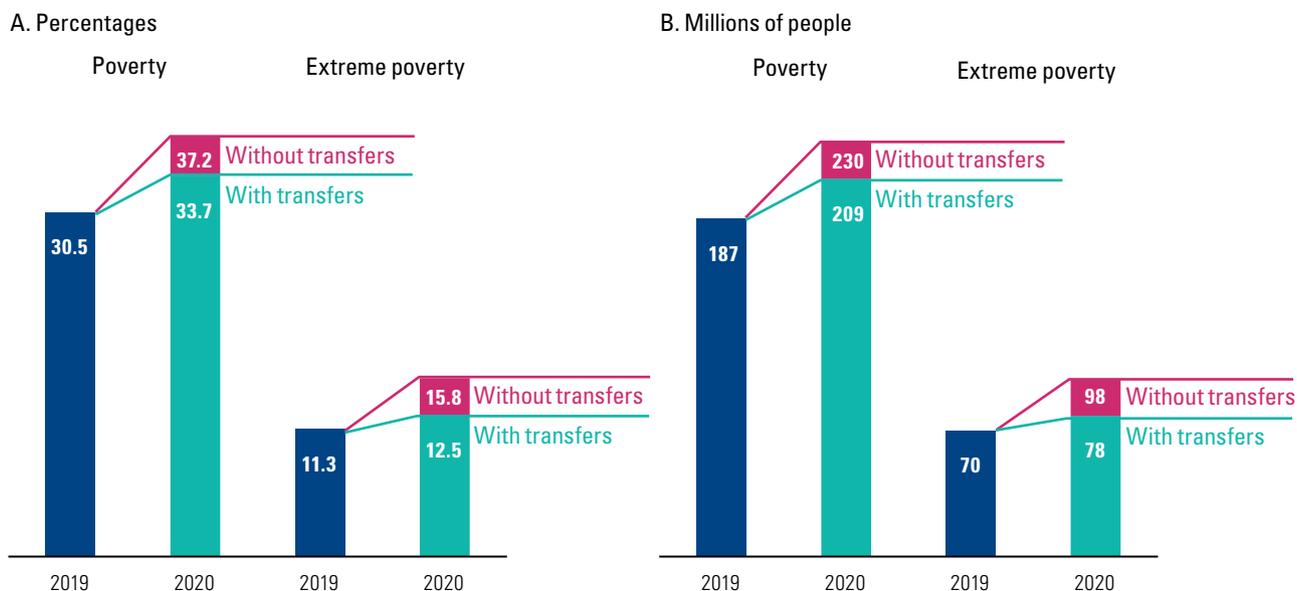
The projection with transfers points to a poverty rate in Latin America of 33.7% and an extreme poverty rate of 12.5%. This would mean a total of 209 million poor people at the end of 2020, 22 million more than the previous year. Of this total, 78 million people were estimated to be living in extreme poverty, 8 million more than in 2019. However, the increase in poverty and extreme poverty levels would be even greater if measures to transfer emergency income to households had not been implemented. Projections that only take into account the impact of the pandemic on employment and labour income (without transfers) show that the poverty rate for 2020 was 37.2% of the population, with 15.8% in extreme poverty. That would mean a total of 230 million poor people by the end of 2020, 21 million more than projected taking into account cash transfer programmes. Similarly, the total number of people living in extreme poverty would have reached 98 million, 20 million more than projected when taking into account the transfer programmes (see figure II.6).

<sup>8</sup> The cash transfer, which is available to formal workers who meet the minimum four-hour workday, is paid into an individual account by the employer on a semi-annual basis and calculated according to workers' years of qualifying service and earnings. Employers must deposit the amount into employees' preferred bank accounts and employees can dispose of those funds in the event of an unjustified dismissal.

<sup>9</sup> In the case of Chile, by 21 June 2021, 34.7% of contributors to AFPs (some 3.8 million people) had depleted their balance after the first, second and third withdrawals (see [online] [https://www.spensiones.cl/portal/institucional/594/articles-14609\\_recurso\\_1.pdf](https://www.spensiones.cl/portal/institucional/594/articles-14609_recurso_1.pdf)).

**Figure II.6**

Latin America (18 countries): poverty and extreme poverty, with and without emergency cash transfers, 2019 and 2020<sup>a</sup>  
(Percentages and millions of people)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

<sup>a</sup> Weighted average for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The simulation does not take into account changes in remittances to households.

Using official statistics from household surveys conducted in 2020 in four countries in the region (Colombia, Costa Rica, Dominican Republic and Paraguay), the following table presents the estimated impact of emergency measures on poverty and extreme poverty compared to a scenario without transfers (see table II.2).

**Table II.2**

Latin America (4 countries): poverty and extreme poverty, with and without emergency cash transfers, 2019 and 2020  
(Percentages of the population)

Country	Poverty rate			Extreme poverty rate			Source
	2019	2020 without emergency measures	2020 with emergency measures <sup>a</sup>	2019	2020 without emergency measures	2020 with emergency measures <sup>a</sup>	
Colombia	35.7	46.1	42.5	9.6	19.8	15.1	National Administrative Department of Statistics (DANE), Gran Encuesta Integrada de Hogares (GEIH)
Costa Rica <sup>b</sup>	21.0	30.4	26.2	5.8	11.0	7.0	INDEC (National Institute of Statistics and Censuses), Encuesta Nacional de Gastos de los Hogares (ENAHG)
Paraguay	23.5	30.1	26.9	4.0	6.4	3.9	National Institute of Statistics (INE), Encuesta Permanente de Hogares Continua
Dominican Republic	21.0	29.1	23.4	2.7	5.2	3.5	National Statistics Office (ONE), Encuesta Nacional de Fuerza de Trabajo (ENFT)

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

<sup>a</sup> The emergency measures in response to the COVID-19 pandemic taken into account in each country's surveys are as follows: (i) Colombia: regular payments under the *Familias en Acción*, *Jóvenes en Acción*, and *Programa de Protección Social al Adulto Mayor "Colombia Mayor"* programmes, other aid such as the Solidarity Income, and exceptional payments under *Familias en Acción*, *Jóvenes en Acción*, and *Colombia Mayor* programmes, the refund of value added tax (VAT), regional assistance in Bogotá, Medellín and Bucaramanga, and other assistance reported in the GEIH; (ii) Costa Rica: State subsidies and scholarships, including *Plan Proteger*, *Bono Proteger* and other cash transfers from the State; (iii) Paraguay: *Tekoporã*, *Pensión Alimentaria para Adultos Mayores en Situación de Pobreza* and *Pytyvõ* programmes; and (iv) Dominican Republic: *Quédate en Casa*, *Fondo de Asistencia Social al Empleado (FASE)* and *Programa de Asistencia al Trabajador Independiente (Pa'Ti)* programmes.

<sup>b</sup> For Costa Rica, the effect of protection measures is calculated at the household level only. At the individual level, estimated poverty rates (with emergency transfers) for 2019 and 2020 were 23.9% and 30.0%, respectively, and estimated extreme poverty rates (with emergency transfers) for 2019 and 2020 were 6.7% and 8.5%, respectively.

Data for Colombia show that the first income quintile received more support, but, as in the other countries, this did not reverse the effect of the reduction in labour income (DANE, 2021). In Costa Rica, State subsidies and scholarships jumped 153% between 2019 and 2020, up from 1.8% of total household income in 2019 to 5.2% in 2020. In 2020, the emergency cash transfer Bono Proteger accounted for 56% of the amount of these subsidies (2.9% of total household income) (INEC, 2020). In Paraguay, without the cash transfers provided under the *Tekoporã*, *Pensión Alimentaria para Adultos Mayores en Situación de Pobreza* and *Pytyvõ* programmes, approximately 184,000 more people would have fallen into extreme poverty in 2020, in addition to the 279,000 people already living in extreme poverty in the country. In terms of total poverty, the three programmes prevented some 233,000 people from falling below the poverty line. Of the three, the *Pytyvõ* programme has been the most effective with regard to poverty rates, while the *Pensión Alimentaria para Adultos Mayores en Situación de Pobreza* has been most effective in terms of extreme poverty (INE, 2021). In the Dominican Republic, the *Quédate en Casa*, *Fondo de Asistencia Social el Empleado (FASE)* and *Programa de Asistencia al Trabajador Independiente (Pa'Ti)* prevented 594,745 people from falling below the poverty line (CTP, 2020).

Other countries conducted ad hoc surveys to monitor social conditions in times of pandemic. In Brazil, the PNAD COVID19 national household survey showed that in November 2020, 41% of households had received the *Auxílio Emergencial* (Emergency Aid). Accordingly, Botelho (2020) and Paiva and others (2021) conclude that the programme helped to reduce poverty in the country.

In Chile, the COVID-19 Social Survey, conducted in two rounds (July and November-December 2020), shows that 52.4% of households received assistance from the central government or municipalities in the form of goods or cash up to November-December 2020 and that incomes had improved over the year. However, one third of households still report that income is insufficient to cover their expenses.<sup>10</sup> The survey data indicate that between the two rounds, the percentage of households receiving State benefits increased by 10.1 percentage points and that the increase was greater for female-headed households. More than half of households (58.1%) received State assistance through the Emergency Family Income (IFE), with the first two income quintiles receiving the most assistance (71.8% in the first quintile and 69.6% in the second quintile). A comparison of the characteristics of recipient households with the other households surveyed reveals statistically significant differences: recipient households have on average more members (an average of 3.6 persons, compared to 3.2), a higher proportion of them have children or adolescents (the proportion of such households with children or adolescents is 14.3 percentage points higher than that of other households with children or adolescents) and heads of household are on average almost 10 years older, a significant proportion of them have members who have not completed secondary education (42.8% compared to 30.5% in other households) and a lower percentage of employed persons.

Lastly, there are universities in Argentina and Honduras that have monitored social conditions in 2020, allowing for an analysis of the impact of emergency measures. The Social Debt Observatory (ODSA) of the Catholic University of Argentina conducted the EDSA COVID-19 national social debt survey, which found that in urban areas, the Emergency Family Income (IFE) prevented an 8.3 percentage point increase in the extreme poverty rate and a 6.4 percentage point increase in the poverty rate. Similarly, the Food Card (*Tarjeta Alimentar*) is estimated to have reduced the poverty rate by 1.3 percentage points, and by 6.7 percentage points when combined with the Emergency Family Income. If these measures are complemented by the Universal Child Allowance (AUH) and Universal Pregnancy Allowance (AUE), the *Progresar* programme and training and employment programmes, the poverty rate would be reduced by 7.7 percentage points; adding non-contributory pensions to the above programmes would see a reduction of almost 9.0 percentage points (Salvia and others, 2021). The Institute of Economic and Social Research of the National Autonomous University of Honduras conducted the Encuesta Económica Familiar Multipropósito UNAH, in three surveys in April, May and October 2020, which showed that 14.9% of households had received aid from the government (IIES, 2020).

<sup>10</sup> See [online] <http://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-social-covid19>.

## B. Challenges, innovation and lessons learned in emergency responses

The emergency measures implemented in the region have sought to meet the needs of the population, with many lessons learned during the pandemic. A first point that stands out is that even countries with more advanced social protection systems and solid information systems to support decision-making have struggled to respond in a timely and effective manner to the needs of the population, in particular groups who have traditionally been excluded from these systems, such as informal workers. The region, therefore, needs to support not only the poorest households but also a wider spectrum of the population, whose incomes have declined considerably. This illustrates that major challenges remain in moving towards universal social protection systems and also that there still much room for improvement in how these systems can support the population in post-disaster emergencies. Despite this, there has been no let-up in the search for innovative alternatives to address the social crisis caused by the pandemic.

Most of the countries have adopted innovations across a broad range of areas, from policy changes to the operational part of emergency programmes, in areas such as registration and targeting—combining information sources and using web platforms or mobile applications for registration—and assistance delivery methods, for example by expanding the use of electronic payment. In several cases, innovations are adaptations of processes, protocols or rules established before the pandemic. This is seen in the case of the elimination of certain requirements for access to emergency benefits (see box II.3 for examples) or the suspension of conditionalities.

All the processes analysed have involved a notable increase in the use of technology, whether to maintain constant communication channels with citizens (such as through text messages with information on emergency measures), to gather information on the recipients of social assistance or to transfer money, for example, through mobile applications.

The use of mobile phone applications and mobile banking was very helpful to enhance efficiency and avoid contagion; it is not so effective, however, in terms of the inclusion of vulnerable groups, as access to mobile telephony or bank accounts is limited in certain countries or geographic areas. This is compounded by high levels of digital illiteracy among older persons and people from lower-income households, which limits their proper use for these purposes. Accordingly, in several cases attention has been paid to these factors by offering a wider range of options, responding with alternative measures such as allowing people to collect food upon production of an identity card in established commerce, or setting up savings accounts for people to receive cash transfers.

Another innovation that was less common, but adopted in different countries, was cooperation between the State and private companies for the execution of programmes (support through databases, active search for people and generation of lists of potential recipients) or for complementary sources of funding via cash or in-kind donations.<sup>11</sup> Cooperation also took place at different territorial levels. Municipalities played an important role in this. Civil society organizations and local communities were also involved, as they often have greater knowledge of the vulnerabilities and needs of the population and were therefore able to help identify the people who needed more support. Some countries also received technical and financial assistance from international cooperation agencies to implement emergency programmes.<sup>12</sup>

<sup>11</sup> In Panama, large companies and organizations donated food products and money for food delivery through the programme *Panama Solidario, por Nuestra Niñez*. In Barbados, the government solicited donations for the Adopt Our Families Programme. As a result, by July 2020, about US\$ 2.1 million had been received in donations, while the government had contributed about US\$ 2.9 million to the programme. Thanks to this cooperation, 3,448 families had received assistance by September 2020.

<sup>12</sup> In Honduras, the United Nations Development Programme (UNDP) supported the implementation of Operation *Honduras Solidaria*, providing technical advice on the process of selecting territories for food delivery. In Trinidad and Tobago, the government signed an agreement with the Inter-American Development Bank (IDB) in February 2021, involving resources of US\$ 24.45 million for the implementation of measures to counteract the social effects of COVID-19. Part of the resources will be used to fund a temporary expansion of the Emergency Food Support to New Beneficiaries (Food Vouchers) programme.

**Table II.3**

Latin America and the Caribbean (7 countries): examples of changes in access requirements for emergency programmes, 2020 and 2021

Country	Measure	Changes in access requirements (lifting of restrictions)
Argentina	Food Card ( <i>Tarjeta alimentaria</i> )	Coverage was changed from children up to age 6 to children up to age 14 in May 2021. In February 2021 the amount was doubled. The frequency was also changed from monthly to weekly to avoid crowds.
Bahamas	Government Funded Unemployment Assistance for COVID-19	Coverage was increased: initially only those who lost their job after the start of the lock-down were eligible to apply, but in July 2020 the application was extended to those who had lost their job on or after 13 March 2020.
Bolivia (Plurinational State of)	Anti-Hunger Grant	The requirement for a voting card was discontinued.
Brazil	Easy access to credit for companies and individuals	Credit requirements were relaxed.
Chile	Middle-class protection plan 2: rental support for the middle class	Unlike the traditional line, no prior savings or registration in the Social Household Register is required.
Colombia	Loans from the Colombian Institute for Educational Loans and Advanced Studies Abroad (ICETEX)	New loans were extended for the second half of 2020 without the requirement for a debt guarantor.
Costa Rica	Close season allowance for fisherfolk	Fisherfolk in arrears with the Costa Rican Social Security Fund (CCSS) were allowed to receive the grant.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online database] <https://www.cepal.org/es/temas/covid-19>; "Social protection measures to confront COVID-19", Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>.

Elements of the main challenges and innovations are described below.

## 1. Identifying and communicating with the target population in the emergency

Information systems and social registers play a key role in identifying the needs and living conditions of the population. In order to address the pandemic, it has been necessary to rapidly reach out to population groups not covered by social protection systems who, as a result of the crisis, find themselves in a situation of poverty and vulnerability. Countries had to innovate in order to include these groups, and did so by adopting different strategies.

In Latin America, while many countries continued to use the information already available, 18 of them complemented or supplemented this information (across a total of 111 programmes) using other administrative data sources, from the State, from private utilities providers (e.g. electricity) or from civil society organizations. In addition, for 54 programmes in 13 countries, registrations were generated over the web, telephone (landline and mobile) or local offices.

In countries where registries already covered much of the population even before the pandemic and where households could apply to be included in programmes through local offices or web platforms, it was easier to reach a larger number of recipients (Berner and Van Hemelryck, 2020). This became critical for reaching the middle- and lower-middle-income strata which, as noted in chapter I, are not usually the main focus of social protection policies, but become particularly vulnerable in crisis situations (ECLAC, 2021).

The integration and cross-referencing of data from different administrative information sources to identify potential recipients was possible thanks to the existence of single civil registry identifiers, national identifiers or even the combination of variables that make an individual unique. For example, the Plurinational State of Bolivia used the records of utilities providers (both public and private) to ensure that the ban on suspension of basic services was upheld, and made the companies themselves responsible for implementing this measure. In Brazil, the National Indian Foundation (FUNAI) carried out a mapping of recipients and priority geographical locations for the distribution of food baskets to indigenous families. In Colombia, the government authorized the sharing of data from both public and private institutions through a decree guaranteeing the confidentiality

of the information, which was used for the Solidarity Income programme.<sup>13</sup> In Costa Rica, local emergency committees were responsible for identifying households in need and drawing up lists for food deliveries, cross-checking with the databases of institutions such as the Joint Institute for Social Aid (IMAS) or local health entities; the population also had the possibility of approaching the committees to request the food packages.

Another innovation was to make the protocols for joining the recipient registers more flexible. Brazil and Chile, for example, adjusted information verification protocols to allow households to register more quickly and directly in the single register of social programmes (CadÚnico) and the Social Household Register, respectively, in both cases by doing away with the home visit to verify the data that individuals reported. In addition, in Chile, the protocol for approving applications from households registered in the Social Household Register was altered to eliminate the verification carried out by the municipal programme officer.

Some countries put new registries in place to identify the population most affected by the pandemic and to support these groups more effectively. Colombia established a single register of COVID-19 victims and affected persons (RUDA), under the responsibility of governors' and mayors' offices. This register was used to provide benefits under the *Colombia está Contigo* (Colombia is with you), support for older persons programme.<sup>14</sup> Peru set up a national registry for COVID-19 measures in the framework of the health emergency to complement the information in its household targeting system (SISFOH) and to have updated information on the people affected by the pandemic.

In emergency situations such as has been caused by the pandemic, communication channels with the population are essential to keep people informed, receive enquiries and proposals, and respond to concerns about the programmes and instruments available, access requirements, application modalities and the subsequent delivery of benefits. Due to health restrictions, many countries opted to employ mixed communication modalities that made greater use of virtual communication channels. In Brazil, a web platform and a mobile application were created for registration in the emergency assistance programme so that people could look up information, check the status of their application and have a communication channel for specific questions. In Paraguay, a telephone line was made available to provide information and register households in the *Ñangareko* Food Security Programme, while in Chile, the Ministry of Social Development and Family expanded the provision of telephone information lines and created a benefits search engine.<sup>15</sup>

Lastly, in general, no changes have been made to the socioeconomic assessment tools used to identify which households are vulnerable. Chile is an exception to this, having created an emergency socioeconomic indicator for the delivery of the Emergency Family Income (IFE), as a tool reflecting the short-term situation of households. However, this instrument was abandoned by the third month of the programme (Berner and Van Hemelryck, 2020). In Mexico, the 800 MEXICO4 well-being hotline (*Línea de Bienestar*) was launched in mid-April 2020 to provide information and answer queries on the procedures under the country's development programmes, both for participants and potential recipients.

Of the 13 Caribbean countries surveyed, most have also innovated in their means of registering potential recipients of emergency programmes. In particular, 34% of the emergency measures used web platforms, mobile phone applications and telephone lines, or used local stakeholders to enable citizens in need of State support to register and apply for programmes. In Guyana, for example, an online platform was set up, as well as a telephone line those without Internet access, to register for the COVID-19 Public Assistance Programme, through which food vouchers are provided to the most vulnerable.

In addition, 30% of the measures implemented in the Caribbean used databases in addition to the existing registers to supplement the information on potential recipients of programmes. In Antigua and Barbuda, the COVID-19 Utility Relief Discount programme, implemented in 2020, uses supplementary administrative records both to avert the suspension or disconnection of water or electricity services for non-payment and to reduce

<sup>13</sup> See [online] [https://ingresosolidario.dnp.gov.co/documentos/DECRETO\\_518\\_DEL\\_4\\_DE\\_ABRIL\\_DE\\_2020.pdf](https://ingresosolidario.dnp.gov.co/documentos/DECRETO_518_DEL_4_DE_ABRIL_DE_2020.pdf).

<sup>14</sup> See [online] [http://portal.gestiondelriesgo.gov.co/Paginas/Slide\\_home/Registro-Unico-de-Damnificados-y-Afectados-RUDA.aspx](http://portal.gestiondelriesgo.gov.co/Paginas/Slide_home/Registro-Unico-de-Damnificados-y-Afectados-RUDA.aspx).

<sup>15</sup> See [online] <https://www.reddeproteccion.cl/cuestionario/form/1>.

the cost of services for people who have lost their incomes as a result of the pandemic. In Dominica, the Social Cash Transfers Programme introduced a telephone and online registration process to collect information remotely through a digital application form. In several cases, home visits were also conducted to interview those who were unable to access registration points.

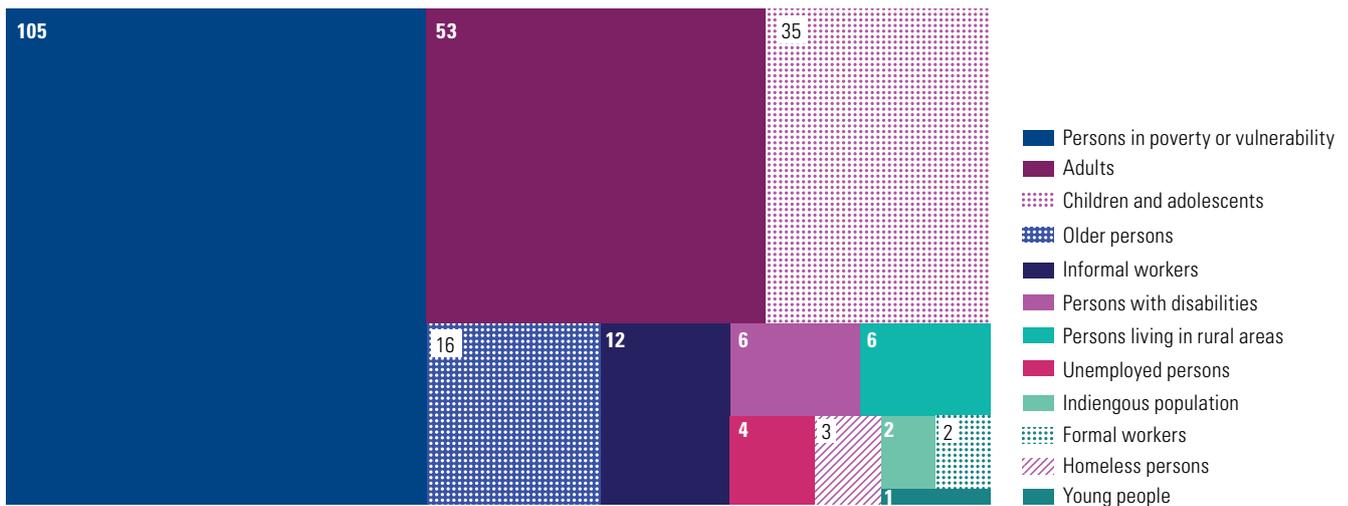
The effort to increase the coverage of social protection measures has been reflected in greater inclusion of groups that are not usually included in these systems, such as informal workers, who are generally not covered by either non-contributory social protection benefits or by contributory social protection.

Figures II.7 and II.8 show the distribution of measures taken under non-contributory social protection programmes in Latin America and the Caribbean, by target population. Although the categories are not exclusive, for the purposes of analysis the priority populations targeted by emergency social protection programmes were used. The countries devoted most of their emergency measures to the population in poverty or vulnerability (105 programmes in Latin America and 35 in the Caribbean). Most countries have also implemented programmes specifically for children and adolescents, as well as adults of working age. An important adaptation has been the inclusion of informal workers, a group in which women are overrepresented and which has been greatly affected by the pandemic due to its precarious working conditions (ECLAC, 2021; Velásquez, 2021). Two countries offer specific measures for homeless people: Chile, where the Protected Winter Plan provides hygiene kits as a preventive measure against contagion and shelters are made available; and Uruguay, where food baskets are provided in municipal canteens and through civil society organizations. In the case of programmes aimed primarily at the indigenous population, Brazil and Paraguay have focused their efforts on the distribution of food baskets to indigenous families.

**Figure II.7**

Latin America (20 countries): target population of emergency non-contributory social protection measures, 1 March 2020–30 April 2021<sup>a</sup>

(Number of measures)



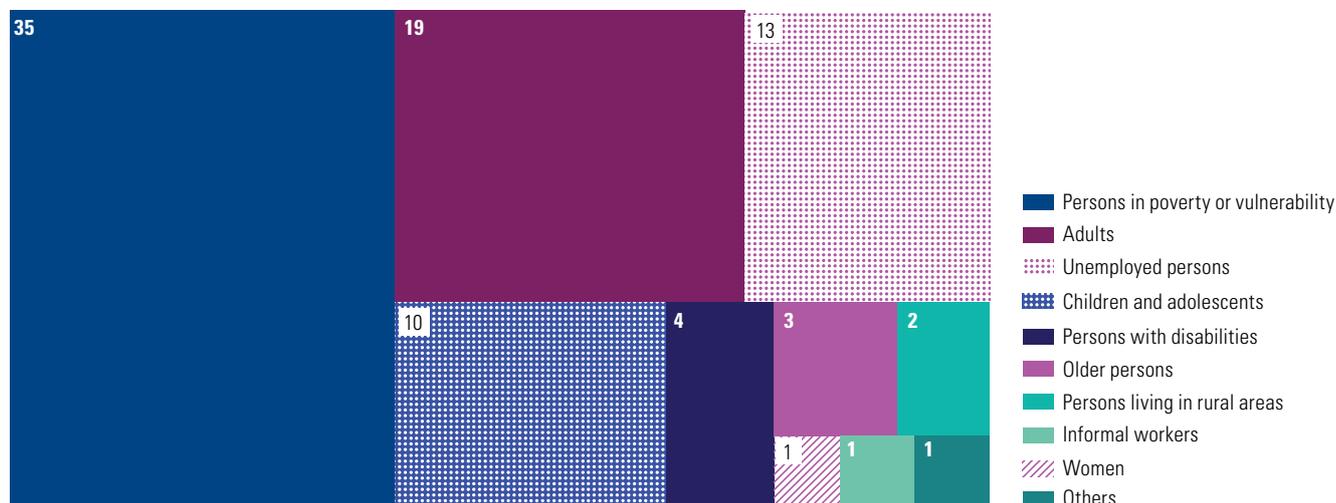
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/en/topics/covid-19>; “Social protection measures to confront COVID-19”, Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>.

<sup>a</sup> Includes measures announced by the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

**Figure II.8**

The Caribbean (13 countries): target population of emergency non-contributory social protection measures, 1 March 2020–30 April 2021<sup>a</sup>

(Number of measures)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/en/topics/covid-19>; “Social protection measures to confront COVID-19”, Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>.

<sup>a</sup> Includes measures announced by the following countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

## 2. Provision of assistance during the emergency

Payment of cash transfers and the provision of food or medicine has been particularly challenging in the context of the pandemic, owing to the need to reduce people’s exposure to the SARS-CoV-2 virus while delivering provisions quickly. Although experiences have varied in different countries, the regional picture in general is one of rapid response times and multiple innovations (Blofield, Giamb Bruno and Filgueira, 2020).

Innovations in this area relate to the payment methods of existing programmes, the contact information and bank details available for individuals, the conditions of the banking system and the technology available in the countries, as well as the capacity to use new payment channels.

Several countries have made use of digital technologies to facilitate delivery of cash benefits and avoid large gatherings (ECLAC, 2020). Transfers to bank accounts are the most frequent method of delivery in the region (used in 106 measures). However, the use of actual cash is still common (in 48 measures) and many countries have opted to deliver assistance in kind directly to recipients’ homes, although some have continued to distribute food in schools or business premises.

Since many people were not in the banking system, basic accounts had to be opened to make bank deposits. In Colombia, these accounts were created using the information provided by applicants, who had to indicate their full name and the details of the information contained in their identification document. In Brazil, recipients of the emergency assistance programme who did not have a bank account have been able to open a savings account via their mobile phone, using mobile banking (Beazley, Derban and Barca, 2020). Once registered, applicants receive a text message with information that allows them to open a savings account where they can receive cash benefits. In the Dominican Republic, the provision of entitlements under the *Quédate en Casa* programme is done by transfer to an account associated with the national identification

number, to avoid people having to leave their homes and allow those without a bank account to receive a transfer. In Paraguay, to receive the Ñangareko Food Security Programme voucher, the recipient enters a code that is sent to his or her mobile phone and receives a money transfer that can be used only to purchase food or hygiene products. Other examples of measures that make use of digital mobile phone transfers include the Bahamas' Government Funded Unemployment Assistance for COVID-19, Guatemala's Bono Familia (Family Allowance), Haiti's social assistance transfer programme, and the Belize COVID-19 Cash Transfer Program (BCCAT), which uses a mobile payment solution called MobilePayz.

However, as noted earlier, the use of technology to register and make transfers through electronic cards or mobile phone accounts runs into the problem of low digital literacy in some countries, territories or population groups, or the fact that in some households no one has a mobile phone with an Internet connection. For that reason, technology has not entirely replaced by more traditional methods. For example, there are still cases of physical coupons being delivered or identity cards being used to withdraw money, be it at local offices of the implementing institutions, at the bank or even in shops.

## C. Concluding remarks

Emergency measures, and especially cash transfers, have been key to meeting the basic needs of poor and vulnerable households, including families of informal workers, in times of crisis. The experiences described above show that countries have responded in an innovative manner, but also that they have weaknesses in terms of prior preparedness to face this type of disaster. A major challenge in this regard concerns the timeliness, relevance and adequacy of measures to cover gaps and respond to the differential impacts that this type of disaster has on vulnerable sectors of the population that are not traditionally part of the target population of social protection policies, such as informal workers and migrants.

Given the prolongation of the pandemic and its economic and social impacts, transfers should be maintained and targeted at broad population groups, and their benefits should amount to at least the equivalent of the poverty line. Available information indicates that countries will not have enough vaccines to break the chain of infection in the short term, so the economic and social effects of the pandemic will continue for several more months. On the other hand, the trend in official announcements of resource commitments does not appear to be keeping pace with the challenge, which generates a high risk of poverty and extreme poverty rising as a result of the reduction in coverage and transfer amounts.

From the operational point of view, mechanisms for prioritizing the target population must be simple, with clear requirements and timely dissemination of information to the public on how to apply for emergency programmes and receive assistance, so that these programmes can perform properly and reach those who need them at the right time. This will testify to the State's ability to implement more universal and comprehensive social protection policies that are rights-based and sensitive to differences.

Beyond the emergency, there remains the challenge of consolidating universal, comprehensive and sustainable social protection systems, taking into account the linking of contributory and non-contributory components and care systems. Likewise, the challenge remains to link up social protection policies in the framework of disaster management more effectively. The countries of Latin America and the Caribbean went into the pandemic with large gaps and with large groups of the population unprotected, which has thrown the historical weakness of the welfare state in the region into stark relief (ECLAC, 2021). But the pandemic has also shown that the State is a key and indispensable actor in responding to the challenges of a protracted crisis. It is crucial to systematize the lessons learned from this crisis in order to address institutional gaps and shortcomings, so that countries can face future pandemics and other disasters on a much better footing. These and other key elements of public policy on social protection will be taken up in chapter IV.

## Bibliography

- Beazley, R., W. Derban and V. Barca (2020), "Options for rapid delivery (payment) of cash transfers for COVID-19 responses and beyond", SPACE Social Protection Approaches to COVID-19: Expert advice helpline, unpublished.
- Berner, H. and T. Van Hemelryck (2020), "Sistemas de información social y registros de destinatarios de la protección social no contributiva en América Latina: avances y desafíos frente al COVID-19", *Project Documents* (LC/TS.2020/140), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), December.
- Blofield, M., C. Giamburro and F. Filgueira (2020), "Policy expansion in compressed time: assessing the speed, breadth and sufficiency of post-COVID-19 social protection measures in 10 Latin American countries", *Social Policies series*, No. 235 (LC/TS.2020/112), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Botelho, V. (2020), *Perspectiva para os Programas de Transferência de Renda em 2021*, Brazilian Institute of Economics, Getulio Vargas Foundation (FGV).
- CTP (Inter-institutional Technical Committee for the Measurement of Poverty) (2020), "Boletín de estadísticas oficiales de pobreza monetaria 2020", *Boletín*, No. 8, year 6, Santo Domingo.
- DANE (National Administrative Department of Statistics) (2021), "Pobreza monetaria en Colombia: resultados 2020", April [online] <https://www.dane.gov.co/index.php/estadisticas-por-tema/pobreza-y-condiciones-de-vida/pobreza-monetaria>.
- ECLAC (Economic Commission for Latin America and the Caribbean ) (2021), *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago.
- (2020), "Addressing the growing impact of COVID-19 with a view to reactivation with equality: New projections", *Special Report COVID-19*, No. 5, Santiago, July.
- Filgueira, F. and others (2020), "América Latina ante la crisis del COVID-19: vulnerabilidad socioeconómica y respuesta social", *Social Policy series*, No. 238 (LC/TS.2020/149), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- IIES (Institute of Social and Economic Research) (2020), *COVID-19 en Honduras. Informe de investigación: Tercer Encuesta Económica Familiar Multipropósito UNAH*, Research Programme in Economics and Finance (PIEF).
- ILO (International Labour Organization) (2020), *2020 Labour Overview of Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean.
- (2018), "Los servicios públicos América Latina y el Caribe", *Notas OIT*.
- INE (National Institute of Statistics) (2021), *Principales resultados de pobreza monetaria y distribución de ingresos – 2020*, Asuncion, March.
- INEC (National Institute of Statistics and Censuses) (2020), *Encuesta Nacional de Hogares Julio 2020: resultados generales*, San Jose, October.
- Paiva, L. and others (2021), "A reformulação das transferências de renda no Brasil: simulações e desafios", *Texto para Discussão*, Brasília, Institute of Applied Economic Research (IPEA).
- Salvia, A. and others (2021), "Efectos de la pandemia COVID-19 sobre la dinámica del bienestar en la Argentina urbana. Una mirada multidimensional acerca del impacto heterogéneo de la crisis tras una década de estancamiento económico (2010-2020)", *Documento Estadístico-Barómetro de la Deuda Social Argentina*, Buenos Aires, Educa.
- SBS (Superintendency of Banking, Insurance and Private Pension Fund Administrators of Peru) (2021), *Construyendo sistemas supervisados sólidos, íntegros e inclusivos* [online] [https://www.sbs.gob.pe/Portals/0/jer/PUB\\_MEMORIAS/Memoria-SBS-2020.pdf](https://www.sbs.gob.pe/Portals/0/jer/PUB_MEMORIAS/Memoria-SBS-2020.pdf).
- SP (Superintendency of Pensions of Chile) (2021), "Sistema registra más de 25,7 millones de pagos por los tres retiros de fondos y el 85,3% de las liquidaciones por pensiones de alimentos está al día" [online] <https://www.spensiones.cl/portal/institucional/594/w3-article-14618.html>.
- Velásquez, M. (2021), "La protección social de los trabajadores informales ante los impactos del COVID-19", *Project Documents* (LC/TS.2021/37), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).



CHAPTER



# Disasters and resilience-building in the Caribbean: addressing a multidimensional crisis

## Introduction

- A. Multidimensional vulnerabilities in the Caribbean
- B. Understanding the systemic impacts of social protection
- C. Identifying subregional coordination mechanisms as key institutional support for Caribbean resilience-building
- D. Leadership and governance instruments for integrated response
- E. Learning from previous disasters: articulating responses towards resilience-building
- F. Resilience-building and social protection in the Caribbean
- G. Overcoming challenges: financial sustainability for social protection systems
- H. Concluding remarks

## Bibliography



## Introduction

Beyond the immediate catastrophic impacts and tragedy resulting from the coronavirus disease (COVID-19) pandemic, social protection has gained a greater centrality in Caribbean policymaking and debate. This greater attention being paid to social protection may offer an opportunity in the recovery process, linked to the willingness of the Caribbean to be at the forefront of the human rights agenda and to present itself globally as a leading subregion, embracing sustainable development and international frameworks on climate change. As highlighted in the *Regional Agenda for Inclusive Social Development* (ECLAC, 2020c), this recognition is also linked to an understanding, made evident throughout this period of response to the effects of the pandemic, that social protection has an effective role in tackling poverty reduction, promoting inclusion and delivering results for the overall advancement of Caribbean societies, with a positive impact that goes well beyond the most immediate social protection measures (for example on Sustainable Development Goals 1 and 2) and has potential catalytic effects for social transformation and inclusive growth.

While recognizing substantial support as part of governments' immediate COVID-19 relief efforts, this chapter will take a longer-term perspective and focus on how reforming or repurposing current mechanisms for integrated response could enable the transition to a system that is more sustainable and resilient to future risks from zoonotic disease outbreaks, climate change and other environmental challenges. It will also look at the current window of opportunity to push forward this agenda towards a just and inclusive transformation as part of countries' efforts to "build forward better", with a "leave no one behind approach" to reform, including a greater focus on social dimensions for women and vulnerable groups, strengthening the resilience of specific sectors such as food security, and catalysing a shift towards the green and blue economies, nature-based solutions and regenerative development.

The description of the specific characteristics of disasters and social protection policies in the Caribbean are thus key elements for consideration of the proposals described in chapter IV.

### A. Multidimensional vulnerabilities in the Caribbean

The Caribbean is one of the most disaster-prone regions in the world.<sup>1</sup> Unlike Central and South America and even other groups of small island developing States (SIDS), Caribbean islands are especially vulnerable to climate change and extreme weather events—which usually have nationwide impacts—because of their small size, geographical location and population density close to the coast (Bello and Meira, 2019). This recurring high exposure and the vulnerability to natural hazards have resulted in tremendous costs in terms of loss of human lives, productive assets, physical infrastructure, output supply and product demand, especially in agriculture and tourism. The COVID-19 pandemic has added a new dimension to this vulnerability, as Caribbean countries must now confront the economic and social fallout of their efforts to control the spread of this disease.

Historically, the subregion has experienced mainly hydrometeorological and geological hazards, including tropical storms, hurricanes, floods and droughts. For the period 2000–2021, the Caribbean recorded 326 disasters associated with natural hazards (see table III.1), with the highest incidence in 2004 and 2017 (30 and 29 disasters, respectively) (CRED, 2020; ECLAC, 2019a). Hurricanes Irma and Maria (2017) and Hurricane Dorian (2019) devastated national infrastructure across 10 Caribbean islands and prompted a humanitarian crisis in the subregion (ECLAC, 2019a).<sup>2</sup>

<sup>1</sup> Based on information from the Climate Risk Index (CRI) which calculates annual average death tolls, deaths per 100,000 inhabitants, total economic losses, economic losses per GDP unit, and number of events for the period 1999–2018. As mentioned in chapter IV, 3 of the 10 countries most affected by extreme weather events in the past 20 years are in the Caribbean.

<sup>2</sup> The total estimated subregional cost of the damage caused by Hurricane Maria alone was between US\$ 27 billion and US\$ 48 billion.

**Table III.1**

The Caribbean (28 countries and territories): number of disasters and population affected, 2000–2021<sup>a</sup>

Country or territory	Total Affected	Number of disasters
Anguilla	15 000	1
Antigua and Barbuda	32 600	3
Bahama	53 150	15
Barbados	7 181	7
Belize	240 925	12
Bermuda	0	1
British Virgin Islands	0	2
Cayman Islands	300	7
Cuba	20 405 628	35
Dominica	107 857	5
Dominican Republic	3 412 767	54
French Guiana	144	2
Grenada	60 000	2
Guadeloupe	113 155	4
Guyana	762 048	7
Haiti	12 883 002	85
Jamaica	869 591	21
Martinique	29 308	5
Montserrat	200	1
Puerto Rico	773 384	18
Saint Kitts and Nevis	500	1
Saint Lucia	228 785	10
Saint Vincent and the Grenadines	74 886	11
Sint Maarten	11 400	1
Suriname	41 648	3
Trinidad and Tobago	151 760	5
Turks and Caicos Islands	1 700	5
United States Virgin Islands	0	3
<b>Total</b>	<b>40 276 919</b>	<b>326</b>

**Source:** Centre for Research on the Epidemiology of Disasters (CRED), Emergency Events Database (EM-DAT), 16 July 2021 [online] <https://www.emdat.be/>.

<sup>a</sup> The population affected refers to the total sum of those injured, affected or left homeless.

The subregion is also characterized by high exposure to geological hazards, such as earthquakes, volcanic eruptions and tsunamis. Frequent seismic activity is concentrated along the Antilles Arc, from the island of Hispaniola to Trinidad, where the Caribbean Plate overrides the North and South American Plates. One of the most destructive earthquakes ever recorded occurred in Haiti in 2010; it affected more than 3.4 million people in total, killing more than 200,000 and injuring over 300,000 (CRED, 2020). In addition, there are 19 live volcanoes in the Eastern Caribbean, whose activity has cost human lives and had tremendous negative economic impacts. The most recent eruption of La Soufrière in Saint Vincent and the Grenadines, in 2021, has already affected over 24,000 people on the island (PAHO, 2021), as well as others in the neighbouring islands of Barbados, Grenada and Saint Lucia, owing to ash plumes and the spread of sulfur dioxide (IFRC, 2021).

With most Caribbean economic activities located in risk-prone coastal zones, there is increased exposure to tsunamis and other coastal hazards such as strong winds, ocean surges, floods and heavy rain. Activities such as tourism, fishing and maritime trade, which account for a significant share of GDP, are conducted near the coast, and more than 70% of the population lives in low-elevation coastal zones, resulting in high exposure to sea level rises (Mycoo and Donovan, 2017). Around 45% of the populations of Barbados, Jamaica, and Trinidad and Tobago live within 5 kilometres of the coastline, while more than 20% of the populations of Antigua and Barbuda, Aruba, Bahamas, British Virgin Islands, Grenada, Guyana and Saint Vincent and the Grenadines inhabit areas below 5 metres above sea level. In Suriname, nearly 70% live below the 5-metre mark (ECLAC, 2019a). On any given day, more than 500,000 people are potentially at risk along coastal areas, which is more than twice the official estimates of loss of life in the 2004 Indian Ocean tsunami (ECLAC, 2021c). Disasters have a greater impact on the most vulnerable, notably women, youth, older persons, persons with disabilities and migrant populations, who disproportionately and increasingly bear the brunt of their effects. Therefore, climate change and disasters may be seen as combining to perpetuate and widen social inequalities.

In addition to these vulnerabilities associated with high exposure to climate change and climate-induced hazards, the Caribbean subregion has grappled with long-standing structural constraints. In fact, in terms of the impact of disasters as a proportion of GDP, 9 of the 10 countries and territories most impacted by economic losses anywhere in the world during the period 2000–2019 are in the Caribbean.<sup>3</sup> This illustrates the high impact disasters have on small economies, where one single event may cause nationwide devastation, as was the case when Hurricane Maria struck Dominica in 2017, causing damage and losses equivalent to 226% of the country's GDP. It is, therefore, evident that disasters represent an existential threat for several SIDS, as one event can derail an entire country's economy and development trajectory (UNDRR/CRED, 2019).

The economic situation of the subregion has been characterized by decline in foreign direct investment, limited capacity to mobilize domestic resources and high levels of public debt. The Caribbean's average public debt over the period 2010–2019 was 70% of GDP, suggesting that debt has been a long-standing challenge for the subregion (ECLAC, 2020a). The fiscal deficits caused by COVID-19 will only increase the level of public debt.

Correlated to these multidimensional vulnerabilities and despite improvements in living standards across the subregion in recent decades, major challenges to human development and social cohesion persist. These include high levels of poverty, unemployment, inequality, population ageing and non-communicable diseases. In addition, the high rates of youth unemployment, further exacerbated in a context of recession, have implications for socioeconomic well-being, including in terms of crime and violence, threatening social cohesion in many Caribbean countries (ECLAC, 2020a).

The COVID-19 pandemic is considered a disaster that combines a biological threat with other vulnerabilities associated with the organizational and response capacity of health systems, with the existence of informal sectors and inequalities, and with social work practices and public transport. This combination has resulted in one of the worst global economic and social upheavals in recent decades, which is expected to be directly reflected in higher unemployment rates and increased poverty —the two main historical drivers of vulnerability in the Caribbean (ECLAC, 2021c). The pandemic has weakened the ability of governments to address any negative shocks to their long-term economic, social, and environmental viability and to sustain social spending. It has left Caribbean countries in a much more precarious position should they be struck by future disasters caused by natural hazards, which are recurrent in the Caribbean.

ECLAC has projected that the Caribbean economies will contract on average by 6.2%, with downturns ranging from 5% in Haiti to 12.3% in Antigua and Barbuda. The largest impact is being felt in the service sectors of tourism, aviation, hotels and accommodation, restaurants, entertainment, and commerce. Businesses' income has declined significantly, making access to credit difficult and in many cases leading to definitive closure. In some countries, construction has also been hit hard by delays and the great uncertainty surrounding new projects. It will take at least two years for economic activity to return to pre-pandemic levels, and the recovery will be slower

<sup>3</sup> The 10 countries suffering the greatest economic losses as a percentage of GDP in 2000–2019 were: Dominica (15%), Cayman Islands (9.1%), Haiti (8.0%), Grenada (7.8%), Turks and Caicos Islands (5.8%), Bahamas (4.3%), Guyana (3.6%), Puerto Rico (3.5%) and Belize (3.4%) in the Caribbean, followed by Samoa (2.1%) in the Pacific region (UNDRR/CRED, 2019).

than after the 2008 crisis (Bárcena, 2020). Furthermore, as mentioned in chapter I, the COVID-19 pandemic has reinforced existing social inequalities, which may translate into higher vulnerability to disaster risk.

According to the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway, SIDS “continue to grapple with the effects of disasters, some of which have increased in intensity and some of which have been exacerbated by climate change, which impede their progress towards sustainable development” (ECLAC, 2019a). This scenario, coupled with the intersectionalities of socioeconomic vulnerabilities, emphasizes the precarious situation of the Caribbean subregion and its capacity to effectively mitigate and adapt to these disasters. COVID-19 has now brought into focus the need for the Caribbean to determine carefully how to build its resilience. The subregion must be supported in this effort by the international community, especially the international financial community, to prevent the loss of any socioeconomic progress (Alleyne and others, 2020).

Recognizing that the health and climate crisis has particularly impacted Caribbean SIDS, which recurrently and disproportionately bear the brunt of unsustainable development models, a renewed call is being made for transdisciplinary action and for the formulation of indices that may adequately capture their unique vulnerabilities. In 2020, in the context of the global COVID-19 pandemic, the Alliance of Small Island States (AOSIS) and the United Nations reiterated the need to develop a multidimensional vulnerability index for small island developing States, to be presented at the General Assembly in 2021. Such an index will support the reconsideration of eligibility for concessional financing to SIDS on the basis of vulnerability rather than income criteria alone (United Nations, 2021a).<sup>4</sup>

## B. Understanding the systemic impacts of social protection

For the Caribbean subregion, the nature of systemic risk is connected to its multidimensional vulnerabilities, coupled with high debt, weak social protection systems, poverty, inequality and unemployment. These structural vulnerabilities form a multi-risk scenario in the face of climate change and increasingly complex hurricane seasons and extreme weather events. Considering the multipronged disaster-risk scenarios faced by Caribbean countries, the role of social protection in emergency response has become central in government strategies, policies, plans and investments (Beazley, Ciardi and Bailey, 2020) and should move towards a double resilience approach, at both the community (and household) and the institutional levels, as proposed in chapter IV.

The COVID-19 pandemic has led to an unprecedented crisis, disrupting public services in the Caribbean and exposing inequalities among the most vulnerable groups of its societies. While Caribbean governments are well aware of the need to be prepared for disasters, the scope and complexity of the crisis has been unprecedented in its sudden and global impact, its duration and its consequences in terms of the decline in international travel and global commodity prices and the overall disruptions in worldwide trade and supply chains. COVID-19 social protection measures adopted by Caribbean countries, such as cash and in-kind transfers, enhanced pensions, child and disability benefits, contributed to preventing higher inequality. Such measures were instrumental in cushioning the impact of the health and socioeconomic crisis in the Caribbean, directly supporting the most vulnerable and marginalized, but also acting as stabilizers enabling citizens to overcome social exclusion and poverty. Countries also invested in fostering collaboration between the private and public sectors for enhancing the lives and livelihoods of Caribbean populations. However, challenges continue, and it is necessary to expand the efforts of social protection systems to respond to the size and duration of the crisis.

As described in chapter IV, in order to preserve gains across all the Sustainable Development Goals, it is important that Caribbean decision-makers integrate disaster risk and recovery, ensuring the voices, rights and agency of people are at the core of the processes (ECLAC, 2021c). The causes and effects of environmental

<sup>4</sup> The United Nations Department of Economic and Social Affairs and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) are leading the effort of the United Nations Secretariat to map all the initiatives on the development and use of a multidimensional vulnerability index for SIDS.

crisis and systemic inequality may differ from country to country, and a customized approach is needed to understand the full extent of the impacts, considering multiple threats affecting the different territories. Risk-informed policy direction will depend on more articulated coordination mechanisms that promote integration of different sectors, stakeholders and levels of government, allowing a space for participatory dialogue and inclusion of the most vulnerable groups, and including indigenous and endogenous knowledge.

Disaster risk reduction is an important dimension of resilient recovery plans and programmes in the Caribbean. It incorporates widespread approaches as part of the recovery, involving responses to environmentally induced population displacement and the redesign of resilient infrastructure, for example through strengthening natural protective barriers. The COVID-19 pandemic highlighted the urgent need to promote more integrated and coherent policy responses, addressing key areas of regional and national risk.

## C. Identifying subregional coordination mechanisms as key institutional support for Caribbean resilience-building

Subregional coordination and cooperation mechanisms provide a critical support framework for Caribbean SIDS small economies, by addressing the shortage of goods and services during crisis, allowing a space for regional collaboration, and fostering synergies and joint solutions to expand social protection towards universal access. This supports the ultimate goals of strengthening coping capacity and resilience-building, reducing structural inequality and ending poverty. Effective partnerships on climate risk monitoring, assessment and early warning have been built throughout the subregion, including through the Caribbean Community Climate Change Centre (CCCCC) and the Caribbean Institute for Meteorology and Hydrology (CIMH). Furthermore, the *Model Comprehensive Disaster Management Legislation and Regulations 2013*, developed by the Caribbean Disaster Emergency Management Agency (CDEMA, 2013), provide a subregional coordinating framework to promote and support critical areas of convergence towards achieving a development model that is resilient to climate change. The CDM strategy, further refined by “A Caribbean Pathway for Resilience”, puts forward four priority areas for safer, more resilient and sustainable countries: strengthened institutional arrangements for CDM; increased and sustained knowledge management and learning; improved integration of CDM at sectoral levels; and strengthened and sustained community resilience (CDEMA, 2014). In addition, parametric insurance policies, unlike indemnity insurance, pay out on the occurrence of an event or an impact of a predetermined intensity. The Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), created in 2007,<sup>5</sup> is the first country-risk fund based on this type of insurance. It was originally designed to deal with catastrophes related to hurricanes and earthquakes in Caribbean countries and currently provides services to 19 Caribbean and 2 Central American governments. It was not designed to cover all the damage caused by a disaster but to give governments access to short-term liquidity mechanisms to deal with the emergency and reduce budgetary volatility (ECLAC, 2019a).

In responding to the pandemic, subregional cooperation has proven to be an effective way to compensate for national deficiencies and strengthen overall response capacity (Beazley, Ciardi and Bailey, 2020). The leadership role of the Caribbean Community (CARICOM) has been recognized<sup>6</sup> and the Association of Caribbean States (ACS) established a Multi-Stakeholder Task Force on COVID-19, to analyse and promote a subregional collective response, including vaccines, logistics, social mechanisms, and capacity-building requirements.

As part of the coordinated response, CDEMA supported its 19 participating States in implementing measures to contain infections, by providing joint medical assistance and establishing a COVID-19 Integrated

<sup>5</sup> For more information, see annex V.1 in chapter V2019c.

<sup>6</sup> Dr. Joy St. John, Executive Director of the Caribbean Public Health Agency (CARPHA), recognized that Heads of the Caribbean Community (CARICOM) and the CARICOM Quasi-Cabinet member with responsibility for health had demonstrated the principles of equity, regional solidarity and advocacy for the rights of Caribbean people to have access to life-saving vaccines (presentation at Multi-Stakeholder Task Force Meeting on COVID-19, Association of Caribbean States (ACS), March 2021).

Regional Logistics Hub (IRLH) in Barbados. Other regional organizations, such as the Pan American Health Organization (PAHO), the Caribbean Public Health Agency (CARPHA), the Caribbean Development Bank (CDB) and the University of the West Indies (UWI), have provided key resources and expertise, including regional testing capacity and outbreak response logistics. New initiatives in reinforcing resilience include collaboration with the Caribbean Alliance of National Psychological Associations (CANPA) to integrate mental health and psychosocial support in disaster response. The Resilient Caribbean Young Professionals Development Programme will provide professional capacity development for young persons in the area of disaster management. A new model shutdown project aims to bridge the gap between national disaster offices, the private sector and the general public, to improve integration in emergency response procedures.

South-South cooperation with Cuba and the Dominican Republic, including knowledge-sharing, has also been significant. The medical community in Cuba has demonstrated important leadership and solidarity during the period, being the only country in the subregion capable of testing and rolling out its *Soberana 2* vaccine against COVID-19 and pledging to share its vaccines with countries in the region, as well as sending its health workers on mission in several countries since the beginning of the pandemic. At the same time, the British, French and Netherlands overseas territories have provided responses and procured vaccinations for their populations, while also contributing to a health diplomacy response. The European Commission, Germany and France have called for the COVID-19 vaccine to be considered a public good and have mobilized substantive sums for this purpose. In support of interregional cooperation, ECLAC proposed to strengthen regional coordination mechanisms to procure vaccines; promote the full functioning of the COVID-19 Vaccines Global Access (COVAX) initiative; promote campaigns to raise awareness; facilitate negotiations among countries; promote information exchange on best practices in the vaccination process; and make intellectual property regimes more flexible (ECLAC, 2021a). However, despite all the efforts, inequalities in access to health services, including the procurement, distribution of vaccines and testing capacity, are still evident in countries and overseas territories in the Caribbean. In addition to the sufficiency that is needed for universal access, it is also recommended that a public awareness campaign should be carried out to combat misinformation and vaccine hesitancy. These differences highlight the need to reinforce joint responses to the challenges presented by COVID-19 and may be important lessons in a situation of global crisis.

## D. Leadership and governance instruments for integrated response

At the subregional level, the Organisation of Eastern Caribbean States (OECS) acts as a platform for increasing the coordinated response in facing many of the multidimensional challenges common to Caribbean SIDS. The weak institutional capacity and resource framework mean that many Caribbean countries face implementation challenges when it comes to taking concrete action to enforce policy coherence, for example through integrated approaches to promote climate change adaptation policies in relation to land management. In this context, a comprehensive and integrated regional approach is a key priority for the OECS Secretariat, which plays a leading institutional role in legislating on resilience and environmental protection, including aspects related to climate change, sustainable land management and disaster risk reduction.

A joint programme of five United Nations agencies<sup>7</sup> established in Barbados, Saint Lucia and across the OECS, entitled “Universal Adaptive Social Protection to Enhance Resilience and Acceleration of the Sustainable Development Goals in the Eastern Caribbean,” introduced an innovative approach to modelling and piloting universal adaptive social protection systems at the community, national and subregional levels. The programme aims to make social protection more adaptive —linking it to disaster risk management and climate change adaptation— to ensure that people have the means to prepare and can access support during and after crises. It works with OECS to promote legal and policy coherence across the subregion, strengthening regional

<sup>7</sup> International Labour Organization (ILO), United Nations Development Programme (UNDP), United Nations Children’s Fund (UNICEF), United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and World Food Programme (WFP).

capacities, interinstitutional engagement and South-South cooperation in the Eastern Caribbean. At the national level, it seeks to contribute to strengthening national social protection systems to support integrated service delivery by improving institutional capacities and supporting evidence-based, gender-responsive social and disaster risk management policies and legislation. It will also strengthen these systems through improved management and operational tools. The programme will support the introduction of innovative financing strategies to move towards fiscal sustainability and expanded coverage of the social protection system. At the community level, it will support the design of innovative, community-based adaptive and shock-responsive services within existing national programmes to generate evidence for social protection reform and strengthen the targeted communities' ability to anticipate, absorb and recover from major shocks (Joint Sustainable Development Goals Fund, 2020a).

In response to the COVID-19 pandemic, the programme was repurposed to strengthen government response through: scaling up existing public assistance to increase both the reach and level of support offered to those who need it most; conducting assessments to assist in determining the indirect impacts of COVID-19; identifying those in need and respective response activities; and strengthening the National Insurance Scheme of Barbados to gauge the impacts on its financial sustainability, enhance its information management and monitoring capacity and facilitate public access and improve communication. The programme aims to support actions to further contain the spread of the virus in the region, minimizing socioeconomic impacts and ensuring resilient recovery, while promoting the protection and well-being of the most vulnerable (Joint Sustainable Development Goals Fund, 2020b).

## E. Learning from previous disasters: articulating responses towards resilience-building

In the aftermath of Hurricane Maria and as part of the response to the climate crisis, the Government of Dominica unanimously passed the Climate Resilience Act in 2018, articulating its overall policy framework in the form of the National Resilience Development Strategy 2030 (NRDS). In 2018, the country established a new Ministry of Environment, Climate Resilience, Disaster Management and Urban Renewal and the Climate Resilience Execution Agency for Dominica (CREAD), in 2019 it launched the Low-Carbon Climate Resilient Development Strategy (LCCRDS), which encapsulates the vision for a climate-resilient country, and in 2020, it published the *Dominica Climate Resilience and Recovery Plan 2020–2030* (Government of Dominica, 2020).

CREAD operates as a statutory government agency, leading and coordinating strategic initiatives across sectors with the goal of making Dominica the world's first climate-resilient nation. The Agency acts to bolster the ability of the business community, public services and social sector partners to build strong and resilient communities, develop adaptive infrastructure, accelerate economic growth, strengthen institutional systems, enhance Dominicans' capacity to respond to the local impacts of global climate change, and set an example for the rest of the world on how to respond to the challenges of a changing climate. This pioneering role is exemplified through a series of initiatives that the Agency is pursuing at the national level as high-impact capital projects, while institutionalizing long-term resilience by working closely with other government agencies to develop risk-informed policies, guidance and procedures for the operationalization of resilience within a national vision.

Critical high-impact climate resilience initiatives in Dominica include the Enhanced Social Safety-net Initiative, which aims to put in place a data-driven, computerized welfare system, and the establishment of a Centre of Excellence for Data in Resilience Decision-Making with a dedicated geographical information system (GIS), which will institutionalize a data-driven approach to all key planning decisions, including activities related to land management, hazard mapping and infrastructure planning.

Specific programmes being established based on the experience of Hurricane Maria include Innovative Insurance Solutions, an individual and community self-help and cooperation initiative called *Koudmen Domnik*, and the Community Emergency Readiness Initiative, which aims to establish local level immediate response

through Community Disaster Management Committees, Disaster Management Plans for all communities, and the requisite equipment and supplies, including food, water and backup power to ensure 15 days' autonomy before hurricane season each year. Other key initiatives are related to resilient housing, addressing spatial vulnerabilities of specific communities located in risk-prone areas, and the Resilient Dominica Physical Plan, which addresses investment in a resilient infrastructure programme to be delivered by 2030.

Other critical areas for resilience-building within this framework include food security and the Revised Public Sector Investment Programme (PSIP). Specific investment solutions are also being addressed through the ResilienSEA Triple Bottom Line Blue Economy Investment Fund, which seeks to support the development of viable and sustainable businesses based on or linked to the blue economy.

Similarly, Grenada established a new Ministry of Climate Resilience, the Environment, Forestry, Fisheries, Disaster Management and Information in 2018, and in 2019 approved the *National Sustainable Development Plan 2020–2035*, which sets out the country's vision for sustainable development and long-term transformation through sustainable economic, social and environmental progress and climate resilience for all. The plan was supported through the proposal to establish a Sustainable Development Institute in Grenada, as a dedicated entity technically and financially resourced with the mandate to coordinate the implementation of the National Plan. In addition, sustainable development legislation is proposed to support the implementation of the National Sustainable Development Plan 2020–2035 (Government of Grenada, 2019).

Saint Vincent and the Grenadines experiences a mix of climate change impacts, including drought and unpredictable rainfall (with an 80% reduction in rainfall in 2020), land degradation and the effects of more frequent hurricanes and other extreme weather events. The impact of volcanic eruptions, the most recent of which occurred in April 2021, has exacerbated the already complex mix of environmental threats, impacted livelihoods and produced a food crisis and diverse socioeconomic challenges. While preliminary estimates of damage to assets have already exceeded US\$ 380 million (*Newsday*, 2021), the long-term effects of a protracted eruption on agriculture and tourism, which significantly contribute to the country's GDP, will further heighten the devastating socioeconomic impact of COVID-19 (United Nations, 2021b). The government has reacted proactively to these overlapping crises, through a coordinated response which was set in motion in December 2020, as La Soufrière volcano showed its first signs of eruption.

The main pillars of the articulated response relied on effective and regular communication, engaging the media, as well as different scientific and development agencies, information exchange, and the establishment of partnerships and coordination with regional organizations and response mechanisms such as CDEMA and the United Nations system.<sup>8</sup> Based on consultations with the National Emergency Management Organisation of Saint Vincent and the Grenadines, the CDEMA Coordinating Unit activated the Regional Coordination Plan (RCP). This measure also activated the Volcano Response Plan and the Regional Logistics Plan, which included monitoring the situation in collaboration with the UWI Seismic Research Centre, the Saint Vincent and the Grenadines National Emergency Management Organisation, and the national disaster management offices of countries near the volcano. A multidisciplinary team was established at the international level to assist with the immediate disaster management response.

The Regional Coordination Centre was activated to provide logistical and coordination support to the Regional Response Mechanism. This Centre, which was guided by the deployment protocols for operating within the current COVID-19 pandemic environment, also comprised the CARICOM Disaster Assessment and Coordination (CDAC) Team, the CARICOM Operational Support Team (COST), the Rapid Needs Assessment Team (RNAT) and the CARICOM Disaster Relief Unit (CDRU).

Evacuation efforts led by the government, along with several disaster response teams, moved an estimated 24,000 people to the southern end of Saint Vincent, to the Grenadines and to some neighbouring countries.

<sup>8</sup> International support included a United Nations funding appeal with funds being channelled to eight critical sectors: food security; logistics; health; water, sanitation and hygiene for all (WASH); shelter and infrastructure; protection; education and early recovery. Financial support was received from the European Union, the United States Agency for International Development (USAid), the Governments of Australia, Belgium, Canada, Germany, Malta, Spain and the United Kingdom, as well as the United Nations Central Emergency Response Fund (CERF) (Caribbean News Service, 2021).

People were received in 85 government-run formal collective shelters, informal collective shelters such as hotels, some available rented residences and —the majority— in the private homes of family and friends.

In light of current constraints and limitations of teams being deployed under COVID-19 conditions, many international disaster response activities have been held remotely, with the support of regional scientific institutes such as the University of the West Indies Seismic Research Centre (UWI SRC) and the Caribbean Institute for Meteorology & Hydrology (CIMH). This type of remote engagement in providing emergency response has facilitated improved coordination in the field and increased the collaboration potential from international partners.<sup>9</sup>

This experience also highlights the valuable contribution of geospatial data not only for disaster risk reduction but also in the context of immediate response. Important efforts are being made in the Caribbean to invest in geospatial technologies as a key instrument of spatial planning, resilience-building and strategic coordination and response capacity. For example, the Caribbean Geospatial Development Initiative (CARIGEO) is a collaborative effort spearheaded by the United Nations Regional Committee on Global Geospatial Information Management for the Americas (UN-GGIM: Americas), ECLAC, the United Nations Group of Experts on Geographical Names (UNGEGN), representatives of member States and territories within the Caribbean, academic institutions, private sector organizations and civil society. The initiative focuses on engaging the national mapping and statistical agencies of the subregion and seeks to empower its countries and territories to increase the use and sharing of geospatial and statistical information to support improved decision-making for sustainable national and regional development.

Experiences such as CARIGEO must be complemented by cooperation and by assessment of information quality and disaster analysis for the countries of the Caribbean subregion. In this regard, ECLAC has made important contributions by leading disaster evaluations.<sup>10</sup> In particular, since 2015, ECLAC has led the assessment of the disasters caused by Hurricane Joaquin in the Bahamas (2015), Hurricane Earl in Belize (2016), Hurricane Matthew in the Bahamas in 2016 (ECLAC/IDB, 2020a), Hurricane Irma (2017) in Anguilla, in the Bahamas (ECLAC/IDB, 2020b) and in Sint Maarten, Hurricanes Irma and María (2017) in the British Virgin Islands and the Turks and Caicos Islands, and Hurricane Dorian (2019) in the Bahamas (ECLAC/IDB, 2020c). ECLAC developed these impact evaluations in partnership with other international organizations, such as the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO), the Food and Agriculture Organization of the United Nations (FAO) and the Eastern Caribbean Central Bank. In addition, ECLAC has used geospatial analysis in recent evaluations such as the eruption of the Fuego Volcano in Guatemala and that of Hurricane Dorian in the Bahamas (ECLAC/IDB, 2020c). In the latter case, geospatial analysis was a key input in the evaluation of the housing, tourism, environmental and trade sectors (Bello and Meira, 2020). These reports served as inputs for recovery and reconstruction plans and contributed to specific aspects of disaster risk management in the affected countries.

## F. Resilience-building and social protection in the Caribbean

The recurrence of disasters caused by natural hazards affecting Caribbean countries and territories, together with the likelihood of more intense and frequent extreme weather events in the future, has led to a growing recognition of the need for adaptive social protection systems to strengthen coping capacity and resilience. In the aftermath of a disaster caused by a natural hazard, one of the most effective ways of providing assistance to the affected population is through adaption and expansion of existing social protection programmes. The

<sup>9</sup> These include PAHO, the Global Mountain Safeguard Research (GLOMOS) programme, the United States Geological Survey (USGS), the International Charter Space and Major Disasters and the European Union Copernicus programme, MapAction, the International Volcanic Health Hazard Network (IVHHN), independent incident advisors in the United Kingdom, and the European Centre for Medium-Range Weather Forecasts (ECMWF) (UNU, 2021).

<sup>10</sup> See chapter IV for more information.

social protection system, including, for example, administrative systems, information management systems and delivery mechanisms, can all be repurposed and adapted to provide disaster-related assistance.

As shown in chapter II, assistance is most commonly provided in the form of increased cash or in-kind transfers to households that are already in receipt of them (vertical expansion) and the extension of transfers to new beneficiaries (horizontal expansion). Horizontal expansion to new recipients inevitably presents more challenges but will often be necessary because of the widespread impact of disasters. Following a disaster event, social protection assistance may need to be activated rapidly during the emergency response phase, or over a longer period through the recovery and reconstruction phases. Equally, it should be emphasized that the need for social protection measures as part of disaster response depends on the nature, severity, extent and duration of the impacts on the population and social protection measures will not always form part of the response to every emergency (see chapter IV).

Adaptive social protection, or shock-responsive social protection, refers to the use of pre-existing social protection infrastructure following a shock to help mitigate the impact of natural disasters or other shocks, such as conflicts, forced migration or severe economic crises. Although shock-responsive social protection has gained significant policy traction in recent years, this is not a recent area of work for Caribbean countries and territories, where measures of this type were first implemented as part of the response to disasters caused by natural hazards, primarily hurricanes. Caribbean governments that have expanded their cash (or in-kind) transfer programmes vertically and/or horizontally to provide assistance to their populations in the wake of hurricanes include: Jamaica (Hurricane Dean, 2007), Dominica (Hurricane Maria, 2017), the British Virgin Islands (Hurricanes Irma and Maria, 2017) and the Bahamas (Hurricane Dorian, 2019). The severity of the 2008 financial crisis and its impact on the Caribbean also led a number of governments to introduce shock-responsive increases and extensions to certain social protection programmes (Beazley, Ciardi and Bailey, 2020).

During 2020, virtually all Caribbean governments introduced emergency social protection measures in response to the COVID-19 crisis. In the face of severe economic disruption caused by the pandemic, Caribbean governments implemented new programmes to provide cash benefits to workers who had lost their jobs or livelihoods and emergency cash or in-kind benefits, among many other measures, to prevent people falling into extreme poverty. Often this was achieved through the expansion of existing non-contributory social assistance programmes, although in some countries new benefits or other changes were introduced either as an integrated part of the contributory social insurance system or as an add-on to it (see chapter II).

The need for such extensive emergency measures in response to crises is in part due to weaknesses in Caribbean social protection systems. In some Caribbean countries, half or more of the workforce is in the informal sector and so falls outside the contributory component. Furthermore, while many Caribbean countries provide protection against risks associated with age, ill health, disability, maternity and other individual risks, many do not include protection against loss of employment or livelihood, which tends to be one of the major impacts of both natural disasters and economic shocks. In addition, non-contributory social protection programmes do not provide an adequate safety net at the best of times, much less in the aftermath of a disaster or other shocks.

As mentioned in chapter I, the pandemic caused the suspension of some health services, including access to sexual and reproductive health services for women. Moreover, vulnerable groups—especially those with particular health needs, such as persons with disabilities and older persons—cannot afford private health care. Lastly, social protection systems must adapt to deal with mental health needs, as people attempt to cope with the increase in stressors caused by the uncertainty of the COVID-19 pandemic, to avoid a mental health crisis.

The unpredictability of shocks and their potentially widespread impact mean that emergency social protection measures will generally require at least some additional funding over and above that provided by the regular sources of financing for social protection. This may come from additional budgetary allocations or from CCRIF SPC, or in the form of humanitarian relief from multilateral or bilateral donors.

Linkages between social protection and disaster risk management are already well established in some national and regional strategies and policies, and efforts to promote greater policy coherence remain central

(Weekes and Bello, 2017 and 2019). However, in the aftermath of the current severe crisis, disaster risk shifted from being managed in terms of immediate emergency response to being a more central element of long-term policy response. In line with the proposal of the present document, this creates an opportunity to expand social protection systems and programmes to promote universal, comprehensive, sustainable and better integrated social protection systems with well-developed institutional capacity.

Recent disasters and now the COVID-19 pandemic have amply demonstrated the key role that social protection systems play in response to crises. Emergency social protection measures have been introduced very rapidly by adapting existing programmes. All Caribbean governments have turned to social protection as an instrument for mitigating the socioeconomic impacts of COVID-19, while at the same time benefiting from subregional and international exchange (Beazley, Ciardi and Bailey, 2020). More should be done to integrate social protection into disaster preparedness planning, as proposed in chapter IV. In this way, preparatory steps could be taken to make programmes more vertically and horizontally scalable, rather than trying to resolve problems by means of targeting, information systems and delivery mechanisms in the midst of a crisis. It is also vital that social protection ministries and agencies participate along with disaster management agencies in disaster preparedness planning and coordination throughout all phases of risk management, in order to develop effective shock-responsiveness in social protection systems.

In addition to reinforced national social protection measures, subregional mechanisms and exchange have compensated, to a certain extent, for the lack of maturity of social protection systems in some Caribbean countries, which have successfully addressed the needs of impacted populations by leveraging existing programming infrastructure, expanding coverage, temporarily modifying programmes or increasing benefits (Beazley, Ciardi and Bailey, 2020). This adaptive nature of Caribbean social protection systems themselves is a positive lesson to be extracted from this period, and one which is linked to the Caribbean resilience developed over the years at both community and institutional levels.

## G. Overcoming challenges: financial sustainability for social protection systems

In many Caribbean countries, critical factors for the establishment and expansion of successful social protection systems include the impact measurement of social protection policies, informal economies, population ageing and migration, as well as sustainable funding. In stressing that social protection systems and measures for all, including floors, should be fiscally sustainable, the Regional Agenda for Inclusive Social Development advocates for improved fiscal rules which, in line with the reaffirmation of the rights-based approach, ensure the necessary resources for policy sustainability. As highlighted in chapter V, new fiscal compacts with progressive tax systems and fiscal reforms are essential to establish financial sustainability and expand social protection systems. Increases in excise taxes on unhealthy products such as tobacco, alcohol and sugar-sweetened beverages may be used a tool to prevent non-communicable diseases, collect tax revenues and support social protection. Also critical for boosting taxation revenue are improvements in the efficiency of tax collection and administration, the reduction of exemptions and the prevention of evasion.

According to ECLAC (2019c), the average public spending in the social sector,<sup>11</sup> even prior to the COVID-19 pandemic, had been relatively stable in recent years in relation to GDP, but tending to fall in per capita terms. It is percentually higher than in Central America, with Trinidad and Tobago allocating the greatest percentage of GDP to the social sector in the subregion; however, it remains below spending levels in OECD countries and varies significantly between countries (ECLAC, 2020a, 2019b y 2019c).

<sup>11</sup> Refers to the countries for which information is available: the Bahamas, Barbados, Cuba, Dominican Republic, Haiti, Guyana, Jamaica, Saint Kitts and Nevis and Trinidad and Tobago. For further information and details on distribution of social expenditure according to the classification of the functions of government, see ECLAC (2020a, pp. 44–45).

The pandemic's socioeconomic impact has significantly widened the countries' financing gap. Furthermore, given the systemic nature of risk in the Caribbean and the already highly indebted economies, the potential to sustain such high levels of social protection is being stretched to its limits.

The measure of financial sustainability for social protection systems to be effective should balance a combination of sources: tax and other revenue, contributions from employees and employers, private savings and development assistance. Increased financing for social protection can come either from the reallocation of existing revenues or the mobilization of external resources. ECLAC sees the establishment of a Caribbean Resilience Fund (CRF) as crucial for a jumpstart for growth, enhancing liquidity and providing debt relief to Caribbean economies ravaged by the fiscal impact of COVID-19. CRF<sup>12</sup> is being proposed as a financing mechanism to be set up as a trust fund, designed to be a vehicle for delivering liquidity support to the Caribbean, while attracting financing for climate adaptation and mitigation. This initiative should be coupled with other proposed international support mechanisms, such as a new multilateral mechanism for debt restructuring and relief, reduction in overall effective interest rates, extension of the payment schedules on the amortization part of Caribbean countries' debt, and an intergovernmental platform for tax issues. The need for a new international financing mechanism seems clear in order to enhance sustainable development in a region where middle- and upper-middle income economies lack access to official development assistance but are highly vulnerable to disasters and exogenous shocks that will hinder or undo any progress made. Inadequate access to funding will therefore pose a challenge primarily for the Caribbean societies most in need, leaving them with limited access to critical assistance in times of disaster.

Adequate financing is not the only requirement for social development: if the needs of target populations are to be met, the policymaking process must be made more integrated and participatory, with vulnerable groups given greater ownership of the development process. As discussed in chapter IV, overcoming challenges in the implementation of social protection systems requires a systemic approach which includes setting risk-informed and evidence-based goals, careful design of the policy or intervention, effective implementation, creation of innovative sustainable finance models to leverage private financing, a clear communication strategy, and supporting institutional and governance reforms. This may include Social Protection System Reviews (SPSRs),<sup>13</sup> the establishment of multi-stakeholder platforms, the promotion of cross-cutting integrated national strategies, and support in strengthening capacities for key areas such as building strategic partnerships, conducting effective evidencebased analysis and policymaking, and monitoring and evaluating social protection systems. Other areas of work remain a priority too in addressing the needs of the most vulnerable and ensuring that no one is left behind, including improvements in access to disaggregated data on poverty and vulnerability to poverty by gender, age group, ethnicity, and indigenous or migrant status.

## H. Concluding remarks

The current crisis should be seen as an opportunity to reach a broad political and social consensus around ambitious reforms leading to a process of building forward better, with equality and sustainability. This includes universal, good-quality public services for education, health, transportation and environmental services (ECLAC, 2021a). Transformative change is a long-term process, requiring both whole-of-government and whole-of-society action, involving multiple actors, and transparent and participatory processes. Social protection support leads to critical systemic outcomes at different levels, from subnational to global scales. A multisectoral, multilevel approach to governance and planning is required, to ensure equal access to public

<sup>12</sup> CRF combines debt relief and debt swaps with resilience-building and includes six development priorities for integrated resilience-building: (i) food security; (ii) health infrastructure; (iii) broadband access and wider use of digital platforms; (iv) risk assessment and disaster management; (v) economic diversification and the blue economies; and (vi) enhanced social protection.

<sup>13</sup> Several Caribbean countries have received support to conduct SPSRs, for example through the joint United Nations programme "Universal Adaptive Social Protection to Enhance Resilience and Acceleration of the Sustainable Development Goals in the Eastern Caribbean" in partnership with the governments of Barbados and Saint Lucia and the OECD Commission. For more information see [online] <https://www.jointsdgfund.org/programme/towards-universal-adaptive-social-protection-eastern-caribbean>. OECD has produced specific guidance on conducting Social Protection System Review (SPSR), see [online] <https://www.oecd.org/social-inclusivesocietiesanddevelopment/social-protection-system-review-spsr.htm>.

goods and quality services in areas such as food security and nutrition, education, health services, mobility, resilient infrastructure, and basic urban services such as sanitation, water, and affordable adequate housing.

In the post-COVID-19 Caribbean, national sustainable development plans will remain pivotal to define coherent and integrated strategies for recovery and long-term integrated development that is anchored in the 2030 Agenda for Sustainable Development, reflects national circumstances and priorities and addresses the specific vulnerabilities of the subregion (ECLAC, 2020a). In view of COVID-19, a new generation of Caribbean resilience planning policies must also consider the potential risks of pandemics. This is particularly relevant for local level administration. As the rate of urbanization in the Caribbean is expected to rise—from 70% in 2015 to 82.5% in 2050—and even to overtake that for Latin America, resilience-building efforts remain a priority. These must consider social and environmental risks and incorporate planning tools that take into account spatial vulnerabilities and inequalities in human settlements, adequate housing and access to services. This will require strong institutional capacities, with effective communication and knowledge management platforms to manage information and coordination efforts.

Beyond the immediate catastrophic impacts and tragedy, disasters often also present opportunities for innovative solutions and for collaboration to strengthen existing coordination mechanisms or develop new ones and to promote long-term resilience. In order to improve the effectiveness and sustainability of social protection systems, it is important to have a medium- to long-term vision for planning and for implementing integrated approaches in the recovery process. Within this context, the most important enabling factors for shock-responsive social protection are political will and financing. Other important factors are the adaptive capacity of existing systems and processes, and coordination between social protection and disaster risk management institutions, making use of innovative approaches and solutions. In that sense, a resilient society is one whose institutions perform with adaptive capacity and innovation in face of disasters and are capable of strengthening resilience at the community level (see chapter IV for this notion of social and institutional resilience).

The systemic nature of complex risk requires a new integrated approach that may go beyond sectoral specialization to address issues of redistribution of income and wealth; integrate economic and political empowerment of disadvantaged and vulnerable groups; empower small enterprises, rural producers and informal workers; promote gender equality; consolidate changes in North-South power relations and global governance institutions; and activate the structural paradigm shift in realigning economic objectives to social and environmental goals.

A systemic approach is thus needed to address the increasingly complex, interconnected risks and evolving multidimensional challenges faced by Caribbean governments and populations, so that decision makers may identify and analyse impacts, their causes and their effects. This approach is required at different levels, connecting different areas of support with overarching critical issues such as climate change and disaster risk reduction. Key areas for achieving more inclusive cooperation, strengthening shock-responsive social protection in the Caribbean, and reducing structural gaps and asymmetries include:

- Progress in addressing the required fiscal reforms and progressive taxation systems, multilateral financing and debt relief measures, which should be commensurate with the needs of all, including middle-income countries.
- Regional coordination mechanisms to ensure emergency disaster relief and promote intergovernmental agreements in areas such as equitable access to vaccines and health services.
- Greater integration of disaster risk management and social protection systems through investments in access to technology and infrastructure.<sup>14</sup>

Achieving universal, comprehensive and sustainable social protection systems requires a combination of contributory and non-contributory mechanisms, which lie at the basis of a sustainable social protection architecture in the long term. In building forward better, Caribbean countries are presented with an important

<sup>14</sup> Measures could include geospatial tools, digital registration processes, streamlined targeting criteria, alternative payment mechanisms, datasharing protocols, referral mechanisms, data analysis to identify those vulnerable to shocks, and guidance on how social protection programmes and systems may be used or modified in the event of a shock (Beazley, Ciardi and Bailey, 2020).

opportunity to progressively achieve higher levels of protection and to improve access to social services, working collectively to promote synergies and integration across sectors to break the intergenerational cycle of poverty and to promote social inclusive development.

Reforming and repurposing social protection through integrated mechanisms could contribute to rationalizing public spending and supporting the transition towards more sustainable and resilient communities over the longer term. Assessments and guidance on institutional coordination mechanisms may consider and address the significant shifts in support that are likely to take place over the near future and inform efforts to build forward better in the medium to long term to ensure a sustainable and resilient transformation.

## Bibliography

- Alleyne, D. and others (2020), "The case for financing: Caribbean resilience building in the face of the COVID-19 pandemic," *Studies and Perspectives series—ECLAC Subregional Headquarters for the Caribbean*, No. 97 (LC/TS.2020/161; LC/CAR/TS.2020/7), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bárcena, A. (2020), "Regional dialogue to share experiences on fiscal responses to the crisis generated by the COVID-19 pandemic: the Caribbean perspective," document prepared for the virtual meeting of Ministers of Finance to discuss the economic impact of the COVID-19 pandemic in the Caribbean, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 28 April.
- Beazley, R., F. Ciardi and S. Bailey (2020), *Shock-Responsive Social Protection in the Caribbean Synthesis Report*, Barbados, World Food Programme (WFP)/Oxford Policy Management.
- Bello, O. and L. de Meira (2019), "Disasters and small island developing states (SIDS): where geography and vulnerability meet," *FOCUS*, No. 1, Port of Spain, Economic Commission for Latin America and the Caribbean (ECLAC), subregional headquarters for the Caribbean.
- Caribbean News Service (2021), "UN welcomes US support for funding appeal for Saint Vincent," 2 June [online] <https://caribbeannewsservice.com/un-welcomes-us-support-for-funding-appeal-for-saint-vincent/>.
- CARICOM/CDEMA (Caribbean Community/Caribbean Disaster Emergency Management Agency) (2018), "Building a Caribbean Pathway for Disaster Resilience in the Caribbean Community," paper presented to the Council of Ministers of CDEMA Participating States [online] [https://www.cdema.org/cdm11/Building\\_A\\_Caribbean\\_Pathway\\_For\\_Disaster\\_Resilience\\_In\\_The\\_Caribbean\\_Community\\_%28CARICOM%29\\_FINAL.pdf](https://www.cdema.org/cdm11/Building_A_Caribbean_Pathway_For_Disaster_Resilience_In_The_Caribbean_Community_%28CARICOM%29_FINAL.pdf).
- CDEMA (Caribbean Disaster Emergency Management Agency) (2016), *The Regional Response Mechanism (RRM)*, Bridgetown.
- \_\_\_\_\_(2014), *Regional Comprehensive Disaster Management (CDM) Strategy & Results Framework 2014–2024*, St. Michael.
- \_\_\_\_\_(2013), *Model Comprehensive Disaster Management Legislation and Regulations 2013*, St. Michael.
- CRED (Centre for Research on the Epidemiology of Disasters) (2020), Emergency Events Database (EM-DAT) [online] <https://www.emdat.be/>.
- ECLAC (Economic Commission for Latin America and the Caribbean) (2021a), *Building forward better: action to strengthen the 2030 Agenda for Sustainable Development* (LC/FDS.4/3/Rev.1), Santiago.
- \_\_\_\_\_(2021b), "The recovery paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity," *Special Report COVID-19*, No. 11, Santiago.
- \_\_\_\_\_(2021c), "The coronavirus disease (COVID-19) pandemic: an opportunity for a systemic approach to disaster risk for the Caribbean," *COVID-19 Report ECLAC-UNDRR*, Santiago.
- \_\_\_\_\_(2020a), *The Caribbean Outlook: forging a people-centred approach to sustainable development post-COVID-19* (LC/SES.38/12), Santiago.
- \_\_\_\_\_(2020b), "Planning for resilience: an integrated approach to tackle climate change in the Caribbean," *Policy Brief* (LC/CAR/2020/1), Santiago.
- \_\_\_\_\_(2020c), *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago.
- \_\_\_\_\_(2019a), *Planning for sustainable territorial development in Latin America and the Caribbean* (LC/CRP.17/3), Santiago.
- \_\_\_\_\_(2019b), *Social Panorama of Latin America 2018* (LC/PUB.2019/3-P), Santiago.
- \_\_\_\_\_(2019c), *Social Panorama of Latin America, 2019* (LC/PUB.2019/22-P.Rev.1), Santiago.
- ECLAC/IDB (Economic Commission for Latin America and the Caribbean/Inter-American Development Bank) (2020a), *Assessment of the Effects and Impacts of Hurricane Matthew: The Bahamas* (LC/TS.2020/32), Washington, D.C.
- \_\_\_\_\_(2020b), *Assessment of the Effects and Impacts of Hurricane Irma, The Bahamas 2017* (LC/TS.2020/30), Washington, D.C.
- \_\_\_\_\_(2020c), *Assessment of the Effects and Impacts of Hurricane Dorian in The Bahamas* (LC/TS.2020/31), Washington, D.C.

- Fontes de Meira, L. and O. Bello (2020), "The use of technology and innovative approaches in disaster and risk management: a characterization of Caribbean countries' experiences", *Studies and Perspectives series-ECLAC Subregional Headquarters for the Caribbean*, No. 93 (LC/TS.2020/106-LC/CAR/TS.2020/3), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Government of Dominica (2020), *Dominica Climate Resilience and Recovery Plan 2020–2030*.
- Government of Grenada (2019), *National Sustainable Development Plan 2020–2035*, National Plan Secretariat, Ministry of Finance, Planning, Economic and Physical Development.
- IFRC (International Federation of Red Cross and Red Crescent Societies) (2021), "Saint Vincent and the Grenadines and surrounding countries. La Soufrière Volcano", *Operation Update*, No. 2.
- Joint Sustainable Development Goals Fund (2020a), "The Joint Programme in the Eastern Caribbean – ensuring people have access to adaptive social protection", Bridgetown, April.
- \_\_\_\_\_(2020b), "UN Barbados and the OECS Supports Eastern Caribbean governments in social protection response amidst COVID-19 Crisis", *Press Release*, Bridgetown, 18 May.
- Mycoo, M. and M. Donovan (2017), *A Blue Urban Agenda: Adapting to Climate Change in the Coastal Cities of Caribbean and Pacific Small Island Developing States*, Washington, D.C., Inter-American Development Bank (IDB).
- Newsday* (2021), "World Bank gives preliminary \$\$ estimates for St Vincent recovery", 22 April.
- OECD (Organisation for Economic Co-operation and Development) (2019), *Can Social Protection Be an Engine for Inclusive Growth?*, Development Centre Studies Paris, OECD Publishing.
- PAHO (Pan American Health Organization) (2021), "La Soufrière Volcano", *Situation Report*, No. 29, June.
- \_\_\_\_\_(2012), *Mental Health and Psychosocial Support in Disaster Situations in the Caribbean*, Washington, D.C.
- Singh, T. B. (2021), *Study of the socio-economic impact of the closure of GUYSUCO sugar estates on sugar workers in Guyana*, Port of Spain, International Labour Organization (ILO).
- UNDRR/CRED (United Nations Office for Disaster Risk Reduction/Centre for Research on the Epidemiology of Disasters) (2019), *Human Cost of Disasters: An Overview of the Last 20 Years (2000–2019)*, Brussels.
- United Nations (2021a), "Complex causes of vulnerability will persist without proper characterization: Towards a Multidimensional Vulnerability Index for Small Islands Developing States" [online] <https://sdgs.un.org/topics/small-island-developing-states/mvi>.
- \_\_\_\_\_(2021b), *UN Global Funding Appeal. Explosive eruption of La Soufrière Volcano, Saint Vincent and the Grenadines*, April–September.
- \_\_\_\_\_(2018), *Promoting Inclusion through Social Protection. Report on the World Social Situation*, New York.
- UNU (United Nations University) (2021), "GLOMOS programme supports international humanitarian relief efforts in Saint Vincent volcano eruption", Institute for Environment and Human Security, 31 May [online] <https://ehs.unu.edu/news/news/glomos-programme-supports-international-humanitarian-relief-efforts-in-saint-vincent-volcano-eruption.html#info>.
- Weekes, C. and O. Bello (2019), "Mainstreaming disaster risk management strategies in development instruments (II)", *Studies and Perspectives series- ECLAC Subregional Headquarters for the Caribbean*, No. 75 (LC/TS.2019/7; LC/CAR/TS.2018/3), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- \_\_\_\_\_(2017), "Mainstreaming disaster risk management strategies in development instruments: policy briefs for selected member countries of the Caribbean Development and Cooperation Committee", *Studies and Perspectives series-ECLAC Subregional Headquarters for the Caribbean*, No. 58 (LC/TS.2017/80; LC/CAR/TS.2017/6), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Williams, A. and S. Berger González (2020), *Towards Adaptive Social Protection Systems in Latin America and the Caribbean: A Synthesis Note on using Social Protection to Mitigate and Respond to Disaster Risk*, Washington, D.C., World Bank.





CHAPTER

# IV

## Health crisis and disasters: social protection systems in the face of a constant and growing threat to well-being

Introduction

- A. Analytical proposal for social protection in the event of disasters
- B. Inclusive and resilient social protection as a component of a comprehensive disaster management and mitigation policy
- C. Concluding remarks

Bibliography

Annex IV.A1

Annex IV.A2



## Introduction

In Latin America and the Caribbean, as in other regions of the world, there has been a steady increase in the frequency of disasters of all kinds: hydrological, meteorological, geophysical, climatological and biological. According to data from the EM-DAT International Disaster Database, this upward trend in disasters in the region is primarily due to an increase in floods and storms. This is even more pronounced in the Caribbean, where those two phenomena have accounted for more than 90% of all disasters since 1970 (ECLAC, 2019). One of the particular characteristics of the Caribbean is that because of the size of many of the islands, disasters can strike at a national scale and attain relative magnitudes greater than in any other region. For example, during the 2017 hurricane season,<sup>1</sup> the total cost of Hurricanes Irma and Maria in the British Virgin Islands and Sint Maarten was more than 100% of those countries' gross domestic product (GDP).<sup>2</sup> The repercussions of a disaster of that magnitude last for several years. In terms of damage, 2017 was the worst hurricane season in the history of the Caribbean. The countries and territories most affected, in addition to the two already named, were Anguilla, Antigua and Barbuda, the Bahamas (ECLAC/IDB, 2020a), Dominica, Puerto Rico, the Turks and Caicos Islands and the United States Virgin Islands. In the case of Antigua and Barbuda, Hurricane Maria completely devastated the country's smaller main island, Barbuda. Similarly, the region's biggest disaster in 2019 was Hurricane Dorian in the Bahamas (ECLAC/IDB, 2020b).

Empirical evidence indicates that climate change could be a cause of the increased intensity and frequency of certain types of extreme events, which have destabilizing effects on ecosystems and biodiversity (Weiskopf and others, 2020). According to the Intergovernmental Panel on Climate Change (IPCC), some of the world's regions are already being affected by extreme weather events (such as heat waves, tropical cyclones, droughts and intense rainfall) that are most likely attributable to human action (IPCC, 2021). Exceeding the planet's limits has a significant impact on biodiversity loss, which both is exacerbated by and exacerbates global warming.<sup>3</sup> This has important economic and social repercussions, which require synergies among the actions taken to address those issues on a global and cross-border scale (IPBES, 2019).

In Latin America and the Caribbean, global warming will have serious consequences, with a greater probability of extreme events that could culminate in disasters in the absence of sufficient preparedness, mitigation or adaptation measures. For example, more prolonged and more intense droughts will cause water shortages and increase the transmission of infectious diseases such as dengue fever and malaria. If steps are not taken, rising temperatures could cause a decline of up to 25% in regional per capita GDP by 2050, which would have a considerable economic impact on the well-being of Latin American and Caribbean societies in the medium term (Bárcena and others, 2020).

The first national disaster policies were primarily concerned with response and were led by national civil protection or disaster agencies. Major disasters such as the Managua earthquake of 29 December 1972, Hurricane Fifi in Honduras in 1974, the Los Amates earthquake in Guatemala on 4 February 1976 and the El Niño event in 1983 (which affected the Bolivarian Republic of Venezuela, Colombia, Peru and other countries) prompted reflection on the impacts of disasters and their relationship with development processes. In that context, approaches and initiatives were adopted that sought to highlight the interrelationships between development planning policies, processes and instruments and disaster risk management (DRM). The assessments of the socioeconomic and environmental impact of disasters carried out by the Economic Commission for Latin America and the Caribbean (ECLAC) since the 1970s made a decisive contribution to that evolution.

This was evident in the aftermath of Hurricanes Mitch and Georges (1998), which struck several countries in Central America and the Caribbean, and from which a broad consensus emerged that disaster risk reduction

<sup>1</sup> During that season, the Economic Commission for Latin America and the Caribbean (ECLAC) led the application of the damage and loss assessment (DaLA) methodology in Anguilla, the Bahamas, the British Virgin Islands, Sint Maarten and the Turks and Caicos Islands.

<sup>2</sup> As noted in chapter III, nine of the ten countries that suffered the greatest economic impact from disasters in percentage-of-GDP terms were in the Caribbean. See UNDRR/CRED (2020).

<sup>3</sup> The consequences of biodiversity loss are accentuated by climate change, as water, carbon and nitrogen cycles are altered. In turn, the degradation of species-rich ecosystems with a great capacity for carbon sequestration weakens climate change mitigation efforts (IPBES, 2019).

(DRR) should be considered as an investment and an integral strategy in development processes and instruments (Bello and others, 2019). DRM is based on five pillars: (i) risk identification, (ii) disaster risk reduction, (iii) response preparation, (iv) financial protection, and (v) resilient reconstruction. This is a multi-stakeholder policy, requiring vertical (at the local, national and regional levels) and horizontal coordination between government departments and with the productive sectors and civil society. Thus, DRM must be a part of national planning and have social protection as one of its main pillars.

Socially vulnerable individuals or communities have fewer resources for autonomously adopting disaster response and recovery measures, as well as limitations in developing strategies for resilience and adaptation to future events without institutional support. As explained in chapter I, inequality increases the exposure of the most vulnerable groups (such as indigenous and Afrodescendent people, women, children and adolescents, persons with disabilities and migrants) to climate hazards, as well as their susceptibility to damage and greater difficulties in coping with disasters and the subsequent recovery (Islam and Winkel, 2017). This is true despite the fact that these groups contribute the least to greenhouse gas emissions. Thus, due to the possible increase in their frequency and intensity, disasters in general—and those related to climate change in particular—play an important role in exacerbating inequalities and vulnerabilities among different population groups.

In that context, social protection must take into account, as structural elements, the increased frequency of disasters in the region and the growing proportion of the population exposed to their economic and social impacts. This chapter emphasizes the need to develop a comprehensive public policy approach with clear interconnections and interdependence between social protection and disaster management: in other words, disaster risk management policy must be aligned with the objectives of social protection systems.

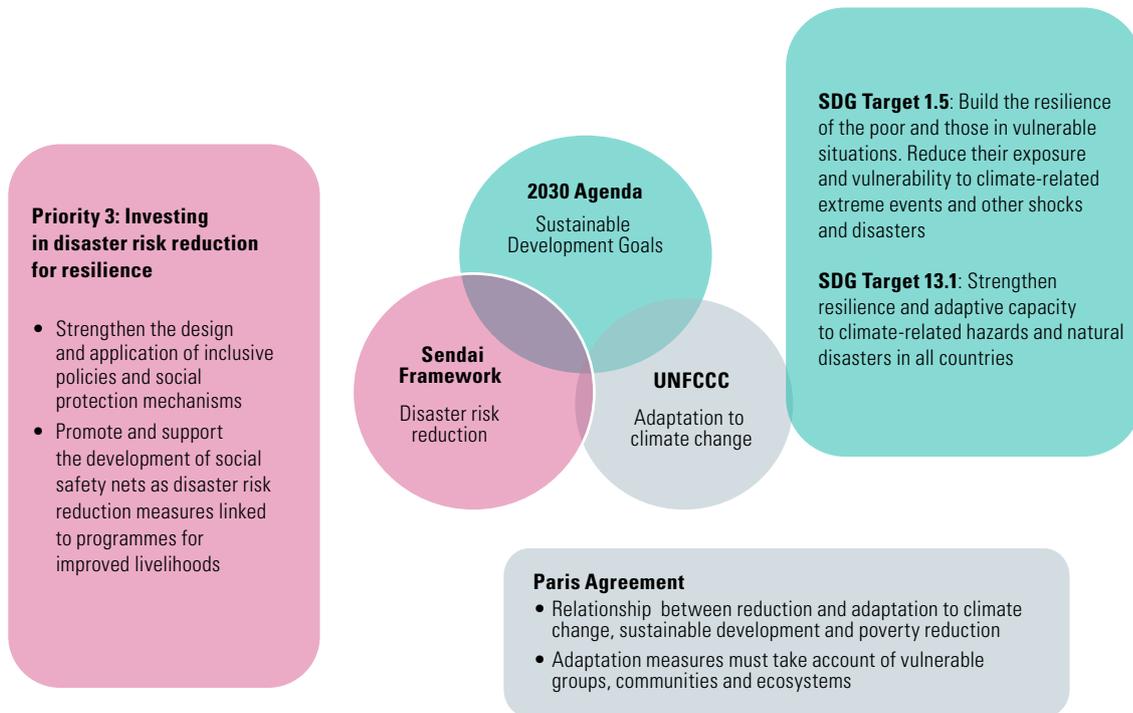
In accordance with the proposals for the development of comprehensive, universal, difference-sensitive and sustainable social protection systems contained in the Regional Agenda for Inclusive Social Development, some key elements are set out below to enable them to play their role in the event of disasters. They reflect an inclusive vision of social development: one that takes the most vulnerable into account, building their capacities to confront and adapt to the impact of disasters, in accordance with a rights-based approach and gender mainstreaming. Thus, in addition to reducing vulnerability or bolstering the ability of people and communities to respond to these increasingly frequent, intense and disruptive events, there is also a need for a social protection system that promotes greater social and institutional resilience as a way to progress towards a transformative recovery. First, this can be achieved by increasing the resilience and response capacity of disaster-affected households and communities, in direct dialogue with other areas of public policy to improve future mitigation and adaptation. Second, ECLAC is proposing institutional resilience: in other words, that social protection systems must have mechanisms and strategies that can be activated in the event of emergencies, whether local, subnational or national, without neglecting their permanent services. Strengthening this dual resilience—both institutional and social—will allow social protection systems to discharge their duties in the different stages of the disaster cycle (preparedness, mitigation, response and recovery), directly and with horizontal and vertical linkages, and with an intersectoral approach and participation by all levels of government.

## A. Analytical proposal for social protection in the event of disasters

This section presents an analytical proposal to guide the region in the design of public policies for social protection in the event of disasters. The approach described herein is in line with the United Nations global framework for disasters and climate change, including the Sustainable Development Goals (SDGs) (in particular targets 1.5 and 13.1, which call for building resilience to climate-related extreme events and disasters in general), the Sendai Framework for Disaster Risk Reduction (in particular priority 3, investment in disaster risk reduction for resilience, strengthening inclusive social protection policies) and the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC), which stresses the importance of addressing the needs of vulnerable populations and communities (see diagram IV.1).

Diagram IV.1

Social protection under the United Nations global framework for disasters and climate change



**Source:** S. Cecchini, R. Holz and C. Robles, “Los sistemas de protección social ante desastres”, *Gestión e institucionalidad de las políticas sociales para la igualdad en América Latina y el Caribe. Caja de herramientas*, Cecchini, S., R. Holz and H. Soto de la Rosa (coords.) Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021, forthcoming.

In addition to being based on that global framework, the proposal set out takes account of the agreements reached by the Regional Conference on Social Development in Latin America and the Caribbean, in particular the Regional Agenda for Inclusive Social Development, which includes two directly related lines of action under the heading of universal and comprehensive social protection systems: line 1.1, “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” (ECLAC, 2020d, p. 32), and line 1.15, “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” (ECLAC, 2020d, p. 35), with particular emphasis on the role of social development ministries and secretariats and similar entities. A social protection system geared towards building social and institutional resilience to better cope with increasingly frequent and intense disasters contributes to the pursuit of SDG target 1.3, which 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”.

The main points addressed in this section are the definition of hazards, disasters and events, their impacts over time and the role of social protection.

## 1. Hazards, disasters and extreme events

Hazards are extreme events of natural or anthropogenic origin that are likely to cause material damage, injuries, deaths and repercussions at the community level, such as the interruption of economic activities

or the disruption of production chains (ISDR, 2004). Although the literature offers different classifications of hazards, a degree of consensus exists that they generally arise from natural environmental factors (geophysical, hydrological, meteorological, climatological, biological or extraterrestrial) but also from human causes, such as social conflicts, wars and potential technological threats (Shi, 2019).

While a hazard is not a disaster in itself, the interaction of an extreme event with certain social variables can lead to a social or humanitarian disaster and exacerbate structural inequalities (Wisner and others, 2004). Thus, an extreme event becomes a disaster for people when a combination of factors of exposure and vulnerability exists in a community or territory, with its social or humanitarian impacts generally concentrated on the most disadvantaged population groups, or when there are chronic phenomena that lead to disasters with an ecosystemic impact or repercussions for the physical environment (environmental degradation) that affect people. That impact alters the functioning of everyday life and productive chains, with consequences for the well-being of the affected individuals (impacts on physical and mental health), families and communities (Shi, 2019).

An extreme physical event is the manifestation or crystallization of a hazard in a specific location and for a specific duration: in other words, it has spatial and temporal dimensions (United Nations, 2016). Given that no country is free from the possibility of suffering a disaster, public institutions—in partnership with private actors—must adopt all possible measures to prevent, mitigate and reduce the impact, support a rapid response for recovery and increase the resilience of households and communities (Vargas, 2015).

One of the distinctive characteristics of disasters is their covariant nature, meaning that they have a range of impacts of different dimensions and extent, which simultaneously affect groups of households or entire communities and put public policy to the test as regards the coverage, adequacy and relevance of benefits (United Nations, 2017). This is compounded by the impact on public infrastructure and connectivity, with the resulting difficulties in the provision of public services.

Disasters can be classified by their origin, speed of onset, geographic scope and frequency (see box IV.1). Those characteristics determine the impact they generate and its transformation into a disaster and, accordingly, the demands it places on public policy to reduce the population's vulnerability, protect the environment and adapt infrastructure, all of which are fundamental elements that must be considered, particularly in the case of social protection. It should also be borne in mind that the characteristics of the types of disasters often arise in combination, and so recognizing them is key to designing and implementing effective and efficient public policies.

#### Box IV.1

##### Types of disasters

According to the EM-DAT International Disaster Database of the Centre for Research on the Epidemiology of Disasters (CRED) at the Catholic University of Louvain, disasters can be either anthropogenic or natural in origin. Anthropogenic disasters, caused by human action, include complex emergencies or conflicts (wars and political crises), transport accidents (train derailments, plane crashes, road pile-ups, etc.), industrial accidents, famines (which can have a natural origin—due to drought, for example—but are often caused by market problems or policy failures) and population displacements (as a consequence of another disaster of anthropogenic origin). Disasters can also be of natural origin, arising from a range of geophysical, meteorological, hydrological, climatological, biological and extraterrestrial phenomena. This differentiation is not, however, a perfect dichotomy: strong interactions exist between both origins. New scientific data emerge every day on the relationship between the effects of climate change (generated by humans since the Industrial Revolution) and the disasters associated with it, as in the case of changes in sea level and the frequency of hurricanes. The same is true of the impact of deforestation, extensive monocultures and the expansion of urban areas on the increased probability of droughts and floods. The cause or origin of a disaster can therefore sometimes be confused with the environment in which it manifests itself, owing to the interaction between the two, which is identified as a socionatural origin: that is, a combination of natural and anthropogenic factors (UNDRR, 2020).

The second criterion for classifying disasters examines the speed of onset or outcome of each event. In general, rapid-onset or acute disasters (CalPERS/WMC, 2019) are extreme events that occur within a short time frame and are usually treated as temporary modifications of normal conditions. These are the types of disaster that require action by

## Box IV.1 (concluded)

emergency and response services. They include hurricanes or tropical storms, earthquakes, volcanic eruptions, tsunamis, floods, forest fires, mountain avalanches and mudslides. In contrast, slow-onset or gradually maturing disasters (Wisner and others, 2004) or chronic disasters (CaPERS/WMC, 2019) do not have an easily distinguishable onset; nevertheless, they generate great ecological and human damage, affecting the habitability of many areas exposed to them, as well as production and jobs. Examples of slow-onset disasters include droughts, agricultural pests, desertification, soil salinization, sea level rise, climate change, and diseases and epidemics.

Third, disasters can be classified by their geographical scope. Most are constrained to the local or subnational level, as in the case of forest fires, floods, earthquakes and industrial accidents. However, disasters of a broader scope are increasingly frequent in the region, as in the case of hurricanes in the Caribbean and Central America, or drought in the Central American Dry Corridor. The largest scale involves disasters with global repercussions, of which the coronavirus disease (COVID-19) pandemic and global warming are clear examples.

Finally, disasters can also be distinguished according to their periodicity: those that are irregular and generally unexpected, such as geophysical disasters (earthquakes, volcanic explosions and the like), and those that occur in a cyclical manner, normally on a seasonal basis, when the conditions needed for their development are present in sufficient quantities, in which case their trajectories and intensities can be modelled. According to Cherrier and Tuzzolino (2014), seasonal crises occur recurrently at certain times of the year and lead to a temporary need for increased social assistance benefits for potentially affected households. Notable examples of such phenomena include hurricanes, which are recurrent between May and October in the Caribbean, Central America and North America, winter frosts, which affect crops, and forest fires, frequent in summer because of high temperatures and low rainfall in the Amazon, the Southern Cone and North America.

## Types of disaster according to event characteristics

Criteria	Disasters
Origin	<b>Natural:</b>
	Biological: diseases (epidemics and pandemics), incidents with animals, insect infestations
	Hydrological: waves and floods
	Meteorological: convective and extratropical storms, extreme temperatures, fog, tropical cyclones
	Climatological: droughts, forest fires, sudden glacial or lake outbursts
	Geophysical: earthquakes, volcanic activity, land movements
	Extraterrestrial: meteorite and asteroid impacts, space weather
<b>Anthropogenic</b>	Technological: industrial accidents, environmental pollution, nuclear radiation, toxic waste, chemical accidents
	Social: violence, armed conflict
	Socionatural: environmental degradation, climate change
Onset speed	<b>Slow:</b> epidemics or pandemics, droughts, extreme temperatures, climate change, sea level rise, cryosphere retreat
	<b>Quick:</b> earthquake, volcanic eruption, mass land and water movements, storms, cyclones, floods, fires, infestations, meteors, asteroids
Scope	<b>Local:</b> industrial accidents, transport accidents, tornadoes, volcanic eruptions, floods, landslides, avalanches, fires
	<b>Subnational:</b> earthquakes, droughts, infestations, cyclones, storms, extreme temperatures, armed conflicts
	<b>National:</b> epidemics, cyclones, extreme temperatures, armed conflicts
	<b>Regional/subregional:</b> epidemics, cyclones, extreme temperatures, armed conflicts
Periodicity	<b>Global:</b> pandemics, climate change
	<b>Irregular:</b> earthquakes, volcanic eruptions, tsunamis, land movements
	<b>Cyclical or periodic:</b> hurricanes, cyclones, fires, heavy rainfall

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Office for Disaster Risk Reduction (UNDRR), *Hazard Definition & Classification Review: Technical Report*, Geneva, 2020; United Nations, *Report of the open-ended intergovernmental expert working group on indicators and terminology relating to disaster risk reduction: note by the Secretary-General (A/71/644)*, New York, 2016; *Report of the open-ended intergovernmental expert working group on indicators and terminology relating to disaster risk reduction (A/RES/71/276)*, New York, 2017; R. Below, A. Wirtz and D. Guha-Sapir, *Disaster Category Classification and Peril Terminology for Operational Purposes*, Brussels, Centre for Research on the Epidemiology of Disasters (CRED), 2009; B. Wisner and others, *At Risk: Natural Hazards, People's Vulnerability and Disasters*, London, Routledge, 2004; M. Aleksandrova and C. Costella, "Reaching the poorest and most vulnerable: addressing loss and damage through social protection", *Current Opinion in Environmental Sustainability*, vol. 50, Amsterdam, Elsevier, 2021; California Public Employees' Retirement System/Wellington Management Company (CaPERS/WMC), *Physical Risks of Climate Change (P-ROCC): A New Framework for Corporate Disclosures*, Boston, 2019.

## 2. Disasters and their impact

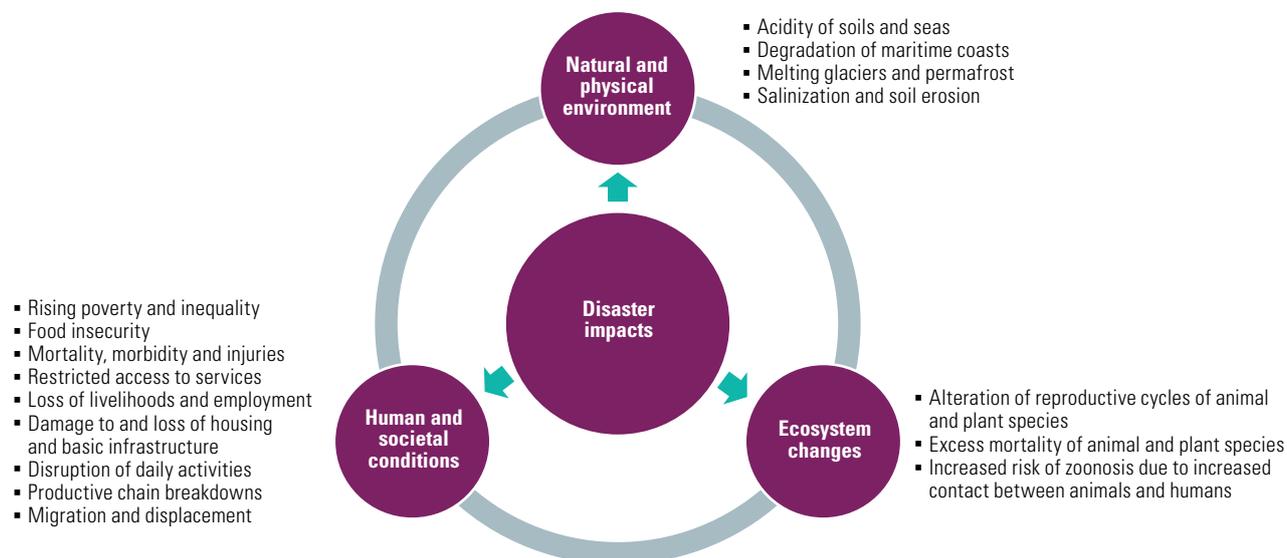
According to Lavell and others (2012), the degree of exposure and vulnerability generates the conditions that determine the impacts of an extreme event on people and societies. While the magnitude of the physical event is of undeniable importance, exposure levels are also determinants of the severity of the effects caused. The factors that increase vulnerability to disasters include poverty and inequality, the location of human settlements in risk areas, environmental degradation, informal employment, low levels of education and skills, inadequate social protection systems and their institutional weakness (Cecchini, Holz and Robles, 2021). Likewise, greater or lesser vulnerability also depends on the institutional capacity for prevention, mitigation, response and recovery.

Lavell and others (2012) distinguish between three types of impact that can be generated by a single (usually extreme) event, or by a series of non-extreme events, including non-climatological phenomena. Those are: (i) changes in the natural physical environment, (ii) changes in ecosystems, and (iii) adverse repercussions on property and human or social conditions.

Changes in the natural physical environment come from modifications caused by slow-onset (droughts or rising sea levels) or rapid-onset (floods) extreme events and have direct consequences in certain areas, such as coastal zones, where the erosion of natural barriers can make the salinization of soils and aquifers irreversible. The increasing frequency of extreme events and rising temperatures also have an impact on high mountain areas, with consequences such as the loss of glacier mass, higher snow melt and the consequent increase in run-off and precipitation, among other effects that lead to greater earth movements and increased water flows (Seneviratne and others, 2012). Second, impacts on ecosystems are disruptions in disease reproduction and control mechanisms and in ecosystem health caused by extreme events, which lead to excess mortality of animal or plant species in the affected area. Finally, human or social impacts occur when local capacities to cope with disasters are surpassed, or when severe disruptions are caused in the daily activities of households and communities. This indicates the requirement for social protection instruments that can satisfy basic and recovery needs in a relevant and timely way (Handmer and others, 2012) (see diagram IV.2).

**Diagram IV.2**

Disasters and their impact



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. Cecchini, R. Holz and C. Robles, "Los sistemas de protección social ante desastres", *Gestión e institucionalidad de las políticas sociales para la igualdad en América Latina y el Caribe. Caja de herramientas*, Cecchini, S., R. Holz and H. Soto de la Rosa (coords.) Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021, forthcoming; A. Lavell and others, "Climate change: new dimensions in disaster risk, exposure, vulnerability, and resilience", *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press, 2012; S. Seneviratne and others, "Changes in climate extremes and their impacts on the natural physical environment", *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press, 2012; J. Handmer and others, "Changes in impacts of climate extremes: human systems and ecosystems", *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press, 2012.

Impacts on human and social conditions can be direct or indirect. Direct impacts, especially those caused by rapid-onset disasters, have major repercussions for living conditions, as they represent the physical and structural impact caused by a disaster, including the destruction of public and private infrastructure, loss of human life and persons injured or directly affected, such as those infected during a biological disaster (UNDRR, 2015). Indirect effects derive from damage and losses caused by interruptions in the flow of goods and services arising from the disaster, which have consequences on the well-being of the affected population and may have long-term economic and social repercussions: i.e., losses due to the impact on production chains and macroeconomic and social impacts (Hallegatte, 2015). Clear examples of catastrophic indirect impacts include the economic recession, reduced female labour participation, increased incidence of mental health disorders, learning deficits among children and adolescents, and increased malnutrition, child labour and poverty related to COVID-19 confinement and prevention measures (ECLAC, 2020b and 2021a).

The interactions between a series of successive events and their related impacts lead to the idea of cascading hazards. Proper assessments of the magnitude of cascading hazards enable the development of strategies to detect, manage and prevent systemic risk (UNDRR, 2021).

The COVID-19 pandemic has shown the extent to which one event has the potential to trigger a succession of other events that damage the systems on which societies and economies around the world depend. Climate conditions, travel and trade, tighter deadlines in manufacturing and supply chains, urban density, lack of access to clean water and sanitation and other realities of living in poverty and conflict, coupled with the inability of people and institutions to manage risk properly, created the conditions for an outbreak to become an epidemic, then a pandemic, and ultimately a global economic and social disaster (Mizutori and Hackmann, 2020). Moreover, its duration has increased the risk of simultaneous disasters, as in the case of Hurricanes Eta and Iota in Honduras and Guatemala, which constituted a disaster on top of a major disaster (ECLAC/IDB, 2020a; ECLAC and others, 2021).

As impacts affect the natural physical environment, ecosystems and human and social conditions, their mitigation and adaptation require a synergistic approach. In this way, public policy initiatives in one of those areas also represent an opportunity for the protection of the others, as evidenced by the protection of biodiversity, the development of the green and blue economies and the reduction of vulnerability (see box IV.2).

#### Box IV.2

##### Destruction of ocean biodiversity and promotion of the blue economy

Together with the many other ecosystem functions they perform, oceans are among the main resources for carbon sequestration and the regulation of global temperatures. Their rich biodiversity does not free them from threats posed by human activities that endanger plant and animal species, nor from shortcomings in their global regulatory functions that require the establishment of protected areas. Sustainable Development Goal (SDG) 14 calls for the "conservation and sustainable exploitation of oceans, seas and marine resources for sustainable development", and is aimed in particular at preventing ocean acidification, which poses a threat to the marine environment and the ecosystem services it provides. In that context, the blue economy is an alternative for mitigating the effects of climate change on coastal economies, making it an issue of key importance for the Caribbean subregion (Tambutti and Gómez, 2020).

Mangrove, seabed and salt marsh conservation initiatives seek to prevent the emission of greenhouse gases. Mangroves are the main focus for conserving and restoring blue ecosystems. The potential for carbon storage through mangrove restoration is concentrated in Mexico, Cuba, Colombia and Brazil (97% of the region's total and 24.8% globally). In addition, the natural barriers formed by mangroves prevent coastal erosion caused by wave action and rising sea levels, as well as the flooding that can follow tropical cyclones (Worthington and Spalding, 2018).

The importance of the oceans is not limited to the marine ecosystem and the natural environment: they are also fundamental in preserving the economy and the quality of life of people and communities. It is therefore essential for coastal communities to be able to protect biodiversity and adapt to climate change through such factors as the financing of green infrastructure and sustainable natural resource use. Sustainable management of the resources provided by the oceans can increase economic benefits for small island developing States by promoting sustainable tourism, which is a key element for an inclusive, resilient, green and sustainable post-COVID-19 recovery through public-private partnerships (Tambutti and Gómez, 2020).

**Source:** M. Tambutti and J. Gómez (eds.), "The outlook for oceans, seas and marine resources in Latin America and the Caribbean: conservation, sustainable development and climate change mitigation", *Project Documents* (LC/TS.2020/167), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; T. Worthington and M. Spalding, *Mangrove Restoration Potential: A Global Map Highlighting a Critical Opportunity*, Cambridge, University of Cambridge, 2018.

### 3. The disaster cycle and social protection needs

Three stages of a disaster can be distinguished, forming a cycle and leading to the emergence of various needs that must be addressed by public social protection policies (Cecchini, Holz and Robles, 2021). Those stages are:

- (i) Before the disaster (*ex ante*): the hazard phase, when the probability of the event occurring is recognized and when strategies must be designed, lines of action planned, institutional capacities strengthened and measures for vulnerability mitigation (improving the capacity of households and communities to withstand the impact of disasters and increasing their ability to adapt and reduce future effects) and prevention (reducing exposure to disaster risk) implemented.
- (ii) During the event: the onset of a disaster, when the priority is emergency and immediate relief measures to meet the most urgent needs at times of instability and fragility, a rapid initial quantification of the impact, the identification of households in need of support, the containment of damage and impact, the protection of people and their property, individual and community strengthening and law and order.
- (iii) After the disaster (*ex post*): when it is possible to establish strategies for the medium term, allowing for repairs and preparation for future events. This includes the restoration of the population's well-being, the generation or recovery of household income and the restitution of property, natural assets, productive processes and services. Recovery policies also consider the long-term reconstruction of damaged infrastructure and physical and natural environments, and the establishment of prevention and mitigation mechanisms to bolster the resilience of households and communities. In addition, assessing how the disaster was managed and learning from experience is crucial for dealing with other disasters and implementing measures for a transformative recovery.

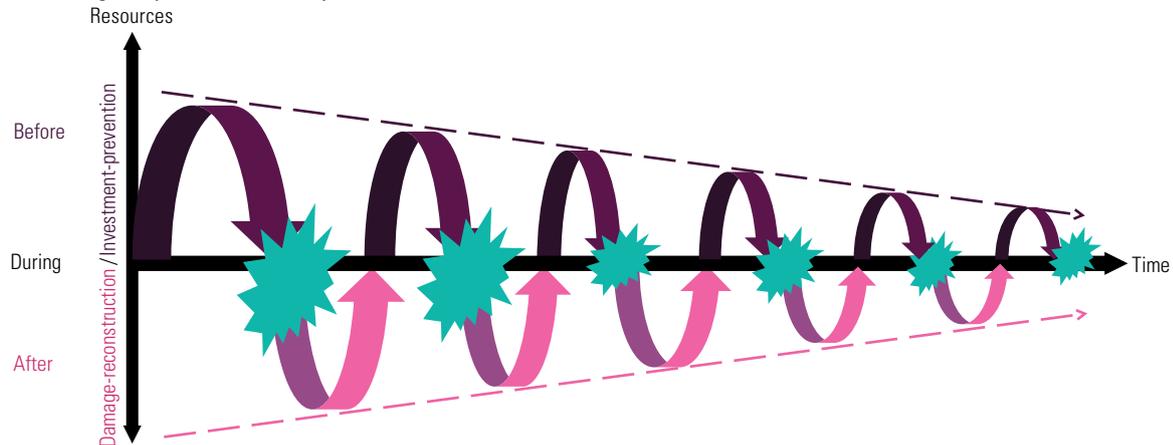
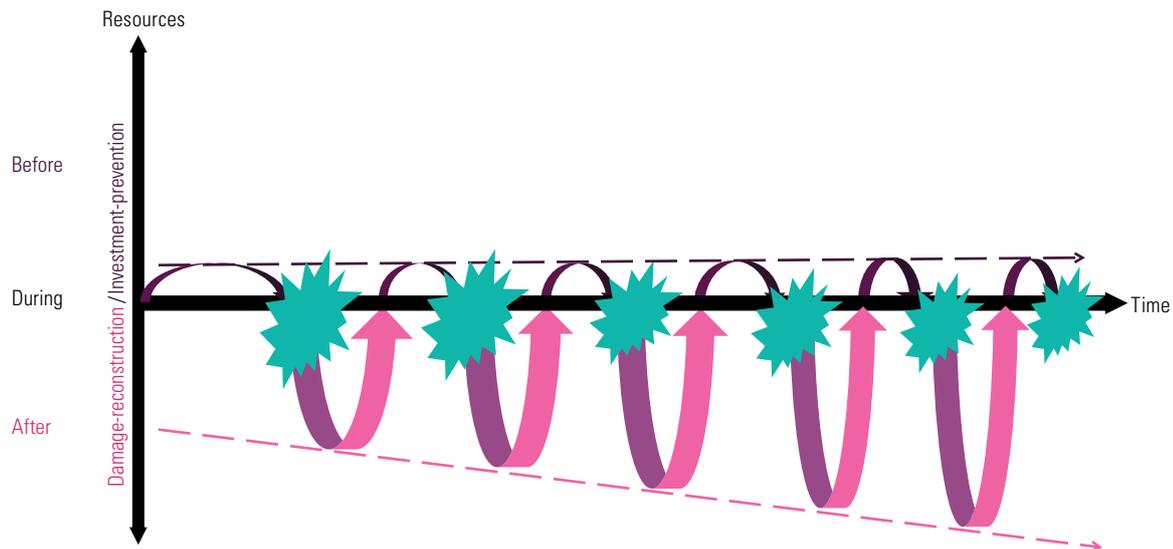
In general terms, it is essential to guarantee the institutional response capacity for risk preparedness, mitigation and prevention prior to the event, response and containment of damage during the event, and recovery and increase of resilience after it has passed, in order to level out the unequal individual response capacities of the population.

The public policy objective must include the idea of considering the crisis as an opportunity: not only for reconstruction and repair, but also for implementing a transformative recovery that allows progress towards the achievement of the SDGs. The challenge lies in transforming the cycle into a converging spiral, in which learning from each stage of the response leads to effective and efficient reductions in vulnerability to future disasters, thereby reducing damage and the time needed for recovery. To achieve this, it must be borne in mind that events often do not occur in isolation and that interactions increase the aggregate effects.

According to Boshier, Chmutina and van Niekerk (2021), the idea of the cycle does not suffice to grasp the socioeconomic and political issues that influence the occurrence of disasters that can facilitate adaptation and change. Following these authors, a portrayal of the disaster cycle is proposed that incorporates the dimensions of time and of resources or efforts, to illustrate that a good prevention and mitigation plan will result in reduced future efforts and costs. A long-term view with greater investments in prevention will contribute to a progressive containment of impacts and of response and reconstruction costs, producing a convergent spiral. A more static approach to cycles and the implementation of few prevention and mitigation measures leads to increased expenditure on repairs, owing to higher damage and reconstruction costs, and longer duration of post-event recovery measures, which could lead to protracted crises by producing a divergent spiral (see diagram IV.3).

**Diagram IV.3**

The disaster cycle in time and resources

**A. Convergent spiral (investment-prevention)****B. Divergent spiral (spending-repair)**

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of L. Boshier, K. Chmutina and D. van Niekerk, "Stop going around in circles: towards a reconceptualisation of disaster risk management phases", *Disaster Prevention and Management*, Bingley, Emerald Publishing, 2021.

The disaster assessments that ECLAC has carried out in the region shed light on the costs of their effects and impacts and on the critical areas in which progress could be made to mitigate risks and strengthen response capacities, resilience and adaptation to new events (see box IV.3).

**Box IV.3**

## Disaster risk assessment and planning for resilient and sustainable recovery

The Economic Commission for Latin America and the Caribbean (ECLAC) has developed a methodology for damage and loss assessment (DaLA) that quantifies the effects and impact of disasters. By using it, damage, losses and additional costs can be estimated in order to calculate the economic cost, the resources needed for recovery and the investments required to promote resilience and reduce physical, social and economic vulnerability (ECLAC, 2014).

The experience of ECLAC with the DaLA disaster assessment methodology began with the Managua earthquake of 23 December 1972. It has since been used to assess more than 90 disasters and their social, economic and environmental repercussions in 28 countries. ECLAC estimates that between 1972 and 2011, the aggregate cost of these events, which caused 311,127 deaths and affected almost 34 million people, was US\$ 210 billion (US\$ 140 billion in damage and US\$ 70 billion in losses).

The methodology involves estimating: (i) damage, as the full or partial replacement cost of destroyed capital assets, (ii) losses in economic flows due to the temporary absence of the damaged assets, and (iii) additional costs, which is the spending required to produce goods and services on a temporary basis as a result of the disaster (ECLAC, 2014).

In high-risk countries, incorporating disaster risk management (DRM) and the potential impact of disasters into the preparation of national development plans is essential, particularly when a disaster can lead to a national crisis with profound development consequences and create vicious circles in economic, political, human and environmental systems.

To reduce the possibility of a divergent spiral emerging, disaster risk planning must be incorporated into development planning. Disaster risk planning allows the assessment of damage and losses and the development of plans for resilient recovery. Moreover, including the disaster variable in development planning establishes criteria for inter-agency coordination between multiple actors, promotes resilient public investment and sets guidelines for resilient post-disaster recovery in the economic, social and environmental spheres (Bello, Bustamante and Pizarro, 2020).

According to the arguments put forward by Bello, Bustamante and Pizarro (2020), statistical information and data geo-referencing are key elements in establishing baselines and recovery targets. Finally, the policy framework must be adapted to include disaster risk management in a long-term framework for governance and planning. As explained below, these elements must be considered in the design of the information systems needed to establish an institutional framework that is commensurate with the challenges that disasters pose for social protection in the region.

**Source:** O. Bello, A. Bustamante and P. Pizarro, "Planning for disaster risk reduction within the framework of the 2030 Agenda for Sustainable Development", *Project Documents* (LC/TS.2020/108), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; Economic Commission for Latin America and the Caribbean (ECLAC) and others, *Evaluación de los efectos e impactos de las depresiones tropicales Eta y Iota en Guatemala* (LC/TS.2021/21), Santiago, 2021; Economic Commission for Latin America and the Caribbean (ECLAC), *Handbook for disaster assessment* (LC/L.3691), Santiago, 2014.

## B. Inclusive and resilient social protection as a component of a comprehensive disaster management and mitigation policy

At a time of rising concern about climate change and disasters, greater coordination of environmental, social and productive policies is required to harness synergies with a new approach and transformative measures to respond to the complex risks associated with disasters of this kind. First, to address the impacts of slow-onset phenomena: for example, in territories with advanced rates of desertification, environmental degradation, sea level rise, soil and water salinization, and so on, permanent social protection tools are needed for the territories affected, which experience growing and cumulative damages (Aleksandrova, 2019). Second, to tackle the increased frequency and intensity of rapid-onset events—such as extreme hydrological and meteorological phenomena, an issue of particular relevance in Central America and the Caribbean—the building of adaptive capacities is a priority part of development planning (Bárcena and others, 2020). Consequently, the objectives of social protection systems must be aligned with climate risk management policies, in conjunction with sectoral policies and actors from different levels of government, to address the consequences of various types of disasters.

The Regional Agenda for Inclusive Social Development sets the goal of advancing towards inclusive social development, with a universal perspective that is sensitive to differences and with a focus on rights, gender and sustainability (ECLAC, 2020d). Thus, social protection systems play an important role in preventing and coping with the human and social impacts of disasters, specifically in the recovery of living conditions to overcome the emergency and to increase the resilience of households and communities in order to mitigate risk and reduce the impact of future disasters. Investment in social protection as a form of prevention and mitigation contributes to reducing the intensity and duration of indirect impacts and to strengthening the disaster resilience of households, communities and social institutions. However, this work cannot be effective or efficient if it is not integrated with disaster risk management, climate change adaptation and mitigation systems (Aleksandrova and Costella, 2021) and the protection of biodiversity. In addition, investments are needed in resilient infrastructure and land-use planning processes to prevent human settlement in areas of high exposure. This requires a financing system that includes the instruments and access to contingent credit necessary to support different disaster risk management initiatives.

In that context, States must have a solid institutional framework that interconnects multisectoral public policy processes to turn the disaster cycle into a convergent spiral, and a capacity for anticipation, response and adaptation that takes account of the three dimensions of sustainable development. Because the development of disaster risk reduction plans and strategies is not new, there has been steady progress at the national and subnational levels in many countries, and disaster risk reduction issues have been incorporated into national development strategies.

At present, all the countries of the region for which official information is available have national strategies for disaster risk management and mitigation. As shown in annex IV.A1, the most common emergency response mechanisms in both Latin America and the Caribbean are national civil protection systems, although there are also other national bodies with similar mandates. While the 20 Latin American countries examined have national systems, the panorama in the English-speaking Caribbean is less uniform. Of the 13 countries analysed in that subregion, only Barbados, Saint Lucia and Trinidad and Tobago have an organization similar to that of their Latin American peers, while the others have emergency organizations, agencies, offices and committees. As discussed in chapter III, the Caribbean subregion provides a clear example of continuous improvement and learning processes, and has made notable progress in disaster risk management (ECLAC, 2020c; Bello and others, 2019; Weekes and Bello, 2019).

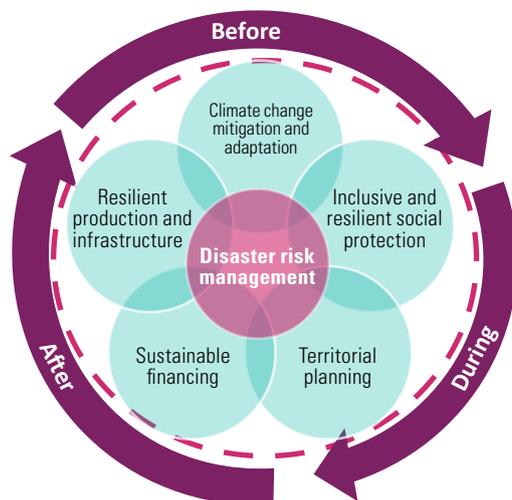
When the functions of a universal, comprehensive and sustainable social protection system include addressing people's vulnerability to disasters and their impacts, it becomes dually resilient to disasters.<sup>4</sup> In institutional terms, this demands a flexible organizational and management model that allows it to combine some functions related to permanent or long-term policies with emergency care and response. This underscores the need for the system to be responsive and adaptable to changing situations, including civil protection and humanitarian actions during the response process, coordination activities during the emergency itself and sectoral policies during the medium- and long-term recovery phases. Likewise, in line with the three dimensions of sustainable development, it is complemented by policies for prevention and mitigation, for the adaptation of productive processes and public and private infrastructure and for the protection of ecosystems and climate change, land-use planning and sustainable financing<sup>5</sup> (see diagram IV.4).

<sup>4</sup> Resilience is "the capacity of a system, community or society potentially exposed to hazards to adapt, by resisting or changing in order to reach and maintain an acceptable level of functioning and structure" (United Nations, 2005, p. 9). While the emphasis here is on social and institutional resilience, in line with the objectives of social protection systems, it must be seen as part of a holistic approach to resilience that includes the environment, infrastructure and the economy.

<sup>5</sup> Funding for disaster and climate change resilience must be incorporated into national finance systems as part of regular budgets. Countries that have difficulties in identifying risks and developing resilience and mitigation measures need the support of the international community, through technical and financial assistance, so they can identify, plan, sequence and implement measures as part of a disaster risk reduction strategy. Rapid and effective financing systems are also needed to ensure immediate relief in emergency or crisis situations caused by a disaster. Notable in this regard is the United Nations Central Emergency Response Fund (CERF) (United Nations, 2019).

**Diagram IV.4**

Social protection in a comprehensive disaster policy system



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of M. Davies and others, “Climate change adaptation, disaster risk reduction and social protection”, *Briefing Note*, Brighton, University of Sussex, 2008; S. Hallegatte, J. Rentschler and J. Rozenberg, *Lifelines: The Resilient Infrastructure Opportunity*, Washington, D.C., World Bank, 2019; P. Gardoni and C. Murphy, “Society-based design: promoting societal well-being by designing sustainable and resilient infrastructure”, *Sustainable and Resilient Infrastructure*, vol. 5, No. 1-2, Milton Park, Taylor and Francis, 2020; United Nations, *Financing for Sustainable Development Report 2021*, New York, 2021; Caribbean Disaster Emergency Management Agency (CDEMA), “Building a Caribbean Pathway for Disaster Resilience in the Caribbean Community (CARICOM)”, Bridgetown, 2018; Economic Commission for Latin America and the Caribbean (ECLAC), “Planning for resilience: an integrated approach to tackle climate change in the Caribbean”, *Policy Brief* (LC/CAR/2020/1), Port of Spain, 2020.

## 1. Characteristics of inclusive and disaster-resilient social protection

For social protection to form part of a comprehensive policy for dealing with disasters, a highly adaptable public policy is required that allows for the strengthening of households’ capacities for anticipation, protection and resilience, especially those in situations of poverty and economic vulnerability. That adaptability is not exclusively to reinforce skills and responses during the emergency; it also constitutes an element of support for medium- and long-term institutional and community prevention, mitigation and adaptation measures in the face of the uncertainty of greater intensity and probability of disaster occurrence (Davies and others, 2008). This is particularly relevant in the context of increasingly frequent disasters related to climate change.

Over the past decade, social protection has acquired a leading role in disaster risk reduction strategies because it contributes significantly to reducing socioeconomic vulnerability and increasing the resilience of low-income households by building adaptive capacities through improved access to services and better formal employment opportunities, health and nutritional indicators, and access to regular sources of financing. Ultimately, social protection strengthens the capacity of households and individuals to anticipate and cope with extreme weather events, thus preventing increases in poverty levels (Aleksandrova and Costella, 2021).

Protecting rights, mitigating impacts and strengthening public resilience in the face of disasters does not imply that social protection takes on tasks outside its scope or responsibility, but rather that it takes into account the emergency nature and often unpredictable and catastrophic impact of disasters to ensure income, food and nutrition security, access to health and education, housing and decent work for the entire population. This also includes support for the affected population’s psychological and emotional well-being, as well as active connections with relevant sectoral policies tailored to specific challenges and needs, based on gender, age, race, ethnicity and other factors such as sexual orientation and migration status, for the drafting of preparation and recovery plans.

Social protection systems with a disaster-adaptation approach work to reduce disaster vulnerability and recommend preparedness policies for future disasters that could affect a community or territory in order to

reduce the damage and destruction of property that hinder rapid recovery. If the coverage, adequacy and financial sustainability of social protection are low, it will be difficult for it to build resilience in the households and communities most vulnerable and exposed to disasters' negative consequences (Bastagli and Holmes, 2014).

The type of needs to be covered demands greater flexibility in social protection instruments for addressing humanitarian crises that affect large numbers of people and increase the temporary demand for social protection from households that are not normally in their target populations. However, meeting the requirements of coverage, sufficiency and financial sustainability is not enough for social protection to be truly inclusive and leave no one behind; the criteria of relevance and timeliness must also be taken into account. Universalism must be sensitive to differences (ECLAC, 2020d), suited to the characteristics and needs of the affected population, adapted to the emergency situation and, above all, implemented in a timely manner (ECLAC, 2020b). The difficulty of meeting those challenges was a constant factor in the discussions about the response to the COVID-19 pandemic undertaken by the region's ministries and departments of social development (ECLAC, 2020a).

The implementation of social protection instruments for emergency response requires greater flexibility. Notable in this regard is the progress made with the proposal for shock-responsive social protection, particularly in the aftermath of disasters that affect a significant number of people, households and communities. Such covariant emergencies mean that many households require a greater social protection response, either as new recipients or through additional resources, while, at the same time, they limit the responsiveness of the system (OPM, 2015).

Immediate disaster response entails a large humanitarian action component and requires an increasing alignment of objectives so that policy responses can be provided during disasters. However, there is an increasing need to provide long-term responses and to ensure that social protection systems are resilient to emergencies that simultaneously affect a significant proportion of the population, by aligning the social protection strategy with the challenges posed by disasters to bring about a transformative recovery and a fair transition. In emergency contexts, it is also necessary to establish agencies for coordination and partnership between the governments and humanitarian actors involved in the immediate aftermath of a disaster in a given territory (European Commission, 2019).

## 2. Functions and strategies

In view of the above considerations and the functions of social protection, a social protection system that is part of a comprehensive policy performs different roles at each stage of a disaster.<sup>6</sup> During the ex-ante stage, the main function is to collect information on hazards and the social impact of disasters for cross-referencing with the characteristics of different population groups and geographical areas. It is also responsible for designing and planning activities, standards and processes to prevent exposure and mitigate risks, generating social information systems and strengthening the capacity of the population and public institutions to respond to hazards.

During the emergency itself, whether rapid- or slow-onset, the main role of social protection is to respond in an appropriate, timely and efficient manner. To this end, priority must be given to agile information systems that allow the impact to be estimated and the recipients to be identified and prioritized, and to the logistics of implementing immediate responses to reach the affected population with basic assistance that allows the impacted households to maintain a certain level of consumption and well-being. In the case of slow-onset events, the social protection response can be implemented over a longer period of time: for example, through cash transfers or production subsidies to small farmers in the event of extended droughts, such as those currently occurring in parts of the Central American Dry Corridor and the Southern Cone.

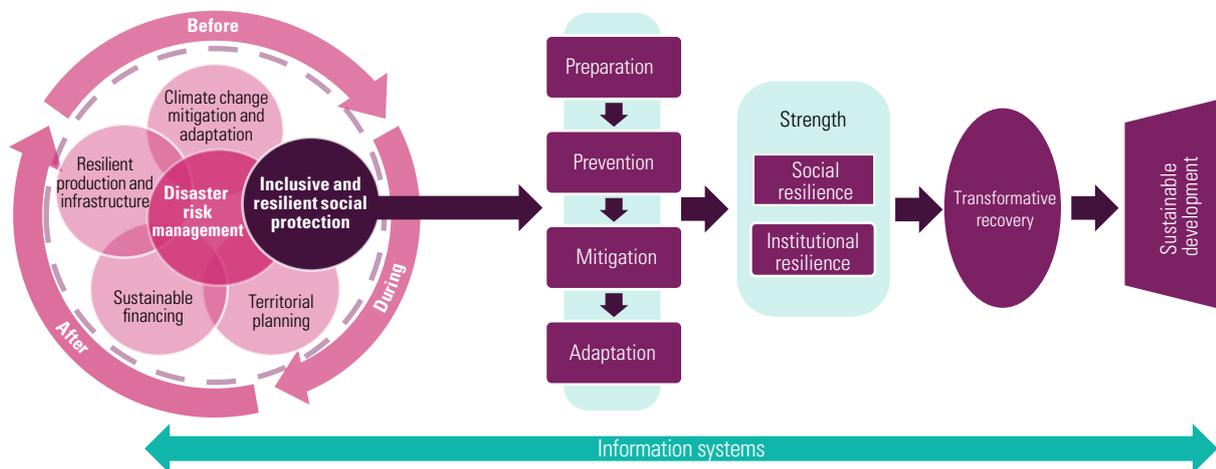
Finally, social protection systems serve to support the medium- and long-term recovery of disaster-affected households, through income transfers, labour market activation and inclusion measures for vulnerable groups, economic support linked to subsidies or credits to recover productivity and other responses that promote the future resilience of households and communities in territories exposed to disaster risk.

<sup>6</sup> Functions of social protection: (i) protecting income, (ii) ensuring access to social services (education, health and housing) and (iii) promoting decent work (Cecchini and Martínez, 2011).

To summarize, the functions of social protection in the event of disasters can be classified in direct relation to the timing of the disaster cycle. First, social protection seeks to reduce the vulnerability (or increase the strength) of households through the provision of specific protection instruments to meet a twofold objective: on the one hand, to reduce exposure, mitigate risks and improve preparedness for extreme events, by increasing the capacity for anticipation and strengthening the capacity for response when a disaster strikes; and on the other, to facilitate adaptation, by increasing the social resilience of recipient individuals and households for future disasters, along with the institutional resilience of the social protection system itself to adapt its processes and meet the qualitative and quantitative increases in demand that occur during and after an emergency. Fulfilling these functions offers the prospect of future scenarios that are more conducive to a transformative recovery and thus to returning to the path of sustainable development (see diagram IV.5).

Diagram IV.5

Logic of inclusive and disaster-resilient social protection



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of M. Davies and others, "Climate change adaptation, disaster risk reduction and social protection", *Briefing Note*, Brighton, University of Sussex, 2008; S. Hallegatte, J. Rentschler and J. Rozenberg, *Lifelines: The Resilient Infrastructure Opportunity*, Washington, D.C., World Bank, 2019; P. Gardoni and C. Murphy, "Society-based design: promoting societal well-being by designing sustainable and resilient infrastructure", *Sustainable and Resilient Infrastructure*, vol. 5, No. 1-2, Milton Park, Taylor and Francis, 2020; United Nations, *Financing for Sustainable Development Report 2021*, New York, 2021; Caribbean Disaster Emergency Management Agency (CDEMA), "Building a Caribbean Pathway for Disaster Resilience in the Caribbean Community (CARICOM)", Bridgetown, 2018; Economic Commission for Latin America and the Caribbean (ECLAC), "Planning for resilience: an integrated approach to tackle climate change in the Caribbean", *Policy Brief* (LC/CAR/2020/1), Port of Spain, 2020.

To increase social resilience, especially in terms of strengthening mitigation, preparedness, response and adaptation capacities, different alternatives are needed so that, in the face of a significant increase in the demand for social protection, affected households can have certainty and resilience to adapt in the event of future disasters. In this way, in addition to helping meet the physical and emotional needs of individuals, households and communities, social protection systems contribute to the regeneration of assets and complement other interventions such as the provision of productive subsidies and loans, support for the integration of vulnerable sectors into the labour market and the repair of damaged public infrastructure and connectivity.

Institutional resilience is the response and adaptation capacity of the social protection system itself, in terms of management processes and the internal organization of its resources, the necessary coordination with different levels of government and other private and humanitarian actors, and the flexibility of institutional roles to deal with the emergency in the short term without neglecting management processes and permanent programmes. Accordingly, social protection systems must have the necessary protocols in place for rapid vertical (temporary increase in the value of transfers or adequacy of services) or horizontal (temporary increase in the coverage of benefits) expansion of their services, such as the distribution of income transfers, the extension of food services and the provision of shelter. Provision should also be made for the rapid deployment of emergency registers to identify affected households not previously prioritized in social information systems, using administrative records, social registers, tax information and other sources. Developing processes for the combination and interoperability

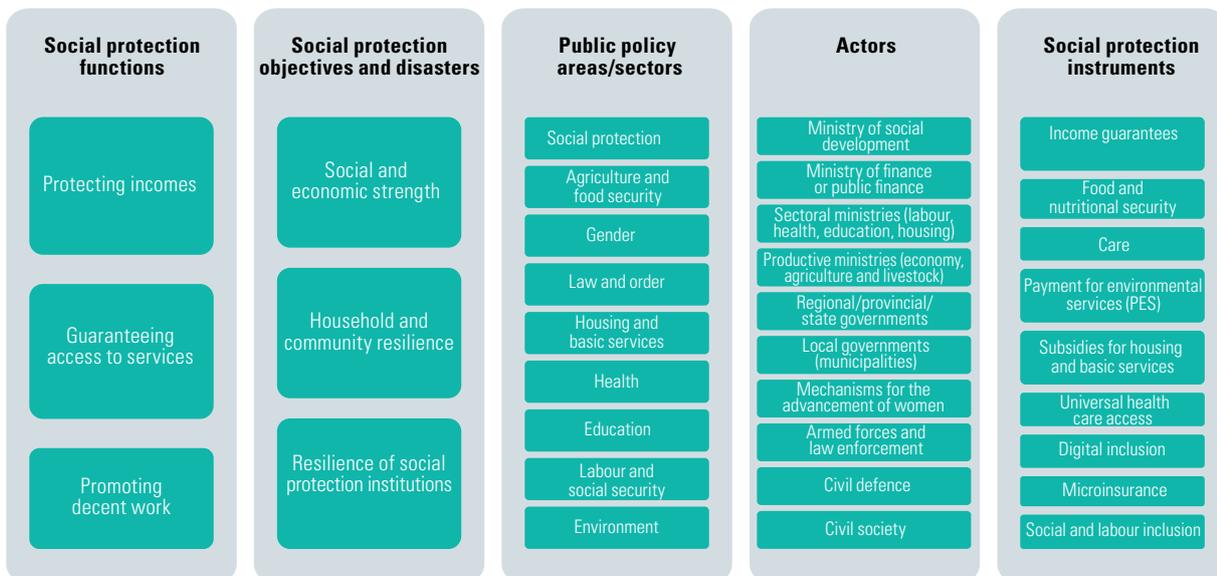
of social information databases with the State's administrative records is also necessary, to allow for their rapid adaptation for immediate post-disaster response and the design of recovery measures to increase future resilience.

Social protection systems can adopt different adaptation strategies to provide a rapid response to affected families and communities. In general terms, social protection systems must have the flexibility to adapt and respond quickly to households left vulnerable by a disaster. Those adaptations may have the following variants, which are not mutually exclusive: (i) vertical expansion: increased amounts or special cash transfer payments for vulnerable households affected by a disaster that have been previously identified through social registers and payment mechanisms, (ii) horizontal expansion: extension of coverage to new recipients, either permanently or temporarily, by launching special enrolment processes, expanding the geographical coverage of targeted programmes or relaxing eligibility rules or admission requirements, (iii) alignment: establishment of an ad hoc system with specific response services, often of a humanitarian nature, which will then contribute to capacity-building when the institutional development of social protection is weak, (iv) piggybacking: use of the administrative and information resources of national social protection systems by the humanitarian agencies providing assistance, and (v) design tweaks: modification of target groups, priorities, objectives or other elements of programme design to address the basic needs of disaster-affected populations (OPM, 2015). Obviously, the suitability of each depends on the characteristics of the disaster in question.

In addition to the ministries or departments responsible for development and social inclusion, the social protection system involves a range of actors and institutions that play complementary roles in implementation, at both the central and subnational levels of government. As explained below, some institutional requirements—such as intersectoral interconnection mechanisms—are also essential in guaranteeing uninterrupted access to health, education and special protection services, which is a matter of particular relevance for children and adolescents (Cecchini, Sunkel and Barrantes, 2017). This is even more critical in the event of a disaster, on account of the need for interconnections and joint work for their implementation in the territory within very tight deadlines. The sectors involved include those that make up the social protection systems themselves, along with authorities responsible for other areas of public policy, particularly those in charge of disaster management, public works, law and order and rescue operations. Civil society organizations, the private sector and international cooperation also play a leading role at times of disaster. As for the instruments involved, those related to non-contributory social protection (or social assistance) and humanitarian services take on a central role (see diagram IV.6).

#### Diagram IV.6

From functions to instruments of social protection



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of 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. Aleksandrova and C. Costella, "Reaching the poorest and most vulnerable: addressing loss and damage through social protection", *Current Opinion in Environmental Sustainability*, vol. 50, Amsterdam, Elsevier, 2021.

### 3. Institutional requirements

The public institutional framework for inclusive and disaster-resilient social protection systems requires strong coordination between the organizations responsible for emergency responses and those in charge of contributory and non-contributory social protection, as well as the sectors that participate directly or indirectly in the implementation of actions. The role of social development ministries in the design and implementation of emergency actions is paramount in containing the social impact of disasters. To that end, the four dimensions of the institutional framework must be addressed in a comprehensive manner: (i) legal, (ii) organizational, (iii) technical and operational, and (iv) funding (Martínez and Maldonado, 2019).

In the legal and regulatory dimension, rules are needed so that public governance can be adapted at times of emergency. It is not enough, however, to declare a state of exception, emergency or catastrophe; instead, laws and regulations must allow for the structured organization of the response and its implementation and the transfer of functions and resources with transparency and in accordance with the law.

In the organizational dimension, in addition to commissions and other agencies for horizontal (intersectoral) coordination, it is essential that there be an explicit model for working together, with work agreements and a clear definition of functions for each of the actors involved in disaster situations. In addition to the various organizations involved in the comprehensive disaster risk reduction and management system (in charge of climate change, land-use planning, financing, infrastructure and production, and social protection policies), civil protection organizations, law enforcement agencies, academia and other bodies should also be included.

When disasters occur in a specific territory, local governments are of paramount importance in dealing with the emergency. Therefore, the coordination and vertical integration (by levels of government) of the social development sector should be strengthened, in a bottom-up manner, to guarantee the correct implementation of the measures and build the capacity of the affected communities. Local government authorities, who are familiar with the population's circumstances, can contribute their own knowledge and skills and primary information to conduct a preliminary needs assessment and provide families with psychosocial support (UNICEF, 2019). However, consideration must be given to the difficulties faced by local governments in implementation, which are mainly due to limitations as regards organizational and financial resources. To overcome those problems, support must be given to the creation of local emergency response committees —with the participation of civil society, representatives of emergency task forces and private and humanitarian actors— to coordinate the local strategy with the national guidelines.

Box IV.4 briefly describes the role of the region's civil society organizations in mitigating the effects of crises caused by disasters, particularly in connection with the COVID-19 pandemic, and it identifies the challenges they face.

#### Box IV.4

##### Civil society as a key agent of inclusion and protection during disaster crises

Civil society has been recognized as a key agent of inclusion and protection. In 2012, the United Nations General Assembly (A/RES/66/288) reaffirmed the importance of ensuring the effective engagement and participation of civil society in responding to disasters and promoting resilience-building at the local level (United Nations, 2012).

To examine the role of civil society organizations and the challenges they face in connection with the COVID-19 pandemic crisis, within the framework of the working groups of the Regional Conference on Social Development in Latin America and the Caribbean, the Economic Commission for Latin America and the Caribbean (ECLAC) and the Mechanism for civil society participation in the Sustainable Development Agenda and in the Forum of the Countries of Latin America and the Caribbean on Sustainable Development invited a number of organizations' representatives to share their experiences at the workshop "The challenges of civil society participation in Latin America and the Caribbean during the COVID-19 pandemic" (ECLAC, 2021).

## Box IV.4 (concluded)

The roundtable discussion noted that the role of civil society organizations as agents of inclusion and social protection was accentuated by the numerous actions adopted to respond to the crisis. The actions of which they spoke included:

- (i) The detection of problems and the identification of solutions: for example, in Argentina, the Mendoza Association of Retirees and Pensioners assisted with the debate on the bill for the social protection of older persons and the homeless. In Mexico, the Hombres XX collective raised the profile of and supported the need to promote the full legal recognition of lesbian, gay, bisexual, transgender, queer and intersex (LGBTQI) people and same-sex parent families, in order to guarantee their access to social protection and health systems.
- (ii) Initiatives to guarantee the rights of older people: for example, the organization *Montecarlo es Victoria: Centro de Personas Mayores* in Argentina and the Cuban Association of the United Nations (ACNU) in Cuba assisted a number of older people to bridge the digital divide in resources and skills, conducted help sessions and distributed medicines and food to ensure their well-being. Similar activities also took place in other countries, such as the Plurinational State of Bolivia and Peru, through Pastoral Social C aritas Bolivia and C aritas Peru, respectively.
- (iii) Actions to guarantee human rights: in Argentina, feminist groups mobilized to bring about the decriminalization of abortion at the national level, while in Mexico they pressured the Congress of the Union to legislate on care policy. In El Salvador, the Network of Community Environmentalists of El Salvador (RACDES) and other environmental groups marched to urge the Legislative Assembly to pass the water and environmental protection bill.
- (iv) Creation of safety nets: in Mexico, various feminist networks responded to women's needs in the face of the upsurge in violence by taking action to prevent sexual attacks, offering shelter to victims of violence and distributing contraceptives and other essential supplies to guarantee the right to sexual and reproductive health.
- (v) Provision of goods and services to meet the needs of their communities: in Chile, numerous community kitchens ("ollas comunes") were established, building a complex network of self-organized social protection in neighbourhoods and communities (La Olla de Chile). In Peru, the Zero Hunger Plan, launched on 20 January 2021 and led by the Ministry of Social Inclusion and Development (MIDIS), incorporated the women leaders of community canteens and soup kitchens into its intervention strategy (MIDIS, 2021). In the Dominican Republic, Pastoral Social distributed food and medicine and provided psychological support (ECLAC, 2021). During the COVID-19 pandemic, indigenous communities and organizations also took a leading role as strategic partners in government efforts, supporting the dissemination of government information in indigenous languages, creating manuals with prevention guidelines and addressing health and food needs through ancestral medicine and the distribution of products made with traditional processing and conversation techniques (FIAY/FILAC, 2020).

In the actions they took to respond to the crisis, the civil society organizations highlighted procedural and institutional challenges. At the procedural level, the confinement and physical distancing measures hampered: (i) the maintenance and creation of partnerships, (ii) fundraising for their activities, and (iii) the safe and free pursuit of their activities (United Nations, 2021), while at the institutional level, the challenge of establishing dialogue mechanisms for the deployment and coordination of multisectoral actions in response to contingencies has not been fully met (FILAC, 2020).

The challenges identified by the region's civil society organizations included: (i) the lack of information and representation in the development and implementation of public policies, (ii) restrictions on demonstrations due to health measures, and (iii) the lack of communication between civil society organizations and collectives for strengthening actions and advocacy through joint work (ECLAC, 2021).

Addressing these challenges will be essential in forging social compacts to ensure the sustainability and legitimacy of social policies in the short and long term.

**Source:** United Nations, "The future we want" (A/RES/66/288), New York, 2012; Economic Commission for Latin America and the Caribbean (ECLAC), "Taller virtual: Los desaf os de la protecci n social en Am rica Latina y el Caribe frente a la pandemia del COVID-19, respuestas de los gobiernos y papel de la sociedad civil", Santiago, 2021 [online] <https://www.cepal.org/es/eventos/taller-virtual-desafios-la-proteccion-social-america-latina-caribe-frente-la-pandemia-covid>; La Olla de Chile [online] <https://www.laolladechile.com/>; Ministry of Social Inclusion and Development, "Modelo de gobernanza", Lima 27 July 2021 [online] <https://www.gob.pe/institucion/midis/informes-publicaciones/2041249-modelo-de-gobernanza>; United Nations, "Latin America and the Caribbean Snapshot: stakeholder engagement around the SDGs during the COVID-19 pandemic", New York, 2021; Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean/Indigenous Forum Abya Yala, *Los pueblos ind genas ante la pandemia del COVID-19: primer informe regional*, La Paz, 2020; Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean, "Consecuencias de la temporada de huracanes 2020 sobre comunidades ind genas en Centroam rica: destrucci n y resiliencia", *Reporte Preliminar*, La Paz, 2020.

Because catastrophic events often transcend national borders, coordinated work at the subregional and regional levels is both an opportunity and an institutional challenge. The experiences of the Caribbean Community (CARICOM), the Community of Latin American and Caribbean States (CELAC), the Andean Community (CAN), the Southern Common Market (MERCOSUR) and the Central American Integration System (SICA) indicate a way forward in this regard (see annex IV.A2). However, as noted in the discussions of the working groups of the Regional Conference on Social Development in Latin America and the Caribbean, there are still important challenges—but also opportunities—for work in different areas of cooperation (see section V.7).

Among the instruments that can facilitate the technical and operational management of the system, joint work processes and explicit operating rules must be established, but so must emergency procedures to maintain regular (non-disaster) social protection management processes, so that in addition to dealing with the emergency, normal operations can continue. This situation has been particularly evident during the COVID-19 crisis, as health care for other chronic and acute complaints has been greatly affected by the need to prioritize the pandemic response.

In addition to this, and as noted above, is the need for solid information systems, both to carry out preventive ex ante analyses, by identifying hazards and vulnerabilities, to analyse potential impacts and needs and to design mitigation and response instruments, as well as to facilitate management, monitoring and evaluation during the event and subsequently, and for the prospective analysis of recovery scenarios. Without those systems and the learning needed to face future events effectively and efficiently, no progress can be made towards a convergent spiral.

As shown in box IV.5, the interoperability of the information systems of different data-providing organizations, both public and private, is vital for a timely, pertinent and inclusive response.

#### Box IV.5

##### Information systems for social protection against the COVID-19 pandemic

Information systems are crucial for identifying the population affected by disasters and for defining the goods and services that social protection system must provide during an emergency (Cecchini, Holz and Robles, 2021). A robust social information system allows emergency information to be combined with information from administrative records, registers of social protection recipients and other sources (Berner and Van Hemelryck, 2020). This requires up-to-date records with universal coverage and relevant, accessible and accurate information (Barca and O'Brien, 2017). Without such records, it is more difficult to adequately tailor service coverage, the number and amounts of benefits and their duration to mitigate the effects of the disaster. Likewise, the interoperability of disaster management systems, administrative databases and social registry tools (both permanent and emergency) is critical to serving people in a relevant and timely manner. These processes must be designed and in place during the ex ante phase, to mitigate risk and facilitate response management.

The coronavirus disease (COVID-19) pandemic has tested capacities and highlighted the strengths and weaknesses of these systems and records in the region's countries, by requiring rapid innovations in participant registries and remote payment systems (Blofield, Giambruno and Filgueira, 2020). The coverage of social records is uneven: in general, they concentrate on populations living in poverty and extreme poverty who receive non-contributory benefits. This is aggravated when the social authorities do not have access to other types of administrative records that would inform them of the social and economic situations of other potential recipient households. According to Berner and Van Hemelryck (2020), who analysed a group of 15 Latin American countries, only 6 (Argentina, Chile, Colombia, Costa Rica, Peru and Uruguay) had a high level of coverage (70% or more), so expanding coverage is a common challenge in the region.

If the social information system is not regularly updated or social benefits are highly fragmented, it is almost obligatory to set up a system to expand coverage quickly, depending on demand or supply (Barca, 2020), especially when disasters affect middle-income population groups, which are often not included in social registers.

To assist the population in disaster situations, various non-contributory social protection initiatives have been developed, which can be classified by four complementary functions: (i) prevention: for example, the Index of Vulnerability to Climate Shocks (IVACC) of the Dominican Republic's Single System of Beneficiaries (SIUBEN), which links disaster risk management policy with social protection policy, according to the National Action Protocol for Social Protection against Climate Shocks (Office of the Vice-President of the Dominican Republic, 2018), (ii) immediate registration for disasters: such as the Emergency Basic Record (FIBE) of the Chilean Ministry of Social Development and Family, which records geo-referenced information on affected families (Faúndez, 2016), (iii) voluntary registration: such as the Single Registry of Disaster Victims (RUD) in Ecuador after the 2016 earthquake (MIES, 2016), and (iv) modification of information systems

## Box IV.5 (concluded)

already existing within social programmes that use that information to develop disaster responses, such as the Household Targeting System in Peru (Cecchini, Holz and Robles, 2021).

In the 13 disaster assessments conducted by the Economic Commission for Latin America and the Caribbean (ECLAC) since 2015, diagnoses were formulated based on the information gathered during field visits and proposals were made under the third pillar of disaster risk management (DRM) (ECLAC, 2019). One of the main problems is that countries do not have a single form for collecting information at shelters, together with the fact that such tasks are often done on paper. Following the earthquake of 16 April 2016, ECLAC and the National Institute of Statistics and Censuses (INEC) of Ecuador designed a form with the minimum information required in such situations, following the guidelines of ECLAC (2014). In addition, the use of tablets made having real-time information possible. Another recent recommendation involved the assessment of the effects of Hurricanes Eta and Iota in Honduras. Due to overcrowding and the high risk of the vulnerable population being abused, the usual proposal of interconnecting the databases of recipients of social policies, disabilities and pre-existing health conditions was expanded by adding the database of persons with criminal records for domestic violence and sexual violence (ECLAC and others, 2021).

**Source:** V. Barca, "Options for rapid expansion of social assistance caseloads for COVID-19 responses", London, Department for International Development/Deutsche Gesellschaft für Internationale Zusammenarbeit (DFID/GIZ), 2020; V. Barca and C. O'Brien, "Factors affecting the usefulness of existing social protection databases in disaster preparedness and response", *Policy Brief*, Oxford, Oxford Policy Management (OPM), 2017; H. Berner and T. Van Hemelryck, "Social information systems and registries of recipients of non-contributory social protection in Latin America in response to COVID-19", *Project Documents* (LC/TS.2020/140), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; M. Blofield, C. Giambrodo and F. Filgueira, "Policy expansion in compressed time: assessing the speed, breadth and sufficiency of post-COVID-19 social protection measures in 10 Latin American countries", *Social Policy series*, No. 235 (LC/TS.2020/112), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020; S. Cecchini, R. Holz and C. Robles, "Los sistemas de protección social ante desastres", *Gestión e institucionalidad de las políticas sociales para la igualdad en América Latina y el Caribe. Caja de herramientas*, Cecchini, S., R. Holz and H. Soto de la Rosa (coords.) Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021, forthcoming; J. Faúndez, "Diagnóstico social en emergencia", document presented at the international seminar "Optimizando la Respuesta en Emergencias desde lo Social", Santiago, Ministry of Social Development/Economic Commission for Latin America and the Caribbean (ECLAC), 22 June 2016; Ministry of Economic and Social Inclusion, "Bono de Acogida/Alquiler y Alimentación", Quito, 2016 [online] <https://www.inclusion.gob.ec/bono-de-acogidaalquiler-y-alimentacion/>; Vice Presidency of the Dominican Republic, *Protocolo Nacional de Actuación para la Protección Social frente a Choques Climáticos*, Santo Domingo, 2018; Economic Commission for Latin America and the Caribbean (ECLAC), *Planning for sustainable territorial development in Latin America and the Caribbean* (LC/CRP.17/3), Santiago, 2019; *Handbook for disaster assessment* (LC/L.3691), Santiago, 2014; Economic Commission for Latin America and the Caribbean (ECLAC) and others, *Evaluación de los efectos e impactos de las depresiones tropicales Eta y Iota en Guatemala* (LC/TS.2021/21), Santiago, 2021.

The absence of comprehensive, accurate and up-to-date information systems on the characteristics of disasters, hazards and population vulnerabilities limits decision-making capacities, reduces institutional resilience to adapt and increases the likelihood of problems of response suitability and timeliness and of errors involving the exclusion of vulnerable populations and the inclusion of unaffected populations. To mitigate those issues, rapid consultation processes must be activated in the field, with the support of local governments and civil society organizations, in order to promptly identify the changes required in the supply of social protection. To limit errors, the recommendation is to first address the error of exclusion and assume the cost of serving people who do not belong to the priority categories, rather than developing sophisticated application and selection instruments that, particularly in the emergency situation, may increase the social impact.

New capabilities provided by technologies of the fourth industrial revolution, such as geolocation, big data analyses and artificial intelligence, are now available to meet the challenges of social protection, especially in the face of disaster emergencies (see chapter V). Two concrete experiences of this are the Enhanced Social Safety Net Initiative, developed in Dominica, and the Caribbean Geospatial Development Initiative (CARIGEO), intended to strengthen the geospatial data infrastructure of the member countries of the Association of Caribbean States (see chapter III).

Finally, efficient and transparent funding systems are needed to make the response financially sustainable and achieve a truly transformative recovery. The debt crisis that disasters have caused in Caribbean countries provides a clear example of the relevance of this issue. The countries have legal instruments to access resources from the national budget and emergency loans, which can at least partially alleviate these challenges. In such situations, they are often supported by international cooperation. In turn, to address the challenges posed by disasters that transcend borders or that occur with frequencies that impede recovery, joint subregional initiatives have been proposed, such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and the Fund to Alleviate COVID-19 Economics (FACE). However, recent experience shows that the financial sustainability required to drive these processes demands broad arrangements to address needs on the ground (see section V.3).

## 4. Social protection instruments to strengthen social resilience to disasters

In order to build social protection systems that are resilient to large-scale disasters that affect a significant share of households, instruments from the humanitarian tradition must be incorporated into the non-contributory social protection system (in-kind and income transfers, psychosocial support, subsidies for access to health and education services and so on). The contributory pillar of social protection also plays an important role in disaster response, through the activation and modification of unemployment insurance (to provide income to formal workers whose sources of earnings have been affected) and the adaptation of contributory health insurance (to universalize coverage during periods of high demand, when the need to access benefits increases). Consequently, the social protection system must be flexible and adapt to the exceptional circumstances caused by the disaster, with appropriate instruments and resources to respond and to prepare for future disasters.

Alternatives for improving social resilience to disasters include a variety of strategies and instruments. Some options based on the different components of social protection and the various public policy sectors involved are identified below. Rather than covering all the possible areas, this list attempts to showcase some of the alternatives that can be discussed within the framework of national strategies and then adapted and refined according to the situation of each country and the type of disaster under analysis.

First, the non-contributory social protection instruments suited to disaster situations aim at recovering the capacity to consume essential goods, through income or in-kind transfers, in the event of shortages caused by breakdowns in local production chains. Their goal is to guarantee such fundamental rights as food and nutritional security, health, housing and basic services.

The connection with social rights is not limited to access: it is also present in coordinated work with the institutions responsible for making them a reality, such as schools and health centres, which play an important role in linkages with the community and as providers of social protection in emergencies.

Second, contributory social protection also has important tools for responding to disasters and strengthening the resilience of individuals and communities when they occur. Thus, unemployment insurance can implement appropriate mechanisms in those situations, such as making the conditions of use more flexible and extending the coverage and level of benefits. Vertical and horizontal expansions may also be necessary, adapting child-related allowances and family benefits, pensions and maternity, paternal and parental leave, which help people cope with the emergency directly caused by the disaster and with its effects on family well-being (Rubio and others, 2020). Thus, the prior existence of universal or near-universal transfer programmes for children is an important tool for addressing the main effects on the well-being of children and adolescents (ECLAC/UNICEF, 2020). Such instruments enable obstacles and adversities to be overcome, increase future resilience and reduce the costs for this population group imposed by the direct and indirect impact of disasters (ODI/UNICEF, 2020).

Third, the activation of specific strategies that enable services and policies to function within the framework of comprehensive care systems is essential to ensure that those who require care can access it, as well as to protect the well-being of caregivers. In a region characterized by the unfair and unequal distribution of paid and unpaid work between men and women, the existence of such consolidated systems can contribute, in particular, to helping women keep their jobs or re-enter the labour market (ODI/UNICEF, 2020).

Fourth, universal access to health services in disaster situations allows adequate care to be given to directly affected people who require some form of health insurance to cover medical expenses. That care serves to address direct and indirect impacts on people's health and well-being, particularly in highly vulnerable locations that require risk mitigation strategies (such as cross-sectoral long-term development planning) to improve emergency management, in combination with measures to improve health, resilience and sustainable development outcomes. The current COVID-19 pandemic underscores the need to establish international funding mechanisms, with regional cooperation, to encourage preparedness and an effective response to future disasters that could affect the population's well-being and health (Clarke and Le Masson, 2017).

Fifth, microinsurance is crucial to provide liquidity to small producers and traders who are unable to take out private-sector policies and who suffer significant losses of infrastructure, machinery and capital. Consequently, microinsurance —subsidized in whole or in part by the State— allows such people to recover from disaster situations in which they would normally not have that kind of resilience. In the case of hydrological, meteorological or climatological disasters, microinsurance can be activated on the basis of indexed indicators exceeding a certain threshold, such as the amount of rainfall or another indicator linked to periods of drought.<sup>7</sup>

Finally, with respect to the labour market, the response can take the form of support for labour supply and demand. On the supply side, the measures can include wage subsidies with an emphasis on the most vulnerable groups, such as women and youth, and support for informal workers or wage earners employed in the most severely affected economic sectors. On the demand side, support for micro-, small and medium-sized enterprises (MSMEs) is essential to keep local economies afloat by resolving problems of immediate liquidity and access to credit with government guarantees for medium-term recovery. For own-account workers, protection instruments in disaster contexts may be linked to measures of financial support for individual micro-enterprise initiatives to promote local economic recovery, the extension of soft loans, especially in those countries that keep records of self-employed persons, or the deferral of compulsory contributions to social security systems for formal self-employed workers (Rubio and others, 2020).

Some of the instruments described here are among the actions adopted during the COVID-19 pandemic and other disasters mentioned in chapters II and III. Others are interventions that can be implemented in the current context or that represent innovations in this area, such as support for environmental services that links social protection with environmental care (see box IV.6).

#### Box IV.6

##### Social protection and environmental services

A vicious circle exists between climate change and biodiversity loss: the variations produced by the former affect the latter at the local level and, in turn, those modifications augment the effects of climate change. Encouraging biodiversity conservation is essential to break this negative feedback loop. This includes providing the inhabitants of rural areas with monetary compensation for the environmental services they generate on their lands and for their care of the environment. In this way, a link is forged between environmental and social protection policies, protecting both people and the environment and contributing to the achievement of the Sustainable Development Goals (SDGs) (Schwarzer, Van Panhuys and Diekmann, 2016).

Payments for ecosystem services (PES) are a policy first implemented over 20 years ago to support environmental conservation by small and medium-sized landowners. Under this system for the conservation and sustainable use of resources, they become providers of ecosystem services (hydrological services, biodiversity and carbon sequestration) in exchange for monetary transfers that cover the opportunity cost of land-use decisions that slow the deterioration of local ecosystems, in line with the social interest in the management of natural resources (Muradian and others, 2010).

In the global South, there is a strong correlation between poverty or residence in areas with high rates of poverty and the provision of ecosystem services, so this instrument serves an income guarantee function, complementing the benefits of other non-contributory social protection programmes. However, the design and implementation of PES and non-contributory income transfer programmes at the local level need to be improved to enhance their poverty reduction and empowerment effects, thereby combining environmental protection and poverty reduction objectives (Izquierdo-Tort, 2020).

**Source:** S. Izquierdo-Tort, "Payments for ecosystem services and conditional cash transfers in a policy mix: microlevel interactions in Selva Lacandona, Mexico", *Environmental Policy and Governance*, vol. 30, No. 1, Hoboken, Wiley, 2020; R. Muradian and others, "Reconciling theory and practice: an alternative conceptual framework for understanding payments for environmental services", *Ecological Economics*, vol. 69, No. 6, Amsterdam, Elsevier, 2010; H. Schwarzer, C. Van Panhuys and K. Diekmann, "Protecting people and the environment: lessons learnt from Brazil's Bolsa Verde, China, Costa Rica, Ecuador, Mexico, South Africa and 56 other experiences", *ESS Working Paper*, No. 54, Geneva, International Labour Organization (ILO), 2016.

<sup>7</sup> Among other examples in the region, Peru has its Catastrophic Agricultural Insurance scheme, aimed at low-income small farmers and consisting of subsidized insurance to cover damage caused by extreme weather events or biological disasters (Government of Peru, 2020). In Mexico, an insurance scheme for small agricultural, livestock, aquaculture and fishery producers, especially low-income ones, has been in place since 2003 as a subcomponent of the Agricultural Development Programme. This insurance covers the impact of hydrological, meteorological and geological phenomena and other atypical weather conditions (SADER, 2019). Similarly, Chile has developed a system of subsidies for contracting private-sector agricultural insurance, the Agroseguros programme, which covers losses caused by weather phenomena and price variations and is aimed at farmers who own their land and have registered their activities with the Internal Revenue Service (SII) (De la Fuente, Canales and Valdés, 2012).

Chapter V examines some of the options associated with the instruments discussed here, in accordance with the lines of action set out in the Regional Agenda for Inclusive Social Development and in order to take advantage of this favourable juncture to guide efforts towards a transformative recovery in the context of the current COVID-19 pandemic.

## C. Concluding remarks

The ongoing COVID-19 pandemic has exacerbated the three structural crises of the region's development model: the economic crisis (sluggish growth in GDP and foreign trade), the social crisis (asymmetries between countries and high levels of inequality) and the environmental crisis (the planet's capacity for pollution and biosphere destruction has been exceeded). The effects of the COVID-19 pandemic on these crises include the largest economic contraction since the end of World War II and significant increases in unemployment, poverty and inequality, particularly among the most vulnerable. Moreover, while the COVID-19 crisis has temporarily reduced carbon dioxide (CO<sub>2</sub>) emissions, recovery must not entail a relaxation of greenhouse gas emission rules (ECLAC, 2020a).

All of this highlights the contribution that social protection can make in overcoming the COVID-19 crisis and moving towards a transformative recovery with equality. It will provide the big push towards sustainability through the necessary political, social and fiscal compacts that will invest this strategy with legitimacy and financial sustainability. This requires turning the COVID-19 pandemic into an opportunity to promote inclusive and sustainable development in the region's countries, with social compacts that promote sustainable recovery alongside regulatory, investment, budgetary and fiscal instruments.

Such a transformative recovery involves working to close gaps in the environmental (decarbonization), industrial (technical progress) and social (structural change) spheres through public policies that promote inclusive, equitable and sustainable growth. In that context, the priority objective is implementing measures to promote universal, comprehensive and sustainable social protection systems as the basis of a welfare state that provides the big push towards sustainability. Increased well-being for communities and individuals, through social policies, brings benefits in terms of productivity, resilience and capabilities, with policies for the transformation of the productive apparatus that do not affect the poor and vulnerable populations (ECLAC, 2020a).

Social protection systems are an essential component for achieving this just transition and overcoming the crisis by acknowledging—at least in part—the social footprint of the current development model, and for reducing inequality and fostering inclusiveness. Moreover, the consolidation of strong, universally oriented social protection systems that are responsive to differences will reduce the vulnerability of households and communities to disasters and increase resilience and inclusion. This demands a strong institutional framework organized along multisectoral lines, clear protocols and agreements, robust information systems and sustainable financing to implement adaptive responses to disasters that affect a territory. Social protection must therefore be organized in coordination with disaster management and reduction policy, with a view to increasing social and institutional resilience to cope with the effects of these increasingly frequent and intense events and favouring progress towards a convergent spiral that minimizes risks, constrains costs and allows for a transformative recovery with equality. This approach contributes to the social cohesion needed to provide the big push for sustainability, along with policies that promote inclusive economies, with social justice, rights and social protection for all, leaving no one behind (UNFCCC, 2020).

## Bibliography

- Aleksandrova, M. (2019), "Social protection as a tool to address slow onset climate events: emerging issues for research and policy", *Discussion Paper*, No. 16/2019, Bonn, German Development Institute (DIE).
- Aleksandrova, M. and C. Costella (2021), "Reaching the poorest and most vulnerable: addressing loss and damage through social protection", *Current Opinion in Environmental Sustainability*, vol. 50, Amsterdam, Elsevier.
- Andean Community (2017), "Estrategia Andina para la Gestión del Riesgo de Desastres (EAGRD)", *Decisión 819*, Lima.
- Barca, V. (2020), "Options for rapid expansion of social assistance caseloads for COVID-19 responses", London, Department for International Development/Deutsche Gesellschaft für Internationale Zusammenarbeit (DFID/GIZ).
- Barca, V. and C. O'Brien (2017), "Factors affecting the usefulness of existing social protection databases in disaster preparedness and response", *Policy Brief*, Oxford, Oxford Policy Management (OPM).
- Bárcena, A. and others (2020), *The Climate Emergency in Latin America and the Caribbean: The Path Ahead – Resignation or Action?*, ECLAC Books (LC/PUB.2019/23-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bastagli, F. and R. Holmes (2014), "Delivering social protection in the aftermath of a shock: Lessons from Bangladesh, Kenya, Pakistan and Viet Nam", *Report*, London, Overseas Development Institute (ODI).
- Bello, O., A. Bustamante and P. Pizarro (2020), "Planning for disaster risk reduction within the framework of the 2030 Agenda for Sustainable Development", *Project Documents* (LC/TS.2020/108), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bello, O. and others (2019), "Mainstreaming disaster risk management strategies in development instruments: policy briefs for selected member countries of the Caribbean Development and Cooperation Committee", *Studies and Perspectives series*, No. 58 (LC/TS.2017/80), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Below, R., A. Wirtz and D. Guha-Sapir (2009), *Disaster Category Classification and Peril Terminology for Operational Purposes*, Brussels, Centre for Research on the Epidemiology of Disasters (CRED).
- Berner, H. and T. Van Hemelryck (2020), "Social information systems and registries of recipients of non-contributory social protection in Latin America in response to COVID-19", *Project Documents* (LC/TS.2020/140), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Blofield, M., C. Giambruno and F. Filgueira (2020), "Policy expansion in compressed time: assessing the speed, breadth and sufficiency of post-COVID-9 social protection measures in 10 Latin American countries", *Social Policy series*, No. 235 (LC/TS.2020/112), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Bosher, L., K. Chmutina and D. van Niekerk (2021), "Stop going around in circles: towards a reconceptualisation of disaster risk management phases", *Disaster Prevention and Management*, Bingley, Emerald Publishing.
- CalPERS/WMC (California Public Employees' Retirement System/Wellington Management Company) (2019), *Physical Risks of Climate Change (P-ROCC): A New Framework for Corporate Disclosures*, Boston.
- CDEMA (Caribbean Disaster Emergency Management Agency) (2018), "Building a Caribbean Pathway for Disaster Resilience in the Caribbean Community (CARICOM)", Bridgetown.
- (2016), *The Regional Response Mechanism (RRM)*, Bridgetown.
- Cecchini, S., R. Holz and H. Soto de la Rosa (coords.) (2021), *Promoviendo la igualdad: el aporte de las políticas sociales en América Latina y el Caribe* (LC/TS.2021/55), 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).
- Cecchini, S., G. Sunkel and A. Barrantes (2017), "Social protection for children at times of disaster", *Challenges*, No. 20, Santiago, Economic Commission for Latin America and the Caribbean/United Nations Children's Fund (ECLAC/UNICEF).
- CELAC (Community of Latin American and Caribbean States) (2018), *Estrategia Regional para la Gestión del Riesgo de Desastres en el Sector Agrícola y la Seguridad Alimentaria y Nutricional en América Latina y el Caribe (2018 - 2030)*, San Salvador.
- CEPREDENAC (Coordination Centre for the Prevention of Natural Disasters in Central America) (2017), *Política Centroamericana de Gestión Integral de Riesgo de Desastres PCGIR: armonizada con el Marco de Sendai para la Reducción del Riesgo de Desastres 2015-2030*, Guatemala City.
- Cherrier, C. and Y. Tuzzolino (2014), "Cash transfers and resilience: strengthening linkages between emergency cash transfers and national social transfer programmes in the Sahel", *Discussion Paper*, Dakar, The Cash Learning Partnership/United Nations Children's Fund/European Union (CaLP/UNICEF/European Union).
- Clarke, L. and V. Le Masson (2017), "Shocks, stresses and universal health coverage: pathways to address resilience and health", *Working Paper*, London, Overseas Development Institute (ODI).
- Davies, M. and others (2008), "Climate change adaptation, disaster risk reduction and social protection", *Briefing Note*, Brighton, University of Sussex.
- De la Fuente, J., M. Canales and I. Valdés (2012), *Informe Final Programa Seguro Agrícola*, Santiago, Budgetary Affairs Bureau (DIPRES).
- Eckstein, D., V. Künzel and L. Schäfer (2021), "Global Climate Risk Index 2021: who suffers most from extreme weather events? Weather-related loss events in 2019 and 2000-2019", *Briefing Paper*, Bonn, Germanwatch.

- ECLAC (Economic Commission for Latin America and the Caribbean) (2021a), *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago.
- (2021b), “Saint Vincent and the Grenadines a model example of successful disaster preparation, planning and response as La Soufrière set to blow”, *The Hummingbird*, vol. 8, No. 4, Port of Spain.
- (2020a), *Building a New Future: Transformative Recovery with Equality and Sustainability* (LC/SES.38/3-P/Rev.1), Santiago.
- (2020b), “The social challenge in times of COVID-19”, *COVID-19 Special Report*, No. 3, Santiago.
- (2020c), “Planning for resilience: an integrated approach to tackle climate change in the Caribbean”, *Policy Brief* (LC/CAR/2020/1), Port of Spain.
- (2020d), *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago.
- (2019), *Planning for sustainable territorial development in Latin America and the Caribbean* (LC/CRP.17/3), Santiago.
- (2014), *Handbook for Disaster Assessment* (LC/L.3691), Santiago.
- ECLAC/IDB (Economic Commission for Latin America and the Caribbean/Inter-American Development Bank) (2020a), *Assessment of the effects and impacts caused by Hurricane Irma: the Bahamas 2017* (LC/TS.2020/30), Santiago.
- (2020b), *Assessment of the effects and impacts of Hurricane Dorian in the Bahamas* (LC/TS.2020/31), Santiago.
- ECLAC (Economic Commission for Latin America and the Caribbean) and others (2021), *Evaluación de los efectos e impactos de las depresiones tropicales Eta y Iota en Guatemala* (LC/TS.2021/21), Santiago.
- ECLAC/UNICEF (Economic Commission for Latin America and the Caribbean/United Nations Children’s Fund) (2020), *Social protection for families with children and adolescents in Latin America and the Caribbean: an imperative to address the impact of COVID-19*, Santiago.
- European Commission (2019), *Social Protection across the Humanitarian-Development Nexus: A Game Changer in Supporting People through Crises*, Brussels.
- Faúndez, J. (2016), “Diagnóstico social en emergencia”, document presented at the international seminar Optimizando la Respuesta en Emergencias desde lo Social, Santiago, Ministry of Social Development/Economic Commission for Latin America and the Caribbean (ECLAC), 22 June.
- Gardoni, P. and C. Murphy (2020), “Society-based design: promoting societal well-being by designing sustainable and resilient infrastructure”, *Sustainable and Resilient Infrastructure*, vol. 5, No. 1-2, Milton Park, Taylor and Francis.
- Government of Peru (2020), “Minagri: se inicia implementación del Seguro Agrícola Catastrófico para campaña agrícola 2020-2021 en 24 departamentos del país”, *Nota de Prensa*, 23 September [online] <https://www.gob.pe/institucion/midagri/noticias/304192-minagri-se-inicia-implementacion-del-seguro-agricola-catastrofico-para-campana-agricola-2020-2021-en-24-departamentos-del-pais>.
- Hallegatte, S. (2015), “The indirect cost of natural disasters and an economic definition of macroeconomic resilience”, *Policy Research Working Paper*, No. 7357, Washington, D.C., World Bank.
- Hallegatte, S., J. Rentschler and J. Rozenberg (2019), *Lifelines: The Resilient Infrastructure Opportunity*, Washington, D.C., World Bank.
- Handmer, J. and others (2012), “Changes in impacts of climate extremes: human systems and ecosystems”, *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press.
- IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) (2019), *The Global Assessment Report on Biodiversity and Ecosystem Services*, Bonn.
- IPCC (Intergovernmental Panel on Climate Change) (2021), *Climate Change 2021: The Physical Science Basis*, Cambridge, Cambridge University Press.
- ISDR (International Strategy for Disaster Reduction) (2004), *Vivir con el riesgo: informe mundial sobre iniciativas para la reducción de desastres*, Geneva.
- Islam, N. and J. Winkel (2017), “Climate change and social inequality”, *DESA Working Paper*, No. 152, New York, United Nations.
- Izquierdo-Tort, S. (2020), “Payments for ecosystem services and conditional cash transfers in a policy mix: microlevel interactions in Selva Lacandona, Mexico”, *Environmental Policy and Governance*, vol. 30, No. 1, Hoboken, Wiley.
- Lavell, A. and others (2012), “Climate change: new dimensions in disaster risk, exposure, vulnerability, and resilience”, *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press.
- Martínez, R. and C. Maldonado (2019), “Institutional framework for social development”, *Institutional frameworks for social policy in Latin America and the Caribbean*, ECLAC Books, No. 146 (LC/PUB.2017/14-P/Rev.1), R. Martínez (ed.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Mena-Carrasco, M. and A. Dufey (2021), *A Green and Resilient Recovery for Latin America*, Rotterdam, Global Center on Adaptation/Community of Latin American and Caribbean States/Secretariat of Foreign Affairs (GCA/CELAC/SRE).
- MERCOSUR (Southern Common Market) (2019), *Estrategia de Gestión del Riesgo de Desastres de los países del MERCOSUR*, Asunción.
- Ministry of Economic and Social Inclusion (MIES) (2016), “Bono de Acogida/Alquiler y Alimentación”, Quito [online] <https://www.inclusion.gob.ec/bono-de-acogidaalquiler-y-alimentacion/>.

- Mizutori, M. and H. Hackmann (2020), "Opinion: from COVID-19 crisis comes opportunity to rethink risk," London, Thomson Reuters Foundation, 1 June [online] <https://news.trust.org/item/20200601133947-b62v3>.
- Muradian, R. and others (2010), "Reconciling theory and practice: an alternative conceptual framework for understanding payments for environmental services," *Ecological Economics*, vol. 69, No. 6, Amsterdam, Elsevier.
- ODI/UNICEF (Overseas Development Institute/United Nations Children's Fund) (2020), *Universal Child Benefits: Policy Issues and Options*, London.
- Office of the Vice-President of the Dominican Republic (2018), *Protocolo Nacional de Actuación para la Protección Social frente a Choques Climáticos*, Santo Domingo.
- OPM (Oxford Policy Management) (2015), "Shock-responsive social protection systems: a research programme for DFID," *Working Paper 1: Conceptualising Shock-Responsive Social Protection*, Oxford.
- Rubio, M. and others (2020), *Protección social y respuesta al COVID-19 en América Latina y el Caribe. III edición: seguridad social y mercado laboral*, Panama City, United Nations Children's Fund/International Policy Centre for Inclusive Growth (UNICEF/IPC-IG).
- Schwarzer, H., C. Van Panhuys and K. Diekmann (2016), "Protecting people and the environment: lessons learnt from Brazil's Bolsa Verde, China, Costa Rica, Ecuador, Mexico, South Africa and 56 other experiences," *ESS Working Paper*, No. 54, Geneva, International Labour Organization (ILO).
- Secretariat of Agriculture and Rural Development (SADER) (2019), "Acuerdo por el que se dan a conocer las Reglas de Operación del Programa de Fomento a la Agricultura de la Secretaría de Agricultura y Desarrollo Rural para el ejercicio 2019," *Diario Oficial de la Federación*, Mexico City, 28 February.
- Seneviratne, S. and others (2012), "Changes in climate extremes and their impacts on the natural physical environment," *Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation*, C. Field and others (eds.), Cambridge, Cambridge University Press.
- Shi, P. (2019), "Hazards, disasters, and risks," *Disaster Risk Science*, Berlin, Springer.
- SICA (Central American Integration System) (2018), *Agenda Regional Intersectorial sobre Protección Social e Inclusión Productiva con Equidad (ARIPSIP) 2018-2030*, San Salvador.
- Tambutti, M. and J. Gómez (eds.) (2020), "The outlook for oceans, seas and marine resources in Latin America and the Caribbean: conservation, sustainable development and climate change mitigation," *Project Documents (LC/TS.2020/167)*, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- UNDRR (United Nations Office for Disaster Risk Reduction) (2021), *Informe de evaluación regional sobre el riesgo de desastres en América Latina y el Caribe. Desafíos para la reducción del riesgo de desastres y avances en el cumplimiento de las metas del Marco de Sendai para la Reducción del Riesgo de Desastres (2015-2030)*, Panama City.
- \_\_\_\_\_(2020), *Hazard Definition & Classification Review: Technical Report*, Geneva.
- \_\_\_\_\_(2015), *Global Assessment Report on Disaster Risk Reduction 2015. Making Development Sustainable: The Future of Disaster Risk Management*, Geneva.
- UNDRR/CRED (United Nations Office for Disaster Risk Reduction/Centre for Research on the Epidemiology of Disasters) (2020), *The Human Cost of Disasters: An Overview of the Last 20 Years 2000-2019*, Brussels.
- UNFCCC (United Nations Framework Convention on Climate Change) (2020), "Just transition of the workforce, and the creation of decent work and quality jobs," *Technical Paper*, Bonn.
- UNICEF (United Nations Children's Fund) (2019), *Programme Guidance: Strengthening Shock Responsive Social Protection Systems*, New York.
- United Nations (2021), *Financing for Sustainable Development Report 2021*, New York.
- \_\_\_\_\_(2019), *Financing for Sustainable Development Report 2019*, New York.
- \_\_\_\_\_(2017), *Report of the open-ended intergovernmental expert working group on indicators and terminology relating to disaster risk reduction (A/RES/71/276)*, New York.
- \_\_\_\_\_(2016), *Report of the open-ended intergovernmental expert working group on indicators and terminology relating to disaster risk reduction: note by the Secretary-General (A/71/644)*, New York.
- \_\_\_\_\_(2005), *Report of the World Conference on Disaster Reduction (A/CONF.206/6)*, Kobe.
- Vargas, L. (2015), "Disaster response challenges for social protection systems," *Towards Universal Social Protection: Latin American Pathways and Policy Tools*, ECLAC Books, No. 136 (LC/G.2644-P), S. Cecchini and others (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Weekes, C. and O. Bello (2019), "Mainstreaming disaster risk management strategies in development instruments (III): policy briefs for Barbados, Guyana, Saint Lucia, Suriname, and Trinidad and Tobago," *Studies and Perspectives series*, No. 75 (LC/TS.2019/7), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Weiskopf, S. and others (2020), "Climate change effects on biodiversity, ecosystems, ecosystem services, and natural resource management in the United States," *Science of The Total Environment*, vol. 733, No. 1, Amsterdam, Elsevier.
- Wisner, B. and others (2004), *At Risk: Natural Hazards, People's Vulnerability and Disasters*, London, Routledge.
- Worthington, T. and M. Spalding (2018), *Mangrove Restoration Potential: A Global Map Highlighting a Critical Opportunity*, Cambridge, University of Cambridge.

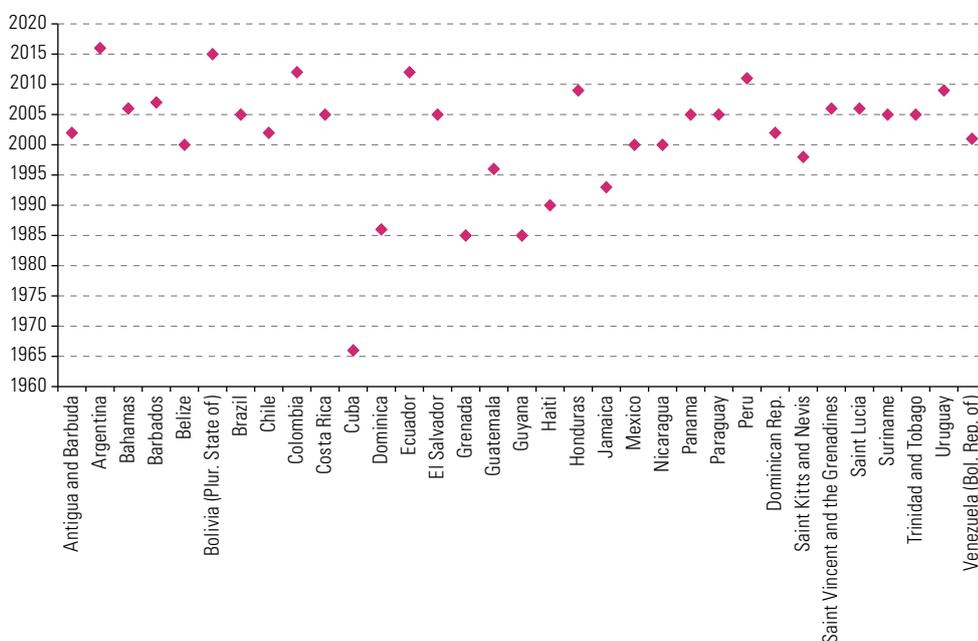
## Annex IV.A1

### Institutional characteristics of the region's civil protection and disaster management systems

Civil protection and disaster management systems have undergone major changes over the past 30 years. As figure IV.A1.1 shows, 29 of the 33 countries analysed have laws in force that were enacted after 1990, indicating relatively young regulatory and institutional frameworks. The four countries with laws that predate 1990 are Cuba, Dominica, Grenada and Guyana, and the most recent is Chile's new legislation, enacted in July 2021.

**Figure IV.A1.1**

Latin America and the Caribbean (33 countries): year of creation of each country's current civil protection system



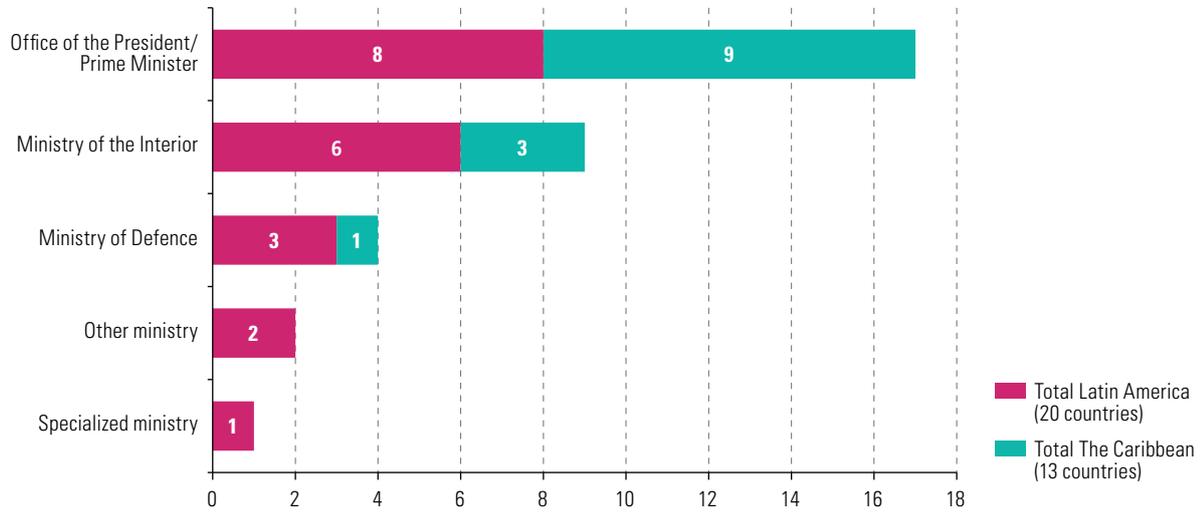
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

A wide range of institutions are responsible for preparing, structuring and conducting the region's national strategies (see figure IV.A1.2). In eight of the 20 Latin American countries analysed, the office of the president is in charge of the system (Colombia, Costa Rica, Dominican Republic, Honduras, Nicaragua, Panama, Paraguay and Uruguay). This pattern is repeated in the Caribbean, where coordination duties rest with the prime minister's office in nine of the 13 countries for which information is available (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica and Saint Lucia).

In second place, some national civil protection systems are under the authority of the ministry of the interior or of national security. This is the case in six of the 20 Latin American countries examined (Argentina, Bolivarian Republic of Venezuela, Chile, El Salvador, Haiti and Mexico) and three of the 13 Caribbean countries for which information is available (Saint Kitts and Nevis, Saint Vincent and the Grenadines and Trinidad and Tobago).

**Figure IV.A1.2**

Latin America and the Caribbean (33 countries): coordinating authorities of national civil protection systems  
(Number of countries)



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

Because the challenge of disaster prevention and management is often also related to national defence, in some countries responsibility for coordinating the national civil protection system is assigned to the ministry of defence. In Latin America, this is the solution adopted by Cuba, Guatemala and the Plurinational State of Bolivia and, in the Caribbean, by Suriname. In two Latin American countries, the national mechanisms are overseen by another ministry: Brazil and Peru. The final case is that of Ecuador, which has an ad hoc body, created exclusively for risk and disaster management.

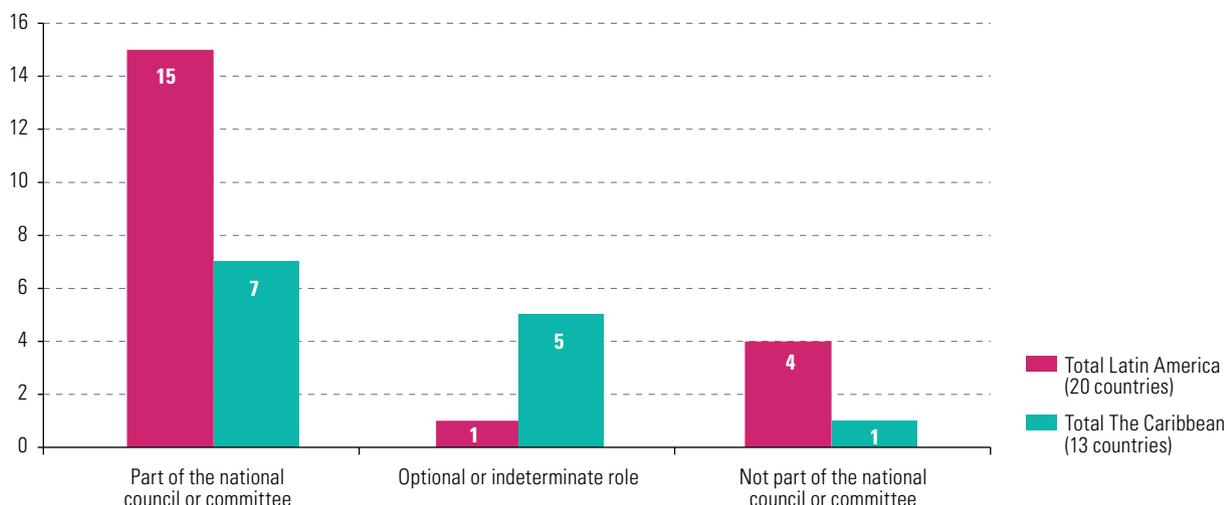
In line with the Sendai Framework and the 2030 Agenda, comprehensive risk reduction strategies must go beyond civil protection systems and also include cross-sectoral elements. Thus, ministerial-level bodies with responsibilities in the areas of education, health, labour and social development are of fundamental importance in promoting a resilient recovery, accompanied by the reduction of social vulnerabilities.

Latin America and the Caribbean have numerous mechanisms for sharing and exchanging information, knowledge and experiences on disaster risk management and a clear consensus on the importance of advisory councils or committees to respond more effectively to natural disasters. Hence the interest in analysing the role of the social development ministries and departments in mechanisms to coordinate efforts and collaboration between the agencies of civil protection systems and in noting whether they sit on the national councils or committees, based on the available data for 33 Latin American and Caribbean countries. In 15 of the 20 Latin American countries analysed, the social development ministries, secretariats or departments are included as key members of civil protection systems (Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Mexico, Nicaragua, Panama, Plurinational State of Bolivia and Uruguay). The countries where this is not the case are Chile, Cuba, Honduras, Paraguay and Peru. While in Cuba, Honduras and Paraguay the social development ministry is not included in the coordination strategy, in Chile its participation is optional, and the system's regional authority is empowered to call on it for consultations.<sup>8</sup>

<sup>8</sup> On 27 July 2021, Chile enacted its new National System for Disaster Prevention and Response (SINAPRED). The Ministry of Social Development and Family is not a permanent member of the National Committee for Disaster Risk Management. The new law only considers the Regional Ministerial Secretariat of Social Development and Family as an entity to be invited to the work of the regional disaster risk management committees.

**Figure IV.A1.3**

Latin America and the Caribbean (33 countries): role of social development ministries, departments and secretariats in the national civil protection system  
(Number of countries)



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

The panorama is even more uneven in the Caribbean, where only seven of the 13 countries with information available include the ministries or departments in charge of social development on their national councils or committees. In five cases, the regulatory frameworks provide no specific information about their active participation (Antigua and Barbuda, Bahamas, Barbados, Dominica and Saint Kitts and Nevis).<sup>9</sup> One important recommendation is, therefore, not only to incorporate the social development ministries or equivalent bodies into the institutional framework responsible for risk and disaster management, but also to comprehensively define the responsibilities of the different actors at the different stages of the disaster attention cycle and in risk management and prevention processes.

## Annex IV.A2

### Venues for cooperation

Latin America and the Caribbean have developed strategies and action frameworks for disaster prevention, mitigation, response and recovery in different regional and subregional cooperation venues. In this way, protocols for action are established among their member States to reduce the effects of such events and move towards the fulfilment of the Sustainable Development Goals (SDGs), especially in areas with recurrent and high-intensity disasters. Severe disasters, such as hurricanes, cause serious damage to economies and increase the need for social protection in disaster situations, especially in the Caribbean. The various subregional disaster strategies and agreements are generally aligned with the Sendai Framework to establish measures to reduce household vulnerability and exposure, with the aim of preventing new risks, reducing existing hazards and increasing future resilience. In order to pursue these objectives, the region has joint initiatives in its different component subregions.

<sup>9</sup> Because of the limited official information available for Suriname, it was not possible to confirm that the country's ministry was included in its cross-sectoral mechanism.

## 1. Caribbean Community (CARICOM)

Since 1991, CARICOM has had an intergovernmental agency for disaster management and response coordination among participating States. The Caribbean Disaster Emergency Management Agency (CDEMA) is responsible for coordinating assistance through the Regional Response Mechanism, which consists of a network of CDEMA participating States and national, regional and international disaster response and relief agencies working in disaster-affected countries. The regional response includes relief measures (CARICOM Disaster Relief Unit, CDRU), emergency coordination (CARICOM Operational Support Team, COST), initial humanitarian needs assessment (CARICOM Disaster Assessment and Coordination Team, CDAC), sectoral assessments (Rapid Needs Assessment Team, RNAT) and search and rescue teams (Regional Search and Rescue Team, RSART) (CDEMA, 2016).

One recent cooperation experience under this framework was the work carried out in connection with the eruption of the La Soufrière volcano in Saint Vincent and the Grenadines, which began with the first indications of an eruptive phase in December 2020. Between January and April 2021, when the eruption took place, regional organizations—including the CARICOM Secretariat, CDEMA and United Nations agencies—came together to respond to the emergency in the country. CDEMA activated its Regional Response Mechanism in December 2020. These joint efforts meant that the country was prepared for evacuation in April 2021 when the main eruption occurred (ECLAC, 2021b). The combined work of the government, CARICOM, United Nations agencies, the private sector and other nations and development partners allowed for an effective deployment that facilitated assistance efforts.

## 2. Central American Integration System (SICA)

In the Central American subregion, the 2018–2030 Regional Intersectoral Agenda on Social Protection and Productive Inclusion with Equity (ARIPSIP) has been developed and the Coordination Centre for the Prevention of Natural Disasters in Central America (CEPREDENAC) has been created. ARIPSIP has become a common framework for the social protection and productive inclusion of the population, through intersectoral strategies that contribute to reducing poverty and inequality. As regards disaster risk management, the ARIPSIP provides for the improvement of critical infrastructure and services in the face of disaster risk, the promotion of financial services for disaster management and climate change adaptation for the poor (SICA, 2018). In contrast, CEPREDENAC is the body specializing in disaster prevention, mitigation, response and reconstruction. It has developed a comprehensive disaster risk management policy that is implemented through the Regional Plan for Disaster Risk Reduction (PRRD), the latest edition of which covers the 2019–2023 period. This plan is structured around the following actions: (i) disaster risk reduction in public and private investment for sustainable economic development, (ii) development and social compensation to reduce vulnerabilities, (iii) disaster risk management and its connection with climate change, (iv) territorial management, governability and governance, and (v) disaster management and recovery (CEPREDENAC, 2017).

## 3. Andean Community

In 2002, the Andean Community (CAN) member States (Colombia, Ecuador, Peru and the Plurinational State of Bolivia) created the Andean Committee for Disaster Prevention and Relief (CAPRADE) to reduce disaster risk and the impact of disasters in the Andean subregion. This committee comprises representatives of national disaster risk management agencies (civil defence, planning ministries or other similar bodies) and ministries of foreign affairs and has a rotating chair. CAPRADE recently approved the Andean Strategy for Disaster Risk Management (EAGRD) (CAN, 2017), with the objective of helping formulate strategies for disaster risk and impact reduction to promote sustainable development through institutional strengthening and the establishment of common policies and programmes in the member countries. The strategy also promotes disaster risk governance and the forging of strategic partnerships to develop effective disaster response and improve reconstruction efforts.

## 4. Southern Common Market (MERCOSUR)

In 2009, the Southern Common Market (MERCOSUR) created the Specialized Meeting on Social and Natural Disaster Risk Reduction, Civil Defence, Civil Protection and Humanitarian Assistance (REHU), with the objective of generating strategies and actions to coordinate the member States' institutions in situations of risk and the provision of humanitarian assistance. The forty-ninth regular meeting of the Common Market Council established a joint strategy for disaster risk reduction and created the MERCOSUR Meeting of Ministers and High Authorities for Integrated Disaster Risk Management (RMAGIR). Under its aegis, a disaster risk management strategy in pursuit of efficient and sustained management has been developed. The strategy also seeks to improve the RMAGIR institutional framework through biannual activity plans and goals with a focus on the subregion, especially in cross-border areas or large-scale areas of intervention. The priorities are comprehensive governance for disaster risk management, strengthening the subregion's capacities at all territorial levels through cooperation frameworks among the States parties to develop policies for disaster risk reduction, and improving the coordination of humanitarian assistance (MERCOSUR, 2019).

## 5. Community of Latin American and Caribbean States (CELAC)

CELAC has promoted the development of the Regional Strategy for Disaster Risk Management in the Agricultural Sector and Food and Nutritional Security in Latin America and the Caribbean (2018–2030) within the framework of the CELAC 2025 Plan for Food Security, Nutrition, and the Eradication of Hunger, which being is implemented through subregional working groups on cross-border hazards. The aim is to reduce disaster risks in the agricultural sector, to ensure food and nutrition security and to prevent the emergence of new risks (CELAC, 2018). The CELAC strategy focuses on work in cross-border areas by monitoring risks and good practices for agricultural resilience in areas such as the Central American Dry Corridor, the South American Chaco, the Andean region, the Caribbean hurricane corridor and areas impacted by the El Niño phenomenon. Thus, the proposed Regional Strategy for Disaster Risk Management in the Agricultural Sector and Food and Nutritional Security in Latin America and the Caribbean (2018–2030) represents a region-wide effort to reduce disasters and increase food and nutrition security, through work in cross-border areas and on national implementation strategies. This entails intersectoral work, particularly as regards the institutional framework for food production, to reduce disaster risk and increase future resilience (CELAC, 2018).

A declaration on the establishment of the CELAC comprehensive disaster response fund was signed at the twenty-first meeting of foreign ministers of the Community of Latin American and Caribbean States, held in July 2021 in Mexico. Subsequently, at the sixth Summit of Heads of State and Government of CELAC, held in September 2021, it was declared that CELAC member States would work together to address and overcome the health, social, economic and environmental crisis affecting the continent as a result of the COVID-19 pandemic, biodiversity loss, climate change and disasters, among other factors. CELAC supported the declaration made by the Pro Tempore Chair of CELAC (the Government of Mexico) along with the Executive Secretary of ECLAC on the creation of the CELAC comprehensive disaster response fund.<sup>10</sup>

To summarize, a number of agreements to promote disaster risk reduction exist within the various regional cooperation agencies. Those strategies should be further strengthened in line with the Sendai Framework so they can contribute to the achievement of the Sustainable Development Goals (SDGs) that address ending poverty (SDG 1), sustainable cities and communities (SDG 11) and partnerships for the goals (SDG 17). Institutions, cooperation, and exchanges of experiences in the area of social protection and disasters should all be strengthened, in order to address the increasing risk of rapid- and slow-onset extreme events in the region, which act as stress factors and obstacles to poverty reduction and the resilience of vulnerable households. For example, in the Caribbean subregion, ECLAC has proposed the creation of a Caribbean Resilience Fund to provide debt relief to Caribbean economies, assure the governments liquidity and attract investment to finance climate change mitigation and adaptation measures.

<sup>10</sup> See [online, in Spanish] <https://ppt-celac.sre.gob.mx/es/component/phocadownload/category/9-vi-cumbre-mexico?download=26:declaracin-politica-de-la-ciudad-de-mxico>.



CHAPTER

# V

## Social protection and disasters: rethinking a future with inclusion, equality and sustainability

Introduction

- A. Social protection and disaster policies: response measures for a transformative recovery with equality
- B. Institutional arrangements and compacts to provide resilient social protection against disasters
- C. Concluding remarks

Bibliography

Annex V.A1



## Introduction

As examined in the previous chapters, the health, social and economic crisis triggered by the coronavirus disease (COVID-19) pandemic has highlighted the role of social protection systems in safeguarding both individual well-being and stability and social cohesion in countries. In a context of profound transformations, recurrent crises and increasingly frequent disasters, strengthening national response capacities requires decisive action in the area of social protection, with an inclusive and resilient approach within the framework of a comprehensive disaster management policy. This is essential for national sustainable development strategies.

An additional issue is examined in this document. Social protection systems play a key role in promoting inclusion and ensuring the realization of economic, social and cultural rights. They are also central to forging social and fiscal compacts that may bring sustainability to our societies and contribute to transformative disaster recovery. In line with those notions of transformation, and as discussed in chapter IV, it is imperative that social protection systems be conceived and designed in coordination with disaster management policy as a whole. This is particularly essential as regards the role that such systems play in the face of recurrent crises, and with a view to achieving a transformative recovery that promotes equality and economic and productive reactivation within the framework of an environmentally sustainable economy. It implies strengthening links with sectoral and social promotion policies, and moving towards the full consolidation of a welfare state that values and prioritizes the care society and inclusive and sustainable social development in all its dimensions, with social protection as a central instrument.

In keeping with the approach outlined in chapter IV, this section proposes policies that are closely linked to the four axes of the Regional Agenda for Inclusive Social Development and its lines of action. The first section proposes social protection policies and instruments that must be considered in the context of immediate disaster response, along with proposals for investment in social infrastructure to promote recovery, decent work and economic reactivation, for a reactivation with equality and sustainability in the medium and long terms. The second section explores the institutional challenges that must be met in order to move towards universal, comprehensive and sustainable social protection systems. It also examines the role that regional cooperation and integration play in this regard. The conclusion offers an analysis of the challenges and opportunities arising from progress towards the big push for sustainability from the perspective of a new social and fiscal compact.

### A. Social protection and disaster policies: response measures for a transformative recovery with equality

The magnitude of the measures adopted in Latin America and the Caribbean to confront the COVID-19 pandemic shows that the region has the capacity to respond and react to emergencies. Those measures have mitigated some of the impact, but they have been insufficient to meet the full challenge. As examined in chapter II, this is evident from an analysis of the resources invested in non-contributory social protection measures and, in particular, of the importance of new measures as a percentage of the total number of measures implemented, including cash transfers. In some cases, it was decided to increase the amount or coverage of existing measures, which shows that these instruments are adaptable to respond to events such as the one the world is facing. A significant portion of the measures adopted by governments emerged in the course of the pandemic, indicating the capacity for reaction and innovation, but also the absence from the existing instruments of mechanisms to deal with events with consequences that threaten well-being. The degree and extent of the pandemic's impact must also be taken into account: it has not only affected the poor and extremely poor, but also large segments of the general population—the middle classes in particular—most of whom are excluded from social protection systems.

In that context, and based on the experience accrued during this crisis and previous ones, the following sections contain proposals for dealing with the region's recurrent disasters. These proposals are in keeping with the lines of action envisaged in the Regional Agenda for Inclusive Social Development, and the instruments they suggest could be incorporated into social protection and inclusion strategies for promoting transformative recovery. In identifying those instruments, at least three criteria should be taken into account. First, whether the instruments are aligned with the key milestones described in the phases between risk prevention, preparedness and vulnerability mitigation before disasters (*ex ante*), response and damage containment during disasters, and building resilience and recovery (*ex post*). Second, attention must be paid to the nature of disasters as described in chapter IV—especially their speed of onset, regularity and scope—in order to determine the amount of resources to be deployed and the bodies responsible for implementing them at the different levels (national, subnational and local). Third, the differentiated effects of disasters and their greater impact on the most vulnerable populations must be taken into account.

## 1. Income protection

To meet the challenge of supporting households so that they have sufficient resources to exercise their social rights and can meet the cost of the goods and services necessary to ensure at least a basic level of well-being in a disaster situation, three instruments related to protecting household incomes are described below. They are directly linked to lines of action 1.3 and 1.7 of the Regional Agenda for Inclusive Social Development, which refer, respectively, to “consolidating the guarantee of a basic level of income for all, prioritizing those living in poverty and extreme poverty,” and to defining “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” (ECLAC, 2020a).

### (a) A basic emergency income as a stable policy against disasters in the region

Maintaining household incomes is a central element of disaster-related social protection strategies. The experiences of the region's countries, as described in chapter II, demonstrate this. As the United Nations Secretary-General has stated, measures to address the pandemic disaster in Latin America and the Caribbean could include “exploring mechanisms to provide people living in poverty with basic emergency incomes. This could include the possibility of providing the equivalent of one national poverty line” (United Nations, 2020a).

The Economic Commission for Latin America and the Caribbean (ECLAC) has suggested considering a one-year duration for temporary cash transfers to meet basic needs and sustain household consumption during the health crisis (ECLAC, 2021a, 2020g). Providing a 12-month transfer equal to the poverty line to all the people who were in poverty in 2020 would imply additional public spending of 4.8% of 2019 GDP, more than what was spent in 2019 on conditional transfers and social pensions (0.7% of GDP) and on emergency programmes (around 1.5% of GDP). If a transfer equal to the extreme poverty line were provided, the additional cost would amount to 1.1% of GDP (ECLAC, 2021a). A basic emergency income of this kind would provide, at least for the population in question, a level of income that would satisfy their basic needs and, at the same time, help them to comply with the health measures that need to be implemented to safeguard people's health (ECLAC/PAHO, 2020).

Many countries already have mechanisms in place to trigger cash transfers when an emergency arises, and transfers of that kind are the most frequently used instrument in countries' responses to disasters (Martínez and Murrugarra, 2018; Beazley, Solórzano and Sossouvi, 2016). There is evidence that such transfers have been implemented on the basis of pre-existing programmes and that they can be interconnected with in-kind transfers (FAO/ECLAC, 2020) and with other sectoral programmes and policies. In addition, depending on their purpose, they can be activated during or immediately after a disaster to enable households to meet the cost of acquiring basic items, or they can be applied in the recovery phase to stabilize or activate consumption, rebuild housing, reactivate farmland, keep small businesses afloat or prevent households from taking steps that could compromise their well-being and that of their members, such as selling material assets or dropping out of school (Martínez and Murrugarra, 2018).

Evidence indicates that rapid interventions through existing social protection programmes can be effective in preventing a humanitarian emergency and in reducing costs (Hallegatte and others, 2017; Del Ninno, Coll-Black and Fallavier, 2016). Cash transfers also play an important role in activating local economies by boosting consumption, increasing household investment in areas related to nutrition, education and health, and reducing the need for such steps as taking children out of school or cutting back on food consumption (Development Pathways, 2021).

Thus, designing emergency disaster transfers is an important social protection response measure (Robles and Rossel, 2021). Providing a timely response requires incorporating those transfers into social information systems and pre-existing social registers, updating and expanding them on an ongoing basis and making the necessary institutional adjustments as regards regulations, planning and budgeting. Emergency cash transfers can be linked to those that already exist or they can be used as an ad hoc option for activation in the event of a crisis such as the current one. Their design can be linked to key factors, such as the well-being of children and adolescents and the continuity of their studies and health checks; they can also be linked to promotional programmes, as will be explained below.

## **(b) A permanent income guarantee within the framework of a universal social protection floor**

Action line 1.3 of the Regional Agenda for Inclusive Social Development highlights the need to make progress in guaranteeing all persons a basic income and in evaluating the gradual and progressive adoption of instruments such as a universal transfer for children and a basic citizenship income (ECLAC, 2020a). That line of action is consistent with Sustainable Development Goal (SDG) 1, especially target 1.3, which calls for the implementation of social protection systems and measures for all, and with the Social Protection Floors Recommendation, 2012 (No. 202) of the International Labour Organization (ILO), which defines social security guarantees. Similarly, in the framework of a new development model for recovery, the United Nations Secretary-General has indicated that countries should consider moving towards a permanent and unconditional universal basic income to satisfy basic needs, which could be implemented over time, in accordance with each country's situation. Given the increasing incidence of poverty among children, a universal child grant could be an appropriate stepping stone (United Nations, 2020a, p. 20).

Discussions of universal basic income have come to the forefront in the context of the pandemic and the growing impoverishment of broad segments of the population. The proposal involves providing a universal cash transfer on a regular or periodic basis (ECLAC, 2018a). Unlike conditional and emergency cash transfer programmes, this is an unconditional benefit for all persons living in a given territory, hence a guarantee of citizenship. Within the conceptual framework of the welfare state, ECLAC has proposed that this income be implemented gradually, progressively and over the long term (ECLAC, 2018a and 2020b).

The relevance of universal basic income is heightened in a context defined by multiple structural transformations (demographic, labour, technological and productive), and it has become urgent in the face of increasingly frequent disasters and crises such as the one the world is currently experiencing, which leave sizeable groups of the population exposed to rights violations and to the loss of key assets for their well-being and development.

Among children and adolescents, the losses relate to the impact on early childhood development, access to education and adequate food, child labour, mental health, exposure to violence and other effects that constrain the exercise of rights now and in the future (ECLAC/ILO, 2020; ECLAC/UNESCO, 2020; ECLAC/UNICEF, 2020; ECLAC/UNICEF/OSRSG-VAC, 2020). By way of reference, ECLAC has estimated that as a result of the current pandemic and without including the effect of emergency cash transfers, 51.3% of the region's children and adolescents would be living in poverty (ECLAC/UNICEF, 2020). A permanent and secure cash transfer in place before the pandemic would have prevented millions of children and adolescents from having their basic needs unmet and their rights impaired.

Introducing a universal basic income as part of an interconnected disaster prevention and recovery strategy leads, first and foremost, to an increase in the workforce's bargaining power, allowing them to secure better positions that offer more favourable conditions (ECLAC, 2018a). This is particularly relevant in the current context of rapid technological transformations and changes in the world of work (Gentilini and others, 2020; Lo Vuolo, 2016; Zúñiga Fajuri, 2018), particularly in the case of production reconversion strategies driven by the greater economic risk involved in certain sectors (for example, in polluting industries or those that make intensive use of natural resources in areas heavily affected by desertification), or when the response or recovery measures adopted following a significant reduction in job numbers increase the number of informal or low-quality jobs.

Empirical evidence shows that monetary transfers do not discourage labour inclusion; instead, they ensure a minimum level of survival and produce virtuous effects in the labour insertion process (Abramo, Cecchini and Morales, 2019). Experience indicates that transfers of this kind have an impact on job creation or promote the insertion of people into better quality jobs, without causing any increases in unemployment (Kangas, 2019; Gentilini and others, 2020; Loft and others, 2020). These transfers also lead to the creation of income, productive investments and microenterprises (Standing, 2017). Universal basic income could also strengthen local economies, as occurred in Maricá, Brazil, by increasing demand for goods and services from local businesses (Development Pathways, 2021).

One additional factor is the contribution these instruments make to women's economic autonomy (ECLAC, 2018a); this is a matter of no little importance when disasters occur, because of the close link they have with increases in gender-based violence and restrictions on female labour participation, as has been seen during the current pandemic. Universal basic income could therefore raise the economic value given to unpaid care work by contributing to women's autonomy and freedom and enabling them to make decisions without losing their subsistence incomes (Zúñiga Fajuri, 2018). This would make progress towards a care society possible, as discussed in section A.4 of this chapter.

It should be noted that there is no single way of designing benefits to guarantee income (Robles and Rossel, 2021). Instead, various arrangements exist that can be put in place to achieve incremental implementation and that take due account of each country's fiscal and institutional capacities and consensus. As noted above, the option of giving priority to children and adolescents could be considered (ECLAC/UNICEF, 2020; United Nations, 2020a), particularly because of the severe effects the pandemic has had on their well-being and possibilities for development. In 2019, the cost of providing a benefit equivalent to one poverty line to all children and adolescents in 18 Latin American countries was equal to 5.5% of GDP, with a corresponding figure of 2.6% of GDP for an amount equal to one extreme poverty line (ECLAC, 2021a). Other population groups that could be prioritized include lower-income segments, young people—who need economic security to embark on projects and achieve autonomy (ECLAC, 2018a)—and older persons. With regard to the latter, non-contributory pension systems have expanded in response to the inadequacy and low coverage of contributory systems (Abramo, Cecchini and Morales, 2019; Arenas de Mesa, 2019; ECLAC, 2018b). In 2019, the cost of providing a benefit equivalent to one poverty line to all persons aged 65 and over in 18 countries in Latin America was equal to 1.7% of GDP, or 0.8% of GDP for one extreme poverty line (ECLAC, 2021a).

Proposals for a universal basic income generally involve direct cash transfers, but tax exemptions may also be considered, as has been proposed for children (ODI/UNICEF, 2020). Some countries have also proposed minimum income guarantees, the implementation of which requires robust institutional mechanisms to determine benefit amounts.<sup>1</sup> It should be noted that granting an income guarantee through any of the mechanisms described above also entails a comprehensive analysis of the different transfers granted by national social protection systems (Robles and Rossel, 2021). Interconnections must be established between benefits of different natures and purposes: for example, a universal basic income, a cash transfer in the event of disasters, instruments intended to cover specific needs, such as care, and instruments that are dependent on certain conditions being met.

<sup>1</sup> One example of guarantees of this kind is the minimum living income (IMV) in Spain. One of the requirements to apply for this benefit is to be registered as a job seeker. See [online] <https://www.mscbs.gob.es/ssi/covid19/ingresoMinVital/home.htm>.

## 2. Protecting food and nutritional security

Social protection programmes, including those that involve cash and food transfers, have been used in the past to address emergencies and, at present, they are being used to meet the immediate needs of populations affected by the COVID-19 pandemic. Rigorous evidence now exists regarding the effectiveness of such programmes in protecting food security, assets and human capital, even in crisis situations. When combined with complementary food programmes, these instruments can have a positive impact on the population's health—most particularly, among newborns—by providing better nutrition (Gilligan, 2020). According to Hidrobo and others (2018), average social protection programmes increase food spending and food consumption by 13%, and calorie acquisition by 7%.<sup>2</sup> In Latin America, where transfers are often used to protect and improve diet quality, purchases of calories of animal origin in particular have been seen to rise.

As noted by the Food and Agriculture Organization of the United Nations (FAO) and ECLAC, food baskets or transfers are a quick way to respond to a shock, but they are complementary measures (FAO/ECLAC, 2020). To maintain an adequate nutritional intake, the quality of food and the quantity consumed must be guaranteed. As the crisis drags on and families' incomes dwindle, there is a risk that they will buy cheaper food of poor nutritional quality, so food baskets must give consideration to providing fresh and good quality food. The importance of this is heightened by the fact that "in the 12 months prior to March 2021, the consumer price index (CPI) for food products rose by 1.5 times the increase in the general CPI" (ECLAC, 2021e, p. 19).

In the context of the COVID-19 pandemic, ECLAC and FAO have proposed an anti-hunger grant to complement the basic emergency income proposed by ECLAC. A grant equal to 70% of one regional extreme poverty line would be extended to all persons living in extreme poverty: thus, 83.4 million people would be covered (13.5% of the region's population) at an estimated cost of US\$ 23.5 billion (0.45% of GDP) (ECLAC/FAO, 2020). Another option would be to provide a food basket of equivalent value, an alternative that could be chosen on a case-by-case basis.

The pandemic has highlighted the urgency of re-evaluating the way services of this kind are managed, and a decentralized approach should be adopted, allowing programmes to be tailored to the local area and taking advantage of the products of small farmers or community gardens. ECLAC and FAO recommend expanding support programmes for produce for self-consumption and adopting public purchasing policies that favour local family producers in order to bolster local agriculture (ECLAC/FAO, 2020). Many food insecurity problems arise in subsistence family farming households, where the pandemic has limited income from other sources. Since self-consumption is more economical than delivering food, one recommended social protection measure is to support food production in private or community gardens.

The decision to implement cash or in-kind transfer programmes, or to adopt mechanisms aimed at reactivating the agriculture sector, will also depend on the nature of the disaster in question. The former may be the only viable option in the face of rapidly occurring events, but the latter can be incorporated into recovery efforts or during events that evolve slowly or are cyclical in nature, in which case it is necessary to provide long-term adaptive responses.

Because of the pandemic and its school closures, many school feeding programmes have sought alternative methods to deliver their food while others have cancelled their deliveries (Fang, Kennedy and Resnick, 2020). The duration of the crisis demands a reassessment of how these programmes operate in emergency situations and the identification of alternatives so that food deliveries can continue immediately after a disaster has occurred. One alternative for a swift emergency response is to determine the amount of food delivered and convert it into a cash transfer or a voucher that allows the food to be picked up at a collection centre.

To support a transformative and sustainable recovery, social protection systems that address food and nutrition security must also address other issues—such as nutrition education—in order to provide information, share behaviour change messages and promote nutritious foods and healthy diets. Direct

<sup>2</sup> The social protection programmes discussed in Hidrobo and others (2018) are cash transfers (conditional and non-conditional) and food transfers.

benefits can also be provided, such as healthy school meals or vouchers that can be exchanged for nutritious food (IFPRI, 2021). Today the region faces the double burden of malnutrition, with simultaneously existing problems of excess and deficit. Vulnerability also leads to problems of excess and, therefore, can increase not only undernutrition rates, but also overweight and obesity. Notable in the context of the COVID-19 pandemic is, for example, the case of Chile, a country where undernutrition had been eradicated and where, between 2019 and 2020, increases in it were observed in the preschool population (1.7% in nursery school and 1.3% in kindergarten), together with an increase in obesity among schoolchildren up to ninth grade (from 23.5% to 25.4%) (JUNAEB, 2020).

As noted by the World Food Programme (WFP), nutritional outcomes can be improved by implementing specific actions tailored to the needs of the most food-insecure population segments in line with the life-cycle approach (WFP, 2019). The actions that can be carried out include the delivery of micronutrient supplements and fortified foodstuffs to children and adolescents, pregnant women and the elderly.

From an economic perspective, these actions must be complemented with measures that ensure access to food of good nutritional quality and that are related to controlled or fixed prices, tax breaks and supply subsidies, for example, in the production chain. To that end, ECLAC/FAO (2020) propose granting financial support (loans and production subsidies) to agricultural businesses, focusing on family farming, and adjusting health and hygiene protocols in production, transport, and wholesale and retail markets, among other measures.

As noted below, the social and solidarity economy and civil society plays a central role in guaranteeing food supplies for many families. Economic, political and social conditions determine the emergence of community kitchens and explain why they persist and proliferate, most notably the exclusion that affects certain sectors of the population, along with poverty and vulnerability (Hardy, 2020). During the pandemic, community kitchens have reappeared in the region as a social response to food needs after many families lost their sources of income and because of difficulties in accessing public benefits. In some instances, such as Peru and Chile, governments have collaborated with civil society and have supported the delivery of foodstuffs to soup kitchens and community canteens (Ministry of Culture, 2021; Government of Chile, 2021).

Finally, the double burden of malnutrition referred to above is a pandemic that began long before COVID-19 reached the region, one that imposes heavy costs on the people who suffer from it and on the economy as a whole. Studies into the cost of the double burden of malnutrition have shown that it accounts for between 0.2% and 16.8% of the GDP of the countries analysed (Fernández and others, 2017). Therefore, one area of synergy to be strengthened to ensure a transformative recovery is the interconnection between the social protection system and food systems, given the close ties they share in terms of their objectives and target populations. The United Nations Food Systems Summit, which was held in September 2021 and whose action tracks address those policy areas, offers an opportunity to strengthen those interconnection dynamics within each country and across the region as a whole.<sup>3</sup>

### 3. Guaranteed access to housing and basic services

Ensuring that people can exercise their right to adequate housing with safe basic services for all requires that social protection, land-use planning and housing policies be implemented in concert (OHCHR/UN-Habitat, 2010). As underscored in chapter IV, safe environments are essential for addressing disaster vulnerability with a preventive approach.

---

<sup>3</sup> Action tracks 4 and 5 are particularly noteworthy in this respect. The former involves efforts to contribute to the elimination of poverty by promoting full and productive employment and decent work for all actors along the food value chain, reducing risks for the world's poorest, enabling entrepreneurship and addressing the inequitable access to resources and distribution of value. In addition, efforts will be made to improve resilience through social protection and to ensure that food systems leave no one behind. Action track 5, in contrast, is about building resilience to vulnerabilities, shocks and stresses, and proposes ensuring the continued functionality of sustainable food systems in areas that are prone to conflict or natural disasters, promoting global action to protect food supplies from the impacts of pandemics, empowering all people within a food system to prepare for, withstand, and recover from instability, and helping people everywhere participate in food systems that, despite shocks and stressors, deliver food security, nutrition and equitable livelihoods for all (United Nations, 2021).

In addition to the economic constraints that make paying for services difficult, problems of habitability have during this crisis and have revealed constraints related to the coverage and quality of housing, caused by location vulnerabilities, overcrowding and the lack of service access. In order to move towards comprehensive social protection, these considerations must occupy a central place in policy design and a medium- and long-term vision must be adopted, especially to mitigate risks before disasters occur (*ex ante*), protect rights during the course of disasters and respond in a sustainable manner after they have happened (*ex post*). This framework includes some elements that should be borne in mind in the light of the content of the Regional Agenda for Inclusive Social Development, line of action 2.19 of which proposes promoting “access to housing policies and programmes, while working to improve the living conditions of populations living in informal settlements and inadequate housing,” and in which line of action 2.15, dealing with basic services, proposes reducing “territorial inclusion gaps by implementing policies to increase access to basic services and infrastructure, including Internet access” (ECLAC, 2020a).

### (a) Housing and safe environment

As noted in chapter I, the population of Latin America and the Caribbean lives mainly in urban areas, and it is estimated that one fifth of the region’s population live in informal settlements, a proportion that will rise over the coming years, increasing vulnerability (Bárcena, 2021). Moreover, in 2019, more than 55% of poor urban households were overcrowded, which has increased the spread and impact of the pandemic and has hampered the enforcement and effectiveness of physical confinement and distancing health measures.

The COVID-19 pandemic crisis has exposed problems related to the right to housing in segregated and unequal cities that have exclusionary housing markets and informal markets that offer precarious housing conditions, characterized by informality, overcrowding, unsafe sanitary and electrical installations and high prices (ECLAC, 2021g). In Chile, for example, the TECHO-Chile organization and Fundación Vivienda (2021) estimate that the number of families living in camps rose from 47,000 in 2019 to 81,143 in 2020, with those families accounting for 57,000 children and adolescents under 14 years of age. Similarly, the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context of the Office of the United Nations High Commissioner for Human Rights (OHCHR) has expressed concern about the impact that preventive measures and unemployment will have on homelessness, as practices such as eviction due to rent and mortgage arrears and forced eviction from informal settlements have been observed in some States (United Nations, 2020b).

The region has several public policy strategies in place to expand the supply of safe housing and facilitate access to it. These strategies include, for example, the construction of social housing by the State and demand supports in the shape of subsidies, grants, soft loans and other instruments. It also has programmes for the regularization of home ownership, the provision of services and urbanization (Jordán, Riffo and Prado, 2017). However, planning for the relocation of households located in territories where disasters are highly likely to occur is also important. The benefits of preventive resettlement must be considered, using forward-looking risk management, cost analyses in terms of the spending that could be incurred if response and reconstruction are required, and avoiding loss of life (Correa, 2011). It requires conducting a consultation and planning process that involves community work, finding a suitable site to establish a settlement, designing the tenure system and implementing measures to monitor and evaluate the planned relocation correctly; this is all part of a toolkit designed by the Office of the United Nations High Commissioner for Refugees that consists of five cross-cutting elements and five stages in which relocation is decided on, planned and executed (UNHCR/ Georgetown University/IOM, 2017).

When a disaster occurs and housing is affected, or the inhabitants do not have or lose the economic capacity to maintain it or meet the cost of repairs, social protection plays a priority role in both the immediate response to the emergency and the medium- and long-term strategy. This protection takes the shape of offering shelter and financial support, or connecting the population with public housing and land-use planning policy. Any solution must be part of a comprehensive response that is linked to the guarantee of basic services, the tools for which are detailed below.

## **(b) Water, sanitation and electricity**

Access to basic services (drinking water, sanitation and electricity) is an essential right that must be guaranteed for the entire population, particularly households that have been affected by a disaster. This means ensuring access even if there are restrictions due to infrastructure damage or temporary interruptions in income preventing users from paying their bills. This last issue has come to the forefront during the COVID-19 pandemic crisis. However, it is estimated that the region is home to 166 million people without safely managed drinking water, 443 million without safely managed sanitation, 19 million without access to electricity and 77 million without access to clean cooking fuels and technologies (ECLAC, 2021e).

It is common for poor or vulnerable households to be granted subsidies for the consumption of services, or for cross-subsidies that benefit residents of low-income neighbourhoods to exist (Arias, Rud and Ruzzier, 2019). However, during the response to emergencies caused by disasters, it is up to social protection to assist in guaranteeing timely access to the service, as well as its continuity and quality. This is done by implementing emergency supply measures—for example, by distributing drinking water in tankers—and by providing households with financial support: for example, by suspending the readjustment of utility tariffs, deferring service terminations and payments for indebted households, reducing tariffs and granting temporary payment exemptions (Mariezcurrera and others, 2020; Yépez-García and others, 2020). Thus, in addition to permanent support, complementary mechanisms that are activated in the event of an emergency are also needed, since the extreme event may have had a negative impact on service production and distribution.

In situations such as the COVID-19 pandemic, which has led to the proliferation of irregular settlements, there is an even more urgent need to apply complementary policies that provide guaranteed access and to formulate supply regularization programmes in coordination with housing and land-use planning policies, so that the immediate situation can be addressed and vulnerability to future phenomena can be reduced.

There must be vertical interconnections between central, subnational and local governments for the timely management of this situation. Also worth highlighting is the potential that exists in service provider companies: their information systems and links with the territory make them important allies in the management of social protection systems, both in normal situations and at times of disaster.

## **(c) A basic digital basket to ensure effective connectivity**

The pandemic accelerated the digital transformation process already under way in the region, expanding the use of digital platforms to implement such technologies as telework, distance learning, telemedicine, digital government and e-commerce and other forms of remote interaction. As a result, those technologies have become a key element in contributing to people's resilience during the crisis. However, this period also highlighted the gaps that still persist in access to digital technology and the challenges that must be faced in order to further its use and turn it into an authentic tool for sustainable development and for labour and social inclusion. A clear example of the impact of these gaps is in education, where large numbers of students have had limited access to distance education, leading to increased drop-out rates and reduced progress. Those limitations had different causes, such as lack of equipment, poor signal quality, poor educational conditions at home and poor development of individual and family skills.

Just as the Regional Agenda for Inclusive Social Development highlights the importance of making progress in reducing digital divides as a tool for inclusion, the Digital Agenda for Latin America and the Caribbean (ECLAC 2022), adopted at the seventh Ministerial Conference on the Information Society in Latin America and the Caribbean, includes a line of action covering inclusion, digital skills and other competencies (ECLAC, 2020f). Aware of those challenges, ECLAC has drawn up various proposals for moving towards an inclusive digital society and guaranteeing universal access to digital technologies. The annual cost of a basic digital basket of fixed or mobile broadband plans, a laptop, a smartphone and a tablet to bridge the digital divide in unconnected households would represent 1.8% of GDP in the countries where the estimate was made: the monthly cost

ranges from 0.32% of GDP in Chile to 7.29% of GDP in the Plurinational State of Bolivia.<sup>4</sup> To implement this digital basket, providing lower-income households with a demand-side subsidy has been proposed. Another proposal is to reduce taxes on imports and sales of the selected devices, and to encourage partnerships so that devices can be produced in the region at a lower price (ECLAC, 2020c, 2020h and 2021f). The success of these measures will depend, among other factors, on coordination between the public and private sectors to ensure connectivity in all territories and on strengthening skills to build digital citizenship, taking into account the different gaps arising by reason of sex, age, territory, ethnicity, race, gender and income (ECLAC, 2020c and 2021f).

## 4. The care system in coping with disasters

The COVID-19 pandemic crisis has highlighted as never before “the close interdependence between market-oriented economic processes and those of social reproduction” (Bidegain, Scuro and Vaca-Trigo, 2020, p. 235). As a direct consequence of the restrictions imposed on personal mobility, schools (ECLAC, 2021a) and childcare centres (López Bóo, Behrman and Vazquez, 2020) were closed, employment in domestic service fell (ECLAC/ILO, 2021) and access to care services for elderly and dependent persons with disabilities was affected: for example, day care centres and care support policies (Dawson and others, 2020; ECLAC, 2020b) and informal arrangements for that purpose (UN-Women/ECLAC, 2020). This has significantly increased the demand for unpaid care within the household, which has deepened the persistent inequality between men and women in the distribution of paid and unpaid work: female labour participation rates are estimated to have been set back 18 years (ECLAC, 2021b and 2021e) and the situation of domestic workers has become more precarious (ECLAC, 2021b; ECLAC/ILO, 2021). The impact on early childhood development is also far-reaching and has implications for development opportunities in the region as a whole. The losses in future adult incomes caused by the closure of preschool programmes for three, six and twelve months on account of the COVID-19 pandemic have been calculated: the simulations indicate that a 12-month closure in the region’s countries could lead to losses in income equal to up to 12.2% of GDP in Grenada and of 10.5% in the Plurinational State of Bolivia and Peru (López Bóo, Behrman and Vazquez, 2020).

Among the measures taken in the region’s countries to address the care crisis, cash transfers have played a central role, as have leaves of absence and time off to perform caregiving duties. Examples of the latter include Law 21.247 in Chile, which provides benefits for parents and child care providers, together with preventive paternal leave for care duties, the suspension of employment contracts under Law 21.227 on job protection and other benefits,<sup>5</sup> and the Pandemic Leave instituted by Trinidad and Tobago, which is granted to mothers and fathers without support networks during the temporary closure of schools and care centres and allows employees to remain at home without being penalized. Notably, and unlike most countries in the region, in Costa Rica the National Care and Child Development Network (REDCUDI) decided to keep its services for children running. Finally, outreach campaigns to promote the recognition of caregiving tasks, joint responsibility for them and coexistence without violence and with gender equality have been strengthened. Examples of these outreach efforts include the #CuarentenaconDerechos (“Quarantine with Rights”) campaign in Argentina, the #HeForShe campaign in Mexico and *En esta Casa somos Equipo* (“In this House We’re a Team”) in the Dominican Republic (UN-Women/ECLAC, 2020).

There is an urgent need for progress towards comprehensive care systems in order to promote a transformative recovery with equity that in addition to addressing the impact of the COVID-19 pandemic, also prevents the consequences of the recurrent disasters that affect our region and provides an appropriate

<sup>4</sup> The estimates were calculated in the Plurinational State of Bolivia, El Salvador, Peru, Paraguay, Ecuador, Colombia, Mexico, Uruguay, Brazil, Costa Rica and Chile.

<sup>5</sup> For more information, see [online] <https://www.bcn.cl/leyfacil/recurso/posnatal-de-emergencia-y-crianza-prottegida>. The new *Crianza Protegida* benefit (“Protected Childraising”, involving an emergency extension of postnatal leave) will remain in effect until 30 September 2021. See [online] <https://www.chileatiende.gob.cl/fichas/94233-nuevo-beneficio-crianza-prottegida-extension-postnatal-de-emergencia>.

response when they occur. In line with the 2030 Agenda for Sustainable Development, the Regional Gender Agenda and the Regional Agenda for Inclusive Social Development—and, in particular, with the latter's lines of action 1.10 and 2.4—the countries of the region have emphasized the central importance of moving towards comprehensive care systems and policies within the framework of social protection systems. This entails policies that combine time, resources, services, benefits, regulations and quality standards for services involving the care of children, older persons and dependent people with disabilities or chronic illnesses, together with provisions governing the work of care providers. These policies must be designed according to the principle of joint responsibility for care between men and women on the one hand, and between the State, the market and families on the other (ECLAC, 2020a and 2021b).

Achieving this requires considering, at least for the future, the following components:

- Strengthening leave mechanisms, including maternity, paternity and parental leave, as well as leave to care for dependent family members. According to IPC-IG/UNICEF (2020), only 5 out of 24 countries in Latin America and the Caribbean provide the 18 weeks' maternity leave specified in the Maternity Protection Recommendation, 2000 (No. 191) of the International Labour Organization (ILO), and paternity leave is of very limited duration. In the region, special attention must be paid to the protection of informal workers of both sexes in this regard.
- Significantly expanding high-quality care services. This applies to childcare centres, pre-school education—which should be universal—and care services for dependent persons. With regard to the latter, consideration must be given to the full range of services required and the alternatives that can be offered: for example, day centres and long-stay facilities, home care, telecare and sheltered housing, among others (Huenchuan, 2018; Rico and Robles, 2017). In order to improve the quality of the services provided, standards and protocols must be consolidated based on national institutional frameworks and comparative experiences (Marco, 2014) and in line with international human rights law. This is particularly important in a context marked by the impact that disasters—particularly the pandemic—have had on well-being. As discussed below, investing in these services offers a solid opportunity for moving towards a transformative recovery with equality.
- Designing monetary benefits to cover the costs of care services when there is insufficient public provision, or strengthening existing benefits, together with making progress in recognizing paid and unpaid care work, as part of the region's discussions on pension reform.
- Strengthening the institutional framework for the comprehensive and integrated design and management of the services offered and of the needs of the various population groups involved in care tasks. This entails increased levels of intersectoral coordination in which the national institutions responsible for the advancement of women and gender equality will play a central role, together with the sectoral entities involved with the target populations. The role of ministries of social development and similar entities will be critical in achieving this goal.
- Progressing towards the incorporation of comprehensive care policies into social protection systems. From the design stage onwards, such policies must aim at mitigating gender inequalities and contributing to the increased social redistribution of care.

## 5. Strengthening labour inclusion

Social and labour inclusion policies make up one of the four axes of the Regional Agenda for Inclusive Social Development. They are addressed by 22 lines of action containing proposals to promote truly inclusive social development, to leave no one behind. The current crisis has highlighted the impact this type of disaster has on employment. Thus, policies for social promotion and labour and productive inclusion are key elements in responding to them and in working for a recovery that follows a transformative strategy. Those policies must be strengthened and adapted to the new context, which implies greater coordination across sectors and with social protection systems. It is also essential that these policies be grounded on decent work standards.

Labour and productive inclusion programmes are an important pillar of poverty reduction strategies in Latin America and the Caribbean. Such programmes can have a significant impact on the most disadvantaged groups: young people, women, people living in extreme poverty, people with low levels of schooling and people with disabilities. The implementation of those programmes usually involves ministries of social development and similar entities, together with ministries of labour and other State institutions. The programmes are aimed primarily at vulnerable workers, among whom there is a large proportion of women, young people, migrants, informal and own-account workers and other groups. In this regard, one challenge to be addressed is the consolidation of a labour market policy in which different sectoral initiatives can be coordinated (Abramo, Cecchini and Morales, 2019).

The following are some of the measures that can be adopted in short-term responses to an emergency, along with others that can be considered in medium- and long-term recovery processes.

### **(a) From emergency to opportunity: training and skill certification for disasters**

Technical and professional training is the most frequent component of labour and productive inclusion programmes, and of the interventions implemented during the COVID-19 pandemic emergency. Among the latter, there were various experiences in which monetary incentives or free online courses were offered to complement university studies or improve job prospects and productivity. Initiatives of that kind were launched, for example, in Costa Rica, Grenada, Guyana and Saint Lucia. Adaptations were also made to existing programmes: one example of this was the Youth Building the Future programme in Mexico, under which young people, in addition to continuing to receive health insurance and a monthly cash transfer, worth US\$ 188 in 2020, were able to access courses and webinars to offset the interruption of the training provided in companies that had to suspend or alternate their activities.<sup>6</sup>

This type of measure shows the virtuous chains that can be activated in disaster situations. They also highlight that, when combined with cash transfers, valuable time can be gained to strengthen the development of skills and expand opportunities for reintegration into the labour market now and in the future. Another factor is that the feasibility and impact of these measures will depend on the type of event: they are most useful in slow-onset disasters, such as pandemics. At the same time, the implementation of such measures transcends the most acute moment of the crisis, so it is important that they be coordinated with medium- and long-term actions aimed at bringing studies up to standard and certifying skills.

Adequate inclusion in the labour market requires that consideration be given to the participation of the private sector and local institutions, in order to adjust the labour supply to the skills that the job market demands. The following are among the ten most commonly required skills: learning ability, adaptability, team work, verbal and written communication, creativity and innovation, problem solving and decision-making, critical thinking, information and data management, leadership, technology and computational thinking. In addition to knowledge, however, the emphasis is on how to apply it, on analysis and interpretation, as well as on the importance of attitudes related to the way beneficiaries learn, communicate, adapt and relate.

Training and accreditation in skills of that kind contributes to all three dimensions of sustainable development: it facilitates social inclusion and contributes to economic growth and environmental protection. The programmes should form part of an integrated system that enables recipients to progress to more advanced levels and to a range of services focused on the specific capacities that have been prioritized as part of a transformative recovery strategy with equality (ECLAC, 2020a). Those skills include those needed in green jobs, which are of great importance in combating the effects of climate change and involve advanced cognitive, socio-emotional and digital competences (Ortiz and others, 2018).

At the same time, explicit linkages must be forged between training programmes and productive investments, as well as with direct and indirect job creation programmes. During the pandemic, for example, the National Technical and Professional Training Institute (INFOTEP) of the Dominican Republic has promoted

<sup>6</sup> The offer of online training was also extended to programme tutors from companies affected by the pandemic.

the productive transformation and recovery of the tourism industry by certifying a new attention protocol; similarly, the National Service for Industrial Labour Training (SENATI) of Peru has promoted the acquisition of digital skills to support the retraining of unemployed workers so that they can find better jobs in digital endeavours where there is a growing demand for workers (ILO, 2020).

### **(b) Measures for social and labour inclusion with decent work**

Among the social and labour inclusion programmes that should be prioritized in disaster response are emergency employment or direct job creation programmes at the State, departmental, provincial, regional or municipal levels. These provide jobs in service sectors where unskilled labour is required, and in public works and local and community infrastructure projects; they are temporary, but they allow progress towards labour inclusion through policies that combine labour concerns and social protection (Abramo, Cecchini and Morales, 2019; Velásquez Pinto, 2021). Experience indicates that such programmes can be useful in dealing with temporary situations in which labour demand is low and in resolving short-term income shortfalls, since they allow a better focus on poor and vulnerable people who are unable to resolve their labour market insertion problems on their own.

At the same time, it is essential to ensure that the labour market insertion that takes place within these frameworks guarantees access to social protection (Velásquez Pinto, 2021) in accordance with decent work standards. Furthermore, this inclusion must be in line with the sustainability of both the environment and the activities that are recognized and promoted by programmes of this kind, in line with a transformative reactivation that promotes equality. As an example, the construction and public services and infrastructure programmes for poor neighbourhoods launched by the Ministry of Social Development of Argentina in the context of the pandemic are aimed at promoting productive reactivation and environmental improvements. At the same time, the same country's "Empowering Work" National Programme for Socio-productive Inclusion and Local Development aims to bring own-account workers into the formal economy and seeks to ensure that they receive regular formal incomes through recognition of their actual activities, and it promotes their access to health protection and the retirement system and their contributions to the tax system through the social single-tax regime.

### **(c) The social and solidarity economy from the perspective of recovery**

The social and solidarity economy (SSE) concept brings together various methods of producing goods and services that communities have designed over time. Broadly speaking, this includes peasant and indigenous economies, production for self-consumption, some alternative forms of producing goods and services, such as cooperatives, that have been a part of the development of capitalism since its inception, associations linked to local community development, and organizations that work for the political and institutional engagement of popular sectors (Palomino and Villafaña, 2021). In the region, public institutional arrangements for the social and solidarity economy are diverse; they are generally overseen by ministries of the economy or similar bodies when the emphasis is on production and entrepreneurship, or by social development, labour or related ministries when the emphasis is also on the experiences of the indigenous and solidarity economy (Holz, 2021).<sup>7</sup>

As a result of the pandemic, the social and solidarity economy sector will have expanded in several countries, with various experiences of self-organization among individuals and communities. Initial data indicate that enterprises and organizations of this kind have been more resilient than individual enterprises to the effects of the pandemic and that their incomes have declined less. In addition, the measures implemented in the countries have included some aimed at guaranteeing and strengthening the funding of initiatives, enterprises and ventures. Those measures included the provision of guarantees to provide operations with backing and to facilitate the formalities needed to access credit, seed capital and preferential interest rates. In addition, some countries relaxed their administrative rules for oversight and promotion to facilitate payment compliance, registration and product delivery times.

<sup>7</sup> It should be noted that not all countries make use of the concept of social and solidarity economy. In the countries where the concept is not current, the focus is on supporting cooperatives and associations.

Also worthy of note was the support that several of the region's governments gave to the operation of citizen initiatives for temporary food security during the pandemic. Those initiatives included soup kitchens and community canteens, which arose from solidarity among the residents of the most vulnerable neighbourhoods and in which women have played a leading role. The government support involved providing foodstuffs through public procurement and extending technical assistance to local governments for the registration, organization and implementation of initiatives. In Peru, under the coordination of the Ministry of Development and Social Inclusion (MIDIS), the Qali Warma National School Feeding Programme was expanded to deliver foodstuffs to municipalities supporting community kitchens. A special law was enacted in Paraguay to support these community kitchens and to ensure that the National Emergency Secretariat (SEN), the Ministry of Social Development (MDS) and the National Institute for Indigenous Affairs (INDI), as appropriate, procure and distribute food supplies. Mention should also be made of the interconnection of direct transfer policies with access to food from soup kitchens and community purchasing systems, such as the fresh food marketing networks that the Ministry of Social Development of Argentina organized in response to the pandemic. These networks are intended to eliminate intermediaries in order to lower the costs paid by consumers and increase the incomes of direct producers, thus creating new marketing networks, strengthening fair trade and promoting production methods that protect natural resources and the environment (Palomino and Villafaña, 2021).

In order to take advantage of these experiences in the medium term, progress must be made towards regulatory frameworks that improve the management and competitiveness of social and solidarity economy enterprises and organizations, so they can contribute to labour insertion and be better prepared for future emergencies. Other relevant complementary measures for this sector would be to computerize formalities to facilitate legal procedures for these companies and organizations and issuing a trade mark that identifies the social and solidarity economy, and to promote certification, accreditation, training and professionalization processes in occupations and careers related to this sector of the economy. Another valuable contribution would be to institute public procurement systems that facilitate the development of markets for local products. In addition to providing productive units with an economic benefit, such initiatives would make a significant contribution to reducing the socioeconomic vulnerability of those who participate in them.<sup>8</sup>

## 6. Investing in social infrastructure for recovery and progress towards a care society

Sustainable development cannot be achieved if the social footprint of the current development model is not reduced. Implementing the progressive structural change proposed by ECLAC (2016) and the processes of change associated with the big push for sustainability also requires changes in the models of production and organization. Among other things, these models must reflect processes that create and destroy jobs, of new connections between sectors and the new jobs that have emerged as a result of the changes taking place in the world in recent decades.

As already noted, the exit strategy towards a transformative recovery with equality involves turning those challenges into opportunities by interconnecting a model of social protection against disasters with one for social and labour inclusion with a rights-based and universal approach that is sensitive to differences as set out in the Regional Agenda for Inclusive Social Development. If those interconnections are not put in place, large contingents of workers will be left unemployed and their skills will become obsolete, increasing the social footprint for them and their families. Implementing them will provide an opportunity that can bring positive dividends and enable society to emerge stronger from the pandemic crisis and to prepare for future disasters, increasing the resilience of the population and moving more decisively towards sustainable development.

Thus, expanding the labour market with socially, economically and environmentally sustainable investments is a challenge, but also a necessity and an opportunity to ensure that the recovery is transformative. Infrastructure

<sup>8</sup> Remarks shared at the virtual seminar "Building a New Future: the Social and Solidarity Economy in Sustainable Recovery and with Equality", organized by ECLAC and the National Social Economy Institute (INAES) on 9 June 2021. The event was attended by 11 Latin American countries. See [online] <https://www.cepal.org/es/eventos/conversatorio-virtual-construir-un-nuevo-futuro-la-economia-social-solidaria-la-recuperacion>.

investments are one of the tools repeatedly identified as a means to achieve this goal, given the high demand for labour that infrastructure construction entails. Investment in housing, in particular, in addition to contributing to the reduction of unemployment, improves the quality of life of populations living in overcrowded conditions and lacking access to basic services. In other words, it is a sector that produces positive short- and medium-term effects in line with the 2030 Agenda, particularly when community participation is involved in creating living spaces and their surroundings.

ECLAC has proposed universalizing basic services by 2030. According to the proposal, an annual investment equal to 1.3% of GDP would achieve a cost-benefit ratio of US\$ 2.40 and US\$ 7.30 for every dollar invested in drinking water and sanitation, respectively. Jointly, the two investments would create 3.6 million jobs per year. At the same time, universal access to electricity would require an investment equivalent to 1.3% of annual GDP and would create 500,000 jobs per year (ECLAC, 2021e).

Similarly, investing in care infrastructure is another alternative that can provide positive dividends in the short, medium and long terms. In the short term, dividends arise from the jobs created to carry out the investment, which energizes the economy and generates economic resources for households. In the medium term, the dividends arise from the operation of the centres, as they open up venues for the care of preschoolers and the elderly and relieve the workload of caregivers —particularly girls and women— who are thus able to devote more and better time to study, work and their personal development. Over the long term, dividends accrue through the expansion of the developmental capacities of the children receiving the care, improving their prospects for education, work and productivity in adulthood.

As noted above, progress towards a care economy requires that the expansion of public services and care infrastructure required be seen as an investment: this is a key issue that can actively contribute to the dynamics of a transformative recovery with equality. This translates into the expansion of physical infrastructure as part of the transition to a care economy, but also into the creation of jobs that must be valued by society (ECLAC, 2021b).

## B. Institutional arrangements and compacts to provide resilient social protection against disasters

The Regional Agenda for Inclusive Social Development highlights the institutional framework as a central element in advancing towards attaining the Sustainable Development Goals (SDGs). In particular, in order to deal effectively with disasters, States need robust institutional frameworks that enable them to structure multisectoral public policy processes to turn the disaster cycle into a convergent spiral, with a capacity for anticipation, response and adaptation that takes account of the three dimensions of sustainable development. In addition, for a social protection policy to be truly inclusive and disaster-resilient, it must be fully integrated with a comprehensive risk management policy that links with other sectors. That coordination is discussed in the first part of this section.

Given that many disasters are supranational in scope —such as hurricanes in the Caribbean and Central America, or the global dimensions of the pandemic— the second part of this section addresses the importance of closer regional and subregional cooperation. That cooperation, highlighted in the axes of the Regional Agenda for Inclusive Social Development, is not only a technical instrument for greater efficiency and effectiveness, but also a tool to promote regional integration.

In addition to an adequate institutional framework, in order to give a major boost to sustainability, move forward in line with the Goals of the 2030 Agenda and leave no one behind, there must be a minimum level of legitimacy and resources that make sustainable development possible in the medium and long terms. The third part of this section therefore emphasizes the importance of social and fiscal compacts and highlights a number of priority elements for their proper implementation.

## 1. Institutional coordination and technology to provide better social protection

In addition to the elements highlighted in chapter IV, the following section emphasizes a number of issues related to the need to coordinate the social sectors that, by virtue of their functions and management processes, play a role in the social protection system in disaster situations. Strengthening cooperation and coordination at national, subnational, subregional and regional levels therefore becomes crucial. The opportunities that new technologies offer for strengthening the system's management capacity are also highlighted, especially with regard to horizontal coordination between social protection, health and education systems, in order to improve disaster response to meet the needs of a wide range of population groups. These areas are reviewed in depth below.

### (a) Social development ministries and the institutional framework for disaster risk management

As outlined in annex IV.A1, the region's countries have a long history of institutions dedicated to civil protection and disaster management: in most of them (eight Latin American countries and nine Caribbean countries), authority over such matters lies with the office of the president or prime minister, while in others authority rests with the ministry of the interior (six in Latin America and three in the Caribbean) or with the ministry of defence (three in Latin America and one in the Caribbean). This indicates the great political importance assigned to these systems, as well as the subordinate and sometimes secondary role played by ministries of development and social inclusion. Indeed, in 15 Latin American and seven Caribbean countries, development and social inclusion ministries participate in civil protection systems, in one and five countries they play an operational role, and in four and one they do not participate.

The Sendai Framework for Disaster Risk Reduction 2015–2030 and the 2030 Agenda stress that comprehensive risk reduction strategies must go beyond civil protection systems and include elements of a cross-cutting nature (United Nations, 2015a and 2015b). Thus, considering the functions of social protection in this area (identified in chapter IV), one institutional challenge is to strengthen interconnections between social protection systems and disaster management and civil defence, and to increase the presence of ministries of social development, especially in the 11 countries where those ministries play only an operational role or do not participate regularly. In order to forge those interconnections and to set the legal foundation for working together as a structured system, this work must not only be carried out at the central level, but also replicated at the different levels of government.

Clearly, involving ministries of social development in decision-making does not fully address the challenge. For this engagement to be effective, efficient and resilient, and to minimize the impact it may have on permanent social protection processes, organizations must have pre-defined protocols and processes in place that apply not only within social protection, but also to all those involved in risk management: scenarios need to be analysed and response preparations must be made, in addition to establishing complementary processes to be activated in an adaptive manner and to maintaining the provision of permanent services. To ensure timely action, the roles and cooperation agreements applicable to each institution involved in these processes must be defined.

### (b) The health system and its interconnection with social protection in the event of disasters

In the context of emergencies and disasters, linkages between health and social protection systems acquire greater importance in meeting the needs of the population in the areas where it is vulnerable. The strength of the primary health network and its territorial scope has been essential in responding to the pandemic and, in general, for dealing with the health consequences of disasters. In the current health, economic and social

crisis, certain population groups have been more severely hit by the pandemic's health impact, which once again reveals the interaction between the axes that structure the inequality matrix and the social determinants of health, i.e., the dimensions that hinder the full exercise of this right.

ECLAC has highlighted the fundamental role of social protection systems as a State tool for influencing the social determinants of health (ECLAC, 2021a). On the one hand, contributory social protection systems, through health insurance, help increase health care coverage and access, in addition to providing financial protection. In turn, non-contributory social protection, through emergency cash transfer programmes, can reduce the obstacles faced by the most vulnerable population groups in accessing health services, health information and prevention services, and it also has a direct impact on certain health determinants, such as nutrition, education, care, housing and access to basic services and sanitation (Abramo, Cecchini and Ullmann, 2020).

In addition, the experience, processes and information available to health systems are essential in supporting the efficient and timely management of the social protection system, especially as regards the primary care services network. Thus, in order to protect vulnerable population groups from the impact of emergencies, it is essential that public health systems act in coordination with the private sector and in coordination with social protection systems. In the context of the pandemic, the joint work of both sectors has been an imperative across the world.

The long history of health systems in the region's countries is an experience that should be analysed as an input for social protection systems, particularly with respect to the role they play in disaster situations. Recent experience shows that in the event of a disaster, a country's social protection response capacity is strengthened when there is a solid institutional framework, a legal basis, organization, clear processes, management capacity, transparency and resources, together with a universal approach, the articulating role of the State and political resolve. As discussed in chapter IV, this favours a convergent spiral model for a transformative recovery with equality. When those conditions are not met, society as a whole faces a higher social and economic cost. Regrettably, this situation has been observed during the pandemic, as the difficulty faced by some countries in providing timely universal prevention and care services, for example, including sufficient vaccines to protect the population, has resulted a range of problems including losses of life, poverty, unemployment, lower educational achievement and mental health problems.

### **(c) The education system, disasters and social protection**

The school system is a central pillar in the education and protection of children and adolescents, as well as in the communities in which they live. In addition to facilitating the exercise of the right to education, schools are places where other rights are guaranteed, such as those related to food, to the detection of rights violations (such as victims of violence, child labour or exploitation) and to protection against such violations. Finally, educational facilities serve to develop the social and socio-emotional skills that allow us to live together as a community. Any threat to their functioning is therefore a matter of concern for society at large and must be taken into account in the social policies deployed to deal with crises and during recovery periods.

For that reason, education has been included as a component sector of the United Nations International Strategy for Disaster Reduction (ISDR). The importance of this sector's inclusion is not only on account of its central role in national and individual development, but also because it represents a strategy to prevent and mitigate the risk of damage arising from future disasters. The Inter-Agency Network for Education in Emergencies (INEE) was established in 2000 to promote exchanges of knowledge and experiences on this topic and to encourage the incorporation of the education sector into emergency response strategies. In 2006 this network developed a framework of minimum standards for the design, implementation, monitoring and evaluation of education policies at times of emergency, chronic crises and reconstruction periods, which could serve as a useful reference in designing those policies (ECLAC, 2009).<sup>9</sup> Based on that framework, specific recommendations have been drawn up to address the crisis caused by the COVID-19 pandemic (INEE, 2020).

<sup>9</sup> For more information on the minimum standards framework, see [online] <https://inee.org/es/normas>.

More recently, in collaboration with key partners in the Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector (GADRRRES), ISDR devised the Worldwide Initiative for Safe Schools (WISS). This is a State-led global partnership to promote the implementation of safe schools at the national level. The Caribbean joined WISS with the Caribbean Safe School Initiative (CSSI), which was launched at the First Caribbean Ministerial Forum on School Safety, held in Antigua and Barbuda in 2017.<sup>10</sup>

These frameworks promote the incorporation of the school system into different areas of emergency management. In addition to emphasizing the need for the education system to have rules and procedures so that its infrastructure is prepared for disasters with resilience and safety, schools and other places of learning are envisioned as refuges during crises or emergencies. Inter-institutional coordination between education and other public policy sectors is therefore required in order to respond to disasters in a way that focuses on social protection as a State policy.

Finally, risk prevention is another area that the ISDR seeks to address from an educational perspective, by proposing its inclusion in curricula and national study plans. Doing so would increase the awareness of students and teachers, as well as of the educational community in general, thereby fostering a culture of safety and resilience that would undoubtedly help reduce vulnerability to disasters and the impact they have on people's lives.

#### **(d) The potential of fourth industrial revolution technologies to support management**

As noted by Martínez, Palma and Velásquez (2020), speed, the transformation of forums, platforms and ecosystems give rise to a new venue for communications that can be of benefit to governments and public policymakers, as the opportunities offered by new technologies and the availability of real-time information can be key in preventing and pre-empting problems that may arise from disasters or events such as the COVID-19 pandemic.

Information and communication technologies (ICTs) and big data analytics allow for improved registration systems and the prioritization of policy interventions. This facilitates the anticipation and early response of social protection systems (especially in case of emergencies), as it enhances the capacity to locate and identify vulnerable and disaster-affected populations (Martínez, Palma and Velásquez, 2020). At the same time, incorporating those technologies into management is key to strengthening its monitoring and evaluation, an area in which there is great potential for development and innovation.

As early as the 2000s, Argentina, Brazil, Colombia, Costa Rica, Ecuador, Jamaica and Paraguay experimented with paying cash transfers by means of electronic cards, so this technology had been used for this purpose since before the crisis (Cecchini and Madariaga, 2011). In the context of the COVID-19 pandemic, the use of ICTs has been strengthened to facilitate the delivery of services, particularly to people outside urban centres, as well as to streamline processes, increase their transparency and cut transaction and opportunity costs.

These data, which are at present mainly held in the private sector, can be of great value in implementing public policy, as they allow public policy to be more effective and efficient in emergency situations. Data collected by mobile telephone companies, for example, provide real-time information about people's behaviour during critical events, including their interests, their movements, the news they consume, the purchases they make and so on. For instance, during the 2009 floods in the Mexican State of Tabasco, mobile phone activity with remote sensing data was used to understand how the population communicated, and the data obtained were compared with official census information. The results of the study showed that mobile phone activity patterns in affected locations during and after the event could be used as indicators of public awareness of the disaster and of the floods' impact on infrastructure and people.

During the pandemic, the increased use of digital platforms and social media has allowed more personal information to be collected online, increasing the amount of private data available. As a result, in 2020 the

<sup>10</sup> For more information, see [online] <https://eird.org/americas/safe-school-caribbean/2019/>.

public and private sector made greater efforts and adopted joint strategies to address the threat of confidential data being used and to create regulatory and institutional frameworks to prevent improper use of the data available (ECLAC, 2020f). The need for data protection to keep pace with the introduction of these technologies is an issue that has been at the forefront of the traceability strategy during the pandemic; the systems used in such Asian countries as China and the Republic of Korea were grounded on the use of big data, but were criticized in the West from the viewpoint of personal freedoms and rights (*El País*, 2020).

As already noted, these processes also open up new gaps: as has been evident during the pandemic, not all people have access to technologies, particularly digital ones, or the skills to use them. Being a digital citizen demands competencies and skills to take advantage of the opportunities the digital world offers. These innovations must therefore go hand-in-hand with the digital basket (see section A.3.c of this chapter).

Finally, intersectoral connections are also a key element in the effective and efficient incorporation of these technologies into public policy. Thus, some representatives of Caribbean countries have pointed out the importance of the academic, private and public sectors working together to ensure that the government agencies involved in urban and social development —especially at times of disaster— have more digital information and make better use of it. In general, as regards geographical data, data provided by isolated institutions and entities should not be relied on exclusively; instead, there should be an integrated information network to support public actors and to make progress in obtaining georeferenced data.<sup>11</sup>

## 2. Strengthening regional cooperation for disaster response

The region has venues and strategies to address disaster reduction at the intergovernmental level. In most cases, the Sendai Framework is used as a reference to establish measures for reducing vulnerability and building the ability to cope with hazards and exposure to them in order, as well as for preventing new risks, reducing existing risks and increasing resilience. Notable in this regard are the subregional strategies formulated within the framework of the Central American Integration System (SICA), the Andean Community (CAN), the Community of Latin American and Caribbean States (CELAC), the Caribbean Community (CARICOM) and the Southern Common Market (MERCOSUR). These strategies include social protection and focus on vulnerable populations in their approach to managing disaster risk (see annex IV.1 in the previous chapter).

These arrangements create a conducive environment for developing joint policies for preparedness, response and cooperation for recovery among the countries: important since the region faces recurrent extreme phenomena of binational or subregional scope, such as hurricanes, as well as others of a global nature, such as climate change and pandemics. They also provide an opportunity to move towards coordinated cooperative responses to national or local events such as droughts, floods or earthquakes. To this end, in line with axis 4 of the Regional Agenda for Inclusive Social Development, the existing agreements on social protection and emergency care must be strengthened with joint response protocols and services and with the sharing of experiences among the entities in charge of social protection, areas in which the technical teams of the Ministries of Social Development can play a major role.

### (a) Strengthening cooperation between social development ministries

Cooperation between the region's ministries of social development offers an opportunity with great potential, but important challenges still remain to be met. While the those ministries' international cooperation areas have agreed on the fundamental role of cooperation and integration to implement the Regional Agenda for Inclusive Social Development, there are still major difficulties regarding joint work in general and disasters

<sup>11</sup> Information from the event , held on 17 June 2021 during the Caribbean Urban Forum 2021, under the auspices of ECLAC and the United Nations Human Settlements Programme (UN-Habitat).

in particular.<sup>12</sup> The challenges highlighted by the agencies include the following: increasing professionalization among officials in those areas with respect to the global and social development agendas; improving coordination between the international and cooperation areas of the social development ministries and those of other relevant national actors (ministries of foreign affairs and others, planning agencies and sectoral agencies), in order to more systematically identify technical assistance needs and the technical assistance available from third countries and international agencies; and establishing mechanisms to follow up on technical cooperation and on agreements signed by the ministries of social development and to identify complementarities and areas of cooperation between countries of very different sizes.

As a minimum basis for disaster risk reduction, the following steps are suggested: establish early warning systems at local, national and regional levels (knowledge of the phenomenon, preventive monitoring, communications and response capacity); strengthen regional cooperation by territorializing social protection through technical assistance, development studies on territorial and cultural dynamics and information systems; promote the activation of regional public goods; and innovate by designing new cooperation mechanisms such as South-South, bilateral, subregional and cross-border cooperation.

## (b) Venues for cross-border cooperation

One key area for disaster response is the cross-border dimension, where relationships are established between local populations and where the different levels of the State, including subnational governments, play a key role. As indicated by Oddone and others (2016), “border relations may assume different forms and profiles depending on the degree of permeability of their boundaries, the level of autonomy of the subnational governments and ongoing decentralization processes, the weight of national policy and interjurisdictional agreements, regional initiatives that promote integration or the rigidity of the international security agenda”. In cross-border areas, cooperation can help provide a better response to disasters—especially in the case of twin cities—when prior coordination and joint working arrangements are already in place.

In some of the region’s cross-border areas, efforts have been made and cooperation agreements signed to promote integration. These undertakings, initially closely linked to the economic considerations, have also had a social impact. MERCOSUR offers one example of this type of cooperation with its Agreement on Linked Border Localities, which was adopted in 2019 with the aim of facilitating borderland integration. The agreement includes benefits related to work, school attendance and patient transfers in border areas, among other issues. In light of the date when the agreement was launched, its evaluation has been hampered by border closures imposed by pandemic restrictions. In the context of the pandemic, a binational technical commission was established between the cities of Rivera in Uruguay and Santana do Livramento in Brazil, to function as an indivisible epidemiological health unit for COVID-19 cases; the experience was later replicated in the Uruguay-Brazil twin cities pairings of Artigas and Quaraí and of Bella Unión and Barra do Quaraí (Oddone, 2020).

A similar cooperation experience recently occurred in the Caribbean, in response to the eruption of the La Soufrière volcano in Saint Vincent and the Grenadines. The first signs of this phenomenon were detected in December 2020, at which time intraregional coordination was initiated (ECLAC, 2021d). Between January and April 2021, in response to the explosive eruption, regional organizations—including the CARICOM Secretariat, the Caribbean Disaster Emergency Management Agency (CDEMA) and some United Nations agencies—came together to help the country respond to the emergency. CDEMA activated its Regional Response Mechanism (RRM) in December 2020. The joint work of the government, CARICOM, the United Nations agencies, the private sector and other nations and development partners allowed for effective work that facilitated the mobilization of assistance. As a result of that joint work, when the major eruption occurred in April 2021, the country was prepared for evacuation (ECLAC, 2021d).

<sup>12</sup> Information from the “International Cooperation for Social Development in the Time of COVID-19” discussion held on 19 May 2021 within the framework of the working groups of the Regional Conference on Social Development in Latin America and the Caribbean. Officials from the international and cooperation areas of the ministries of 11 Latin American and Caribbean countries participated in attendance, along with representatives of the MERCOSUR Social Institute (ISM) and the Association of Caribbean States (ACS) (see [online] <https://comunidades.cepal.org/desarrollosocial/es/grupos/evento/cooperacion-internacional-para-el-desarrollo-social-en-tiempos-de-covid-19>).

These experiences illustrate the opportunities offered by cross-border work in addressing disasters through collaboration and show how planning and cooperation can assist timely responses and reduce social and economic costs. At the same time, the differences between countries can be seen in these border areas, as can inequalities in terms of wealth and access to services and infrastructure, among others. Improving joint responses in border regions will also contribute to reducing inequality in the region.

### 3. Social and fiscal compacts: the key to the big push for equality and sustainability

As noted in the Social Panorama of Latin America, 2020, social unrest is a cross-cutting issue in the region's countries. Its most obvious manifestations include the protests that occurred in Brazil in 2015–2016, in Chile, Ecuador and Haiti in 2019, and in Colombia in 2021 (ECLAC, 2021a). The growing social unrest, vast latent conflict and high levels of violence observed in many areas of social and private life put a brake on sustainable development and, in turn, are indicators that the current development model is not viable, which requires structural changes and progress towards the construction of a care society centred on equality and sustainability.

Social unrest began to grow in the region before the arrival of the COVID-19 pandemic and its repercussions; it took the form of a widespread sense of vulnerability and dissatisfaction with the distributive structure and the functioning of democracy, along with a high degree of distrust in institutions, governments and other people and demands for more equality and less discrimination.<sup>13</sup> Currently, that deep-rooted malaise is compounded by the sharp drop in the region's living conditions and high levels of household debt, which deepen the subjective expressions of individual and social dissatisfaction. As explained in chapter I, the economic contraction caused by the pandemic and its effects on formal and informal employment have hit broad social sectors. This situation is exacerbating feelings of vulnerability and helplessness, as the data indicate that those who lost their jobs did not find opportunities for prompt reinsertion into the labour force or saw their possibilities limited by restrictions on mobility and withdrew from the workforce (ECLAC/ILO, 2021).

Social unrest entails social and political conflict but also represents an opportunity for change, dialogue and social progress. ECLAC has said that the time has come to put an end to the culture of privilege in order to embark on a new collective project and move towards a culture of equality, a social compact aimed at building fairer, more inclusive and cohesive societies that will enable progress towards social policies focused on the enjoyment of rights and the recognition and dignified treatment of individuals.

ECLAC has further noted that this social compact is a political instrument based on broad and participatory dialogue, serving to build consensus and forge agreements for the medium and long terms. The compact assumes that all sectors take ownership of and contribute to those agreements, and that actors with more power and privilege make significant concessions in their immediate interests, with a view to achieving a more stable, beneficial, legitimate and sustainable collective situation for society as a whole in the medium and long terms.

However, the region's starting point is not an enviable one, with very unequal societies marked by a huge distrust among people and towards governments, social institutions, political parties and the private sector. Moreover, as shown by the results of several surveys—including Latinobarómetro, Americas Barometer and the World Values Survey—that distrust has grown in recent years, deepening the crisis of democratic representation and social cohesion in general (ECLAC, 2021a).

Throughout history, creating welfare states has required the gradual construction of a social compact in which the private sector (generally a powerful and therefore indispensable actor) agrees to comply with certain labour standards and to pay taxes at rates that are unattractive in the immediate term but beneficial in the long

<sup>13</sup> According to data from Latinobarómetro, the percentage of people in the region who reported not having enough resources to satisfy their needs rose from 46% in 2013 to 48% in 2018. Over the same period, the proportion of people stating that income distribution in their country was unfair or very unfair increased from 73% to 84%, and the percentage of citizens who had a negative perception of those governing their countries and their intentions rose from 67.5% to 78.8% (ECLAC, 2021a).

run for stability, governance and sustained productivity growth. Therefore, efforts to develop and expand the idea that a new social compact produces positive effects in the medium and long term are essential, so that at least a part of the most privileged sector is convinced (Martínez Franzoni and Sánchez-Ancochea, 2020), reduces the obstacles and contributes its commitment.

Emphasis must be placed on giving a voice and influence to sectors and population groups that have been discriminated against or excluded, in order to broaden the dialogue and the ownership of the results. In particular, those sectors and groups include women, who have historically been discriminated against despite accounting for more than half of the population. There are also some groups that have been made invisible, such as people of African descent and indigenous peoples, people with disabilities, migrants and lesbian, gay, bisexual, transgender, queer and intersex persons (LGBTQI). Finally, mention must be made of children and adolescents, who do not vote but whose well-being —through good nutrition, care, early education and freedom from violence— is a guarantee for the future in terms of productivity and the creation of rights-based citizenship.

As for the productive sector and the world of work, progress must be made towards dialogue among their stakeholders to promote sustainable development based on decent work, fair trade, the protection of natural resources and environmental stewardship. This requires the participation in this dialogue of private sector organizations, civil society and social and labour stakeholders from different productive sectors. In light of the high levels of labour informality in the region and the importance of the social and solidarity economy, it is critical that those who belong to those sectors also participate actively in these venues.

Notwithstanding the difficulties, the compact must constitute an explicit, representative and participatory attempt to address issues that have not been dealt with through the usual channels, in order to build new bridges.

ECLAC has underscored the need for the main political sectors to reach a broad social compact as a way of democratically redirecting the current development model towards a sustainable model within the framework of the 2030 Agenda. It is a social compact intended to promote equality at the national level, giving legitimacy and robustness to structural reforms and transformative policies. The current experience in Chile with the drafting of a new Constitution —in which the members of the Constituent assembly were elected democratically, with gender parity and guaranteed representation for indigenous peoples— is a step in this direction. It is hoped that this experience will not only yield positive results for the country but also serve as a learning experience for others.

However, the road to such compacts must not be travelled exclusively at the national level or through single, special venues alone. Progress towards cohesion, equal treatment, recognition and rights must not be a limited process, but a permanent one within democratic culture. It should not be sought in situations of instability and revisionism, but it should be endowed with a validity based on ownership, which is why the venues for dialogue must be a constant, a culture that is built on day by day. Moreover, that culture must permeate the different spheres of society, from homes to relations between countries and regions.

That is particularly true at the present juncture, when processes associated with climate change, technological development and migration have acquired global dimensions. The pandemic is proof of this and puts these fundamentals to the test, for it is clear that if we do not all come out of it together, no person, group or country will be able to do so. The fact that there is a growing consensus on the existence of this interdependence at the national, regional and global levels allows positive expectations. Various actors are joining initiatives that a few years ago would have been unacceptable to them, when they did not even want to consider the idea that inequality was a brake on development. On the down side, the uneven race in the distribution of COVID-19 vaccines seems to show that there is still a long way to go.

ECLAC has argued that striking a social compact also demands a new fiscal compact; this would make it possible, *inter alia*, to provide quality public services and to ensure the financial sustainability of social protection systems, especially in the face of the pandemic. Those services and that sustainability are interdependent requirements that must be met in order to make a big push for equality and sustainability while leaving no one behind.

The fiscal compact is the natural complement to the social compact, and it must promote progressive and sustainable taxation that guarantees constant, sufficient resources for social investment in order to make well-being, the enjoyment of rights and the development of resilience among the population viable. From that point of view, it is no longer enough to propose a fiscal reform that benefits the poor on a targeted basis, since a large part of the citizenry expects this to happen with the participation of all strata and in a progressive manner, with contributions from the most privileged sectors, so that there is an effective redistribution of resources.

To address the repercussions of the COVID-19 health crisis, the region's countries have implemented a series of fiscal measures. In that context, progress is needed towards a new compact that will allow fiscal policy, *inter alia*, to contribute to the financial sustainability of social protection systems, to ensure that public services have universal, quality coverage and to address the effects of the crisis on the labour market and declining public revenues. In addition, this new compact must allow for fiscal stimulus measures that contribute to an inclusive and transformative economic recovery with equality.

At the national level, a fiscal compact in line with sustainable development should allow for an expansionary fiscal policy aimed, *inter alia*, at closing structural gaps related to social protection systems. This will require the fiscal policy to adopt a strategic perspective that promotes public spending aimed at creating universal, comprehensive and sustainable social protection systems. That perspective should also encourage employment-intensive investments that are environmentally sustainable and targeted at strategic sectors, such as public services. The new fiscal compact will also mean bolstering tax revenues to finance social spending with sustainability. This demands a progressive tax policy that allows collections from the income of those who concentrate the most wealth, which will reduce income inequalities.

At the regional level, ECLAC has called for a reform of the current architecture of financing for development, under which, when a country becomes a middle-income country, it not only loses access to official development assistance flows but also receives fewer concessional loans, the terms and conditions under which it is granted financing are modified, it must contribute more to the multilateral system and receives fewer funds earmarked for technology and science, among other effects. In the reform proposed by ECLAC, the way in which countries are classified must be reconsidered and a multidimensional focus in line with the 2030 Agenda must be adopted. It must also ensure that middle-income countries have access to concessional finance.

The above is particularly important for small island developing states (SIDS) like those in the Caribbean. As seen in chapter III and in the introduction of this document, Caribbean economies have been hit by one crisis after another, with high levels of debt and low diversification, and depend on tourism, which is highly vulnerable to shocks from such factors as the current pandemic, hurricanes and sea level rise. As a result, they have limited scope for fiscal restructuring and adjustments for investment in social protection. The latter is compounded by the fact that the majority of the countries in the subregion are classed as upper-middle-income and high-income countries, restricting their access to official development assistance and other financing sources.

The need to adopt new fiscal compacts is more urgent during the current economic and social crisis. In Latin America and the Caribbean, important proposals have been made for advancing along those lines at the regional and global levels and for reaching financing agreements to deal with crises caused by disasters. The following are some examples of those proposals: the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), which promotes mutual support among Caribbean countries to address crises caused by hurricanes and other disasters, the Fund to Alleviate COVID-19 Economics (FACE), which aims to foster an economic recovery with a commitment to sustainability and social inclusion, and the COVID-19 Vaccine Global Access (COVAX) Facility, which works to provide equitable access to COVID-19 vaccines (see annex V.A1).

## C. Concluding remarks

Throughout this document, a wide range of data and analyses have been presented to explore the social risks of disasters and the vulnerability of a large part of the population to natural and anthropogenic disasters. The origins and speed of onset, duration and spatial coverage of disasters vary, affecting Latin America and the Caribbean in different ways. The most recurrent rapid-onset disasters in the Caribbean are hurricanes, which are increasing in frequency and intensity and cause significant losses and damage across the Caribbean, followed by recurrent geological events, such as the volcanic eruption in Saint Vincent and the Grenadines or the earthquake that hit Haiti in August 2021. At the same time, countries in the subregion have difficulty securing sufficient public funds for building back better or for sustainable adaptation. Furthermore, large areas of Central and South America have been suffering from severe droughts, which affect crops and force internal and international migration of the affected population. This slow-onset disaster is also fuelling conflicts over access to water resources, undermining domestic social cohesion, and governments must improve governance of scarce natural resources.

Vulnerabilities and exposure to the effects of disasters are primarily driven by the cross-cutting structural inequalities that pervade the region. The different types of disasters and the prevention and response capacities of individuals, society and institutions are part of the challenge that calls for innovative policies to respond to disasters effectively and efficiently.

Disasters are a multidimensional phenomenon that require a multisectoral approach, harmonizing social protection systems as part of risk management policies. Social protection systems are crucial to reducing future social, environmental and economic costs, building social and institutional resilience to mitigate the direct and indirect impacts that have particularly deleterious effects on vulnerable population groups. Establishing universal, comprehensive, sustainable and resilient social protection systems provides social and economic benefits, especially in terms of future costs of disasters, as institutional and social resilience is strengthened and a convergence spiral is enhanced. Such systems are therefore considered to have social and economic benefits, as they address inequality by reducing vulnerability and exposure to more frequent and intense disasters.

The COVID-19 pandemic has shown the importance of readiness in terms of instruments and institutional arrangements to provide a timely response to families and communities affected at local, regional or national levels. There is no silver bullet; what is needed is a set of policy alternatives that can be tailored to different contexts, with a life cycle approach to meet the specific needs of population groups, adapting procedures and legislation to coordinate disaster response with permanent social protection instruments.

Social protection is key to reduce the potential loss of assets and difficulties for recovery, and to retake the path to achieve the goals of the 2030 Agenda for Sustainable Development. The Regional Agenda of Inclusive Social Development provides lines of actions as guidelines to governments to pursue and achieve these goals. As a result, it is likely that institutional and programmatic changes aimed at greater social and economic inclusion with sustainable financing will help to guarantee social, economic, cultural and environmental rights.

To ensure proper implementation of social protection instruments during disasters, institutions play a central role. Legal frameworks to facilitate policymaking and organizational frameworks and procedures to clarify processes and roles are critical for high-quality social protection response. Ministries of social development should be permanent members of national emergency response mechanisms coordinating with other disaster risk management stakeholders. The current crisis has reinforced horizontal and vertical coordination, highlighting the importance of local authorities and civil society organizations. In addition, management tools and information systems incorporating social registers are vital means of preventing vulnerability and identifying households that have been or are likely to be affected by disasters.

As discussed above, financial sustainability is also fundamental. The countries of the region have an imperative to advocate for the negotiation and establishment of regional funds or insurance to assist countries in need of liquidity. However, disasters often transcend national borders, which is why a transnational approach

to response, mitigation, and adaptation is needed; if successful, it will bridge gaps between neighbouring countries and reduce disincentives to investment. Therefore, as countries have emphasized in previous sessions of the Regional Conference on Social Development in Latin America and the Caribbean, regional and South-South cooperation is critical for a transformative recovery and sustainable development.

Disasters are not the only obstacle to social inclusion in the region; rather, they are among a host of historical and new challenges that call for effective, efficient and sustainable social policies. COVID-19 highlighted the importance of developing inclusive social protection systems and countries must build on that momentum to adopt a comprehensive approach to addressing social problems in order to prepare and plan for future disasters with the greater dual resilience and financial sustainability that a new social and fiscal compact can bring.

To conclude, the lessons learned during the COVID-19 pandemic could turn this crisis into a window of opportunity for aligning policies to achieve the SDGs, leaving no one behind. It is against this backdrop that analysis and proposals in this document have been presented, for it is not intended as a binding policy directive, but as a catalyst for discussion and an invitation to decision makers to analyse innovative social policy alternatives in the region.

## Bibliography

- Abramo, L., S. Cecchini and B. Morales (2019), *Social programmes, poverty eradication and labour inclusion: Lessons from Latin America and the Caribbean*, ECLAC Books, No. 155 (LC/PUB.2019/5-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Abramo, L., S. Cecchini and H. Ullmann (2020), "Enfrentar las desigualdades en salud en América Latina: el rol de la protección social", *Ciência & Saúde Coletiva*, vol. 25, No. 5, Rio de Janeiro, Brazilian Association of Collective Health (ABRASCO), May.
- Andean Community (2017), "Decisión 819" [online] <http://www.comunidadandina.org/StaticFiles/DocOf/DEC819.pdf>.
- Arenas de Mesa, A. (2019), *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*, ECLAC Books, No. 159 (LC/PUB.2019/19-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Arias, L., J. Rud and C. Ruzzier (2019), *The Regulation of Public Utilities of the Future in Latin America and the Caribbean (LAC): Water and Sanitation Sector*, Washington, D.C., Inter-American Development Bank (IDB).
- Barca, V. (2020), "Options for rapid expansion of social assistance caseloads for COVID-19 responses", Social Protection Approaches to COVID-19 – Expert advice helpline (SPACE) [online] <https://reliefweb.int/sites/reliefweb.int/files/resources/SPACE%20Rapid%20Expansion%20052020v1.pdf>.
- Barca, V. and C. O'Brien (2017), "Factors affecting the usefulness of existing social protection databases in disaster preparedness and response", *Shock Responsive Social Protection Research*, Oxford, Oxford Policy Management (OPM).
- Bárcena, A. (2021), "Cities and housing provide an opportunity to transform Latin America and the Caribbean's development model into a more inclusive, egalitarian and sustainable one", 17 May [online] <https://www.cepal.org/en/news/cities-and-housing-provide-opportunity-transform-latin-america-and-caribbeans-development-model>.
- Beazley, R., A. Solórzano and V. Barca (2019), *Study on Shock-Responsive Social Protection in Latin America and the Caribbean: Summary of Key Findings and Policy Recommendations*, Oxford, Oxford Policy Management (OPM)/World Food Programme (WFP).
- 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).
- Berner, H. and T. van Hemelryck (2020), "Sistemas de información social y registros de destinatarios de la protección social no contributiva en América Latina: avances y desafíos frente al COVID-19", *Project Documents* (LC/TS.2020/140), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), December.
- Berzi, M., M. M. Lemões and N. Oddone (2021), "Obstáculos a la movilidad de pacientes en zonas de frontera del Mercosur: una propuesta de tipología", *Estudios Fronterizos*, vol. 22, June.
- Bidegain, N., L. Scuro and I. Vaca Trigo (2020), "Women's economic autonomy during the COVID-19 pandemic", *CEPAL Review*, No. 132 (LC/PUB.2021/4-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Blofield, M., C. Giambruno and F. Filgueira (2020), "Policy expansion in o, Economic Commission for Latin America and the Caribbean (ECLAC). compressed time: assessing the speed, breadth and sufficiency of post-COVID-19 social protection measures in 10 Latin American countries", *Social Policy series*, No. 235 (LC/TS.2020/112), Santiago

- CCRIF SPC (Caribbean Catastrophe Risk Insurance Facility) (2021), "Our Vision" [online] [www.ccrif.org](http://www.ccrif.org) [accessed on 15 June].
- (2020), *2019-20 Annual Report*, Grand Cayman [online] [https://www.ccrif.org/sites/default/files/publications/annualreports/CCRIF\\_Annual\\_Report\\_2019\\_2020.pdf](https://www.ccrif.org/sites/default/files/publications/annualreports/CCRIF_Annual_Report_2019_2020.pdf).
- CDEMA (Caribbean Disaster Emergency Management Agency) (2016), *The Regional Response Mechanism (RRM)*, Bridgetown.
- Cecchini, S., R. Holz and C. Robles (2021), "Los sistemas de protección social ante desastres"; *Gestión e institucionalidad de las políticas sociales para la igualdad en América Latina y el Caribe: caja de herramientas*, S. Cecchini, R. Holz and F. Soto de la Rosa (coords.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), forthcoming.
- 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).
- CELAC (Community of Latin American and Caribbean State) (2018), *Regional Strategy for Disaster Risk Management in the Agriculture Sector and Food and Nutrition Security in Latin America and the Caribbean (2018 - 2030)*, San Salvador.
- CEPREDENAC (Coordination Center for the Prevention of Natural Disasters in Central America) (2017), *Central American Policy on Comprehensive Risk Management PCGIR*, Guatemala City.
- Correa, E. (2011), "Reasentamiento de población como medida de reducción de riesgo de desastres: estudios de caso"; *Reasentamiento preventivo de poblaciones en riesgo de desastre: experiencias de América Latina*, E. Correa (comp.), Washington, D.C., World Bank/Global Facility for Disaster Reduction and Recovery (GFDRR).
- Dawson, W. and others (2020), *Mitigating the Impact of the COVID-19 Outbreak: A Review of International Measures to Support Community-Based Care*, International Long-Term Care Policy Network (ILPN)/Care Policy and Evaluation Centre (CPEC), 19 May [online] <https://ltccovid.org/wp-content/uploads/2020/05/Community-Based-Care-Report-19-May.pdf>.
- Del Ninno, C., S. Coll-Black and P. Fallavier (2016), *Social Protection Programs for Africa's Drylands*, Washington, D.C., World Bank.
- Development Pathways (2021), *Investments in social protection and their impacts on economic growth*, *International Trade Union Confederation*, Brussels, International Trade Union Confederation (ITUC).
- Eccleston-Turner, M. and H. Upton (2021), "International collaboration to ensure equitable access to vaccines for COVID-19: the ACTaccelerator and the COVAX Facility"; *The Milbank Quarterly*, vol. 99, No. 2, June.
- ECLAC (Economic Commission for Latin America and the Caribbean (2021a), *Social Panorama of Latin America, 2020* (LC/PUB.2021/2-P/Rev.1), Santiago.
- (2021b), "The economic autonomy of women in a sustainable recovery with equality"; *COVID-19 Special Report*, No. 9, Santiago, February.
- (2021c), *Building forward better: action to strengthen the 2030 Agenda for Sustainable Development* (LC/FDS.4/3/Rev.1), Santiago.
- (2021d), "Saint Vincent and the Grenadines a model example of successful disaster preparation, planning and response as La Soufrière set to blow"; *The Hummingbird*, vol. 8, No. 4.
- (2021e), "The recovery paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity"; *COVID-19 Special Report*, No. 11, Santiago, July.
- (2021f), *Digital technologies for a new future* (LC/TS.2021/43), Santiago.
- (2021g), "People of African descent and COVID-19: unveiling structural inequalities in Latin America"; *COVID-19 Reports*, Santiago, January.
- (2020a), *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5), Santiago.
- (2020b), "Challenges for the protection of older persons and their rights during the COVID-19 pandemic"; *COVID-19 Reports*, Santiago, December.
- (2020c), *Building a New Future: Transformative Recovery with Equality and Sustainability* (LC/SES.38/3-P), Santiago.
- (2020d), "The social challenge in times of COVID-19"; *COVID-19 Special Report*, No. 3, Santiago, May.
- (2020e), "The COVID-19 pandemic is exacerbating the care crisis in Latin America and the Caribbean"; *COVID-19 Reports*, Santiago, April.
- (2020f), "Digital Agenda for Latin America and the Caribbean (eLAC2022)" (LC/CMSI.7/4) [online] [https://conferenciaelac.cepal.org/7/sites/elac2020/files/20-00902\\_cmsi.7\\_digital\\_agenda\\_elac2022.pdf](https://conferenciaelac.cepal.org/7/sites/elac2020/files/20-00902_cmsi.7_digital_agenda_elac2022.pdf).
- (2020g), "Addressing the growing impact of COVID-19 with a view to reactivation with equality: new projections"; *COVID-19 Special Report*, No. 5, Santiago, July.
- (2020h), "Universalizing access to digital technologies to address the consequences of COVID-19"; *COVID-19 Special Report*, No. 7, Santiago, August.
- (2018a), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago.
- (2018b), *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P), Santiago.

- \_\_\_\_(2016), *Horizons 2030: Equality at the Centre of Sustainable Development* (LC/G.2660(SES.36/3)), Santiago.
- \_\_\_\_(2009), "Disaster risk reduction in the education sector among selected Caribbean small island developing States" (LC/CAR/L.235), subregional headquarters for the Caribbean.
- \_\_\_\_ECLAC/FAO (Economic Commission for Latin America and the Caribbean/Food and Agriculture Organization of the United Nations) (2020), "Preventing the COVID-19 crisis from becoming a food crisis: urgent measures against hunger in Latin America and the Caribbean," *COVID-19 Report - ECLAC-FAO*, June.
- \_\_\_\_ECLAC/ILO (Economic Commission for Latin America and the Caribbean/International Labour Organization) (2021), "Decent work for platform workers in Latin America," *Employment Situation in Latin America and the Caribbean*, No. 24 (LC/TS.2021/71), Santiago.
- \_\_\_\_(2020), "The COVID-19 pandemic could increase child labour in Latin America and the Caribbean," *Technical Note*, No. 1, Santiago.
- \_\_\_\_(2014), "Conditional transfer programmes and the labour market," *The Employment Situation in Latin America and the Caribbean*, No. 10 (LC/L.3815), Santiago, May.
- ECLAC/OEI (Economic Commission for Latin America and the Caribbean/ Organization of Ibero-American States for Education, Science and Culture) (2020), "Educación, juventud y trabajo: habilidades y competencias necesarias en un contexto cambiante," *Project Documents* (LC/TS.2020/116), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ECLAC/PAHO (Economic Commission for Latin America and the Caribbean/Pan American Health Organization) (2020), "Health and the economy: a convergence needed to address COVID-19 and retake the path of sustainable development in Latin America and the Caribbean," *COVID-19 Report - ECLAC-PAHO*, Santiago, July.
- ECLAC/UNESCO (Economic Commission for Latin America and the Caribbean/United Nations Educational, Scientific and Cultural Organization) (2020), "Education in the time of COVID-19," *COVID-19 Report - ECLAC-UNESCO*, Santiago, August.
- ECLAC/UNICEF (Economic Commission for Latin America and the Caribbean/United Nations Children's Fund) (2020), "Social protection for families with children and adolescents in Latin America and the Caribbean: an imperative to address the impact of COVID-19," *COVID-19 Report - ECLAC-UNICEF*, Santiago, December.
- ECLAC/UNICEF/OSRSG-VAC (Economic Commission for Latin America and the Caribbean/United Nations Children's Fund/ Office of the Special Representative of the Secretary-General on Violence against Children) (2020), "Violence against children and adolescents in the time of COVID-19," *COVID-19 Report*, Santiago, December.
- El País* (2020), "La emergencia viral y el mundo de mañana: Byung-Chul Han, el filósofo surcoreano que piensa desde Berlín," 22 March [online] <https://elpais.com/ideas/2020-03-21/la-emergencia-viral-y-el-mundo-de-manana-byung-chul-han-el-filosofo-surcoreano-que-piensa-desde-berlin.html> [accessed in July 2021].
- Ellmers, B. (2020), "Financing sustainable development in the era of COVID-19 and beyond: an analysis and assessment of innovative policy options," *Briefing*, Aachen/Berlin/Bonn, Bischöfliches Hilfswerk MISEREOR/Global Policy Forum Europe e.V./Evangelisches Werk für Diakonie und Entwicklung e.V, December.
- Fang, P., A. Kennedy and D. Resnick (2020), "Scaling up and sustaining social protection under COVID-19," *COVID-19 Policy Response Portal Project Note*, No. 3, Washington, D.C., International Food Policy Research Institute (IFPRI).
- FAO/ECLAC (Food and Agriculture Organization of the United Nations/Economic Commission for Latin America and the Caribbean) (2020), "Food systems and COVID-19 in Latin America and the Caribbean: the role of social protection measures," *Bulletin*, No. 7, Santiago.
- Faúndez, J. E. (2016), "Diagnóstico social en emergencia," presentation at the international seminar Optimizando la Respuesta en Emergencias desde lo Social, Ministry of Social Development of Chile/Economic Commission for Latin America and the Caribbean (ECLAC), Santiago, 22 June [online] [https://dds.cepal.org/eventos/presentaciones/2016/0622/1.2-JE-Faundez.pdf?source=post\\_page](https://dds.cepal.org/eventos/presentaciones/2016/0622/1.2-JE-Faundez.pdf?source=post_page).
- Fernández, A. and others (2017), "Impacto social y económico de la doble carga de la malnutrición: modelo de análisis y estudio piloto en Chile, el Ecuador y México," *Project Documents* (LC/TS.2017/32), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Gentilini, H. and others (2020), *Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices*, Washington, D.C., World Bank.
- Gilligan, D. (2020), "Social safety nets are crucial to the COVID-19 response: some lessons to boost their effectiveness," International Food Policy Research Institute (IFPRI), 18 June [online] <https://www.ifpri.org/blog/social-safety-nets-are-crucial-covid-19-response-some-lessons-boost-their-effectiveness>.
- Government of Chile (2021), "Ministerio de Desarrollo Social y Familia y Elige Vivir Sano dieron a conocer iniciativa de apoyo a 130 ollas comunes y 28 mil personas de todo el país," 18 March [online] <https://www.gob.cl/noticias/ministerio-de-desarrollo-social-y-familia-y-elige-vivir-sano-dieron-conocer-iniciativa-de-apoyo-130-ollas-comunes-y-28-mil-personas-de-todo-el-pais/>.

- Hallegatte, S. and others (2017), *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*, Washington, D.C., World Bank.
- Hardy, C. (2020), *Hambre+ dignidad=ollas comunes*, segunda edición, Santiago, LOM ediciones, August.
- Hidrobo, M. and others (2018), "Social protection, food security, and asset formation", *World Development*, vol. 101, January.
- Holz, R. (2021), "Síntesis de políticas adoptadas por los países de América Latina a favor de la economía social y solidaria en respuesta a la crisis de la COVID-19", Economic Commission for Latin America and the Caribbean (ECLAC), unpublished.
- Huenchuan, S. (ed.) (2018), *Envejecimiento, personas mayores y Agenda 2030 para el Desarrollo Sostenible: perspectiva regional y de derechos humanos*, ECLAC, Books No. 154 (LC/PUB.2018/24-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- IFPRI (International Food Policy Research Institute) (2021), *2021 Global Food Policy Report: Transforming Food Systems after COVID-19*, Washington, D.C.
- ILO (International Labour Organization) (2020), *2020 Labour Overview: Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean.
- INEE (Inter-Agency Network for Education in Emergencies) (2020), "Education during the COVID-19 pandemic", *Technical Note*, New York, April.
- IPC-IG/UNICEF (International Policy Centre for Inclusive Growth/United Nations Children's Fund) (2020), *Maternidad y paternidad en el lugar de trabajo en América Latina y el Caribe: políticas para la licencia de maternidad y paternidad y apoyo a la lactancia materna*, Panama City.
- Jordán, R., L. Riffo and A. Prado (coords.) (2017), *Desarrollo sostenible, urbanización y desigualdad en América Latina y el Caribe: dinámicas y desafíos para el cambio estructural* (LC/PUB.2017/19), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- JUNAEB (National Student Assistance and Scholarship Board) (2020), "Mapa Nutricional 2020" [online] [https://www.junaeb.cl/wp-content/uploads/2021/03/MapaNutricional2020\\_.pdf](https://www.junaeb.cl/wp-content/uploads/2021/03/MapaNutricional2020_.pdf).
- Kangas, O. (2019), "First results from the Finnish basic income experiment", *ESPN Flash Report*, No. 2019/17, European Social Policy Network (ESPN), Brussels, European Commission.
- Lo Vuolo, R. (2016), "El ingreso ciudadano en debate: repensar el bienestar en el siglo XXI", *Nueva Sociedad*, No. 264, August.
- Loft, P. and others (2020), "The Introduction of a universal basic income", *Debate Pack*, No. CDP0096, House of Commons Library, 8 October.
- López Bóo, F., J. Behrman and C. Vazquez (2020), "Economic costs of preprimary program reductions due to COVID-19 pandemic", *Technical Note*, No. IDB-TN-2000, Washington, D.C., Inter-American Development Bank (IDB).
- 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).
- Mariezcurrera, V. and others (2020), "The water, sanitation and hygiene sector and its response to COVID-19: initiatives in Latin America and the Caribbean", Panama City, United Nations Children's Fund (UNICEF) [online] [https://www.siwi.org/wp-content/uploads/2020/04/Covid-19\\_WASH\\_EN\\_Basic-note.pdf](https://www.siwi.org/wp-content/uploads/2020/04/Covid-19_WASH_EN_Basic-note.pdf).
- Martínez, U. and E. Murrugarra (2018), "Transferencias monetarias como respuesta a desastres", World Bank [online] <https://documents1.worldbank.org/curated/en/948341545142018041/text/CO-Nota-usa-de-transferencias-monetarias-como-respuesta-a-desastres.txt>.
- Martínez, R., A. Palma and A. Velásquez (2020), "Revolución tecnológica e inclusión social: reflexiones sobre desafíos y oportunidades para la política social en América Latina", *Social Policy series*, No. 233, (LC/TS.2020/88), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Martínez Franzoni, J. and D. Sánchez-Ancochea (2020), "Pactos sociales al servicio del bienestar en América Latina y el Caribe: ¿qué son y qué papel tienen en tiempos de crisis?", *Project Documents* (LC/TS.2020/169), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Martínez-Díaz, L., L. Sidner and J. McClamrock (2019), "The future of disaster risk pooling for developing countries: where do we go from here?", *Working Paper*, Washington, D.C, World Resources Institute (WRI).
- MERCOSUR (Southern Common Market) (2019), *Estrategia de Gestión del Riesgo de Desastres de los países del MERCOSUR*, Asunción.
- MIES (Ministry of Economic and Social Inclusion) (2016), "Bono de Acogida/Alquiler y Alimentación" [online] <https://www.inclusion.gob.ec/bono-de-acogidaalquiler-y-alimentacion/> [accessed on 20 de noviembre de 2019].
- Ministry of Culture (2021), "Gobierno entrega alimentos a comedores populares y ollas comunes", *Nota de Prensa*, 6 February [online] <https://www.gob.pe/institucion/cultura/noticias/341371-gobierno-entrega-alimentos-a-comedores-populares-y-ollas-comunes>.
- Oddone, N. (2020), "Without crossing borders there is no possible integration: Countries + integrated, people + protected", *Recíprocamente*, Regional Programme for social cohesion in Latin America (EUROSociAL), 17 December [online] <https://eurosoci.al/reciprocamente/sin-cruzar-las-fronteras-no-hay-integracion-posible-paises-integrados-personas-protegidas/>.

- Oddone, N. and others (2016), "Pactos territoriales en la construcción de regiones transfronterizas: por una mayor integración a múltiples niveles", *Territorial Development series*, No. 20 (LC/L.4222), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- ODI/UNICEF (Overseas Development Institute/United Nations Children's Fund) (2020), *Universal Child Benefits: Policy Issues and Options*, London/New York, June.
- Office of the Vice-President of the Dominican Republic (2018), *Protocolo Nacional de Actuación para la Protección Social frente a Choques Climáticos*, Santo Domingo [online] [http://www.do.undp.org/content/dam/dominican\\_republic/docs/reducciondesastres/publicaciones/pnud\\_do\\_protocolochoquesclimaticos.pdf](http://www.do.undp.org/content/dam/dominican_republic/docs/reducciondesastres/publicaciones/pnud_do_protocolochoquesclimaticos.pdf).
- OHCHR/UN-Habitat (Office of the United Nations High Commissioner for Human Rights/United Nations Human Settlements Programme) (2010), "The right to adequate housing", *Fact Sheet*, No. 21 (rev. 1), Geneva.
- Ortiz, I. and others (2018), "Universal basic income proposals in light of ILO standards: key issues and global costing", *ESS Working Paper*, No. 62, Geneva, International Labour Organization (ILO).
- Palomino, H. and S. Villafaña (2021), "Referencias conceptuales de la economía social y solidaria y la crisis de la COVID-19", unpublished.
- Rico, N. and C. Robles (2017), "Care as a pillar of social protection: rights, policies and institutions in Latin America", *Institutional frameworks for social policy in Latin America and the Caribbean*, ECLAC Books, No. 146 (LC/PUB.2017/14-P/Rev.1), R. Martínez (ed.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- Robles, C. and C. Rossel (2021), "Herramientas de protección social para enfrentar los impactos de la pandemia de COVID-19", *Project Documents*, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), forthcoming.
- SICA (Central American Integration System) (2018), *Agenda Regional Intersectorial sobre Protección Social e Inclusión Productiva con Equidad (ARIPSIP) 2018-2030*, San Salvador.
- Standing, G. (2017), *Basic Income: And How We Can Make it Happen*, Pelican.
- Strietska-Illina, O. and others (2011), *Skills for Green Jobs: A Global View. Synthesis report based on 21 country studies*, Geneva, International Labour Organization (ILO).
- TECHO-Chile/Fundación Vivienda (2021), *Catastro Nacional de Campamentos 2020-2021: Informe Ejecutivo*, Santiago.
- UN-Habitat (United Nations Human Settlements Programme) (2015), *Déficit habitacional en América Latina y el Caribe: una herramienta para el diagnóstico y el desarrollo de políticas efectivas en vivienda y hábitat*, Nairobi.
- UN-Women/ECLAC (United Nations Entity for Gender Equality and the Empowerment of Women/Economic Commission for Latin America and the Caribbean) (2020), *Care in Latin America and the Caribbean during the COVID-19: towards comprehensive systems to strengthen response and recovery*, Santiago, August.
- UN-Women/ILO/ECLAC (United Nations Entity for Gender Equality and the Empowerment of Women/International Labour Organization/Economic Commission for Latin America and the Caribbean) (2020), *Trabajadoras remuneradas del hogar en América Latina y el Caribe frente a la crisis del COVID-19*, Santiago, 12 June.
- UNHCR/Georgetown University/IOM (Office of the United Nations High Commissioner for Refugees/Georgetown University/International Organization for Migration) (2017), *A Toolbox: Planning Relocations to Protect People from Disasters and Environmental Change*, Geneva.
- UNICEF (United Nations Children's Fund) (2012), "Disaster Risk Reduction and Education" [online] <https://resourcecentre.savethechildren.net/node/6651/pdf/6651.pdf>.
- United Nations (2021), "Action tracks" [online] <https://www.un.org/en/food-systems-summit/action-tracks>.
- (2020a), *Policy Brief: The Impact of COVID-19 on Latin America and the Caribbean*, July.
- (2020b), "Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, Balakrishnan Rajagopal. COVID-19 and the right to adequate housing: impacts and the way forward", New York [online] <https://www.undocs.org/A/75/148>.
- (2015a), "Transforming our world: the 2030 Agenda for Sustainable Development" (A/RES/70/1), New York.
- (2015b), "Sendai Framework for Disaster Risk Reduction 2015–2030" (A/RES/69/283), New York.
- Velásquez Pinto, M. (2021), "La protección social de los trabajadores informales ante los impactos del COVID-19", *Project Documents* (LC/TS.2021/37), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC).
- WFP (World Food Programme) (2020), *WFP's Social Protection Strategy in Latin America and the Caribbean*, Panama City.
- WHO (World Health Organization) (2021), "G7 announces pledges of 870 million COVID-19 vaccine doses, of which at least half to be delivered by the end of 2021", 13 June [online] <https://www.who.int/news/item/13-06-2021-g7-announces-pledges-of-870-million-covid-19-vaccine-doses-of-which-at-least-half-to-be-delivered-by-the-end-of-2021> [accessed in July 2021].
- Yépez-García, A. and others (2020), *COVID-19 y el sector eléctrico en América Latina y el Caribe: ¿Cómo ayudar a los grupos vulnerables durante la pandemia?*, Washington, D.C., Inter-American Development Bank (IDB).
- Zúñiga Fajuri, A. (2018), "El ingreso básico como herramienta para subvertir los roles de género y, de paso, salvar el capitalismo", *HYBRIS - Revista de Filosofía*, vol. 9, July.

## Annex V.A1

### Regional funding arrangements for disaster response

#### 1. Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC)

The Caribbean is one of the world's most disaster-prone regions on account of its hurricanes and storms and their increasing frequency and intensity. Since these extreme events are often devastating for communities and productive infrastructure, States have opted to establish a collective insurance mechanism that allows risks to be shared and transferred to reinsurance markets. That mechanism is the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), which was established in 2007 as a not-for-profit company controlled by the 22 member States (19 Caribbean countries and three in Central America). Those same States finance the company with the support of the World Bank, the European Union, the Caribbean Development Bank (CARIBANK) and the Governments of Ireland, the United Kingdom, Canada and Japan. The member States' annual contributions range from US\$ 200,000 to US\$ 4 million, depending on the level of country exposure, and coverage ranges from US\$ 10 million to US\$ 50 million. As of November 2020, CCRIF SPC had paid out US\$ 194 million, broken down as follows: 6% for economic sectors, 6% for risk mitigation activities to reduce vulnerability to future extreme events, 14% for infrastructure, 62% for immediate response activities, 9% as a direct contribution to national budgets and 3% as fund recovery capitalization (CCRIF SPC, 2020 and 2021). Payments, triggered when thresholds based on meteorological information or data from geological services are met, are limited to 20% of estimated losses and are intended to inject funds to provide the necessary liquidity for initiating response and recovery efforts.

CCRIF SPC has designed products that are activated according to different parameters in situations such as earthquakes, tropical cyclones and excessive rainfall; it also offers special insurance policies to cover artisanal fishermen and electricity infrastructure. CCRIF SPC is also testing a parametric insurance mechanism for droughts (Martínez-Díaz, Sidner and McClamrock, 2019). It has been found, however, that member countries do not always obtain sufficient coverage due to fiscal problems, so CCRIF SPC has had to lower its premiums to increase coverage without jeopardizing the mechanism's sustainability. CCRIF SPC has recently expanded to Central America: Nicaragua, Panama and Guatemala are already members, and talks are at an advanced stage with Costa Rica, the Dominican Republic, El Salvador and Honduras. This expansion has not been without its difficulties, however, on account of the need to adapt the products and the payment triggering parameters to geographically larger countries.

#### 2. Fund to Alleviate COVID-19 Economics (FACE)

At the seventy-fifth session of the United Nations General Assembly, the President of Costa Rica proposed the creation of the Fund to Alleviate COVID-19 Economics (FACE) to promote economic recovery with a commitment to sustainability and social inclusion in countries with difficulties in accessing credit and loans due to high levels of external debt. The fund would be financed by the developed countries, which account for 80% of global GDP. Those countries should contribute the equivalent of 0.7% of their GDP, which would amount to US\$ 516 billion. The resources would be channelled through multilateral development banks that would offer long-term, fixed-rate loans.

The loans extended through FACE would grant a five-year grace period with a maximum term of 50 years, at a rate of 0% or at the London Interbank Offered Rate (Libor), which is approximately 0.7%. The loans would not be subject to any policy conditions, but would require a political commitment to good stewardship of the funds, anti-corruption efforts and fiscal responsibility. In addition, the use of the funds would be conditional on the country's progress towards achieving the Sustainable Development Goals (Ellmers, 2020). The maximum credit ceiling would be 3% of national GDP.

### 3. COVID-19 Vaccine Global Access (COVAX) Facility

The Access to COVID-19 Tools (ACT) Accelerator was launched in April 2020, as a joint effort involving the World Health Organization (WHO), the World Bank, the Gavi Alliance, the Coalition for Epidemic Preparedness Innovations (CEPI), the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Bill and Melinda Gates Foundation, the Foundation for Innovative New Diagnostics (FINN), Unitaid and the Wellcome Trust. It is intended to ensure a faster conclusion to the COVID-19 pandemic and is based on a four-pillar strategy: (i) the diagnostics pillar, which involves the design and equitable distribution of tests to detect the COVID-19 virus, (ii) the therapeutics pillar, which entails designing, manufacturing and distributing 245 million treatments to treat and prevent severe COVID-19 symptoms and accelerate the recovery of infected people in low- and middle-income countries, (iii) the vaccines pillar, which aims to accelerate the search for effective vaccines for all countries by supporting logistics and manufacturing and to implement joint purchasing strategies to provide low- and middle-income countries with the doses they need, and (iv) the health systems pillar, the goal of which is to strengthen health systems to ensure that diagnostic tests, treatment and vaccines reach the people who need them.

The third pillar is the COVAX Facility, the objective of which is to accelerate the manufacture of vaccines and ensure equitable and fair access to them by the countries of the world, especially those that lack a significant market presence and are relegated by their limited negotiating and purchasing power, especially in the advance purchase mechanism (Eccleston-Turner and Upton, 2021). The COVAX Facility is a joint action co-led by the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the Pan American Health Organization (PAHO), the Gavi Alliance and the Coalition for Epidemic Preparedness Innovations. The goal was that by 2021 the facility would deliver 2 billion doses and that 50% of them would be earmarked for low-income countries. By mid-June 2021, some 87 million vaccines had been distributed to 131 countries, most of which were in the low- and middle-income ranges. Recently, at the Group of Seven (G7) summit held in Cornwall, United Kingdom, a commitment was made to donate 870 million doses to the COVAX Facility and to make at least 50% of that amount available by the end of 2021 (WHO, 2021).

The COVAX Facility is funded by contributions from upper-middle-income and high-income countries (self-financing countries), and funding is provided to middle-income and low-income countries. The first group of countries pay in advance with the guarantee that COVAX will deliver a number of doses equivalent to 20% of their populations. With those funds, COVAX plans to purchase 950 million doses, although there are difficulties in obtaining the guaranteed funds needed to meet the 2021 commitments, which amount to US\$ 4.6 billion. Participation in the COVAX Facility does not prohibit upper-middle-income and high-income countries from negotiating bilaterally with vaccine suppliers. In addition, countries receiving funding do not make advance payments; instead, they receive support from the Gavi Alliance, which has designed a financial instrument (the COVAX Advance Market Commitment, AMC) for the procurement and delivery of vaccines (Eccleston-Turner and Upton, 2021).

Recently, ECLAC has spoken of the need to form a regional bloc to improve negotiating capacity and pool demand for vaccine purchases. This is because the availability of vaccines and access to them have not been sufficient to meet the region's needs: the countries' positions in individual negotiation processes are weak and the possibility of receiving vaccines through humanitarian aid mechanisms still faces delays. Consequently, without a regional partnership, countries will be the major losers in the COVID-19 vaccine procurement and distribution system, and herd immunity will therefore remain a distant goal in 2021 (ECLAC, 2021c).

The region is traversing a perilous moment of great uncertainty, in which unremitting structural problems, such as poverty, inequality, exclusion and the violation of rights, are at risk of being intensified by emerging critical challenges —such as migration, the digital divide and climate change— and by the impacts of disasters that are increasingly recurrent and varied in nature and origin.

In this context, the analyses and proposals set forth here are intended to underpin the discussion of alternatives for moving towards a transformative recovery with equality and sustainability, capable of addressing the challenges of inclusion and social development in Latin America and the Caribbean.

Following the axes and lines of action of the Regional Agenda for Inclusive Social Development, this document represents an invitation to link social protection and disaster risk management systems to achieve greater social and institutional resilience, within a framework of social and fiscal compacts that, among other things, make it a viable proposition to build financially sustainable social protection systems for progressing towards sustainable development that leaves no one behind.