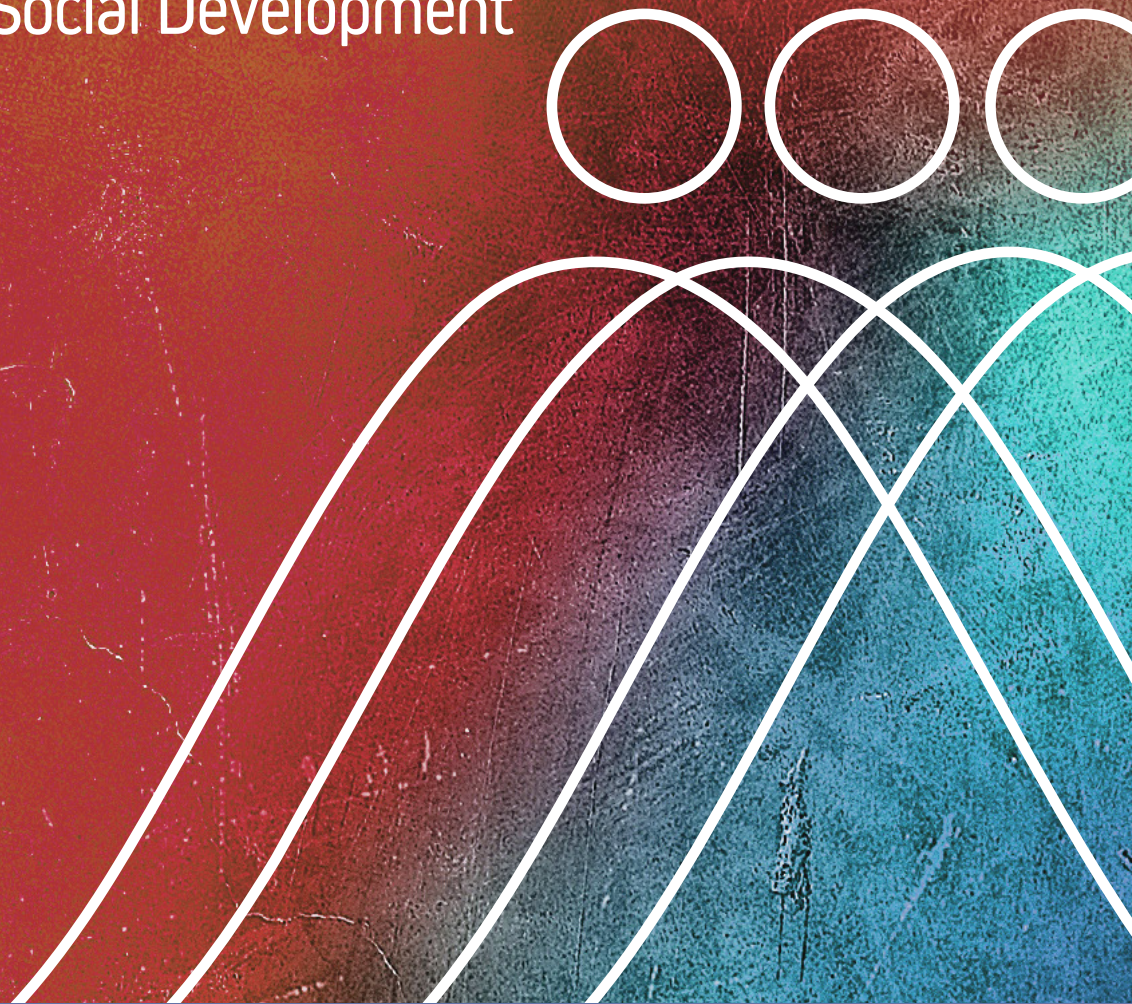


# Institutional Frameworks for Social Policy in Latin America and the Caribbean

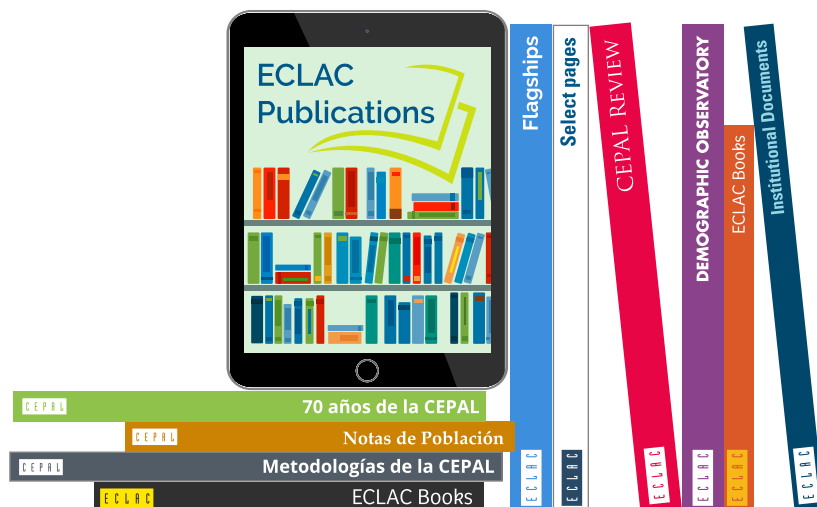
A Central Element in Advancing towards Inclusive Social Development



Regional Conference  
on Social Development  
in Latin America and the Caribbean

Santiago, 3–5 October 2023

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# Institutional Frameworks for Social Policy in Latin America and the Caribbean

A Central Element in Advancing towards Inclusive Social Development



UNITED NATIONS

ECLAC



Working for a productive, inclusive and sustainable future

Regional Conference  
on Social Development  
in Latin America and the Caribbean

Santiago, 3–5 October 2023

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# Foreword



Institutional frameworks are one of the pillars of high-quality public policies that are effective, efficient, transparent and sustainable. This, which is true in all areas of public policy, is especially important with regard to institutional frameworks for social policy and the labour market. Amid the backdrop of economies caught in a low-growth trap and cascading crises facing the world and the region—including shocks relating to the pandemic, inflation, food security, climate, education and energy—the strengthening of these institutional frameworks to ensure effective governance is central to the formulation of a response which incorporates social policies that protect the entire population.

With a view to ensuring that ministries of social development and their counterparts achieve their objectives of social inclusion and protection, strengthening institutional frameworks for social protection and how they are governed is fundamental.

Social policy institutional frameworks are also key to the implementation of policies that enable progress towards the achievement of the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. In this regard, the focus of Goal 16 is to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. One major policy challenge is continuing efforts to expand and deepen social protection systems, as recognized in Goal 1, which refers to the need to implement nationally appropriate social protection systems and measures for all, and to achieve substantial coverage of the poor and the vulnerable. Goal 10, which focuses on effectively narrowing existing social and economic gaps within and among countries, highlights the role of equality as a fundamental pillar of development and calls, in target 10.4, for the adoption of policies, especially fiscal, wage and social protection policies, and the progressive achievement of greater equality. Progress in achieving the specific goals of universal social protection is only possible if social protection is financially sustainable, as reflected in Goal 17, which specifically calls for stronger domestic resource mobilization.

It is also important to consider Goal 8, which aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. This Goal is highly significant given that the region has grown by just 0.8%, on average, in the 2014–2023 decade, which is less than the 2% recorded in the lost decade of the 1980s, and that growth is projected to be low to moderate in 2024 and 2025 for the global economy and for the region's main trading partners. Low economic growth hampers the reduction of poverty, informality and inequality, owing partly to a sluggish labour market and partly to difficulty in expanding fiscal space so that the necessary investments can be made in social policies. To ensure that ministries of social development and their counterparts achieve their social inclusion and protection objectives, it is important to adopt an approach that combines social policies with policies focused on growth, productive development and the labour market, as together they represent an opportunity to create strong synergies and virtuous circles that should be encouraged.

In 2019, at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, on the basis of the time frame defined in the 2030 Agenda for Sustainable Development, the countries of the region adopted the Regional Agenda for Inclusive Social Development. This agenda includes axes and lines of action to advance in the achievement of the SDGs in the region. One of the four axes proposes a strengthened social policy institutional framework to implement high-quality social policies and outlines 13 lines of action based on the establishment, formalization and strengthening of the institutional frameworks for social policy and the safeguarding and consolidation of social policy financing. The countries thus recognize that consolidated and resilient institutional frameworks for social policy are needed to ensure that public policies help to promote, protect and guarantee the full enjoyment of all economic, social, cultural and environmental rights.

In order to advance in inclusive social development, it is important to establish a virtuous circle between social institutional frameworks and governance of these frameworks in order to implement policies that address and reduce poverty and inequality in the region. Robust institutional frameworks for social policy provide a clear and coherent structure, limit arbitrary decision-making and enable an organized response to change,

avoiding excessive bureaucracy. These institutional frameworks also advance with the support of well-defined mandates for ministries of social development, clear social authority and a robust organizational model, with sustainable financial resources and human resources policies. Effective governance, meanwhile, facilitates improved decision-making processes and participation. Together, robust institutional frameworks for social policy and effective governance in decision-making help to build resilience and reduce poverty and inequality in the region.

In view of the above, this document aims to provide guidelines on institutional frameworks for social policy and on the governance of social policies. It underscores the feasibility and possibility of adapting social policy institutions and governance processes to the specific reality of each country and to new scenarios amid the changing social reality. It also highlights the potential for greater financial sustainability that would allow the development of universal, comprehensive, sustainable and resilient social protection systems and, thus, facilitate the achievement of the social objectives of the 2030 Agenda for Sustainable Development in the region.

The final challenge is to improve the quality of inclusive social development policies, and this document aims to help close the multiple socioeconomic gaps prevailing in the region, and to fulfil the mandate of the Economic and Social Council to advance the three dimensions of sustainable development: economic, social and environmental. Both this document and the work of the Regional Conference on Social Development in Latin America and the Caribbean over the next two years constitute a contribution from our region to continue pursuing the 2030 Agenda for Sustainable Development and to ensure that the voice of Latin America and the Caribbean is heard at the next World Social Summit of the United Nations to be held in 2025.

**José Manuel Salazar-Xirinachs**

Executive Secretary  
Economic Commission for Latin America  
and the Caribbean (ECLAC)



# Introduction

- A. Background
  - B. The regional socioeconomic context
  - C. The document
- Bibliography



## A. Background

In Latin America and the Caribbean, ministries of social development are key stakeholders in social protection policies, particularly through their non-contributory component, in which they play a central role to realize inclusive and sustainable social development. This is because their functions focus on safeguarding a minimum level of economic well-being for all people and ensuring access to goods and services that allow social rights to be exercised, thus reducing inequality and fostering social cohesion.

In this regard, institutional frameworks for social policy form the foundation for design and implementation of public policies for inclusive social development and have also been a chief concern of the work of the ministries of social development and equivalent bodies in the countries of the region since the first session of the Regional Conference on Social Development in Latin America and the Caribbean. At that session, held in Lima in 2015, national authorities conducted a preliminary analysis of regional, subregional and national social policy institutional frameworks (ministries and collegial coordination bodies). The position paper *Inclusive social development: a new generation of policies to overcome poverty and reduce inequality in Latin America and the Caribbean* (ECLAC, 2015) included a chapter specifically on their characteristics and evolution, examining four complementary aspects of such frameworks: legal and regulatory, organizational, technical and operational, and financial.

The identified characteristics of institutional frameworks include the short histories of the social authorities in charge in non-contributory social protection in the region—which in many cases emerged in relation to the social investment funds of the 1990s—when compared to other areas of government. The document highlighted the scope of social policy institutions' missions in various areas (such as poverty eradication, social inclusion, care, migration and disability) and their multiple and diverse target populations (including women, children, young people, older persons and Indigenous Peoples), the degree of heterogeneity in their models, and the numerous collegial bodies that coordinated policies at the national level. It also underscored the importance of having plans to translate laws into specific measures, with clear targets, operating plans and regulations, as well as information systems for analysis, monitoring and evaluation. Lastly, the document reviews progress on institutionalization of social policy in financial terms, especially with regard to poverty and social protection.

Of the challenges relating to the characteristics of institutional frameworks for social policy, the document highlighted “consolidating a legal and regulatory basis that enhances the sustainability of social policies as State policies that endure beyond electoral changes; strengthening the role of social development in the public agenda and the capacity for coordinating and linking poverty reduction policies with social protection policies, other areas of social policy (education, health, labour, housing) and with the economic, infrastructure and productive development sphere; deepening public administration capacity in the social area, considering the formalization of procedures from the drafting of plans to the evaluation of their outcomes, as well as the availability of reliable and timely information to guide decision-making in pursuit of maximum impact and efficiency; ensuring adequate resources to meet the needs of a quality social policy, transforming the concept of current expenditure into one of social investment, and improving its recording and publication, both in terms of financing and implementation” (ECLAC, 2015, p. 104). The document also stated that “efforts to strengthen the region’s social policy institutions cannot ignore the growing recognition that its overarching objectives can only be achieved through a set of economic policies that are consistent with inclusive economic growth, the creation of formal, well-paid employment and macroeconomic decisions that translate into progressive distributive outcomes. For that reason, strengthening the social authority requires better coordination and complementarity with the economic and financial authority in each country. Linking the social and economic spheres in this way presents one of the greatest challenges for a new social institutionality in the region” (ECLAC, 2015, p. 105). Regarding the institutional development of social development ministries, it notes that two undertakings are critical: “first, expanding planning capacities for the design and formulation of policies and programmes, by combining the intensive use of available knowledge with technical rigour and broad social dialogue and citizen participation processes; and second, further developing institutional capacities for the internal and external evaluation of social policies and programmes, for the purposes of follow-up, strengthening, reorientation and innovation, creating a virtuous circle of feedback between planning and evaluation” (ECLAC, 2015, p. 105).

In 2019, at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, the countries adopted the Regional Agenda for Inclusive Social Development (ECLAC, 2020) as a technical policy instrument to guide specific actions that contribute to achieving the aims related to the social dimension of the 2030 Agenda for Sustainable Development. Institutional frameworks for social policy represent one of the four axes of the Agenda, as a key means of implementation of the 2030 Agenda. The Agenda and inclusive social development “can only be achieved through State commitments, hand in hand with a solid institutional system that gives policies and programmes continuity, coherence and legitimacy, beyond political and electoral cycles” (ECLAC, 2020, p. 24).

The cascading crises of recent years have further highlighted the relevance and importance of having an institutional framework for social policy that can meet the challenges in the region. Institutional frameworks for social policy can determine the policies, programmes and transformations that are needed to achieve minimum levels of well-being, participation and exercise of rights, universally, for all people. They thus affect the capacity to achieve results that are sustainable, as well as the adequacy of benefits, their coverage and their financial sustainability. The coronavirus disease (COVID-19) pandemic laid bare institutional strengths and weaknesses, as well as resilience and capacity to adapt to needs arising from the social and economic impacts of the pandemic. However, in addition to this scrutiny of capacities, there was an impact from intensifying migration, worsening disasters linked to climate change, violence, the global economic and social impacts of the conflict in Ukraine, and accelerating technological change —with effects on the labour market— all of which add to the challenge of making social protection in the region more inclusive and sustainable. At the heart of the sustainability of social protection systems in the region is the ability to meet social commitments in terms of coverage, adequacy of benefits and financial sustainability for both current and future generations (Arenas de Mesa, 2019).

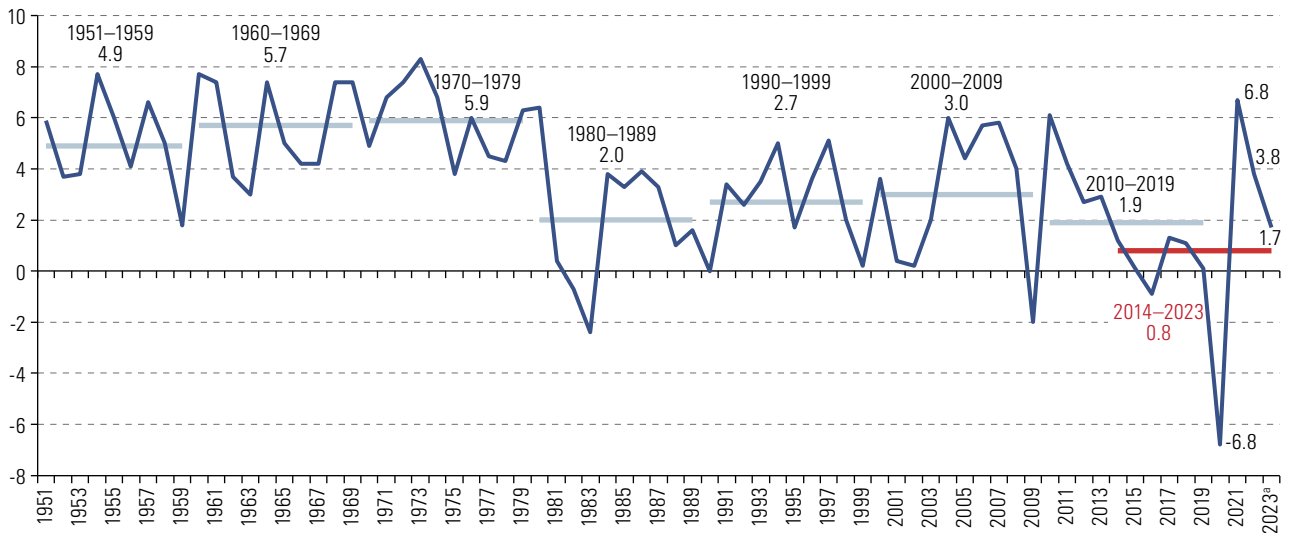
The fifth session of the Regional Conference on Social Development in Latin America and the Caribbean is an opportunity to examine progress on institutional frameworks for social policy and governance of decision-making processes, and to review the structural and emerging challenges in these two areas that the authorities responsible for social development policies in the region face, with a view to meeting the targets of the Sustainable Development Goals (SDGs). This objective forms the basis of the central theme of this document.

## B. The regional socioeconomic context

As highlighted in the *Social Panorama of Latin America, 2022*, the region has not been able to make headway in recovering from the pandemic’s social impacts and regain the levels of pre-pandemic social indicators registered in 2019. Meanwhile, the region is still exposed to an unstable global geopolitical and economic scenario marked by a combination of successive crises, especially the conflict in Ukraine. This scenario has led to a slowdown in economic growth with slow generation of employment, especially in quality jobs, together with strong inflationary pressures that have pushed up food and energy prices, together with substantial falls in investment (ECLAC, 2022b, p. 13).

In the wake of the economic impact of the pandemic, which led to a contraction in the region’s GDP of 6.8% in 2020, the economy expanded by 6.8% in GDP terms in 2021 and by 3.8% in 2022. For 2023, ECLAC projects GDP growth of 1.7% in Latin America and the Caribbean, with rates of 1.2% for South America, 3% for Central America and Mexico and 4.2% for the Caribbean (excluding Guyana) (ECLAC, 2023a). As shown in figure 1, these estimates would result in average economic growth for 2014–2023 of 0.8%, making it the decade with the lowest average growth in the period since 1951, considerably lower even than the average annual rate for the “lost decade” of the 1980s, which was 2% (ECLAC, 2023b). In that “lost decade,” almost half of the region’s population saw their income fall below the poverty line and the poverty rate rose almost 8 percentage points (48.4% in 1990 compared to 40.5% for 1980) (ECLAC, 1994 and 2002).

**Figure 1**  
Latin America and the Caribbean: GDP growth, 1951–2023  
(Percentages)



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

<sup>a</sup> The figures for 2023 are projections.

Average GDP growth in Latin American countries has been determined by global economic conditions, but to very different degrees: while in 2021 nine countries achieved double-digit growth rates (Argentina, Chile, Colombia, the Dominican Republic, El Salvador, Honduras, Nicaragua, Panama and Peru), in another seven rates did not exceed 5% (Bolivarian Republic of Venezuela, Cuba, Ecuador, Haiti, Mexico, Paraguay and Uruguay) (ECLAC, 2023e).

As in Latin America, GDP in the Caribbean (excluding Guyana) was affected in 2020 by the COVID-19 pandemic, dropping 13.1%. In tourism-dependent economies, such as Anguilla, Antigua and Barbuda, the Bahamas and Saint Lucia, GDP declined by more than 20%. However, most economies grew in 2021 and 2022. Guyana's real GDP growth rate has remained in double digits since 2020, driven by its thriving hydrocarbon industry (ECLAC, 2022a).

These figures reflect cascading crises in the region, a combination of inflation and high debt levels from the COVID-19 pandemic crisis, together with the effects of the conflict in Ukraine, with global and regional challenges (ECLAC, 2023d). There has also been a sustained increase in the frequency of disasters as a result of climate change, causing prolonged social, economic and environmental crises (ECLAC, 2021a).

In this context, the lowest income quintiles are more intensely affected by high inflation, especially in terms of the food component of the consumption basket, and the most vulnerable middle-income strata are also suffering these impacts (ECLAC, 2022b). Inflation is expected to abate somewhat in 2023, but remain high; for March to December inflation rates<sup>1</sup> are projected to rise by around 5% for Latin America and 5.6% for the Caribbean, with notable repercussions for low-income households' purchasing power and prices of agricultural sector inputs (ECLAC, 2023c).

The debt situation and countries' fiscal revenues are key aspects for analysis of public policies in general, and social policies in particular. This is because they determine the space to invest in policy and meet the challenges of inclusive social development. In this context, central government spending in the region has followed an upward trend, with a marked increase in resources as a result of the pandemic and average real<sup>2</sup>

<sup>1</sup> The averages do not include the following economies with chronic inflation: Argentina, Bolivarian Republic of Venezuela, Cuba, Haiti and Suriname.

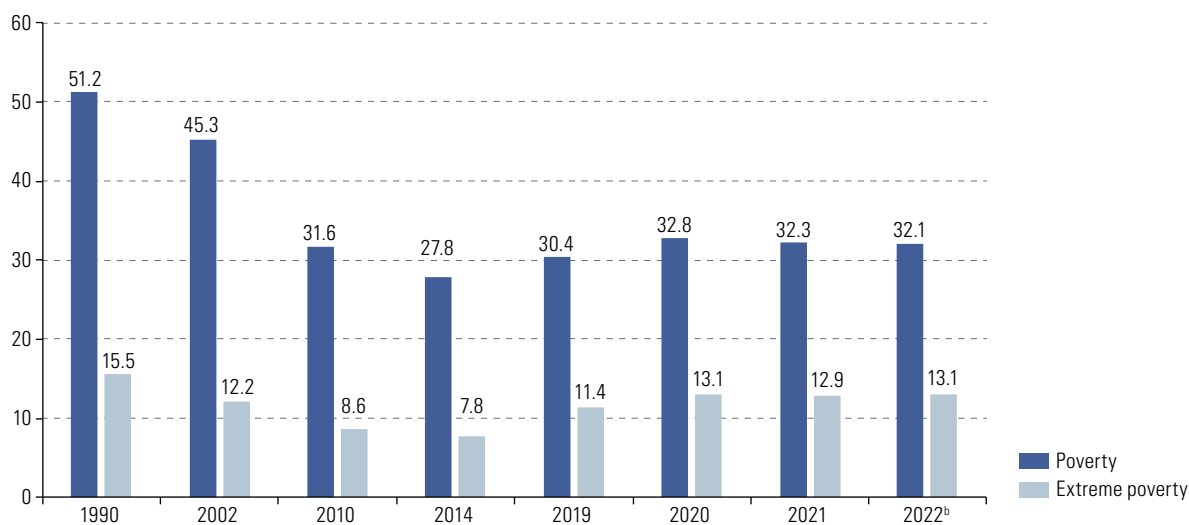
<sup>2</sup> Calculated as the percentage change in dollars at constant 2018 prices.

growth rates of 14.9% in 2020 and 1.3% in 2021, respectively, for Latin American countries, and 20.9% in 2020 and 10.3% in 2021, respectively, in the five Caribbean countries for which ECLAC has data (Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago). In GDP terms, average government social spending in Latin America rose from 11.3% in 2019 to 13.0% in 2021, while in the Caribbean it increased from 11.3% in 2019 to 14.1% in 2021 (ECLAC, 2022b). New social protection measures from the governments of the subregion following implementation of physical distancing and other measures to address the COVID-19 pandemic are behind this increase in social spending.

In the social sphere, as outlined in the *Social Panorama of Latin America, 2022* (ECLAC, 2022b), although the rate of poverty in Latin America fell 0.5 percentage points from 2020 to 2021, it was still almost two points above the 2019 figure, at 32.3% of the population in 2021. The rate is projected to remain steady in 2022, at 32.1%. The extreme poverty rate did not improve significantly either in 2021, dropping just 0.2 percentage points from its level in 2020 (12.9% and 13.1%, respectively); this progress is projected to have reversed in 2022, meaning that 80 million people are estimated to be living on incomes below those required to cover minimum food needs (see figure 2).

**Figure 2**

Latin America (18 countries):<sup>a</sup> poverty and extreme poverty rates, 1990–2021 and projections for 2022 (Percentages)



**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, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

<sup>b</sup> The figures for 2022 are projections.

No recent poverty statistics are available for Caribbean countries. According to the most recent country data available, the average percentage of the population below the national poverty line in 20 Caribbean Community (CARICOM) member countries was 24.7% (CARICOM, 2022).

In 2020, income fell in almost all countries in the region, including labour income, although this was partially offset by government cash transfers. In contrast, in 2021, labour income recovered and countries phased out the emergency social protection programmes implemented in response to the pandemic.

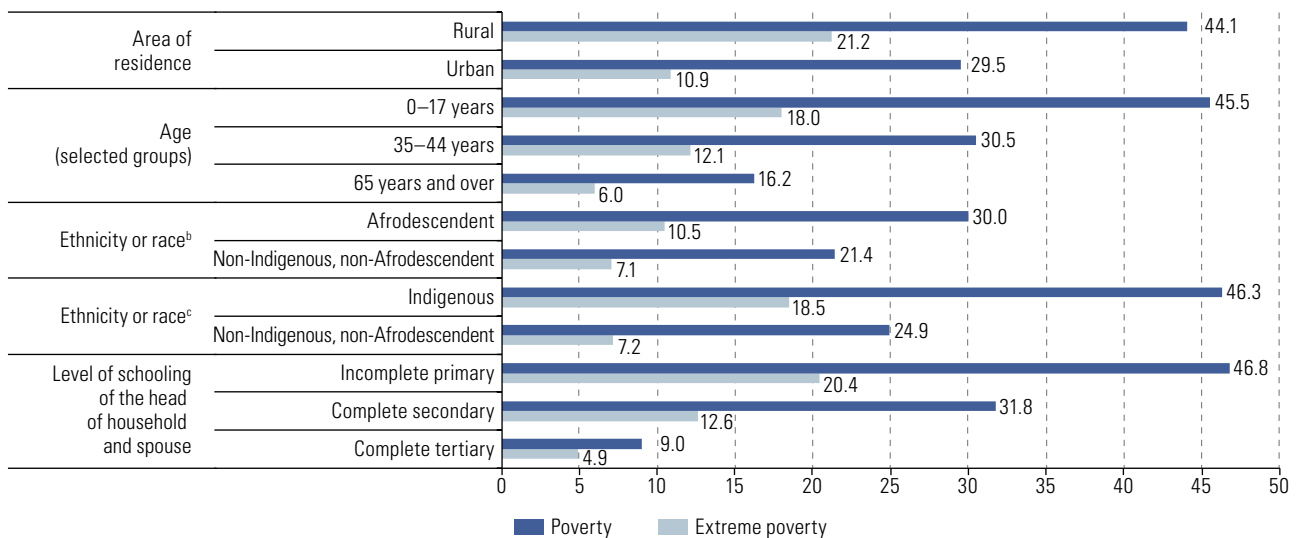
The population living in poverty or extreme poverty has found its access to basic goods limited by rising food prices, resulting in greater food insecurity over the past two years. According to data from FAO and others (2023), in 2021 hunger affected around 56.5 million people in the region (49.4 million in Latin America

and 7.2 million in the Caribbean). Rising food prices are expected to increase malnutrition, with increases in undernutrition, overweight and obesity. In 2020, 21% of the population of Latin America (117.3 million) and over 50% of the population of the Caribbean (13.9 million) could not afford to maintain a healthy diet (FAO and others, 2023). This number may be expected to have increased in the current conditions, with particular effects on children and adolescents, given the serious impact that malnutrition has on their comprehensive development and exercise of rights (ECLAC, 2022b).

Two key elements provide some additional context to the situation regarding poverty and income distribution in the region. The first is the matrix of social inequality, which has significantly greater harmful effects for women, children, adolescents, Indigenous Peoples, Afrodescendent populations and those living in rural areas, as shown in figure 3.

**Figure 3**

Latin America (18 countries):<sup>a</sup> poverty rates by different sociodemographic characteristics, 2021  
(Percentages)



**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, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

<sup>b</sup> Refers to 8 countries: Brazil, Colombia, Ecuador, Guatemala, Nicaragua, Panama, Peru and Uruguay.

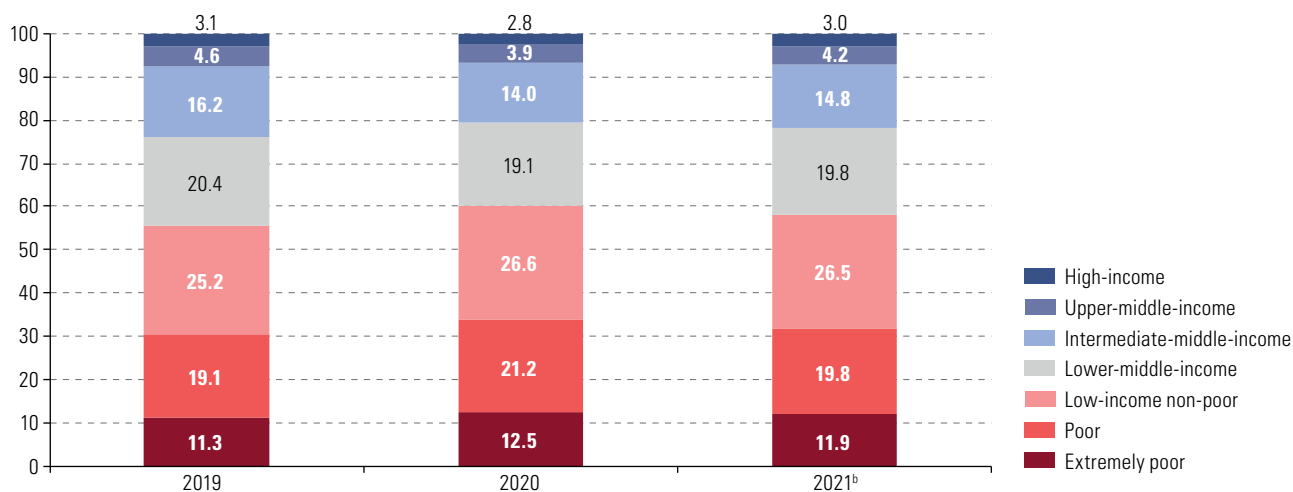
<sup>c</sup> Refers to 11 countries: Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Nicaragua, Panama, Peru, Plurinational State of Bolivia and Uruguay.

The second element is the overall income distribution structure. As shown in figure 4, in 2021 almost 60% of the population of Latin America was in the low-income stratum, living with income below 1.8 poverty lines, and almost 80% of the population had income below three times the poverty line. The distribution illustrates the high proportion of households living in vulnerable conditions, at high risk of falling into poverty in the event of economic shock or disasters. The characteristics of the social structure also show that there is a high mobility of households between the middle- and low-income strata, with upward and downward flows. This corroborates that escaping poverty does not result in lasting financial security, but is in fact a situation that can be reversed.

One example of the risk of people falling back into poverty is illustrated by data from the panel study of Chile's National Socioeconomic Survey (CASEN) in 1996, 2001 and 2006. While between 1996 and 2001, the poverty rate fell from 22.4% to 18.9%, 46.6% had fallen into poverty in 2001 (Neilson, 2004). Thus, aggregate data on poverty reduction do not necessarily reflect an equivalent proportion of people escaping poverty, but rather the net outcome of upward and downward flows of individuals and households. The same holds true for the population living in extreme poverty. The challenge for the countries is therefore not limited to assisting the population in escaping poverty and extreme poverty, but also to address vulnerability, especially of the middle-income strata, so that they do not fall into poverty.

**Figure 4**

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 Household Survey Data Bank (BADEHOG).

**Note:** Applying the criteria set out in the *Social Panorama of Latin America, 2019* (ECLAC, 2019), three major strata are considered, according to household per capita income measured in poverty lines: low-, medium- and high-income. The low-income strata include three subgroups: (i) extremely poor (per capita income below the extreme poverty line); (ii) poor (per capita income equal to or greater than 1.0 extreme poverty line and below the poverty line); and (iii) low-income non-poor (per capita income above 1.0 poverty line and below 1.8 poverty lines). The middle-income strata include: (i) the lower-middle-income stratum (income between 1.8 and 3 poverty lines); (ii) the intermediate-middle-income stratum (income between 3 and 6 poverty lines); and (iii) the upper-middle-income stratum (income between 6 and 10 poverty lines). The high-income stratum comprises people with a per capita household income above 10 poverty lines.

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

<sup>b</sup> With 100% of transfers.

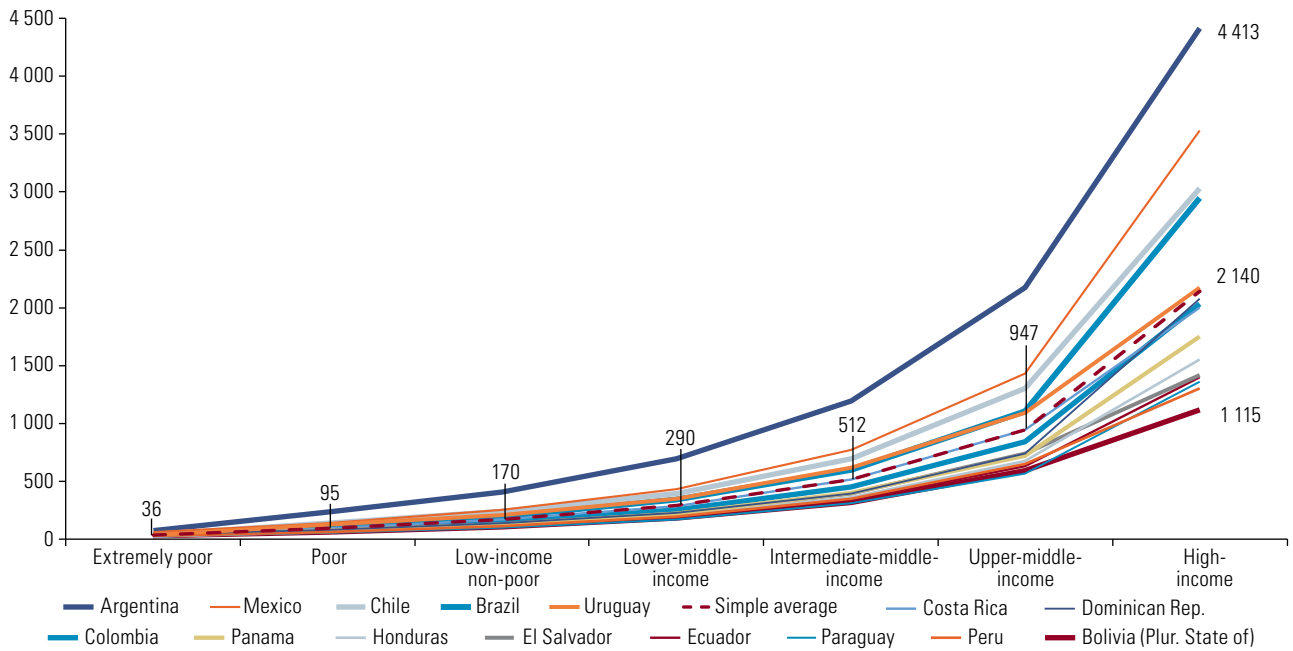
The distribution of the population according to income strata in the countries of the region reveals a high concentration in the high-income and upper-middle-income strata. An analysis of the situation in Latin American countries in 2019 shows that the average monthly per capita household income varies considerably and increases significantly from the middle-income strata upwards. According to information from 15 countries, the average monthly per capita income of households in the lower-middle strata is equivalent to 8.1 times (US\$ 290) that of households in the extreme poverty stratum (US\$ 36). This difference is much greater with respect to upper-middle income and high-income strata households, whose mean income is, respectively, 26.3 and 59.4 times that of extreme poverty stratum households (Martínez and others, 2022) (see figure 5).

Labour income is the main source of household income in the region. On average, it accounted for three quarters of disposable income in households above the poverty line in 2019, compared with 69% for poor households and 59% for extremely poor households. Labour incomes are primarily supplemented by transfers, the share of which falls from 39% for households in the extremely poor stratum to 26% for poor households and less than 5% for high-income households. In contrast, in the high-income stratum, the second largest source of income is pensions, accounting for around 14% of income, a figure that declines gradually to 1.4% for households in extreme poverty (Martínez and others, 2022) (see figure 6).

Data for 2020 show that in line with countries' response to the COVID-19 pandemic, the relative share of transfers (public and private) in the total income of low-income, middle-income and intermediate-middle-income households increased. Thus, in response to falling labour income, countries adopted expansionary policies to increase transfers to households in the poorest strata and extend coverage to households which, until then, were not participating in non-contributory social protection programmes (Martínez and others, 2022).

**Figure 5**

Latin America (15 countries):<sup>a</sup> average monthly per capita household income, by strata and country, around 2019  
(Dollars at 2010 prices)

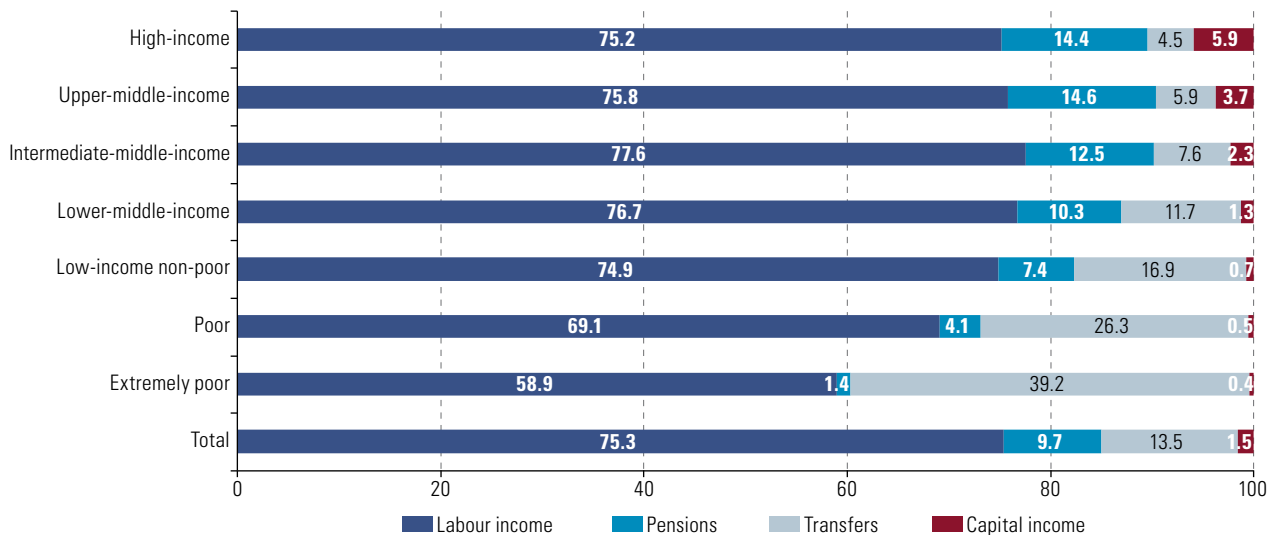


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

<sup>a</sup> Simple average for: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

**Figure 6**

Latin America (15 countries):<sup>a</sup> share of different types of disposable income by income stratum, around 2019  
(Percentages)



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

**Note:** Data refer to household disposable income and therefore exclude imputed rent and other sources that do not fall into other categories.

<sup>a</sup> Simple average for: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

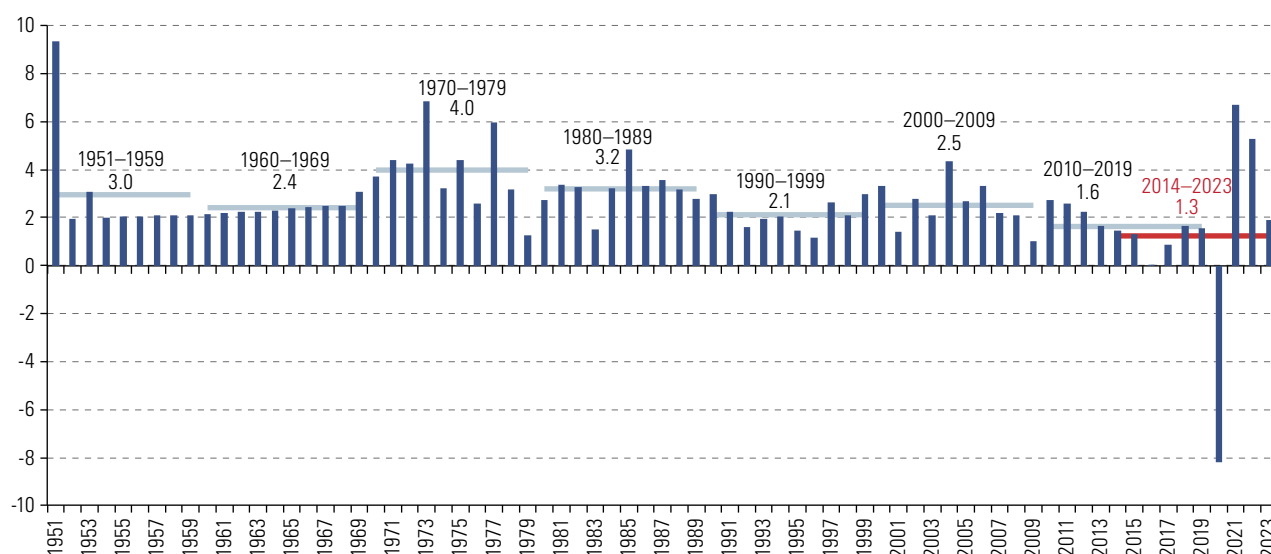
This reveals the dominance of the labour market in the distribution of income and poverty in the region. First, there is the importance of wages and salaries which, although they account for nearly the same share in population strata not living in poverty, differ significantly for workers in other strata, as they are insufficient to provide a minimum level of well-being in the lower strata. Second, there is the role of social protection and its dual nature, with a contributory sector weighted towards the middle- and high-income strata and a non-contributory sector in the lower income strata. The latter is a clear reflection of the importance of the role of the State for much of the population but also of the inadequacy of State benefits—which, for many, are not enough to lift them out of poverty—and is therefore indicative of the scope of the challenge facing social protection systems.

Underlying both this situation and the inequality in the region are its heterogeneous production structure and high rates of labour market informality, with 47.9% of the region's workers in the informal sector (ECLAC, 2023e). There are major entry barriers to the labour market for women, who accounted for 69.8% of the total of inactive persons in 2022, distributed evenly across age groups. However, the majority of the remaining 30% were young, school-age men (Arenas de Mesa, 2023) with negative prospects for the next few years. Projections suggest that the future of the region's labour markets remains complex and uncertain, with slowing growth in the number of persons employed as well as higher unemployment and labour informality (ECLAC, 2022b).

The decline in employment rates in 2020 in the countries of Latin America and the Caribbean reflect unprecedented disruptions to labour markets in the wake of the COVID-19 pandemic; historic variations were also seen in the region in participation and unemployment rates. Between 2014 and 2023, the number of persons employed grew at an estimated rate of 1.3%, the lowest in the region in 70 years, compared with 3.2% in the last decade of the 1980s (see figure 7). Labour participation rates were similar to those registered in the early 1990s. The unemployment rate also climbed to levels not seen since 1990, although a massive outflow of people from the labour force cushioned the impact of the crisis on this indicator (ECLAC, 2021b).

**Figure 7**

Latin America and the Caribbean:<sup>a</sup> rate of growth of employment, 1951–2023  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of University of Groningen [online] <https://www.rug.nl/ggdc/productivity/pwt/>.  
<sup>a</sup> Simple average for: Argentina, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

The heterogeneous production structure in Latin America, reflected in the significant differences in labour productivity between different sectors of the economy, leads to persistent inequality in income distribution, employment and social protection, and limits potential economic growth. In part, this coexistence of high- and low-productivity sectors or branches of the economy is a consequence of Latin America's participation in the global system, characterized by a specialized productive model based on low technology and low value-added activities. These activities have little capacity for innovation or the creation of quality jobs, resulting in low demand for skills and high labour informality. The more dynamic and technology-intensive activities are concentrated in a few sectors and in larger companies, which are more productive and competitive but do not substantially benefit the rest of the productive structure.

To break this vicious cycle, comprehensive public action is needed to coordinate productive development policies that foster a shift towards activities that are more productive and knowledge-intensive, while also implementing policies for labour market inclusion, education and training to improve job quality, and respect for labour rights, combined with social protection systems that are fit-for-purpose in a changing world. Greater regional and international cooperation is also needed to foster synergies and complementarities between the countries of the region as they face the global challenges of technology change.

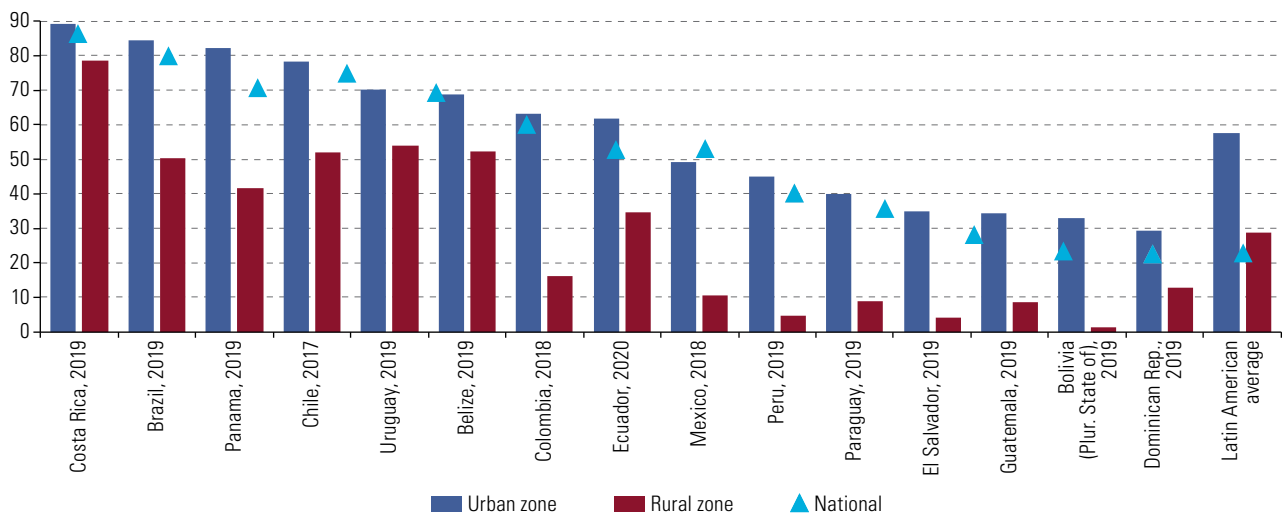
Technology gap challenges are not limited to the productive sector: they extend to all spheres of life, meaning that gaps in access and use are generalized and have wide-ranging repercussions. During the COVID-19 pandemic, the use of digital media and Internet access emerged as a critical enabler for the continuity of studies at a time when most countries had implemented lockdowns and distance learning. This brought to light unequal Internet access and barriers related to the lack of both devices and digital skills (Huepe, Palma and Trucco, 2022).

As shown in figure 8, there are significant gaps in connectivity across countries and locations. Connectivity levels are lower among rural households than urban households, while in many countries (El Salvador, Guatemala, Paraguay, Peru and the Plurinational State of Bolivia), fewer than 10% of homes in rural areas had an Internet connection before the pandemic.

**Figure 8**

Latin America and the Caribbean (15 countries): connected and unconnected households per geographical area, latest available year

(Percentages of total households in each area)



**Source:** M. Huepe, A. Palma and D. Trucco, "Educación en tiempos de pandemia: una oportunidad para transformar los sistemas educativos en América Latina y el Caribe", *Social Policy series*, No. 243 (LC/TS.2022/149), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC). 2022; ECLAC, Regional Broadband Observatory (ORBA), on the basis of household surveys.

**Note:** Simple average.

Faced with successive crises, social protection systems have played a key role in the region and its countries, through ministries of social development and equivalent bodies, although they will need to redouble their efforts to continue addressing both the gaps caused by the pandemic and its significant, enduring social repercussions. This ties in with the overarching theme of this document: the importance of strengthening the institutional framework for social policy and governance for political and social decision-making in Latin America and the Caribbean. As stated at the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean, held in 2021, the internal characteristics and capacities of these institutional frameworks must be analysed and their resilience and disaster response capacity must be strengthened. These are areas in which progress is being made, in particular in the Caribbean, although significant challenges remain.<sup>3</sup>

## C. The document

In view of the progress made and challenges facing the countries of the region in getting back on track towards achieving the social objectives of the 2030 Agenda for Sustainable Development, this document presents an analysis of institutional frameworks for social policy and a comparative review of experiences, and identifies possible avenues for building capacity in order to improve the quality of social development policies.

Chapter I reviews the main advances in the region in institutional frameworks for social policy, with emphasis on the experience of ministries of social development and of equivalent entities such as the authorities in charge of non-contributory social protection policies. In that regard, elements of the four dimensions of the institutional framework for social policy are analysed. In the legal and regulatory dimension, advances in incorporating a rights-based approach into the social policy legislation in effect are examined. In particular, an update is provided on adherence in the region to international human rights and labour treaties, such as the International Covenant on Economic, Social and Cultural Rights, the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights (Protocol of San Salvador) and the conventions of the International Labour Organization (ILO), with an analysis of their incorporation in constitutions and domestic legislation is analysed and an account of how they are implemented in the laws and mandates of social development ministries. Regarding the organizational dimension, an assessment is made of the alignment between the legal mandates and organizational structure of social development ministries, the stability of these ministries and the horizontal and vertical cooperation challenges in advancing towards more comprehensive social policies, and the importance of human resources. Analysis of the technical and operational dimension focuses on the importance of the technological transformation and information systems for policy design and for identifying vulnerable populations, thereby providing an overview of the characteristics of those populations in the region. The existence of monitoring and evaluation units in the organizational structure of the social development ministries in the region includes any is also discussed. For the financial dimension, background data are used to provide an account of the resources managed by social development ministries and equivalent institutions and an exploratory exercise is conducted to determine the cost of eradicating extreme poverty and poverty and reducing vulnerability.

Chapter II presents a comparative analysis of institutional frameworks for social policy by looking at the experience of European Union countries, with a focus on the pandemic response, examining how such frameworks in Europe made it possible to apply policies distinct from those in Latin America and the Caribbean in terms of sufficiency and the installed institutional capacity of social protection systems. To that end, stylized facts and selected dimensions of non-contributory social protection responses are provided with a view to identifying lessons learned and challenges that are common across regions.

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<sup>3</sup> The Caribbean Disaster Emergency Management Agency (CDEMA), established in 1991 by 19 countries and non-self-governing territories of the Caribbean, served as the Integrated Regional Logistics Hub (IRLH) for COVID-19 in Barbados. Dominica, Grenada, Jamaica and Suriname submitted voluntary national reviews to the 2022 high-level political forum on sustainable development, meaning that all member countries of the Caribbean Development and Cooperation Committee (CDCC), except Haiti and Saint Kitts and Nevis, have now submitted at least one voluntary national review.

The third chapter examines the role of governance through the social policy cycle and how it can shape the quality of social policy based on the factors, stakeholders and strategies involved. This is done by studying the different stages of the policy cycle, from the design of social development policies through to evaluation, illustrating the importance of governance in each phase through concrete experiences and taking into consideration interactions between stakeholders, factors and strategies.

Chapter IV concludes with reflections and recommendations for strengthening institutional frameworks for social policy. One key consideration is that robust institutional frameworks with transparent decision-making governance are a prerequisite for the active and verifiable realization of a rights-based approach, enabling the achievement of the social objectives of the 2030 Agenda for Sustainable Development. Progress must be also made towards greater alignment between the mandates and institutional capacity of social development ministries, including the professional and technical capacities that are key for improving public management. The challenge of advancing in coordination, decentralization and participation, as drivers of efficiency and sustainability in social policies, is also highlighted. Likewise, in the area of management, emphasis is placed on the strategic importance that social information systems have acquired for decision-making. Considering the existing capacities and challenges of each country, it is proposed that gradual progress be made towards achieving poverty and well-being goals through increased spending on non-contributory social protection transfers by ministries of social development so as to close, at minimum, the average income gaps for each household to reach the extreme poverty line. Lastly, in order to address and reduce inequality in the region, emphasis is placed on the need to bring about the changes that will result in a new social, political and fiscal compact.

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## CHAPTER

# I

# Institutional frameworks for social policy: the basis of inclusive social development

## Introduction

- A. The legal and regulatory dimension: the rights-based approach
- B. The organizational dimension: the social authority, coordination, human resources and participation
- C. The technical and operational dimension: information systems and opportunities for technological transformation
- D. The financial dimension: the sustainable management and financial sustainability of social protection

## Bibliography

## Annex I.A1



## Introduction

Institutional frameworks for social policy are the set of rules and operational, financial, human and technological resources and organizational structures in which social development policies are grounded and through which they operate, from analysing and prioritizing objectives to implementing and evaluating results (Martínez and Maldonado, 2019; ECLAC, 2022a). These institutional frameworks are part of the public institutional system that sustains the social management of a State and are characterized by the specific functions and objectives assigned to them, including social policies in general and social development, inclusion and well-being in particular, with a view to eradicating poverty, reducing inequality and facilitating access to the exercise of social rights. Each country's institutional frameworks for social policy have their own characteristics, while sharing those of public institutional systems generally, and they are one of the cornerstones of the effort to successfully implement policies, programmes and transformations in the area of social development.

Building on the conceptual and theoretical foundations laid down in earlier studies by the Economic Commission for Latin America and the Caribbean (ECLAC, 2016, 2017 and 2022a; Martínez and Maldonado, 2019), and using up-to-date information from the Institutional Framework Database for Social Policy in Latin America and the Caribbean,<sup>1</sup> this chapter presents an analytical review of the characteristics of the different components of institutional frameworks for social policy in the countries of the region. It looks in depth at a number of aspects of the four dimensions of such frameworks (the legal and regulatory, organizational, technical and operational, and financial dimensions), with a particular focus on the role of social development ministries and equivalent entities, while also seeking to highlight experiences and lessons learned among the region's social policy institutions in the face of the successive ongoing crises. Particularly important here is the identification of institutional restrictions and opportunities to universalize the effective enjoyment of rights and benefits with a view to building welfare States and responding to the needs of the population in the effort to overcome poverty, and to addressing the social and occupational vulnerability of broader strata, especially the middle classes.

Although the institutional architecture of social policy varies from country to country, it is important to note that the region has made significant progress in the four fundamental dimensions that comprise it: legal and regulatory frameworks, organizational models, technical and operational capabilities, and financial structure (ECLAC, 2016, 2017 and 2022a; Martínez and Maldonado, 2019). Notwithstanding these advances, as was evident during the coronavirus disease (COVID-19) pandemic, there are still major challenges to be overcome in consolidating social policy institutional frameworks, including the following: (i) the lack of legal frameworks to support the essential functions of social development ministries and equivalent entities, such as the definition of social protection policies; (ii) limited coordination of social policies, which are fragmented because of the sectoral nature of their implementation and the way they are divided between different levels of government; (iii) inadequate quality in the technical processes and procedures employed to fulfil the functions assigned, as evinced by the limited coverage and interoperability of social information systems; and (iv) restrictions on the financial sustainability of social protection.

### A. The legal and regulatory dimension: the rights-based approach

The legislative and regulatory framework of social policy institutions is the legal foundation for the policies and actions of the political authorities responsible for its governance, design, implementation and evaluation. By analysing its main components and degree of consistency with the rights-based approach, it is possible to determine the importance assigned to this framework and the degree of formalization or discretion in decision-making and the sustainability of policies.

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<sup>1</sup> See [online] <https://dds.cepal.org/bdips/en/>.

Key aspects of social development regulation were analysed at the first session of the Regional Conference on Social Development in Latin America and the Caribbean, from international agreements and regional mandates and forums dealing with social development to national regulatory frameworks. This document provides an updated overview of some aspects of the presence of a rights-based approach, supplementing this by looking at the legal mandates regulating social development ministries or equivalent entities underpinning the main social policies for which these institutions are responsible in the countries.

## 1. The presence and consistency of the rights-based approach across the different levels of government

An initial look at the legal and regulatory dimension reveals the link between international standards for the protection, inclusion and recognition of rights and the adoption of these standards in the countries of the region (Martínez and Maldonado, 2019). This section presents an analysis of: (i) the international treaties and conventions which have been adopted and ratified by the States of the region, or to which these States have acceded, and the normative content of the rights enshrined in these instruments; and (ii) the domestic legal frameworks created in the countries by virtue of the recognition of rights and population groups in their constitutions, laws and social policies and programmes. It also analyses the consistency between international and national standards, considering, among other factors, whether the goal of protecting human rights, which is essential for countries' inclusive and sustainable social development, is effectively achieved.

### (a) International instruments

The objectives of the 2030 Agenda for Sustainable Development and the Regional Agenda for Inclusive Social Development are closely aligned with the normative content enshrined in the main international treaties on economic, social, cultural and environmental rights, which are essential for these goals to be achieved. As the Social Charter of the Americas puts it: "The promotion and observance of economic, social, and cultural rights are inherently linked to integral development, equitable economic growth, and the consolidation of democracy in the states of the Hemisphere" (art. 2).

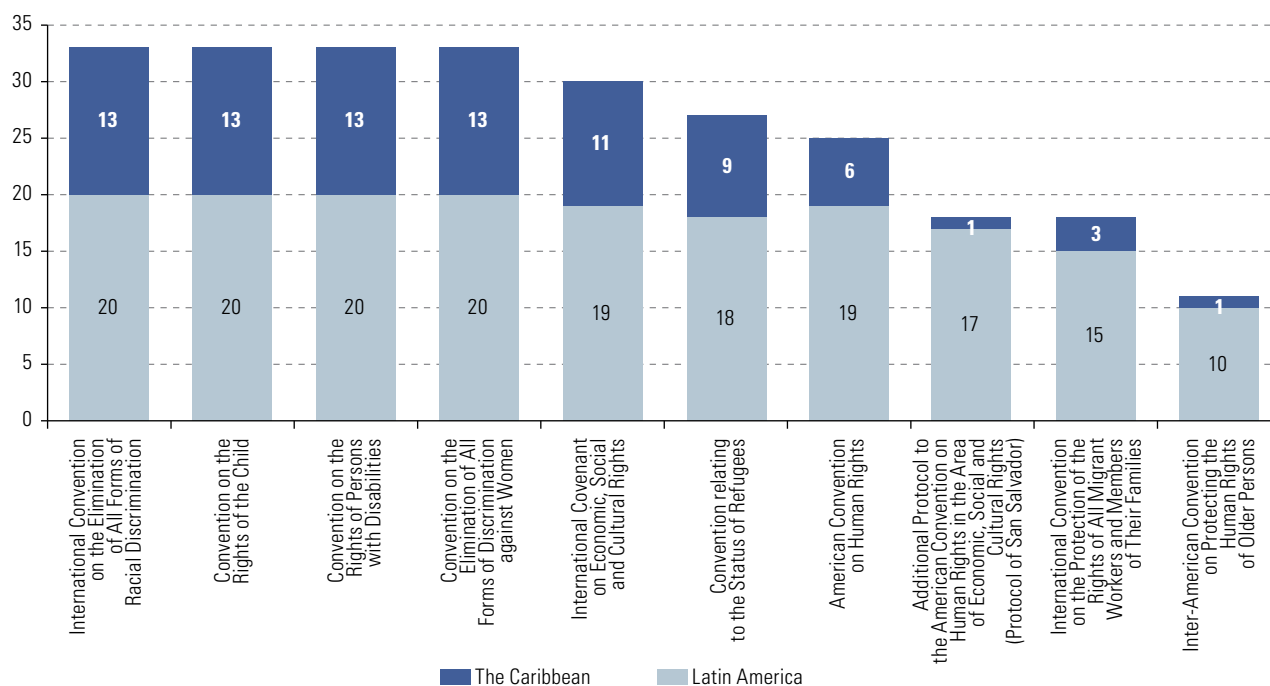
In this framework, two rights protection systems should be considered: the human rights protection system developed by the United Nations, and the inter-American human rights system established under the auspices of the Organization of American States (OAS). Both systems include a set of treaties that provide protection for economic, social, cultural and environmental rights, the former with a global and the latter with a regional scope. Knowing which countries have acceded to or ratified these instruments is important because their normative content includes specific obligations for States, such as respecting, guaranteeing and protecting human rights, progressiveness and the adoption of measures to guarantee them.

The information available shows a high level of accession to or ratification of treaties that are very important for inclusive social development in Latin America and the Caribbean. The main treaties protecting economic, social, cultural and environmental rights that have been ratified or acceded to by the countries of the region are the International Covenant on Economic, Social and Cultural Rights (forming part of the United Nations system), overseen by the Committee on Economic, Social and Cultural Rights (30 countries), the American Convention on Human Rights (25 countries) and the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights (Protocol of San Salvador) (18 countries) (both forming part of the inter-American system) (see figure I.1).

**Figure I.1**

Latin America and the Caribbean: accession to or ratification of international treaties dealing with rights related to inclusive social development<sup>a</sup>

(Numbers of countries)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Institutional Framework Database for Social Policy in Latin America and the Caribbean [online] <https://dds.cepal.org/bdips/en/>.

<sup>a</sup> Updated to July 2023.

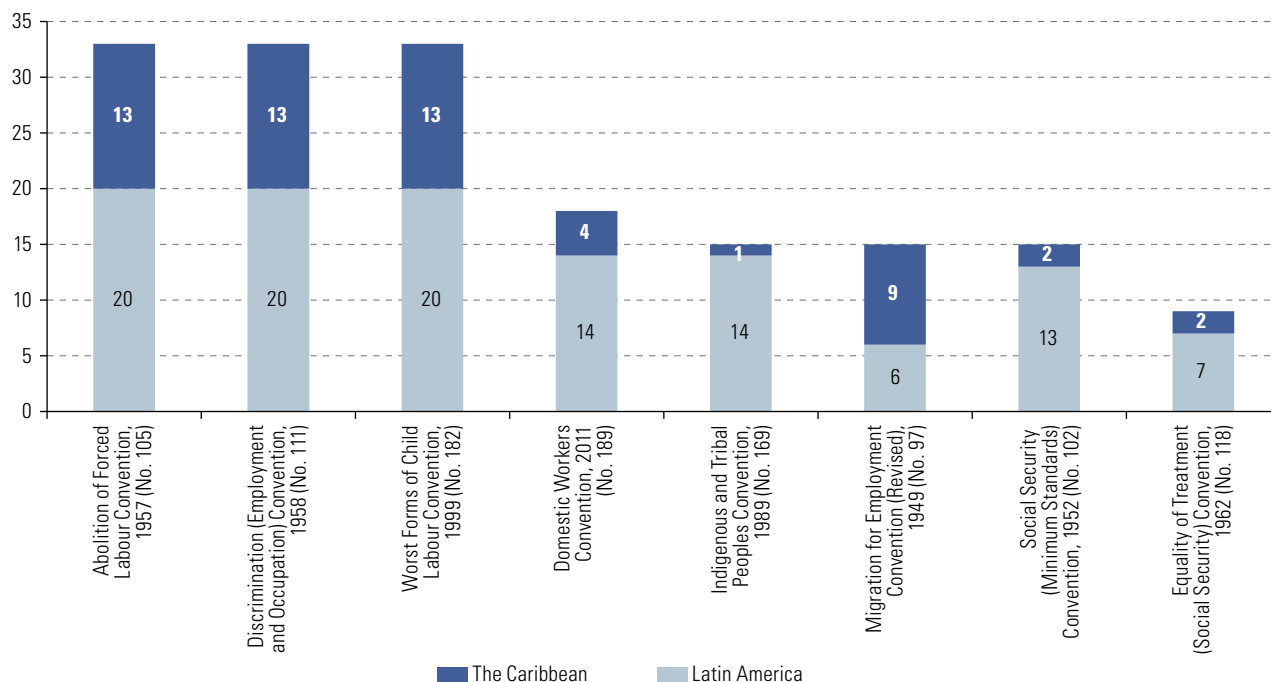
In addition to the above, there are other conventions which, although less widely ratified, include economic, social, cultural and environmental rights in their normative content in relation to specific population segments, such as the Convention on the Rights of Persons with Disabilities (33 countries), the Convention on the Rights of the Child (33 countries), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (18 countries) and the Inter-American Convention on Protecting the Human Rights of Older Persons, which was adopted in 2015 and entered into force in 2017 (11 countries).

Besides the international instruments safeguarding human rights, the International Labour Organization (ILO) conventions on human and worker rights have a high level of ratification in the region (see figure I.2). Three ILO conventions that have been ratified by all 33 countries in the region may be mentioned because of their importance for social protection systems: the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Abolition of Forced Labour Convention, 1957 (No. 105) and the Worst Forms of Child Labour Convention, 1999 (No. 182). They are followed by the Domestic Workers Convention, 2011 (No. 189) (18 countries), the Indigenous and Tribal Peoples Convention, 1989 (No. 169), the Migration for Employment Convention (Revised), 1949 (No. 97) and the Social Security (Minimum Standards) Convention, 1952 (No. 102) (15 countries). Lastly, there is the Equality of Treatment (Social Security) Convention, 1962 (No. 118) (9 countries).<sup>2</sup>

<sup>2</sup> Among conventions supplementing the treaties shown in figure I.2, mention may be made of the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) (1 ratification) and the Maintenance of Social Security Rights Convention, 1982 (No. 157) (no ratifications). For a list of countries in the Institutional Framework Database for Social Policy in Latin America and the Caribbean, see [online] <https://dds.cepal.org/bdips/en/>.

Figure I.2

Latin America and the Caribbean: accession to or ratification of International Labour Organization (ILO) conventions related to inclusive social development<sup>a</sup>  
(Numbers of countries)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of international instruments drawn up by the International Labour Organization (ILO).

<sup>a</sup> Updated to July 2023.

As indicated, some treaties contain specific rights (see table I.A1.1 in the annex) that are very important for any analysis of the conditions and rights needed for social development ministries to be able to contribute to well-being, the narrowing of social divides and the eradication of poverty, and to advance social inclusion, as their mandates require. An awareness of their obligations in relation to economic, social, cultural and environmental rights and the normative content of these rights helps these ministries to develop, implement and guarantee them in their institutional programmes in accordance with their legal mandates.

In the region, with respect to the treaties and conventions mentioned, there are now more ratifications or accessions than reported in 2015 by Martínez and Maldonado (2019). For example, five countries have joined the Social Security (Minimum Standards) Convention, two have joined the Convention on the Rights of Persons with Disabilities, the Protocol of San Salvador and the Discrimination (Employment and Occupation) Convention, and one country has joined each of the International Convention on the Elimination of All Forms of Racial Discrimination, the International Covenant on Economic, Social and Cultural Rights, and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.<sup>3</sup>

In addition to human rights treaties, regional agreements on trade, development and cooperation also enshrine the importance of respecting and guaranteeing human rights. For example, the preamble of the Framework Agreement of the Pacific Alliance provides that respecting and guaranteeing human rights is an essential requirement for participation in the Alliance (Pacific Alliance, 2012); the Andean Pact stipulates in its Andean Subregional Integration Agreement (Cartagena Agreement) that ministries operating in the area of social development must adopt actions conducive to the establishment of programmes that safeguard economic, social, cultural and environmental rights (such as housing, education, social security, culture and

<sup>3</sup> For further details, see [online] <https://dds.cepal.org/bdips/en/>.

the environment) (Andean Community, 1969); and the Tegucigalpa Protocol to the Charter of the Organization of Central American States, whose adoption gave rise to the Central American Integration System (SICA), was established to achieve social and economic justice and integration among the Central American countries. Lastly, the Caribbean Community (CARICOM) Secretariat has a 2022–2030 strategic plan that focuses on establishing a community with human rights and social justice (CARICOM, 2022).

Even though there is no uniform agreement on all issues, it can be concluded from the international commitments made by the countries of the region that the human rights approach is widely accepted and creates an opportunity for the implementation of public policies that can contribute to inclusive and sustainable social development, which will in turn align with the Regional Agenda for Inclusive Social Development approved at the third session of the Regional Conference on Social Development in Latin America and the Caribbean in 2019.

## **(b) The rights-based approach and social protection in national legislation**

This section presents a brief summary of countries' legislation on the rights-based approach and social protection and regulations governing the social authority, including references identified both in constitutions and in specific laws governing social development ministries in the region.

### *(i) Constitutional recognition*

A country's constitution is the founding statute upon which legislation is built and it enshrines the standards to be followed by all other laws. Thus, recognition or mention of human rights and interest groups in State constitutions positions them as part of a cross-cutting and sustainable objective in the legislation and mandates of entities responsible for inclusive social development.

Despite extensive ratification of and accession to international treaties that protect and safeguard economic, social, cultural and environmental rights, the figures on their constitutional recognition in the countries of the region are uneven. Considering the different functions of social services, the most widely recognized rights in national constitutions are those relating to social security (33 countries), followed by work (32 countries), education (24 countries) and the environment (23 countries). Health, housing and social development rights are present in the constitutions of 22, 21 and 21 countries, respectively. Of all the rights reviewed, the right to food is mentioned the least (17 countries).<sup>4</sup> As figure I.3A shows, the largest variations are between the Caribbean countries.

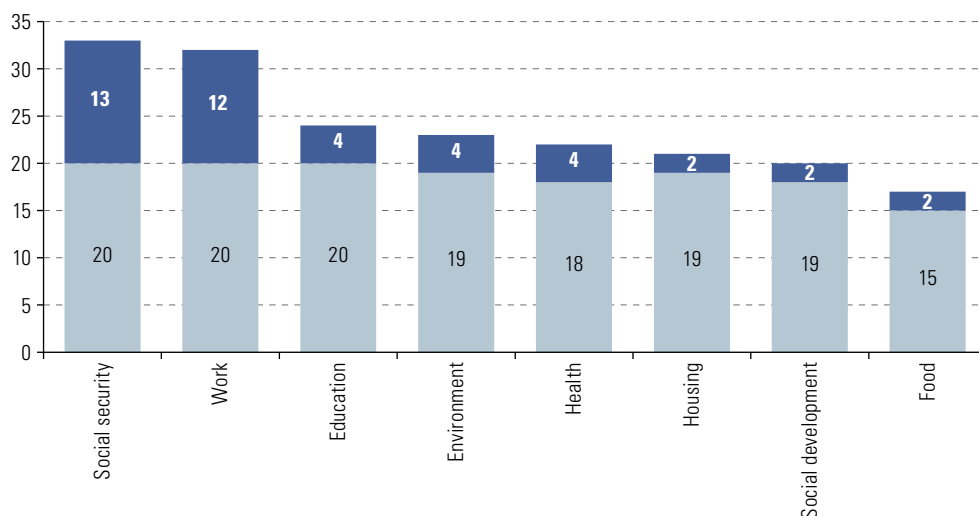
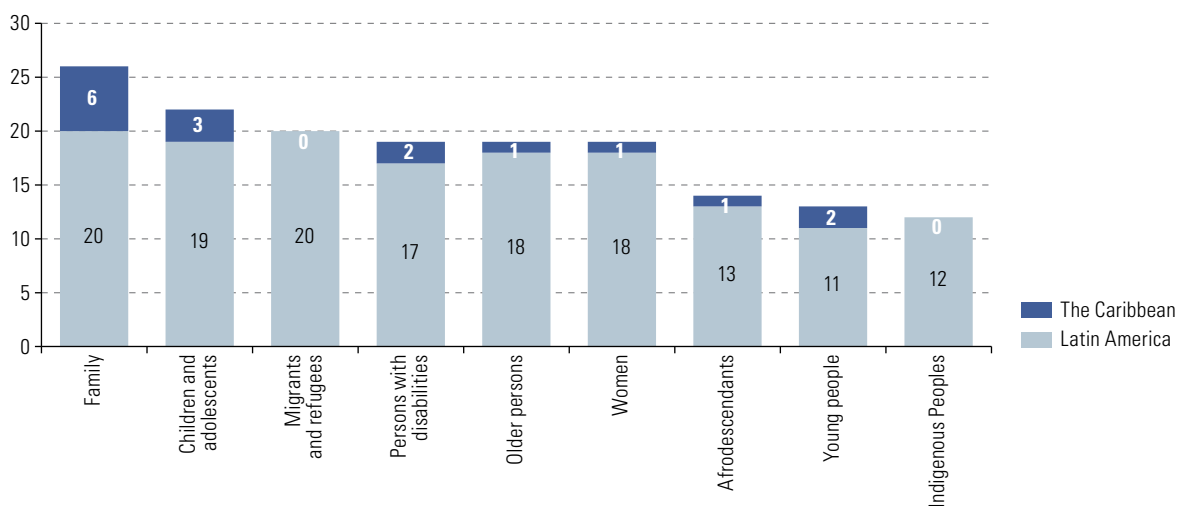
While social rights may be constitutionally recognized as fundamental, this recognition may be restricted in respect of their content or the social group to which they apply. For example, although the right to social security, which includes old-age and disability pensions, among other things, is found to be the most widely recognized right in the 33 countries of the region, in most Caribbean countries (10 of 13) it is guaranteed only to a limited extent and is recognized only in connection with the public function or position held by civil servants. Another example is the right to work, which in most Caribbean countries (8 of 13) is confined exclusively to the abolition of forced labour.

The right to education, recognized by 24 countries of Latin America and the Caribbean, is usually circumscribed by parents' freedom to choose how children and adolescents are to be educated rather than being guaranteed. The situation is similar for the right to food, except that in this case, rather than the right being cross-cutting, recognition of it is restricted in some countries to certain age groups, such as children and older persons. However, in countries such as Nicaragua and the Plurinational State of Bolivia, it is a right for all, and the constitution provides protection from hunger, either by mandating programmes to protect this right (Nicaragua, 1987, art. 63) or by providing for food security through "healthy, appropriate and adequate food for the population" (Bolivia (Plurinational State of), 2009, art. 16).

<sup>4</sup> The data included in figure I.3 represent two types of recognition: (i) direct (there are provisions designed to guarantee the right) and (ii) indirect (rights are identified as part of another right or in another context of the constitutional provision, such as the preamble). The Institutional Framework Database for Social Policy in Latin America and the Caribbean provides disaggregated information on direct and indirect recognition.

**Figure I.3**

Latin America and the Caribbean: constitutional recognition of human rights and specific population segments  
(Numbers of countries)

**A. Human rights****B. Population segments**

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

As regards the population groups identified in the region's constitutions (see figure I.3B), which are the focus of many of the mandates of social development ministries, the family is mentioned the most often and has the greatest constitutional recognition, since 26 countries position this group as an important part of economic and social development. Groups determined by the life cycle come next, such as children and adolescents, with 22 mentions. After these, from most to fewest mentions, come the following cross-cutting groups: migrants and refugees (20 countries), persons with disabilities (19 countries), women (19 countries), Afrodescendants (14 countries), young people (13 countries) and Indigenous Peoples (12 countries).

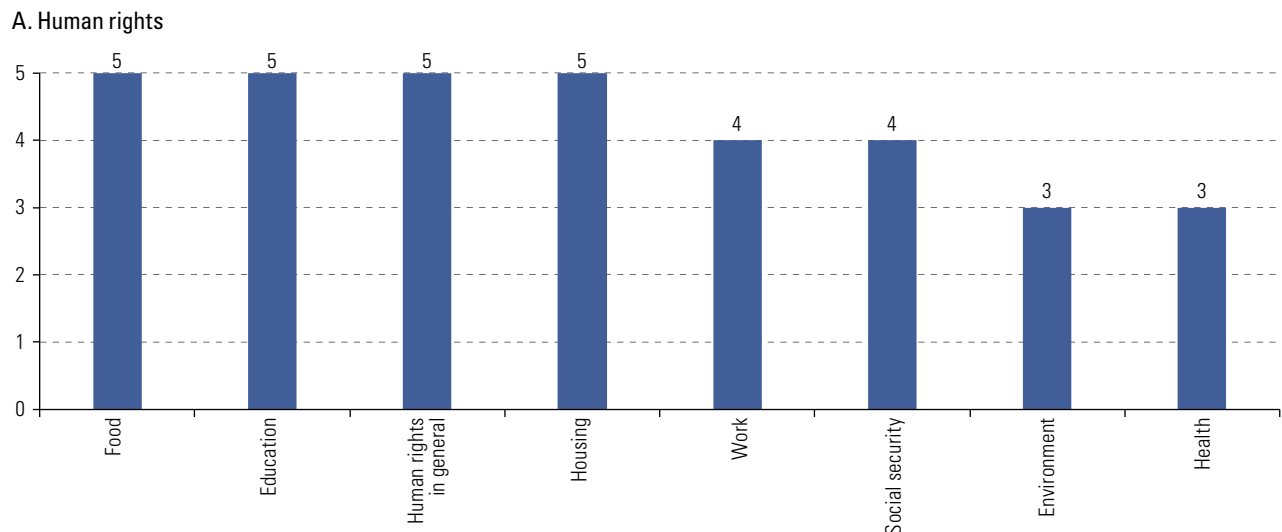
### (ii) The legal framework for the social authority in Latin America and the Caribbean

A variety of legal arrangements are in place to achieve the primary objective of social development ministries and equivalent entities, which is to deliver social development policies, plans and programmes, especially those designed to reduce poverty and inequality and to provide social protection to vulnerable individuals or groups. These legal frameworks are crucial in identifying and determining the competences and powers provided by mandates and, along with other factors, affect the structure, functions and specific responsibilities of social development ministries. They also recognize international obligations under international rights treaties.

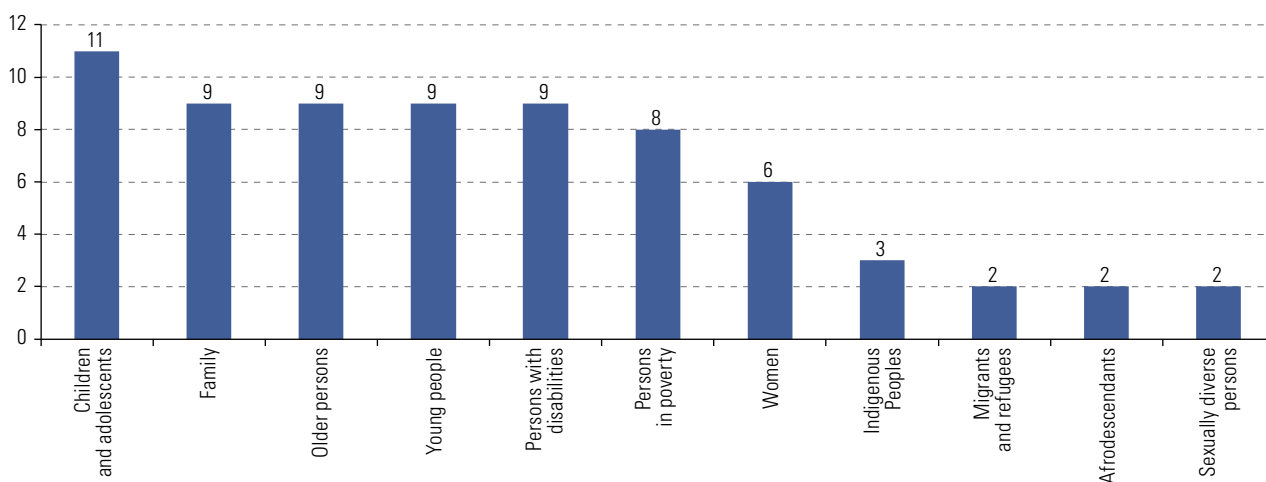
The legal provisions in question present characteristics that can be grouped by the mission of the social authority, and the general and particular functions of the organizations it comprises, such as specialized departments, government secretariats or offices, among other institutions attached to the social development ministries or equivalent entities. While some legislation (such as that of Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Suriname and Uruguay) covers rights or identifies particular population segments, in other cases, such as those of Cuba, Paraguay and the Plurinational State of Bolivia, these are not specified in the mission or general functions, even though they may be in provisions regulating the law, social programmes or other public policies created or managed by the social development ministries.

As mentioned, the legal structure only includes rights or interest groups in some of the 20 countries analysed, in the mandates of social development ministries or equivalent entities (see figure I.4). This is because most mandates focus on poverty alleviation and social inclusion, whose achievement requires certain basic rights to be upheld. Accordingly, the most widely recognized rights in the legislation for the region's social development ministries are the right to food, the right to education, human rights in general and the right to housing (5 countries each). Meanwhile, children and adolescents are the population segment with the greatest recognition in these mandates (11 countries), followed by the family, older persons, young people and persons with disabilities (9 countries each), while migrants and refugees, Afrodescendants and sexually diverse persons receive the least recognition (2 countries each).

**Figure I.4**  
Latin America and the Caribbean (20 countries):<sup>a</sup> references to human rights and specific population segments in the legislative mandates of social development ministries or equivalent entities  
(Numbers of countries)



## B. Population segments



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

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

Although there is little recognition of priority groups and rights in the legal mandates creating or modifying social development ministries or equivalent entities, the legislation in some countries of the region does broadly identify them, and even recognizes the statutory content of international human rights treaties in the entities' mission and functions. One example is Argentine legislation, which states: "The Ministry of Social Development is responsible for assisting the President of the Nation and the Head of the Cabinet of Ministers, within the scope of its competences, in all matters relating to [...] the fulfilment of the commitments made in relation to international treaties and multinational conventions, in matters within its competence" (Decree No. 07/2019 of 2019, art. 23 bis). The obligations of the Ministry of Social Development include assisting specific groups of people in vulnerable situations (children and adolescents, older persons, women and persons with disabilities) and guaranteeing specific rights (such as the right to food), which amounts to a quite broad mandate consistent with its functions. Another example is Brazil's legislation, which includes among the competences of the bodies making up the Ministry of Development and Social Assistance, Family and Fight against Hunger the obligation to design public policies and adopt measures for the protection of human rights (Decree No. 11392 of 2023, annex I, art. 4, clause IV.b; art. 40, clause XIII; art. 42, clauses XI and XIV). Specifically, the direct functions listed in Decree No. 11392 also include, for example, the right to food in Brazil.

Although statutory recognition in general is not very high in the region, the fact that countries' mandates include and emphasize the importance of certain social rights and particular population segments, as in the cases mentioned, helps to strengthen institutional frameworks for social policy and the institutionalization of priority areas of work, as well as contributing to better social protection for the population.

### *(iii) The legal standing of non-contributory social protection programmes*

One mechanism in social protection systems for achieving inclusion and narrowing the social divide is non-contributory social protection programmes, particularly income transfer programmes, which tend to be associated mainly with the exercise of the rights to education, health and food.

A legal foundation is essential to give sustainability and legitimacy to the actions of these programmes, which, since they transfer direct income, are particularly prone to being labelled as patronage exercises, and thus to becoming a topic of political contention over efforts to either expand or abolish them. In addition, the urgency of the social needs that sometimes drive the design of these programmes makes it important for the laws concerned to be passed quickly, and it is essential to ensure that their content and the protection they provide remain constant over time.

Quite often, non-contributory transfer programmes are time-limited but continue under a different name or are consolidated in another general regulation. This continuity is important, as otherwise progress with social inclusion may be affected and access to and the exercise of certain fundamental rights may be impaired.

In the light of information provided by nine Latin American countries for this analysis, it can be seen that most of the provisions regulating the management of social development ministries' current non-contributory social protection programmes derive from a legal statute, while others originate in an administrative or presidential decree. The date of formal publication of these provisions varies: while some go back to the 1990s, such as Argentina's Universal Child Allowance, others have appeared in recent years, such as the Dominican Republic's *Supérate* programme.

Some programmes, such as *Avancemos* in Costa Rica, were initiated before being legally enacted and consolidated later. This programme originated from Executive Decree No. 33154 as a pilot programme: Operating Regulations Pilot Phase July–December 2006. Other initiatives, such as Chile's Security and Opportunities Subsystem, which dates from 2012, are the continuation of an earlier programme (in this case, *Chile Solidario*, launched 10 years earlier, in 2002). The same is true in Mexico of the Benito Juárez Scholarship for Well-being programme, which is the successor to the "Prepa sí" Universal Upper Secondary School Incentives Programme, which ran from 2007 to 2019.

Another example is Uruguay, whose family allowance programmes date back to Law No. 15084 of 1980. This was followed by Law No. 16697 of 1995, Law No. 17139 of 1999, Law No. 17758 of 2004 and the Equity Plan currently in force (Law No. 18227 of 2007). Over the years, changes have been reflected in the eligibility requirements for the allowance (Rofman, 2013). In Brazil, while the *Bolsa Família* Programme was launched in 2004, it brought together a number of earlier social protection programmes and since 2011 has continued as the Brazil without Extreme Poverty Plan. Both programmes were created with the aim of eradicating poverty and hunger.

Haiti's National Social Protection and Promotion Policy (PNPPS), one of the most recent programmes, is not based on a law, and its design came out of the participatory and inclusive process of launching the Sectoral Board for Social Protection, which was implemented after four years, in 2020. In parallel, studies on budgeting and regulation were initiated in 2019 with the support of the World Food Programme (WFP) and ECLAC (Ministry of Social Affairs and Labour of Haiti, 2020). The Ministry of Social Development (SEDESOL) of Honduras, for its part, was established only in 2022 on the basis of a number of decrees, this being the outcome of a reform to the public administration that designated it as the lead entity for social affairs, replacing the Ministry of Social Development and Inclusion (SEDIS), while direct programme implementation was left to the Solidarity Network and the Solidarity Action Programme (PROASOL).

## B. The organizational dimension: the social authority, coordination, human resources and participation

### 1. Progress in consolidating social development ministries in the region

A growing understanding of the complexity of poverty and inequality and the need to ensure social protection, especially for the poor and vulnerable, has consolidated the idea of establishing a public entity specializing in these challenges and dedicated to addressing them. Thus, a large number of social development ministries and equivalent entities have been created in Latin America and the Caribbean since the late twentieth century. According to the official information available, at least 70 such institutions were created and modified in 26 countries between 1980 and 2023 (59 of them social development ministries or equivalent entities and 11 other bodies).<sup>5</sup> This shows, first, how new the region's social development ministries are, especially when

<sup>5</sup> Given the difficulty of obtaining official information in some countries, this figure should be treated as an approximation. See the Institutional Framework Database for Social Policy in Latin America and the Caribbean [online] <https://dds.cepal.org/bdips/en/>.

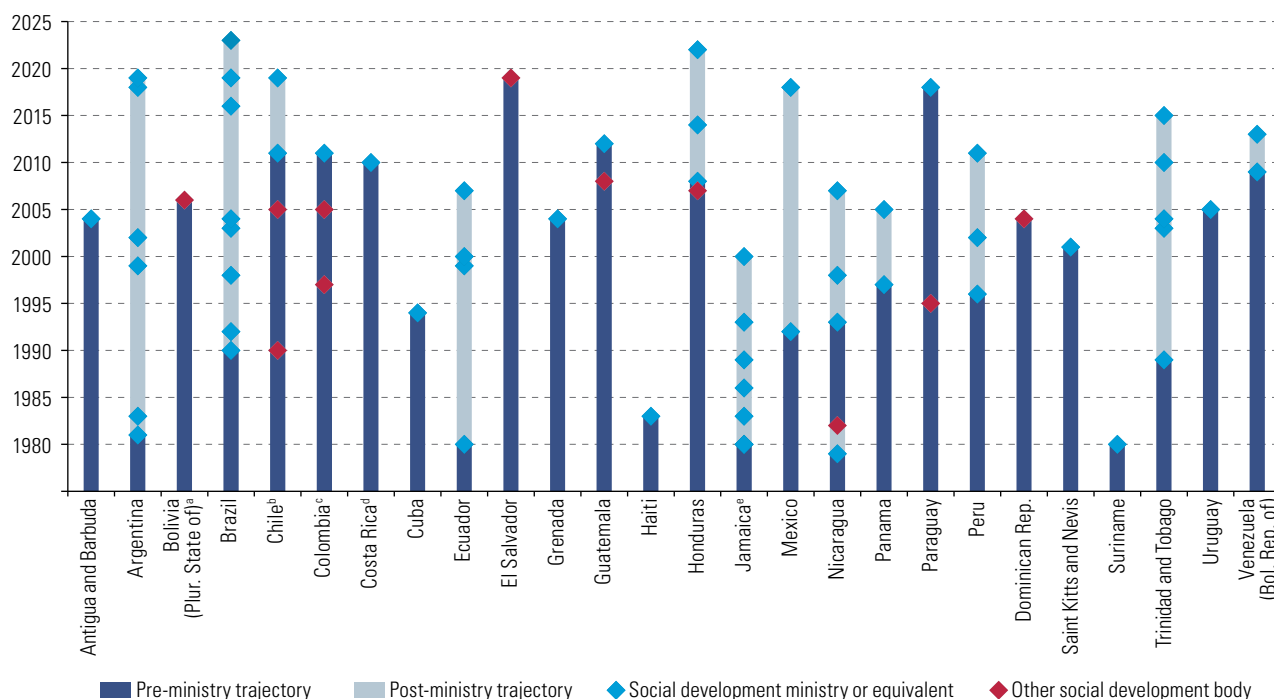
compared with ministries of education, health and labour, which are of long standing in most countries (ECLAC, 2017; Martínez and Maldonado, 2019), and, second, how organizationally unstable they are. The variability of these ministries illustrates the lack of organizational consolidation in some countries, which weakens the bodies responsible for social issues and coordination functions and makes it difficult for them to have stable mandates, undermining their ability to perform their essential functions, while limiting and constraining the potential for implementing sustainable transformations in social development.

The variability of social development ministries' organizational trajectories is manifested in at least three interrelated ways that make it possible to demarcate the variability of the trajectories of the different ministries in the region: (i) the organizational rank of the entity; (ii) the mandate of the entity, which is set out in the statute creating it; and (iii) the name of the entity (see table I.A1.2 for more information). The rank of the entity determines its category or seniority within the State administration. When the trajectories of organizational ranks in the region are reviewed, three major trends can be identified for social development entities: (i) 31 of the 33 countries in Latin America and the Caribbean have entities with ministerial rank in charge of social development; (ii) in several cases, social development ministries are the successors of lower-ranking entities; and (iii) even if the entity has ministerial rank, there is a high degree of organizational variability.

Of the 26 countries of the region for which official historical data are available, 23 have accorded ministerial status to entities dealing with social development. However, the historical record shows how organizationally unstable they are (see figure I.5), with an average of more than two modifications per country. As regards the number of ministries, the most striking cases in Latin America are Argentina and Brazil, which have had six and eight ministries dedicated to this area, respectively. In the Caribbean, Jamaica has had seven ministries since 1980, although the portfolio also has an earlier history, predating independence.

**Figure I.5**

Latin America and the Caribbean (26 countries): evolution of social development ministries and equivalent entities, 1980–2023



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

<sup>a</sup> The entity in charge of social development is the Ministry of Development Planning, which is not a social development ministry per se.

<sup>b</sup> Between 1990 and 2011, the entity in charge of social development was the Ministry of Planning and Cooperation, which was not a social development ministry per se.

<sup>c</sup> The Administrative Department for Social Prosperity, created in 2011, has equivalent status to a ministry.

<sup>d</sup> The Joint Institute for Social Assistance (IMAS) is the entity that has been operating since 1971.

<sup>e</sup> From January to October 1980, the responsible entity was the Ministry of Health and Social Security, which was replaced by the Ministry of Social Security.

Since 1980, social development ministries have succeeded lower-ranking entities in five countries of the region (Colombia, Guatemala, Honduras, Nicaragua and Paraguay). In Guatemala, for example, the Social Cohesion Council was the entity that preceded the Ministry of Social Development created in 2012, while in Honduras, the entity in charge of social development matters until 2008 was the Technical Office of the Solidarity Network, succeeded that year by the Secretariat of Social Development and the Solidarity Network (Decree No. 157 of 2008) (Higher Court of Audit, 2020) and subsequently by other secretariats, as will be seen below. Something similar happened in Paraguay, where the Secretariat for Social Action, attached to the Office of the President of the Republic, was the basis on which the Ministry of Social Development was organized in 2018 (Decree No. 367 of 2018). Colombia is a special case, as the entity in charge of social development, the Administrative Department for Social Prosperity, has a rank equivalent to a ministry, with the difference that its functions are only technical and it cannot initiate legislation (Colombia, 1991, art. 208).

A case which demonstrates that the consolidation of a higher rank is not necessarily permanent is Nicaragua, where the functions of the Ministry of Social Welfare (created in 1979) were transferred in 1982 to the Nicaraguan Social Security and Welfare Institute (Decree Law No. 976 of 1982), a lower-ranking entity which transferred its functions to the Ministry of Social Action in 1993 (Executive Decree No. 1 of 1993). They were subsequently taken on by the two ministries that succeeded them.

There are two countries in the region where the entities responsible for social development have not had ministerial rank: the Dominican Republic and El Salvador. In the Dominican Republic, the Cabinet for Social Policy is an entity attached to the executive branch, in charge of coordinating social programmes of various kinds and the institutions involved in formulating, implementing, monitoring and evaluating those programmes (Cabinet for Social Policy, 2023). In El Salvador, the entity in charge of social development is the Office of the President of the Republic, currently acting through the Presidential Commissioner for Operations and Cabinet Office (Decree No. 17 of 2019) and previously through the Technical Secretariat of the Office of the President. To complement it, in 2019 the current administration created the Ministry of Local Development, whose mission includes the implementation of non-contributory social protection programmes.

Costa Rica is a special case in the region. Since 1971, the institution responsible for social development has been the Joint Institute for Social Assistance (IMAS), which is the most organizationally stable entity in the region in this area. Since 2010, the Executive President of IMAS has held the rank of minister. Thus, the Executive President of IMAS was also Minister of Social Welfare and the Family between 2010 and 2014 (Agreement No. 006-P of 2010) and has been Minister of Human Development and Social Inclusion since 2014 (Office of the President of the Republic of Costa Rica, 2023) (Agreement No. 04-P of 2014; Agreement No. 555-P of 2016; Agreement No. 146-P of 2019; Agreement No. 010-P2 of 2022). The Ministry of Human Development and Social Inclusion is a ministry without portfolio. Its structure, budget and staff are the same as those of IMAS, whose Executive President has the rank of Minister of Human Development and Social Inclusion. This is in accordance with article 5 of Executive Decree No. 43580-MP-PLAN (2022), which states that although the ministry of the minister without portfolio does not have a structure, budget or staff, that minister does have political functions, as established by the President of the Republic.

In the Plurinational State of Bolivia, social development responsibilities lie with the Ministry of Development Planning, which is responsible for planning and coordinating the country's overall development, within which social development is one dimension among others, including economic and cultural development (Law No. 3351 of 2006). The situation was somewhat similar in Chile between 1990 and 2011, when the Ministry of Planning and Cooperation was the entity in charge of social development as part of its role in the design and implementation of social development policies, plans and programmes (Law No. 18989 of 1990). This ministry ceased to exist with the advent of the Ministry of Social Development, now the Ministry of Social Development and Family.

The succession of changes to the name of Chile's social authority is also an example of the progressive specification or reorientation of the thematic areas and population groups dealt with by social development ministries: having been part of a ministry with different and broader missions, such as planning and coordination, it had "and Family" added to its title in 2019. This progression is seen both in the names of entities and in their mandates.

The mandate of Mexico's Secretariat of Welfare, created in 2018 as the successor to the Secretariat of Social Development (SEDESOL), stresses the enhancement of welfare, development, inclusion and social cohesion through policies aimed at combating poverty, addressing the specific needs of the most disadvantaged social sectors and prioritizing the rights of children and adolescents, young people, older persons, Indigenous Peoples and persons with disabilities (Organic Law of the Federal Public Administration, 2018).

In Panama, the Ministry of Youth, Children and the Family (created in 1997) was given a mandate to strengthen the family and certain priority groups: young people, women, children, older persons and persons with disabilities (Law No. 42 of 1997). Its successor, the Ministry of Social Development, retained this mandate, and it was extended to Indigenous Peoples and leadership in the area of adoption.

In Ecuador, the Ministry of Social Welfare was merged with the labour portfolio in 1999, forming part of the Ministry of Labour and Social Action. The following year, however, the two portfolios were separated again, and the ministry reverted to its original name. In 2007, it was renamed the Ministry of Economic and Social Inclusion, reflecting a further change in its mandate (Decree No. 580 of 2007). Ecuador is an interesting case, as several coordinating ministries (whose functions were regulated later, in 2011) were created in 2007, including the Social Development Coordination Ministry (MCDS), in parallel to the Ministry of Economic and Social Inclusion. The responsibilities of the MCDS included the coordination of social policies adopted by various ministries (including the Ministry of Economic and Social Inclusion). Although the MCDS lacked a portfolio of social programmes, it was able to push for social reforms and policies, as well as follow up on their management and monitoring (ECLAC, 2007). In 2017, the coordinating ministries ceased to exist, and the MCDS was transformed into the Technical Secretariat of the *Toda una Vida* plan.

The evolution of social development bodies in Honduras has gone through a number of stages. The Technical Office of the Solidarity Network, in charge of managing the programme of the same name, was attached in 2008 to the new Secretariat of Social Development and the Solidarity Network, whose mandate was broader, as it was not limited to that programme alone but encompassed all vulnerable groups and poverty reduction. In 2014, the mandate became more specific, and it was renamed the Secretariat of Social Development and Inclusion. The title changed again in 2022, when, as noted above, the body was renamed and organizationally restructured as the Secretariat of Social Development (Executive Decree No. PCM-05 of 2022).

The organization of social development ministries and equivalent entities in Latin America varies not only in formal aspects but in respect of new approaches or specificities and the reformulation of mandates and policy approaches. In general, there is a tendency for them to broaden their functions and exercise formal leadership of public policies for social development, social inclusion and non-contributory social protection, focusing on the most vulnerable groups. Instead of talking in general terms about social issues affecting vulnerable populations, as in past decades, they have shown a new tendency in recent years to specify their priority populations, such as children and adolescents, young people, Indigenous Peoples and people of African descent, persons with disabilities and older persons.

In the Caribbean countries, the history of the organizational model of social development ministries appears to be connected, among other things, to the colonial heritage and the demographic, geographical and economic size of each country. The institutional legacies of the colonial period reflect organizational trajectories that can be traced right down to the present.<sup>6</sup> Their institutional frameworks for social policy began to take shape prior to independence, being influenced, among other factors, by the social reforms carried out in the Kingdom of the Netherlands and the United Kingdom from the early twentieth century. Jamaica and Suriname are two examples of this early process. In Jamaica, the Labour Department was created in 1939 and became a ministry (now the Ministry of Labour and Social Security) 16 years later, with a portfolio of responsibilities that has expanded and contracted at different times, having included areas such as sport, gender and social welfare (Jones and Cruickshank, 2004). The ministry has undergone a number of changes over the past four decades. Between January and October 1980, the social area came under the Ministry of Health and Social Security. In the latter month, the Ministry of Social Security became a separate portfolio. In 1983, it was

<sup>6</sup> While most Latin American countries became independent in the early decades of the nineteenth century, those in the Caribbean achieved independence almost a century and a half later (the first was Jamaica in 1962 and the last was Saint Kitts and Nevis in 1983).

merged with the public service portfolio and renamed the Ministry of Public Service and Social Security. The Ministry of Social Security and Consumer Affairs was created three years later, in 1986, but in 1989 it was abolished and its social functions were transferred to the new Ministry of Labour, Welfare and Sports, which in 1993 became the Ministry of Labour, Social Security and Sports. In 2002, the sports portfolio was separated, and since then it has been the Ministry of Labour and Social Security, whose mandate includes providing effective social protection and promoting social inclusion, among other goals (Ministry of Labour and Social Security of Jamaica, n.d.).

In Suriname, the Department of Social Affairs and Immigration was created in 1946 (three decades before independence), as part of the General Administration of what was then a colony of the Kingdom of the Netherlands. Prior to that, however, there were assistance programmes for older persons and those with disabilities. In 1963, the department was upgraded to the Ministry of Social Affairs and Public Health, and four years later this portfolio was merged with that of labour, so that it became the Ministry of Labour and Social Affairs. In 1969, the social affairs portfolio regained its autonomy as a ministry, and in 1980, with the country now independent, the entity acquired its current name, the Ministry of Social Affairs and Housing (Ministry of Social Affairs and Housing of Suriname, n.d.).

Trinidad and Tobago has had a Ministry of Social Development since 1989. Between 2003 and 2004, the gender portfolio was added to its responsibilities, but this was subsequently separated off, and it became exclusively a social development ministry again until 2010, when the Ministry of the People and Social Development was created. In 2015, this ministry was succeeded by the Ministry of Social Development and Family Services, which still exists today (Parliament of the Republic of Trinidad and Tobago, 2023).

Another characteristic of the Caribbean countries is that it is quite common for the same person to be in charge of several ministerial portfolios, a situation that could be related to the countries' geographical and population size and organizational models of social development. In the Caribbean countries with smaller populations, in fact (World Bank, 2021a), social ministries hold a larger number of portfolios: (i) Antigua and Barbuda: Ministry of Health, Wellness and the Environment; (ii) Dominica: Ministry of Health, Wellness and Social Services; (iii) Grenada: Ministry of Social and Community Development, Housing and Gender Affairs; (iv) Saint Kitts and Nevis: Ministry of Education, Youth, Social Development, Gender Affairs, Aging and Disabilities; and (v) Saint Vincent and the Grenadines: Ministry of National Mobilization, Social Development, Gender Affairs, Family Affairs, Housing and Informal Settlement. In the five most populous Caribbean countries, by contrast (World Bank, 2021a), ministries cover fewer portfolios: (i) Bahamas: Ministry of Social Services and Urban Development; (ii) Guyana: Ministry of Human Services and Social Security; (iii) Jamaica: Ministry of Labour and Social Security; (iv) Suriname: Ministry of Social Affairs and Housing; and (v) Trinidad and Tobago: Ministry of Social Development and Family Services.

Another factor in the organization of social development in the Caribbean appears to be the correlation between economic size and the areas covered by ministries. With the exception of Barbados, the countries already identified as having more or fewer portfolios covered by the same ministry are considered. Thus, the Caribbean countries with the lowest GDP are also those with the smallest populations (Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis and Saint Vincent and the Grenadines), while those with the highest GDP are the most populous (Bahamas, Guyana, Jamaica, Suriname and Trinidad and Tobago) (World Bank, 2021b).

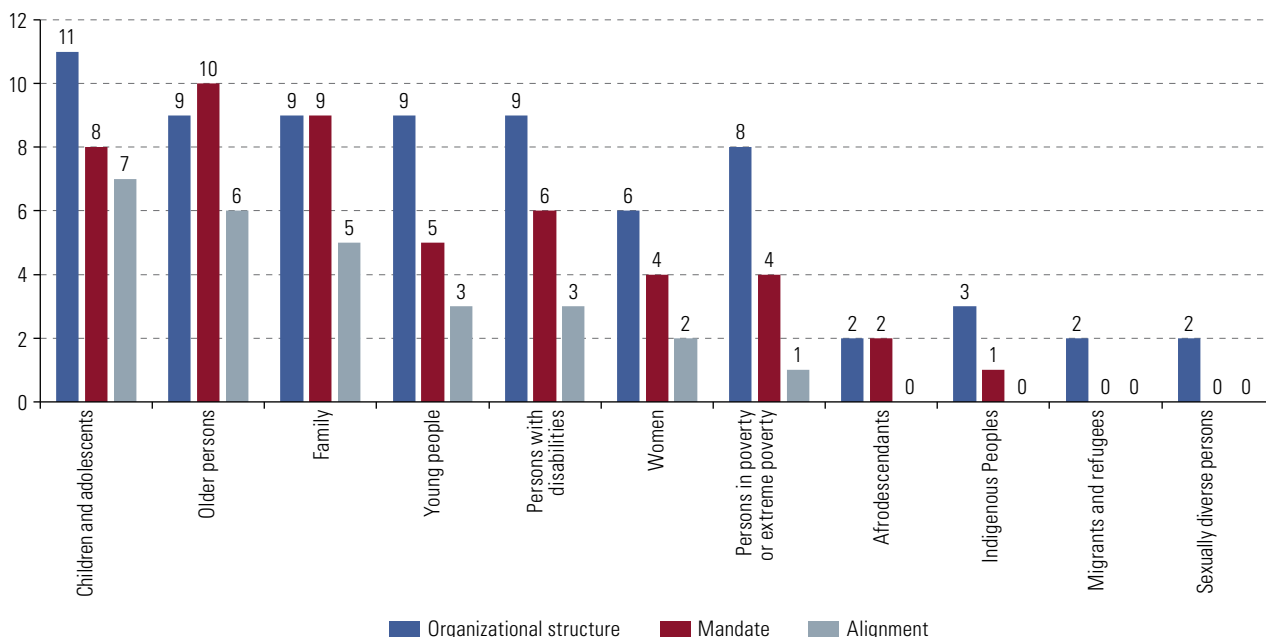
## 2. Alignment between the mandates and organizational structures of social development ministries

One way of examining whether the founding mandates of social development ministries are being fulfilled is to determine whether the mandates are aligned with their organizational structures, meaning whether the legal mandate is reflected in the organizational structure, as ascertained from the official organizational charts of countries' social development ministries. When specific population segments are analysed, the best alignment between mandates and organizational structures is found in the case of children and adolescents. Here, as shown in figure I.6, 11 countries in the region have a mandate and 8 have an entity in charge (according to

social development ministry organizational charts), while the organizational structure aligns with the mandate in 7 countries. There is good alignment for older persons in 6 countries, for the family in 5, for young people and persons with disabilities in 3, for women in 2, and for those living in poverty and extreme poverty in 1. Thus, although the degree of alignment tends to be relatively low, it can be generally stated that organizational structures are more consistent with legal mandates in the case of social protection oriented towards specific population segments than in specific areas of rights.

**Figure I.6**

Latin America and the Caribbean (20 countries):<sup>a</sup> alignment between the legal mandates and organizational structures of social development ministries for particular population segments, 2023  
(Numbers of countries)



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

**Note:** Organizational structures are approximated from the official organization charts of social development ministries or equivalent entities in the countries.

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

### 3. The continuity of coordination challenges in the organizational dimension

Coordination is an essential part of the effort to deal with the fragmentation of the institutional architecture revealed by the existence of disparate policies and programmes divided by sectoral dynamics and across different levels of government. For this reason, entities and initiatives that link efforts are of particular importance. This section presents a brief overview of coordination mechanisms, their current status, the degree of linkage and the role of social development ministries in them, and of the integration occurring in intersectoral efforts to provide services to the population. Single windows, which are one-stop shops for a wide range of services, are an example of this and are discussed in some detail here.

#### (a) Intersectoral coordination mechanisms and the authorities responsible

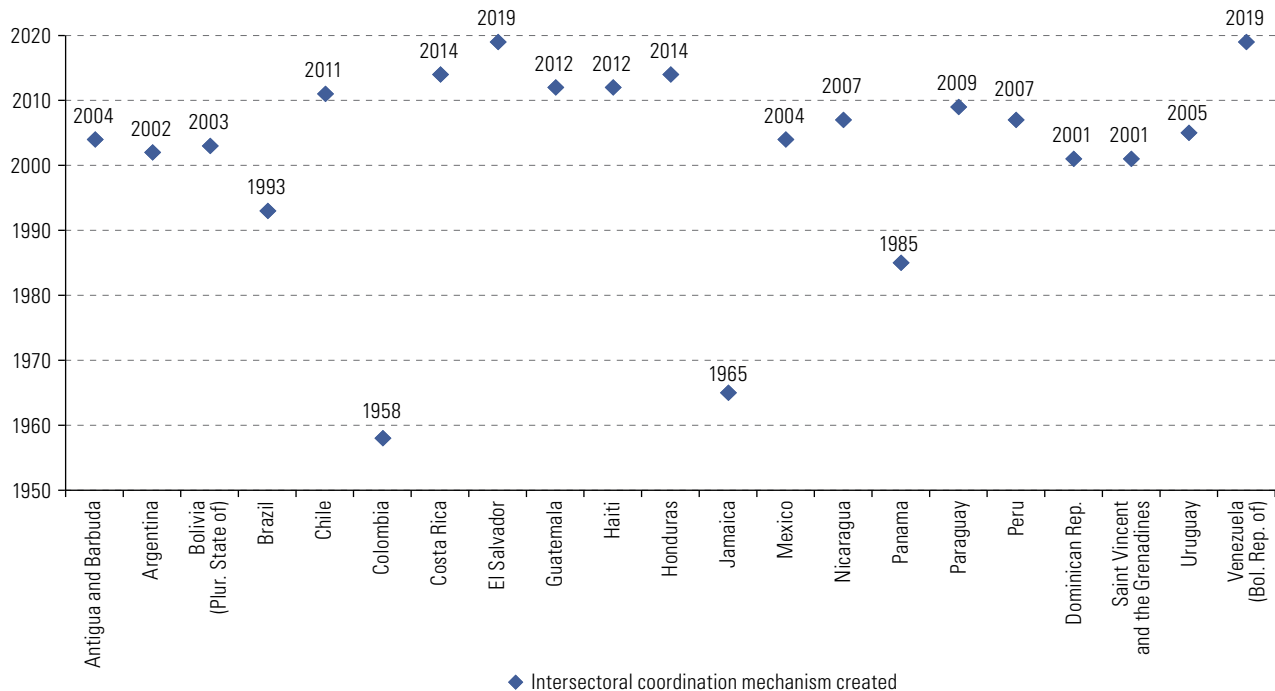
One of the key challenges for social policy institutional frameworks is effective and efficient coordination, both horizontally (within government, with production sectors and with civil society) and vertically (between the national, subnational and local levels of government). Horizontal coordination requires mechanisms that link together the efforts of the different institutions and sectors. These mechanisms represent a complementary,

collegiate social authority that when fully developed serves to organize intersectoral management so that it can cope with the multidimensionality of social phenomena in general and the social protection system in particular. In other words, the further-reaching the linkages, the more effective they will be (Repetto, 2004). However, their extent varies across the region, as does the participation of sectors and the status of the political authority coordinating them. The conditions making for a more comprehensive and harmonized social policy are also challenged by the need for coordination between levels of government and by decentralization processes that have involved an increasing transfer of social policies to subnational and local levels.

In Latin America and the Caribbean, 23 of 33 countries have intersectoral bodies in charge of coordinating social policy. Although most of these emerged at the dawn of the twenty-first century, some are of long standing. The oldest intersectoral body still operating is Colombia's National Council on Economic and Social Policy, created in 1958, followed by Jamaica's Social Development Commission (1965) and Panama's Social Cabinet (1985). The newest bodies, meanwhile, are El Salvador's Social Welfare Cabinet and the Bolivarian Republic of Venezuela's Sectoral Vice-Presidency for Social and Territorial Socialism, both created in 2019, followed by Costa Rica's Social Presidential Council and Honduras's Sectoral Cabinet for Development and Social Inclusion, both created in 2014 (see figure I.7).

**Figure I.7**

Latin America and the Caribbean (21 countries): year of creation of intersectoral coordination bodies<sup>a</sup>



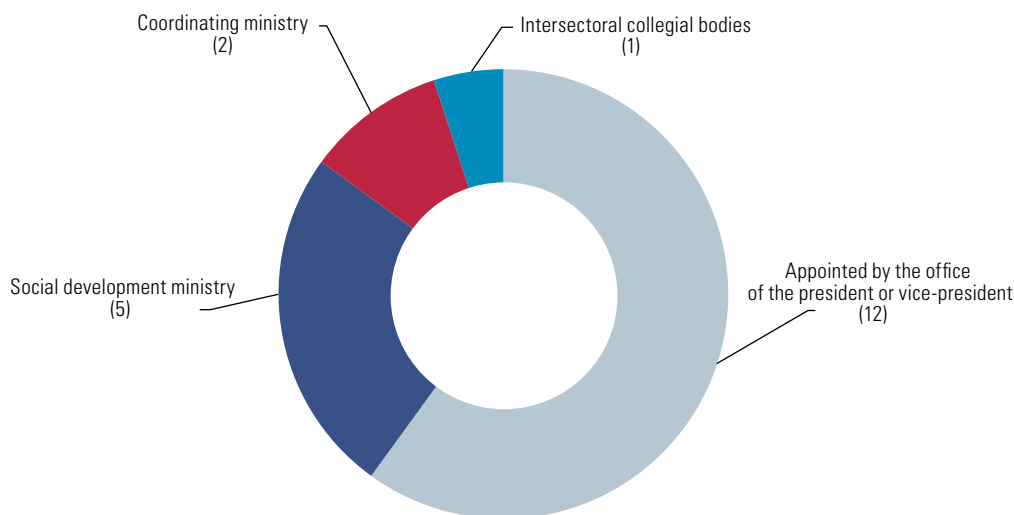
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

<sup>a</sup> Barbados and Belize also have such bodies, but no official information about the year of creation was found.

Regarding the authorities in charge of intersectoral coordination bodies, the region remains diverse (Martínez and Maldonado, 2019). In 12 countries, the form of the social authority originated with an appointment by the executive branch assigning leadership of the body to a vice-president, delegate or commissioner (Antigua and Barbuda, Argentina, Belize, the Bolivarian Republic of Venezuela, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Nicaragua, Paraguay, Peru and the Plurinational State of Bolivia). The second most frequently used method is to assign the task of intersectoral coordination to the country's social development minister, who is in charge of the mechanism in Brazil, Chile, Honduras, Mexico, Panama and Uruguay. A third method is to appoint a special minister or one from another portfolio to coordinate the intersectoral body, as in Colombia and Jamaica (see figure I.8).

**Figure I.8**

Latin America and the Caribbean (20 countries):<sup>a</sup> authorities in charge of intersectoral coordination mechanisms dealing with social development, 2023



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

<sup>a</sup> Antigua and Barbuda, Argentina, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

A review of mandates shows that some of these bodies are also involved in vertical coordination. In Brazil, for example, the National Social Service Council (CNAS) must approve the criteria for transferring resources to the states, municipalities and Federal District. It also reports to the social assistance councils operating at these levels of government, with a view to ensuring the effectiveness of the social assistance system, which is meant to be decentralized and participatory. In Honduras, the Sectoral Cabinet for Development and Social Inclusion must not only analyse issues involving decentralized entities, but must also familiarize itself with the recommendations made by these entities. The Social Cabinet of the Office of the President of Paraguay, meanwhile, is required to develop a strategic agenda and share it with public entities at the central and local levels, as well as with non-governmental organizations and other civil society organizations. Lastly, the functions of the Social Cabinet of Uruguay include allocating areas of responsibility and action between public entities at the national and municipal levels, as well as those of a sectoral character, with the different institutions.

Guatemala's System of Development Councils represents a different approach to vertical coordination. This system territorializes social policy and promotes the representation and participation of the diverse peoples that make up the Guatemalan nation, including the Maya, Xinca and Garifuna Peoples, as well as the non-Indigenous population. Vertical coordination is carried out through five councils, with integration from the national to the community level: (i) the National Council for Urban and Rural Development, (ii) the Regional Councils for Urban and Rural Development, (iii) the Departmental Development Councils, (iv) the Municipal Development Councils and (v) the Community Development Councils (SEGEPLAN, 2023).

## (b) Single window services to integrate social provision

The idea of the single window exemplifies the work of inter-institutional coordination in its fullest operational expression, as the population is provided with integrated access to different public programmes and projects, perhaps within a set of social policy areas or even encompassing the entire range of government programmes. The existence of many social programmes, not only at the sectoral level (health, education, housing and pensions, among others) but also at the different levels of government, requires coordinated action to ensure that as many people as possible are aware of and have access to them. In this context, the use of dedicated access points to integrate social service provision can be crucial in facilitating local access to services.

Single window services can vary considerably in their design and scope and combine a variety of functions, including: (i) provision of information on programmes, target populations and eligibility requirements and referral to service delivery offices; (ii) assessment of applications and verification of eligibility; (iii) assistance in obtaining the documents required for enrolment; (iv) guidance to applicants and follow-up with the service provider; (v) enrolment in social programmes; and (vi) delivery of social services and benefits (GIZ, 2017). The functions of the most basic type of single windows are limited to provision of programme information and referral to service providers' offices, which might be too limited a range of action, in terms of the objective of integrating social provision, for them to qualify as single window services at all. In their fullest version, single window services integrate all functions in the same place.

Single window services can be found in at least three formats in the region: (i) a physical or face-to-face format, in an office; (ii) a virtual format, via an electronic portal; and (iii) a format involving some form of family support.

### *(i) Physical single window services*

Physical or face-to-face single windows are public establishments that provide local people with basic social services. The specific services and activities may vary from one centre to another, as they are tailored to the demands and characteristics of the local community, among other considerations, but their ultimate purpose is to ensure social protection for individuals and families in a situation of vulnerability or social risk. Brazil's Social Assistance Referral Centres (CRAS) are an example of physical single window services (see box I.1).

#### **Box I.1**

##### **Physical single window services: Brazil's Social Assistance Referral Centres (CRAS)**

Brazil has Social Assistance Referral Centres (CRAS) to provide local gateways to the social protection system. CRAS organize and coordinate social assistance networks through public offices providing social assistance services and located mainly in areas of particular social vulnerability. At these centres, citizens can not only access the basic social protection services and programmes of the Single Social Assistance System (SUAS) but also receive guidance on accessing social welfare benefits and the federal government's Single Registry of Social Programmes and be referred to services where they can access other public policies, according to their needs.

CRAS serve people with disabilities, older persons, children and adolescents, people included in the Single Registry and users of the *Bolsa Família* Programme and the Continuous Benefit Programme (BPC), among others. The basic social protection services offered by the CRAS are: (i) the Comprehensive Family Support Programme (PAIF), (ii) the Social Relationship and Integration Support Service (SCFV) and (iii) the Basic Social Protection in the Home for Older Persons and the Disabled Service. In addition, there is the Programme to Promote Access to the World of Work (*Acessuas Trabalho*). The SCFV is also offered in dedicated centres which may be governmental or non-governmental.

The Single Registry, which enables the government to identify low-income families and their living conditions, was created by the federal government but is operated and maintained by the municipalities (*prefeituras*). Each programme has different requirements, but the first step is to keep personal records up to date. In 2022, the Cadastro Único application was created. This is an electronic preregistration channel for those wishing to register. Users, however, must still go to a Single Registry service point in their municipality within 240 days to confirm and complete their family's information, preregistration being only a way of expediting the service.

**Source:** Government of Brazil, "Acessar o Centro de Referência da Assistência Social (CRAS)", 2023 [online] <https://www.gov.br/pt-br/servicos/acessar-o-cras-centro-de-referencia-da-assistencia-social>; "Inscrever-se no Cadastro Único", 2023 [online] <https://www.gov.br/pt-br/servicos/inscrever-se-no-cadastro-unico-para-programas-sociais-do-governo-federal>; "Participar de Serviços da Proteção Social Básica - programas e benefícios assistenciais", 2023 [online] <https://www.gov.br/pt-br/servicos/participar-de-servicos-da-protecao-social-basica-programas-e-beneficios-assistenciais>.

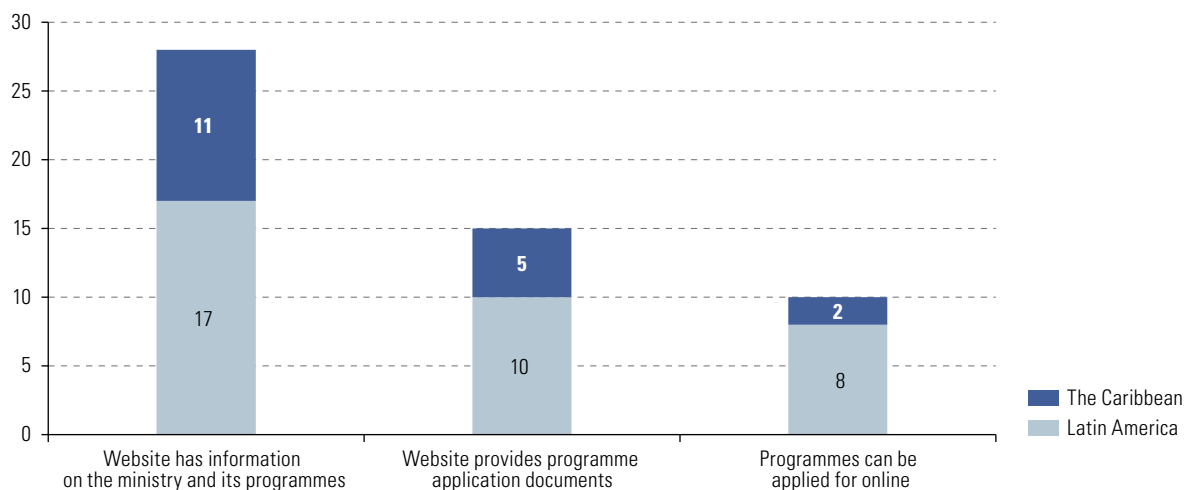
*(ii) Virtual single window services*

A second type of single window services are the virtual ones on institutional websites. With these virtual versions, integration varies greatly from one country to another. Thus, there are cases where the website contains information on the ministry and its programmes, others where it also includes the documents needed to apply for programmes, and others again where it is possible to register or apply directly for programmes from the website.

In almost all the countries, virtual single windows contain information about the ministry and its programmes. This information ranges from addresses and contact information for the different agencies in charge of implementing and allocating social protection policy resources to guidance on the application requirements of the different programmes. A smaller number of countries' single window services include documents needed to apply for social protection programmes. These may be documents for certifying information about the participants or forms for applying in person for programmes. In a smaller number of countries, lastly, it is possible to apply directly online for the different social policy programmes. These online application systems allow participants to submit their requests remotely, without ever having to visit the offices of the various State agencies (see figure I.9).

**Figure I.9**

Latin America and the Caribbean (32 countries):<sup>a</sup> services available from virtual single windows, June 2023  
(Numbers of countries)



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

**Note:** One-stop shops in countries where programmes can be applied for online also provide application documents and information about the ministry and its programmes.

<sup>a</sup> Latin America (19 countries): Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The Caribbean (13 countries): Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

It is important to highlight some of the challenges faced by virtual single window services, including discontinuity of links, which is sometimes associated with changes of government, and which adversely affects trust in public instruments and institutions. Other challenges can arise from the existence of many virtual input platforms with information that is not necessarily integrated, making the search for information confusing, and from gaps in access that affect the poor and vulnerable. These gaps are compounded by the problems of digital illiteracy, lower connectivity among children and older persons and differences in connectivity between urban and rural areas, which compound situations of digital exclusion (ECLAC, 2020; Martínez, Palma and Velásquez, 2020). There is also the challenge of ensuring that the user experience is consistent between virtual and face-to-face single window services, something that requires coordination between the different institutions dealing with the public and those responsible for the virtual experience. However, as was evident during the COVID-19 pandemic, digital technologies can be essential for integrating social programme supply and facilitating access.

### (iii) Family accompaniment as a single window service

Single window services can also be implemented on the ground by sending officials into communities to offer integrated solutions to specific social problems. In this framework, family support programmes, involving social work with individuals, families and communities, can be identified as an example of a personalized single window service in which supply goes in search of demand, since they also provide guidance and refer people to other services and policies as part of their assistance and visiting service (see box I.2). Family support programmes usually perform functions over and above their role as a single window service and can provide an essential link between the institutions in charge of policies and the families that benefit from social programmes, creating institutional and intersectoral linkages and integrating social policy on the ground (Cecchini and Holz, 2022).

#### Box I.2

##### Family support as a single window service: the case of *Uruguay Crece Contigo*

The region has a history of similar intervention models in which single window services are implemented in the form of family support. These experiences, reflected in systems like *Chile Solidario*, *Chile Crece Contigo* and Colombia's *Red Juntos*, have been used as a basis for the design of systems and programmes in other countries (Cecchini and Martínez, 2011). Uruguay Crece Contigo (UCC) is an example. UCC is a national policy that seeks to consolidate a system of early childhood protection for pregnant women and children under 4 years of age. One of the components of UCC is the *Programa de Acompañamiento Familiar* (PAF), a family support programme which is implemented nationwide, with teams in all departments of Uruguay. These teams are made up of facilitators (operating for UCC as a whole), supervisors and specialists who work with families. The programme seeks to strengthen child development and parenting practices, reducing the social and health risks that hinder children's development (Ministry of Social Development of Uruguay, 2023).

The *Programa de Acompañamiento Familiar* addresses issues that particularly affect families, such as pregnancy, care, feeding, breastfeeding, parenting practices, access to health and education, access to social benefits and violence. Its functions include what could be characterized as single window service activities. For example, in each of its modalities, families are guided towards the benefits, programmes and services to which they are entitled and which are available in their local area. The programme, however, provides not only information about what is on offer but also support with the process of accessing these benefits for different family members. In the most challenging situations, furthermore, the programme acts in coordination with other public entities such as the Uruguayan Institute for Children and Adolescents (INAU), the National Institute for Women (INMUJERES) and the judiciary. When situations of violence against minors are detected or suspected, strategies are coordinated within the framework of the Integrated System for the Protection of Children and Adolescents from Violence (SIPIAV) (Ministry of Social Development of Uruguay, 2023).

The *Programa de Acompañamiento Familiar*, operating within the framework of UCC, is thus an example of a policy in which family support, as one component among several others, also acts as a single window service to provide participants with guidance on the benefits and services offered by the State. It is also an example of how public entities can connect with citizens and support them in their search for relevant programmes.

**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, ECLAC, 2011; and Ministry of Social Development of Uruguay, "Programa de Acompañamiento Familiar (PAF) (UCC)", 2023 [online] <https://www.gub.uy/ministerio-desarrollo-social/node/9761>.

## 4. Human resources: a critical factor in the organizational dimension

Success in the transition from social policy decisions to successful implementation depends, among other factors, on the emphasis placed on the human factor in social development ministries. Thus, human resource policy, capacities and personnel management deserve special consideration in the organizational dimension of social policy institutions.

At each stage in the implementation of a public policy (see chapter III), human resources are critical for success, playing a key role in ensuring the efficiency and effectiveness of the actions undertaken. Right from the initial policymaking phase, it is up to people to produce accurate analyses and diagnoses, identify social problems and design effective solutions. Their knowledge, experience and professional, technical and administrative skills are crucial to the generation of viable and strategic proposals. In the implementation stage, it is people who are responsible for carrying out the planned actions, coordinating available resources and ensuring that deadlines are met and goals achieved. Their active and committed participation is essential to ensure that social policies translate into concrete actions, generate impact and foster progress towards inclusive and sustainable social development. The human resource factor is vital in all the examples of single window service mechanisms reviewed in this chapter, and all the different modalities depend on the high-quality work of public officials.

People working in the State apparatus also play a key role in the evaluation of public policies, monitoring results and enabling the necessary adjustments to be made to improve the effectiveness of the actions implemented. Their ability to collect and analyse data, and their commitment to accountability, allow them to rigorously assess the impact of policies and make informed decisions with a view to continuous improvement. Skilled human resource talent is essential for effective social policy implementation and can make all the difference when a new public policy is implemented.

The commitment of officials to policy objectives is as crucial as their qualifications. Their motivation and dedication to public service directly influence the quality of policy implementation and the ability of the service to face challenges and overcome barriers that may arise in the process. Commitment entails not only personal determination but a deep understanding of the importance of social policies, including the need for them to generate the transformations required for progress towards inclusive and sustainable social development.

The quality of human resources in the State apparatus and their leadership capacity, technical skills and commitment to participation and dialogue are critical for effectively and successfully designing and implementing social policies that meet the needs and expectations of society (Bouckaert and Halligan, 2008). The nature of public sector work is undergoing significant and constant change, which implies a need for civil servants and their leaders to develop new capabilities and adapt to changing demands (Hammerschmid and others, 2016). In a context of change, the development of human resource policies provides greater stability for those called upon to perform tasks in the public sector, reduces the scope for discretion and improvisation, and generates greater public confidence.

Institutional frameworks for social policy require a public sector human resource policy, which may include a number of components. Human resource planning is crucial to identify both current and future staffing needs (Jackson and Schuler, 2003). In addition, the recruitment and selection of qualified candidates is fundamental in building a talented and competent team. The development and training of public employees is also essential to strengthen their skills and capabilities. In addition, performance evaluation provides a basis for continuous improvement and professional growth (Gómez-Mejía, Balkin and Cardy, 2008). Adequate compensation and benefits are important in attracting and retaining the most talented employees. Talent management must also be considered, as it involves identifying employees with outstanding skills and potential and providing them with development opportunities (Gómez-Mejía, Balkin and Cardy, 2008). In addition, management of change is essential to adapt to emerging challenges and promote a culture of innovation and continuous improvement (Pollitt and Bouckaert, 2004). Developing processes and strengthening its institutional framework is a task that cuts right across human resource policy. These elements make it possible to enhance the skills and capabilities of public employees, to promote a culture of innovation and continuous improvement and to attract and retain top talent (Shafritz and others, 2017).

Human resource management is crucial in strengthening the institutional framework of social policy and should include planning, selection, training (skills), severance and civil service careers, among other functions. Having career civil servants on the staff can strengthen social policy institutions through a variety of mechanisms, such as specific experience and competence for informed decision-making, commitment to the country's long-term interests beyond political cycles, and greater continuity and stability in the implementation of public policies. The characteristics and conditions of civil service careers can vary considerably from country

to country, as can the proportion of staff who are career civil servants. Administratively, the very concept of a career civil servant may be different in different countries, depending on the legislation and tradition of each, and cases can be found where, for example, a distinction is made between a civil servant and a public employee, which entails different rights and responsibilities. In this context, information provided by some countries<sup>7</sup> shows that the proportion of career civil servants in the social development ministry varies across the region, with figures of 10% in Chile, 7% in Mexico, 9% in Panama and 22% in Paraguay. Unfortunately, no more detailed regional analyses of the size of the workforce in the social area are available. An exception is the regional analysis carried out between 2012 and 2015 on human resources in the public sector, which presents the civil service development index for Latin America published by the Inter-American Development Bank (IDB) for 16 countries, indicating that Brazil, Chile and Uruguay have the best-developed human resources policies among the Latin American countries (Arenas de Mesa and Mosqueira, 2023).

The effective implementation of social policies to fulfil the Regional Agenda for Inclusive Social Development in Latin America and the Caribbean requires a recognition of the fundamental role of human resources in the State apparatus, as well as measures to strengthen and modernize their capabilities and skills. The successful implementation of social policies and the achievement of inclusive social development objectives depend, among other factors, on having trained, committed and public service-oriented human resources who are capable, through their work, of generating impact, reducing inequality and furthering the cause of inclusive and sustainable social development in the region.

## C. The technical and operational dimension: information systems and opportunities for technological transformation

### 1. Social information and registration systems

Information systems are instruments used by public policy to gather data on the areas within its purview, thereby helping to increase the rationality and transparency of decision-making. In the case of social policy, social information systems are crucial in all the phases of design, implementation, monitoring and evaluation and for coordinating actions, identifying areas of complementarity and avoiding possible duplication. In a social information system, there may be a number of subsystems or types of register, classifiable into: (i) registers of potential recipients, which house data on the population eligible for social entitlements and services; (ii) registers of participants, with data on the people who actually use these entitlements and services; and (iii) administrative records, georeferenced registers and social surveys, plus data that are not declared by individuals but are useful for social policy purposes (Van Hemelryck, 2022).

For information systems to be properly implemented and used, it is not enough for the records to exist, since there need to be other components such as a strengthened institutional framework, appropriate data governance (including personal data protection) and information management capacity (operationalization, information and communications technology (ICT) infrastructure and software). Having these elements in place makes the social information system more efficient, reducing financial costs and time demands, and increases transparency. It also supports a more comprehensive and consolidated approach that is open to feedback and likely to produce better-quality information which can be made immediately available to decision-makers. However, there are also risks, particularly with regard to information security, but also the possibility that some population groups will be excluded and that virtual spaces will become established as the only valid source of information, to the detriment of direct contact with citizens (Berner and Van Hemelryck, 2020; Van Hemelryck, 2022).

<sup>7</sup> Data provided by representatives of social development ministries as part of the technical preparatory meetings for the fifth session of the Regional Conference on Social Development in Latin America and the Caribbean.

The information collected is used for integrated social programme management, identifying areas where, for example, programmes complement or duplicate each other, as well as neglected aspects that need to be addressed. In addition, having social information available allows public policies to be monitored and evaluated, which is essential for determining their effectiveness and efficiency. The information can also be used to create socioeconomic profiling tools in order to check that programme recipients meet the eligibility criteria. In addition, social information systems and registries play a key role in crisis and emergency situations, when potential recipients of social policies need to be contacted quickly.

It is also important for systems to aim at interoperability, i.e., at enhanced sharing of data from different sources, whether physical or digital. To this end, public entities must work in coordination, sharing the information available to each in order to detect areas of alignment and complementarity and any data gaps on which action needs to be taken. This is not an easy area, as institutional silos often result in information being treated as a source of power, with the potential for spurious operational assessments to be produced. However, synergies increase when data interoperability is implemented, enhancing efficiency for the different producers and users of information and thereby improving transparency and the willingness to collaborate, which results in better-quality public policies.

The most common data collection strategies are large-scale surveying, registration of programme participants (i.e., those eligible to access social goods or services), registration on request (participants apply for registration for themselves and members of their households) and automatic enrolment (all those born or residing in the country are automatically registered). The global trend is for as many people as possible to be included in information systems, irrespective of their characteristics. However, regular data collection requires wide-ranging institutional agreements and appropriate institutional support, particularly in the form of financial resources and human, technical and logistical capacities to cover as many people as possible. The most commonly used mechanism for these purposes in the region is the large-scale survey. Of the 14 countries for which data are available, 11 (Argentina, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Panama, Paraguay, Peru and the Plurinational State of Bolivia) use this method to collect information, 2 (Chile and Haiti) also carry out registration on request and only 1 (Uruguay) also conducts automatic enrolment.<sup>8</sup>

Social information systems are usually the responsibility of social development ministries or equivalent entities. Of the 21 countries for which information is available, the social development ministry or its equivalent is the entity responsible for the system in 15, while in 4 it comes under the Office of the President of the Republic (usually through one of its affiliated bodies) and in only 2 is it managed by an autonomous institution (see figure I.10A).

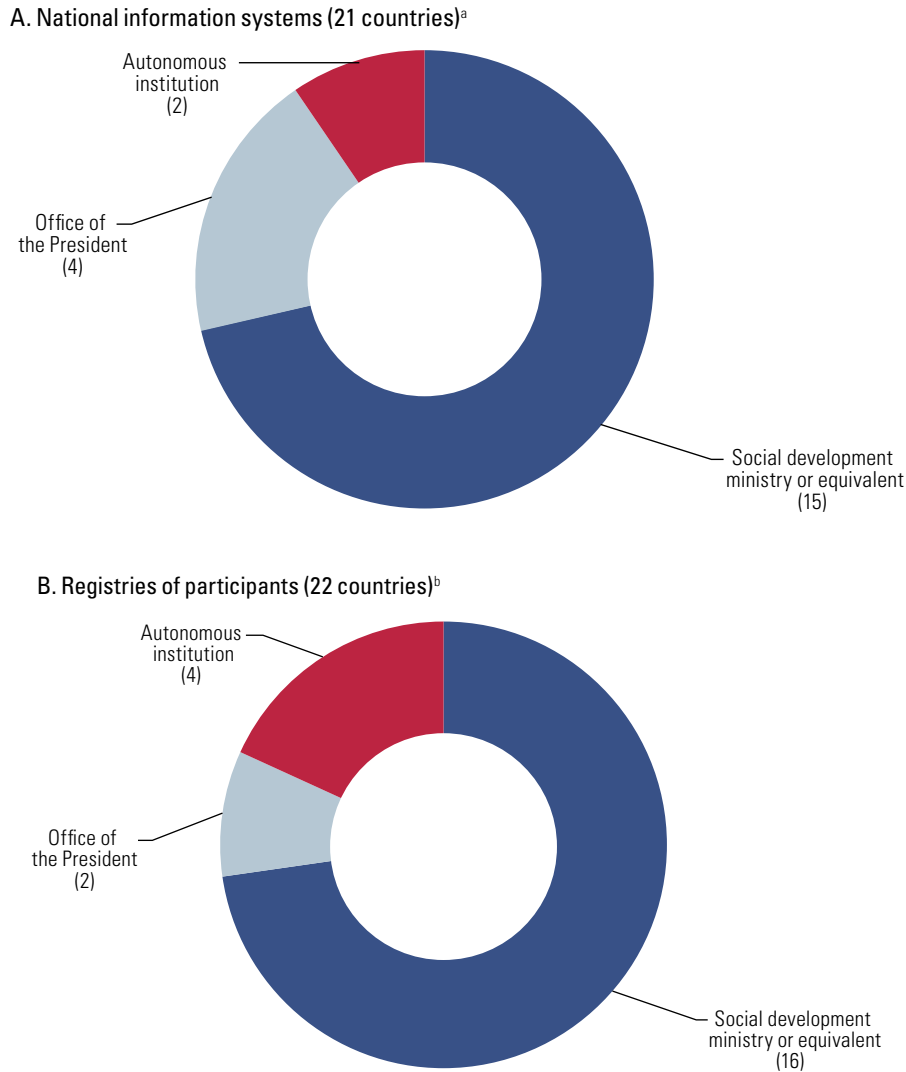
The situation is much the same for registries of participants. Of the 22 countries with information available, the authority in charge of registries is a social development ministry or equivalent entity in 16, while in 4 the responsible authority is the Office of the President of the Republic and in only 2 is the registration of participants carried out by an autonomous institution (see figure I.10B).

In most countries, moreover, the same authority is in charge of the social information system and the register of participants, a situation that enhances the potential for integrating the two. Among the 18 countries for which comparable data are available, two exceptions can be identified: (i) Argentina, where the social information system is run by the Office of the President (through the National Council for the Coordination of Social Policies), while an autonomous entity, the National Social Security Administration (ANSES), is responsible for the register of participants; and (ii) Paraguay, where the Office of the President (acting through the Social Cabinet) is the authority in charge of the information system, while the registry of participants is run by the Ministry of Social Development.

<sup>8</sup> Estimate based on information available from official country websites and provided by partners in social development ministries.

**Figure I.10**

Latin America and the Caribbean: authorities in charge of national information systems and registries of participants



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) and information from official country websites (for figure B).

<sup>a</sup> Antigua and Barbuda, Argentina, Bahamas, Belize, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

<sup>b</sup> Antigua and Barbuda, Argentina, Bahamas, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

The situation in the countries varies in terms of the level of coverage, integration and interoperability, verification mechanisms, targeting instruments and the type of programmes that use data from the information systems and registers of recipients. In assessing the progress made with registries of recipients, three groups of countries can be identified: (i) Argentina, Brazil, Chile, Colombia, Costa Rica, Peru and Uruguay, with an advanced level; (ii) the Dominican Republic, Ecuador, El Salvador, Mexico and Panama, with an intermediate level; and (iii) Haiti, Paraguay and the Plurinational State of Bolivia, whose registries of recipients are a work in progress (Berner and Van Hemelryck, 2020). Box I.3 presents the example of the efforts made by Chile, which, like other countries, has striven for progress in this area in recent decades.

**Box I.3****The Integrated Social Information System (SIIS) in Chile**

The Integrated Social Information System (SIIS) originated in Law No. 19949 of 2004, which created the Social Protection System for Families in Poverty, known as *Chile Solidario* (currently the *Seguridades y Oportunidades* subsystem). This is the digital platform that provides information technology support to the social protection system and that coordinates all data from municipalities and public entities in the Social Information Registry (RIS). This facilitates interoperability in information sharing, as the SIIS not only provides information technology support to the social protection system, but is also used at different levels and by different public entities (Covarrubias, Irarrázaval y Morandé, 2011). The RIS contains data on individuals and families who are or could be recipients of public benefits and programmes, the benefits and amounts they obtain from these, the characteristics that make them eligible for social benefits and their socioeconomic circumstances. The information in the RIS is provided by municipalities and by public and private entities administering statutory social benefits. RIS data are available so that these same stakeholders can use them and, where appropriate, better administer the programmes they are responsible for, always with due regard for citizens' right to privacy (Law No. 19949 of 2004; Law No. 20530 of 2011).

The SIIS is also composed of the Social Registry of Households (RSH) and other additional records such as the Basic Emergency Registry (FIBE), and manages some social subsystems such as *Chile Crece Contigo* and *Seguridades y Oportunidades*, as well as platforms with statistical data on individuals and their characteristics (Van Hemelryck, 2022).

A number of specific instruments have been available over the years to identify and select users of social entitlements on the basis of household socioeconomic criteria. First, in 1980, the CAS card was created. This was reformulated as CAS2 between 1990 and 2007 and as the social protection registry subsequently. The Social Registry of Households (RSH) has existed since 2016, and stores information from primary sources (self-reporting) that is regularly integrated and updated using secondary sources (State administrative data) and has a set of indicators for measuring household welfare (Van Hemelryck, 2022). This information is used to select participants, design and redesign social programmes, implement and monitor social benefits and evaluate their outcomes (Ministry of Social Development/World Bank, 2018). In addition, the RSH information is used to construct socioeconomic scores, on the basis of which households are sorted into seven brackets. The first includes the lowest-income 40% of households, while the last covers the highest-income households in the range from 91% to 100% (Berner and Van Hemelryck, 2020).

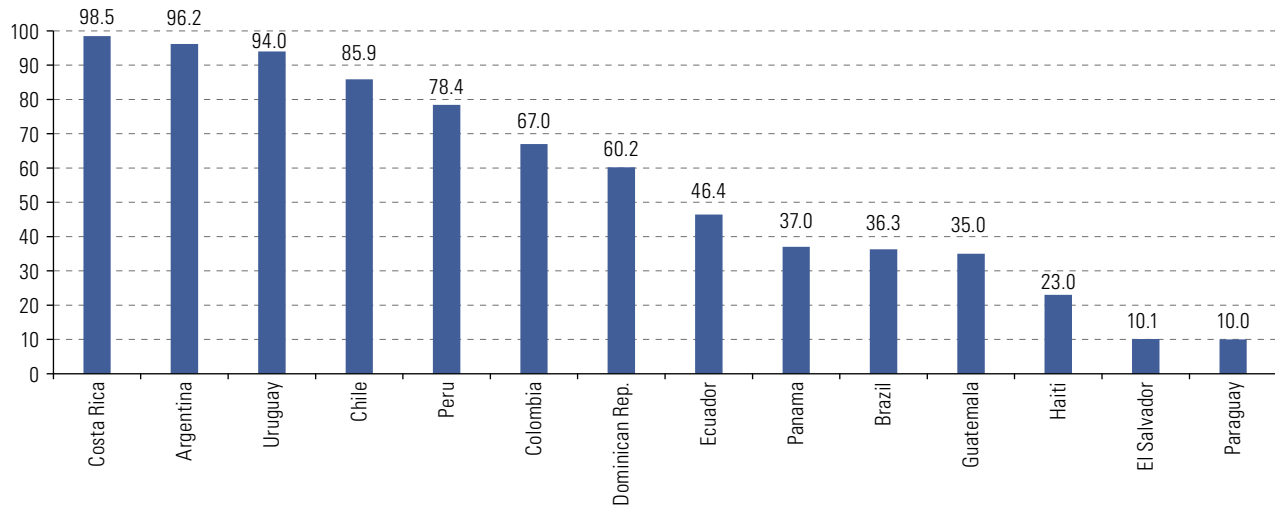
Implementation of the SIIS was motivated by a number of factors, including the need to provide flexibility so that social programme designers and implementers could develop their own targeting instruments and potential participants thus be better identified. This is attractive for public entities that operate within the framework of the SIIS and use its data. There is also an incentive for individuals and households to register, and for the programmes themselves to ask recipients to register in the RSH as a condition of eligibility, which allows coverage to be expanded (Van Hemelryck, 2022). The implementation of the SIIS was also favoured by technological advances and a political decision to move from a demand-driven approach to regulation to a supply-driven one.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of 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, ECLAC, 2020; F. Covarrubias, I. Irarrázaval and M. A. Morandé, "Sistema Integrado de Información Social: Chile", *Sistemas integrados de información social: su rol en la protección social*, V. Azevedo, C. Bouillon and I. Irarrázaval (eds.), Catholic University of Chile, Centre for Public Policy Analysis, 2011; Chile, *Ley 19949: establece un Sistema de Protección Social para familias en situación de extrema pobreza denominado Chile Solidario*, 2004 [online] <https://www.bcn.cl/leychile/navegar?idNorma=226081> <https://www.bcn.cl/leychile/navegar?idNorma=226081>; Chile, *Ley 20530: crea el Ministerio de Desarrollo Social y Familia y modifica cuerpos legales que indica*, 2011 [online] <https://www.bcn.cl/leychile/navegar?idNorma=1030861&idVersion=2022-06-13> <https://www.bcn.cl/leychile/navegar?idNorma=1030861&idVersion=2022-06-13>; Ministry of Social Development/World Bank, Social Registry of Households, 2018 [online] [https://www.desarrollosocialyfamilia.gob.cl/storage/docs/RSH\\_paper\\_2.pdf](https://www.desarrollosocialyfamilia.gob.cl/storage/docs/RSH_paper_2.pdf) [https://www.desarrollosocialyfamilia.gob.cl/storage/docs/RSH\\_paper\\_2.pdf](https://www.desarrollosocialyfamilia.gob.cl/storage/docs/RSH_paper_2.pdf); T. van Hemelryck, "Social protection information systems and recipient registries", *Toolkit. Institutional frameworks for social policies for equality in Latin America and the Caribbean*, S. Cecchini, R. Holz and H. Soto de la Rosa (coords.) (LC/TS.2021/157), Santiago, ECLAC, 2022.

If just the coverage of registries of recipients is considered, the countries can again be classified into three groups. The first group contains the countries with the highest coverage (over 75%), which in decreasing order are: Costa Rica, Argentina, Uruguay, Chile and Peru. Next come Colombia, the Dominican Republic, Ecuador, Panama, Brazil and Guatemala, where between one and two thirds of the population are covered. Lastly, Haiti, El Salvador and Paraguay have the lowest coverage, at less than a quarter of the population (figure I.11).

**Figure I.11**

Latin America (14 countries): population covered by registries of recipients, 2023 or latest year available (Percentages)



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

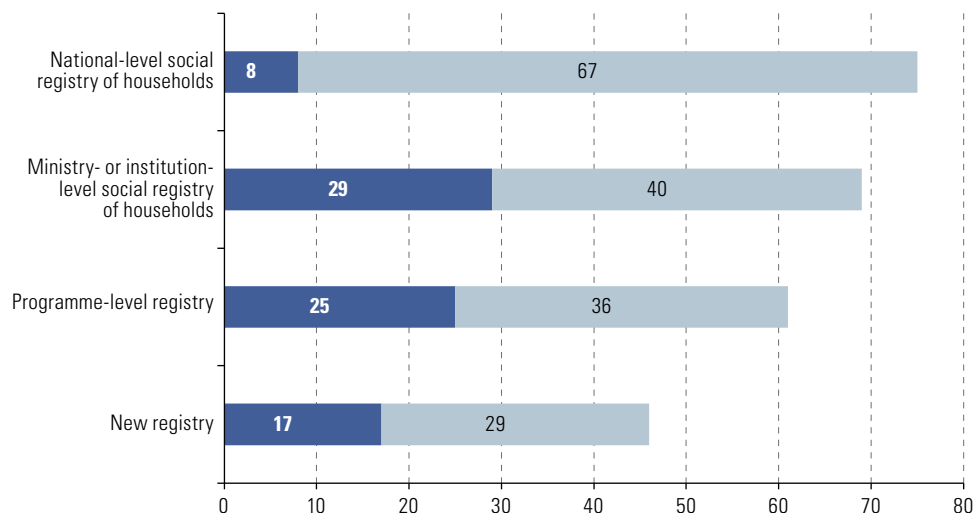
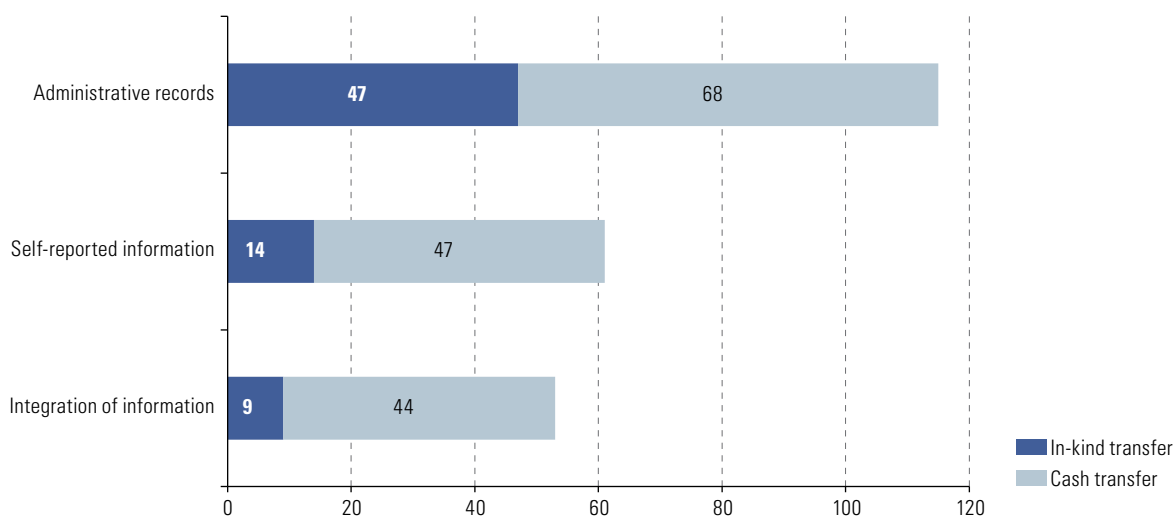
The importance of social information registries was reconfirmed in the COVID-19 pandemic. The countries of the region implemented a variety of emergency measures to alleviate the impact of the pandemic on the most vulnerable sectors of the population, in the form of cash and in-kind transfers. Without information registries, it would not have been possible to identify the vulnerable population and establish who would receive these benefits. Between March 2020 and October 2021, national-level registries were used to implement 75 measures in Latin America and the Caribbean, ministry-level registries to implement 69 measures, pre-pandemic programme-level registries to implement 61 measures, and new registries to generate 46 measures. Not only did the type of registry vary, but so did the type of information used. This mainly involved administrative data (115 measures), self-reported information (61 measures) and the integration of information from different sources, providing fresh data when cross-referenced (53 measures) (Atuesta and Van Hemelryck, 2023) (see figure I.12).

While it is important to consider the challenges that arise for quality, coverage and interoperability when administrative data from different sources are integrated, the COVID-19 pandemic also demonstrated that administrative data are a key source of relevant information when measures are formulated. The pandemic also highlighted the growing role that big data can play in the design of social policies, as was demonstrated for mobility flows. Large datasets can provide detailed and up-to-date information on the needs of vulnerable populations and gaps in social service provision, thus opening up new opportunities to improve the responsiveness of social policy in both normal and emergency situations, with the advantage that they can be compiled from a variety of sources and analysed rapidly, often in real time. Challenges include proper coordination with other records in the interests of having an integrated information system and respect for privacy protection and responsible data use (United Nations, 2018).

Brought to the fore by the need to identify vulnerable populations during the pandemic, information and communication technology (ICT) use is also a vital complement to the development of social information systems and registers. Countries in the region brought in technology to implement mitigation measures, especially for the purpose of informing people about the benefits available and the delivery of goods or services associated with them, making use of mobile applications, Internet platforms and online application forms for different benefits (Berner and Van Hemelryck, 2020). However, it is important to bear in mind that technology use also presents access challenges that intersect with socioeconomic inequalities in the population (ECLAC, 2020; Martínez, Palma and Velázquez, 2020).

**Figure I.12**

Latin America and the Caribbean (30 countries)<sup>a</sup> numbers of emergency cash and in-kind transfer measures, by type of social information registry and type of data used, March 2020 to 31 October 2021

**A. Type of social information registry****B. Type of data used**

**Source:** B. Atuesta and T. van Hemelryck, "Protección social de emergencia frente a los impactos de la pandemia de COVID-19 en América Latina y el Caribe: evidencia y aprendizajes sobre sistemas universales, integrales, sostenibles y resilientes de protección social", *Project Documents* (LC/TS.2022/143), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2023.

**Note:** The categories in figures A and B are not mutually exclusive, as a measure might use information from social registries and new registries at the same time. It is also possible for the same measure to use both administrative records and self-reported data. In the classification of the type of social information record used, no information was available for 114 measures, while in the case of the type of data used, there were 120 benefits for which insufficient detail was available to classify them.

<sup>a</sup> Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

## 2. Information systems and support for monitoring and evaluation in social policy decision-making

Social information systems are a tool for improving the monitoring and evaluation of social policy, two components that are crucial for decision-making (see box I.4), since the more information is available on the social circumstances of the population in general, and of the recipients of social policy goods and services in particular, the more comprehensive and reliable the analysis of the results and the attribution of the factors involved in them will be. Moreover, truly comprehensive information systems must not only contain demographic and socioeconomic population data and records, but must include and interact with information on programme provision. Thus, rather than being a technical or bureaucratic issue, integrated information management plays a central role in the design, implementation and evaluation of a universal social protection system that is sensitive to differences (Cunill-Grau, Repetto and Bronzo, 2015; Martínez, 2015; ECLAC, 2021).

### Box I.4

#### Monitoring and evaluation: key components for decision-making

Evaluation is a frame of reference for project, programme or policy design that makes it possible to estimate and measure the impact of the instrument in question on the target population and its cost, in order to decide whether to implement, continue or adapt it. Monitoring, on the other hand, is a continuous review, carried out while processes are being implemented, in which the productivity and quality of a social policy, as well as its time scales and costs, are analysed (Martínez, 2015). They complement each other, as monitoring provides indicators that later make it possible, during evaluation, to draw conclusions that contribute to improving the project or programme. To achieve this, it is very important to have management information systems that include information from both components (monitoring and evaluation), as they are crucial both for decision-making and generating knowledge (Martínez, 2015).

The goal of evaluation is to reduce the likelihood of errors in a programme or project in order to maximize impact and minimize costs. One benefit of evaluation is that it lends technical legitimacy to social policy, since it provides support for social covenants to establish social protection systems. It also promotes transparency and strengthens the institutional framework, as it reveals the aspects that need improvement and makes it possible to measure the effect of making changes to programmes and projects. Evaluation can be carried out during programme or policy design, based on forecasts, to estimate costs and impacts (whether positive or negative) and determine whether the project is viable, or after the fact, either while the programme is in operation, to determine whether it should continue, or once it has concluded, to decide whether to carry out other, similar programmes (Martínez, 2015).

Monitoring means following up on policy implementation at different levels. Monitoring is intended to analyse the effectiveness and efficiency of processes, identifying possible "deviations" from what was planned (Cohen and Martínez, 2004). The focus of analysis is on physical and financial auditing, meaning checking whether the planned activities are being carried out and the available resources used. Logically, monitoring activities should be scheduled during the project or programme design stage to minimize any difficulties that may arise and maximize the usefulness of the follow-up. Nonetheless, changes may be made to monitoring activities during programme or project operation and implementation, as the scheduling of these activities cannot be rigid, but must be flexible and adapt to possible contingencies that may arise during implementation (Martínez, 2015).

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of E. Cohen and R. Martínez, *Manual: formulación, evaluación y monitoreo de proyectos sociales*, Santiago, ECLAC, 2004 [online] [https://dds.cepal.org/redesoc/archivos\\_recursos/242/Manual\\_dds\\_200408.pdf](https://dds.cepal.org/redesoc/archivos_recursos/242/Manual_dds_200408.pdf); R. Martínez, "Monitoring and evaluation of social protection policies and programmes", *Towards universal social protection: Latin American pathways and policy tools*, ECLAC Books, No. 136 (LC/G.2644-P), S. Cecchini and others (eds.), Santiago, ECLAC, 2015.

An analysis of the organizational structures of the region's social development ministries shows that 14 countries have a unit or department carrying out monitoring, evaluation or both. Of these countries, 12 have entities dedicated to both evaluation and monitoring in their social development ministries. The exceptions are Costa Rica (evaluation only) and Suriname (monitoring only). It should be noted that this analysis was subject to the availability of official information from the countries (see table I.1).

**Table I.1**

Latin America and the Caribbean (14 countries): entities in charge of monitoring and evaluation according to the organization charts of social development ministries, 2023

	Social development ministry or equivalent entity	Evaluation	Monitoring
Argentina	Ministry of Social Development	National Directorate for Management Directorate for Social Information Management	
Brazil	Ministry of Social Development and Fight Against Hunger	Department of Follow-up and Evaluation	
Chile	Ministry of Social Development and Family	Undersecretariat of Social Evaluation	
Colombia	Administrative Department for Social Prosperity	Office of the Assistant Director General for Programmes and Projects	
Costa Rica	Joint Institute for Social Aid (IMAS)	Research, Planning and Evaluation Unit	...
Dominican Republic	Social Policy Coordination Cabinet	Social Policy Evaluation Unit	Planning and Monitoring Unit
Ecuador	Ministry of Economic and Social Inclusion	Follow-up and Evaluation Department	
El Salvador	Office of the Presidential Commissioner for Operations and Cabinet Office	Coordination of strategic planning, follow-up, monitoring and evaluation of cross-sectoral public policies	
Guatemala	Ministry of Social Development	Monitoring and Evaluation Directorate	
Honduras	Secretariat of Social Development	Follow-up and Evaluation Directorate Management Planning and Evaluation Unit	
Mexico	Secretariat of Welfare	Development Programme Planning and Evaluation Unit	
Peru	Ministry of Social Development and Inclusion	Directorate-General for Follow-up and Evaluation	
Suriname	Ministry of Social Affairs and Housing	...	Office of Research, Planning and Monitoring
Trinidad and Tobago	Ministry of Social Development and Family Services	Monitoring and Evaluation Unit	

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

In considering organizational structure, it is important to emphasize linkages between monitoring and evaluation, as the two phases feed into each other, allowing better results to be achieved in terms of efficiency and resource allocation. Again, to secure more reliable, efficient and timely information, it is important to improve the integration and interoperability of monitoring and evaluation entities and systems with other entities. Here, it is important to consider the difference between evaluating projects or programmes (micro level) and evaluating policies (macro level).

The monitoring and evaluation system can also be affected by the autonomy of the implementing entities. This varies from country to country. Mexico's National Council for the Evaluation of Social Development Policy (CONEVAL) is an example of an autonomous body with broad competences in policy and programme evaluation (see box I.5), which may encompass not only public institutions, but also other actors such as academia, non-governmental organizations, religious groups and trade associations. Although differences in approaches and priorities may result in a different organizational structure, it is important to recognize that monitoring and evaluation play a key role in inclusive and sustainable social development.

**Box I.5****Evaluation of social development policy by an autonomous body: the case of the National Council for the Evaluation of Social Development Policy (CONEVAL) in Mexico**

The National Council for the Evaluation of Social Development Policy (CONEVAL) was created in 2004 by the General Law on Social Development. It is an autonomous body whose main objectives are twofold: (i) to regulate and coordinate the evaluation of public policies and programmes in the area of social development and (ii) to establish guidelines and criteria for defining, identifying and measuring poverty. This has an impact on social development planning, which encompasses a large number of programmes: municipal programmes; state plans and programmes; institutional, regional and special programmes; the National Social Development Programme; and the National Development Plan (Ley General de Desarrollo Social, 2004).

The autonomy of CONEVAL is essential to ensure objectivity, impartiality and thoroughness in the measurement and evaluation of social development policy in Mexico, allowing it to operate free of political influence and with the capacity to generate unbiased analyses. This should be reflected, among other things, in its credibility and reliability, the objectivity of its evaluations, its ability to provide evidence-based recommendations and its transparency and accountability.

By issuing the evaluation guidelines that entities participating in social policy must comply with, CONEVAL contributes to policy consistency by preventing duplication of efforts and resources and maximizing results. To fulfil this function, CONEVAL uses data generated by the National Institute of Statistics and Geography (INEGI) for a set of indicators related to income, education, health, housing, food and social security, among other things. In addition, CONEVAL measures poverty at least every two years for each federal entity and every five years at the municipal level (Ley General de Desarrollo Social, 2004).

Another very important function of CONEVAL is the approval of result, management and service indicators for social programmes run by federal government agencies and entities. This is essential because without such approval these institutions cannot join forces by entering into coordination agreements, which are instruments sponsored by the Secretariat of Welfare to facilitate the convergence of social development policies, programmes and projects (Reglamento de la Ley General de Desarrollo Social, 2006).

To meet its goals and targets, CONEVAL has a Social Development Policy Monitoring and Evaluation System for following up on them. For monitoring purposes, there is a Matrix of Result Indicators comprising 27 indicators that measure fulfilment of objectives. As a government agency, furthermore, CONEVAL itself is subject to external evaluations aimed at improving its performance and gauging progress towards its goals (CONEVAL, 2023).

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Council for the Evaluation of Social Development Policy (CONEVAL) [online] <https://www.coneval.org.mx/Paginas/principal.aspx>; "Planeación y Sistema de Monitoreo y Evaluación del CONEVAL" [online] [https://www.coneval.org.mx/quienessomos/Paginas/Planeacion\\_sistema\\_monitoreo.aspx](https://www.coneval.org.mx/quienessomos/Paginas/Planeacion_sistema_monitoreo.aspx); T. Escotto Quesada, "Coherence and coordination mechanisms for social policies", *Toolkit. Institutional frameworks for social policies for equality in Latin America and the Caribbean* (LC/TS.2021/157), S. Cecchini, R. Holz and H. Soto de la Rosa (coords.), Santiago, ECLAC, 2022; Mexico, "Ley General de Desarrollo Social", 2004 [online] [https://www.coneval.org.mx/Evaluacion/NME/Documents/Ley\\_General\\_de\\_Development\\_Social.pdf](https://www.coneval.org.mx/Evaluacion/NME/Documents/Ley_General_de_Development_Social.pdf); Mexico, "Reglamento de la Ley General de Desarrollo Social", 2006 [online] <https://www.coneval.org.mx/rw/resource/coneval/normateca/2347.pdf>.

## D. The financial dimension: the sustainable management and financial sustainability of social protection

### 1. Public spending on contributory and non-contributory social protection systems

The evolution of social spending illustrates the magnitude of the challenges the region faces in moving towards inclusive and sustainable social development (ECLAC, 2022a). The current context of a cascading global and regional crisis with economic, social and environmental effects puts pressure on fiscal policy to respond with sustainable, inclusive and adequate measures that can not only alleviate the impact of the crisis but also help to get the region back on track for the Sustainable Development Goals (SDGs) (ECLAC, 2023a).

It is important to have sufficient data available to monitor and analyse funding and its sources, whether it comes from abroad (external debt or grants), from reserves or from domestic resource mobilization (reallocations), so that challenges posed by exogenous factors in the global economy can be incorporated into the analysis.

This section presents an overview of the financial dimension in the light of the data available to analyse public social policy from a financial perspective, specifically the resource management of social development ministries and equivalent institutions. For this purpose, use is made of aggregate fiscal statistics, the Non-contributory Social Protection Programmes Database - Latin America and the Caribbean<sup>9</sup> and the Household Survey Data Bank (BADEHOG), available for 14 countries in the region.

### (a) Analysis of public social spending and expenditure by social development ministries

Figures published in the *Social Panorama of Latin America and the Caribbean, 2022* show that central government social spending in 2021 averaged 13% of GDP in Latin America (15.3% of GDP in South America and 10.5% of GDP in Central America, the Dominican Republic and Mexico) and 14.1% of GDP in the Caribbean.<sup>10</sup> When calculated against the population size of each country, the average per capita expenditure, in dollars at constant 2018 prices, was US\$ 1,160 in Latin America (US\$ 1,529 in South America and US\$ 745 in Central America, the Dominican Republic and Mexico) and US\$ 2,140 in the Caribbean (ECLAC, 2022a).

Public social spending reached record levels as a percentage of GDP in 2020 in response to the crisis caused by the COVID-19 pandemic (ECLAC, 2022b), and although it fell back in 2021, it remained higher than in 2019 (ECLAC, 2022a). The extra resources in 2020 were allocated to the functions of social protection,<sup>11</sup> with an increase of 1.7% of GDP in Latin America and 0.6% of GDP in the Caribbean (mainly for emergency transfers), and health, with an increase of 0.4% of GDP in Latin America and 0.9% of GDP in the Caribbean.

The historical trend shows that the bulk of public spending goes to social protection, education and health. Social protection spending peaked this century in response to the COVID-19 pandemic of 2020 and 2021 at 5.3% of GDP in Latin America (7.7% of GDP in South America and 2.5% in Central America, Mexico and the Dominican Republic) and 3.6% in the Caribbean. Average per capita social protection spending in 2021 in dollars at constant 2018 prices was US\$ 566 in Latin America (US\$ 885 in South America and US\$ 202 in Central America, Mexico and the Dominican Republic) and US\$ 608 in the Caribbean. Preliminary data indicate that spending continued trending downward in 2022. Total central government spending was lower in 2022 (21.9% of GDP) than in 2021 (23.3% of GDP) (ECLAC, 2023c).

By way of comparison, average general government social spending in the countries of the Organisation for Economic Co-operation and Development (OECD) was 32.5% of GDP in 2021,<sup>12</sup> according to the Classification of the Functions of Government (COFOG), and the function with the highest expenditure was social protection, at 17.1% of GDP.

Spending<sup>13</sup> on social protection grew by 48.1% in 2020 and 1.8% in 2021 in real terms in Latin America (30.6% and 3.5% in South America, 67.9% and -0.6% in Central America, Mexico and the Dominican Republic) and by 30.3% and 30.4% in the Caribbean, respectively. This substantial growth sets a precedent when it comes to assessing the capacity of social development ministries to manage and execute larger budgets.

Although most social protection spending in the region goes to pension systems, some of it is also allocated to labour inclusion and unemployment insurance programmes, non-contributory transfers and

<sup>9</sup> See information on conditional transfer programmes, social pensions and labour and productive inclusion programmes at [online] <https://dds.cepal.org/bpsnc/home>.

<sup>10</sup> Value for five countries with data available: Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago.

<sup>11</sup> The functional classifier is used. The social functions are: (i) environmental protection, (ii) housing and community services, (iii) health, (iv) recreation, culture and religion, (v) education and (vi) social protection.

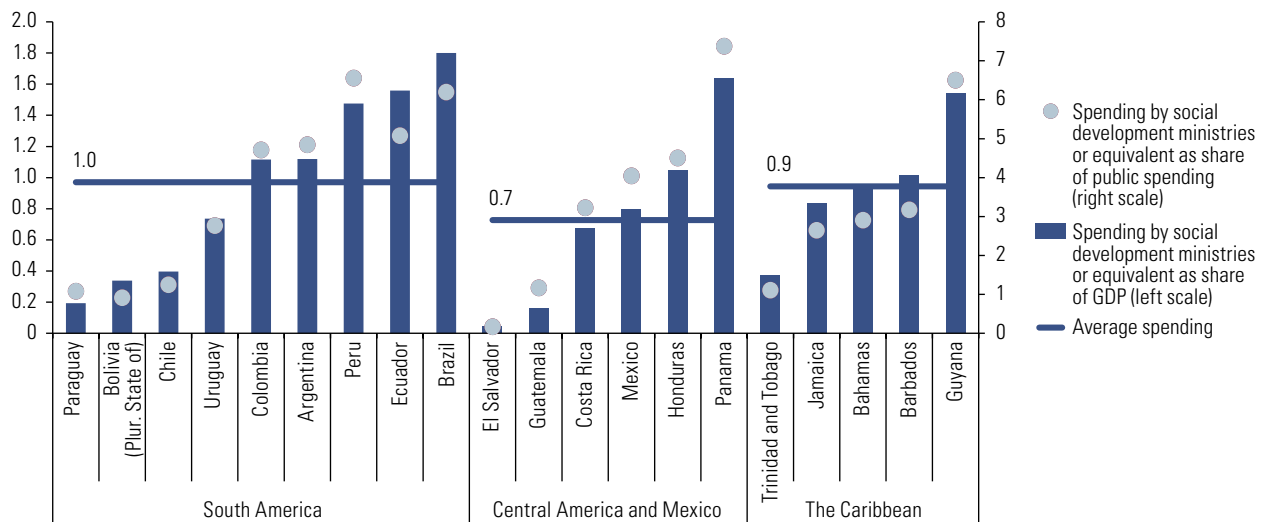
<sup>12</sup> The 30 countries that make up the average are: Australia, Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, the Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

<sup>13</sup> In 2018 dollars.

subsidies. In this context, social development ministries in the region's countries, in line with their operational commitments, concentrate mainly on non-contributory social protection policy and support for social and labour market inclusion, which is reflected in their spending structure, with a particular focus on the goal of eradicating poverty<sup>14</sup> and thus meeting SDG 1 (End poverty in all its forms everywhere). Figure I.13 shows public spending by social development ministries or equivalent institutions dealing with social development,<sup>15</sup> which averaged 0.9% of GDP in 2021 among the 20 countries of Latin America and the Caribbean. This was equivalent to 3.5% of total public expenditure in 2021 and 7% of public social expenditure<sup>16</sup> that year.

**Figure I.13**

Latin America and the Caribbean (20 countries): central government spending of social development ministries or equivalent entities, by country and subregion, 2021  
(Percentages of GDP and of total public spending)



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

**Note:** The figures for Panama and the Plurinational State of Bolivia are for 2020. Public expenditure data are taken from the Classification of the Functions of Government (COFOG) as an indication of the scale of resources handled by social development ministries or equivalent institutions.

## (b) Estimating public expenditure on non-contributory public transfer programmes

According to the information on conditional cash transfer programmes and non-contributory pension systems<sup>17</sup> available in the ECLAC Non-contributory Social Protection Programmes Database - Latin America and the Caribbean,<sup>18</sup> spending on conditional transfer programmes in 21 countries of Latin America and the Caribbean increased steadily from 2000 to 2013, when it peaked at an average of 0.3% of GDP. After declining in the following years, spending on such programmes became part of countries' efforts to cope with the effects of the pandemic and averaged 0.27% of GDP in 2020 and 0.26% of GDP in 2021, when Argentina

<sup>14</sup> On the basis of the Institutional Framework Database for Social Policy for Latin America and the Caribbean of the ECLAC Observatory on Social Development in Latin America and the Caribbean (see [online] <https://dds.cepal.org/bdips/en/>).

<sup>15</sup> In some countries, investment by social investment funds, which handle a large proportion of the financial resources used to implement actions such as non-contributory transfers and social programmes, is part of the social development ministry's expenditure. This is the case in Chile with the Solidarity and Social Investment Fund (FOSIS), in Guatemala with the Social Development Fund and in Peru with the Social Development Cooperation Fund (FONCODES). In others, however, there are separate accounting items, this being the case in El Salvador with the Social Investment Fund for Local Development (FISDL), in Honduras with the Honduran Social Investment Fund (FHIS) and in the Plurinational State of Bolivia with the National Fund for Productive and Social Investment.

<sup>16</sup> It is important to be aware that there are differences in the methods used to collect these figures. Although both are public finance statistics, one comes from the institutional classification of the social development ministries and the other is for social and total public expenditure in the classification of functions.

<sup>17</sup> Conditional transfer programmes seek to reduce poverty and strengthen the human capacities of their recipients. Non-contributory pensions are cash transfers, mainly targeted at older persons or those with disabilities, provided by the State to those who have not had a formal job or have not paid contributions (or not paid enough) to a pension system during their working lives.

<sup>18</sup> See [online] <https://dds.cepal.org/bpsnc/home>.

and Ecuador invested the most, with amounts equivalent to 0.52% of GDP and 1.02% of GDP, respectively. For 2019–2021, Ecuador and Mexico show the largest increases in investment in conditional transfer programmes, at 0.4 and 0.2 percentage points of GDP, respectively.

In terms of coverage, the proportion of the population belonging to households benefiting from conditional transfer programmes has been above 20% since 2009. Between 2019 and 2021, this coverage rose from 21.9% to 25.9%. The countries with the highest coverage in 2021 were the Dominican Republic (34%), Mexico (49%) and the Plurinational State of Bolivia (57%).<sup>19</sup> The countries with the largest increases in coverage between 2019 and 2021 were Ecuador (11 percentage points) and Mexico (15 percentage points).

Non-contributory pension coverage and expenditure have increased considerably since 2000. At the beginning of this century, these programmes covered 3.4% of the population aged 65 and over, investing on average 0.23% of GDP in 25 countries of Latin America and the Caribbean. By 2021, 26.6% of the population aged 65 and over was covered, with average investment of 0.48% of GDP. An expansion of coverage in Mexico that made these pensions almost universal there, as had already happened some years earlier in the Plurinational State of Bolivia, together with increased coverage in Chile and Paraguay, have contributed to the regional increase in the coverage of non-contributory pension systems since 2019 (Arenas de Mesa, Robles and Vila, 2023). Investment in these programmes rose by more than 0.1 percentage points of GDP between 2019 and 2021 in Chile, Guyana and the Plurinational State of Bolivia. The countries spending the most on these programmes in 2021, over 1.5% of GDP, were Guyana, the Plurinational State of Bolivia and Trinidad and Tobago.

Emergency transfers to deal with the effects of the COVID-19 pandemic were the tool that accounted for the largest portion of the increase in social protection spending, peaking at an estimated 1.59% of GDP for Latin America and the Caribbean between June and August 2020 and bottoming out at 0.70% of GDP between September and December 2021. Average per capita spending was estimated at US\$ 87.2 for 30 countries in the region between January and December 2021 (ECLAC, 2022b).

### (c) Estimating public expenditure from household surveys

The public expenditure statistics described above, which are based on administrative data, can be supplemented by estimating the non-contributory public transfers received by households, the income from these transfers and their impact on the incidence of poverty and extreme poverty and on the poverty and extreme poverty gaps. To this end, information from the household surveys available for 14 Latin American countries is used to group income from non-contributory pension systems,<sup>20</sup> conditional transfer programmes and other public transfers.<sup>21</sup> Generally speaking, these last do not include emergency rebates or transfers in response to the COVID-19 pandemic.

The public expenditure statistics described, which are based on administrative data, can be supplemented by estimating the non-contributory public transfers received by households, the income from these transfers and their impact on the incidence of poverty and extreme poverty and the poverty and extreme poverty gaps.

As summarized in table I.2, total non-contributory public transfers received by the population during the second year of the pandemic (2021) are estimated at an average of 0.87% of GDP, representing 6.3% of central government social spending and 3.3% of total public spending. Of the transfer total, 0.41% of GDP was for non-contributory pensions, 0.26% of GDP for conditional transfer programmes and 0.21% of GDP for other public transfers. In 2019, by contrast, transfers totalled 0.65% of GDP. That year, non-contributory pensions also accounted for the most resources, some 0.34% of GDP, while conditional transfer programmes cost an estimated 0.2% of GDP and other public transfers 0.1% of GDP.

<sup>19</sup> The coverage taken is that of the *Supérate* programme in the Dominican Republic, the Benito Juárez Scholarships for Well-being in Mexico and the Juancito Pinto Grant and the Juana Azurduy Grant in the Plurinational State of Bolivia.

<sup>20</sup> Old-age and disability pensions are considered.

<sup>21</sup> Including subsidies for basic goods and services (food, water, electricity, gas, etc.), scholarships and other social and State transfers.

**Table I.2**

Latin America (14 countries):<sup>a</sup> average expenditure on non-contributory public transfers to households, by transfer type, around 2019 and 2021  
(Percentages of GDP)

Year	Non-contributory pensions	Conditional transfer programmes	Other public transfers	Total public transfers
2019	0.34	0.20	0.10	0.65
2021	0.41	0.26	0.21	0.87

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

**Note:** The 2021 figures are from 2020 for Chile, El Salvador and Mexico, while the 2019 figures are from 2017 for Chile and 2018 for Colombia and Mexico.

<sup>a</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

The destinations of these transfers can be classified by population type (see table I.3). In 2021, people living in extreme poverty are estimated to have received 19.8% of the total (0.17% of GDP) and people living in poverty 23.6% of the total (0.21% of GDP). In other words, 43.4% of total transfers (0.38% of GDP) went to people in households with per capita incomes below the poverty line, while 56.5% went to households with incomes above the poverty line.

**Table I.3**

Latin America (14 countries):<sup>a</sup> average shares of non-contributory public transfers to households, by population type, around 2021  
(Percentages)

Population	Transfers leaving incomes below the poverty line	Transfers taking incomes above the poverty line		Transfers above the poverty line	Total
		Extremely poor	Poor		
Extremely poor	6.5	8.8	5.5	-	19.8
Poor	10.8	-	13.6	-	23.6
Non-poor	-	-	-	56.5	56.5
Total	17.3	8.8	18.3	56.5	100.0

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

**Note:** The figures are from 2020 for Chile, El Salvador and Mexico.

<sup>a</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Measuring the incidence of poverty and extreme poverty before and after non-contributory public transfers reveals an average reduction of 2.8 percentage points in the incidence of poverty and 2.1 percentage points in the incidence of extreme poverty in 2021 (see figure I.14A).

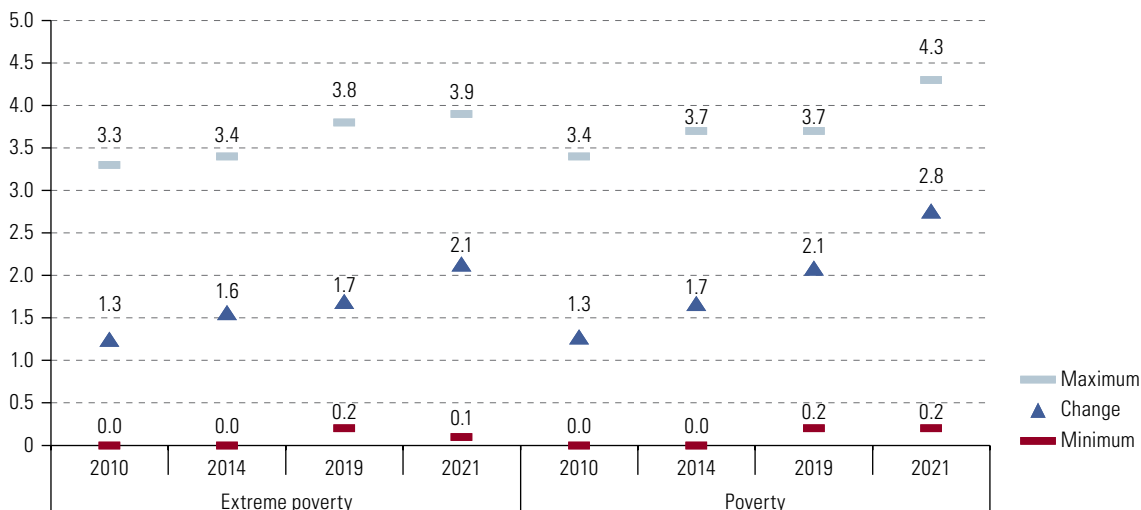
The data can also be used to estimate the average income gaps for people who remained poor and extremely poor, i.e., by how much each person's income fell short of the respective line. Over the 12 years analysed, the largest change in this indicator was in 2021, when, after non-contributory public transfers, the gap between incomes and these thresholds decreased by an estimated 7 and 5.3 percentage points for the poverty and extreme poverty lines, respectively, with both these values being much higher than in previous years (see figure I.14, part B).

Figure I.14

Latin America (14 countries):<sup>a</sup> incidence of poverty and extreme poverty and gaps between average household income and the poverty and extreme poverty lines before and after non-contributory public transfers, 2010–2021

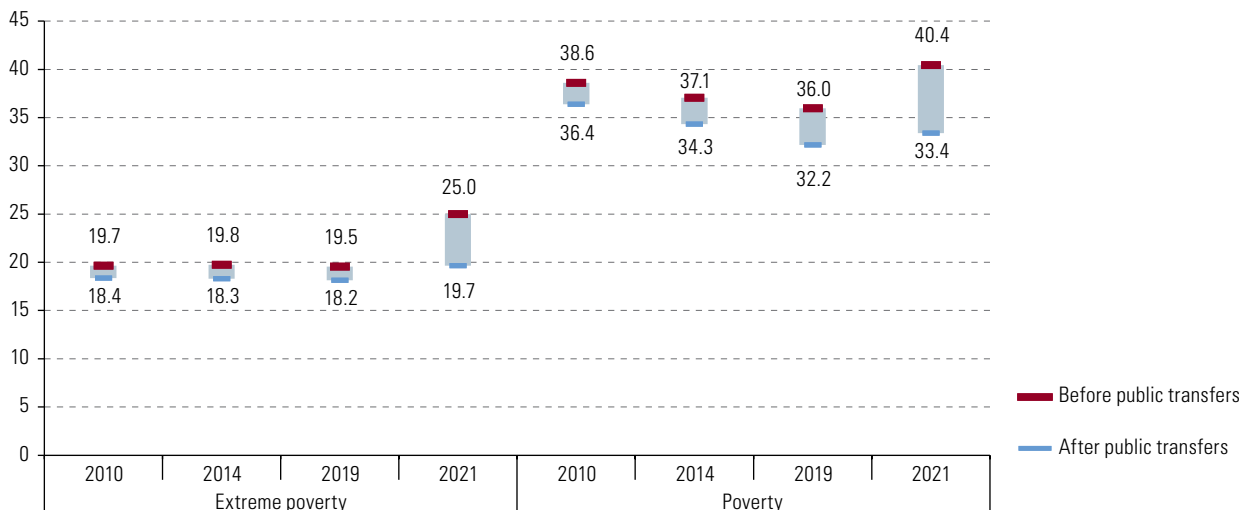
### A. Incidence of poverty and extreme poverty before and after public transfers

(Percentages of the population)



### B. Average household income gaps relative to the poverty and extreme poverty lines<sup>b</sup>

(Percentage points)



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

<sup>a</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

<sup>b</sup> For the purpose of calculating the gaps, the poverty and extreme poverty lines represent 100%.

In terms of GDP, the reductions in the poverty and extreme poverty income gaps entailed a mobilization of resources equivalent to 0.23% of GDP and 0.1% of GDP, respectively. Thus, if everyone could be given the exact amount needed to bring their incomes up to the poverty line, without considering the administrative costs associated with such transfers, an additional amount equivalent to an average of 1.53% of GDP would need to be transferred to meet this target, while bringing everyone up to the extreme poverty line would require an average total transfer equivalent to 0.24% of the countries' GDP. Achieving a minimum per capita income equivalent to 1.4 times the poverty line<sup>22</sup> would require an extra 3.7% of GDP on average (see table I.4).

<sup>22</sup> Households with incomes between 1 and less than 1.8 times the poverty line, identified as the "low non-poor" stratum, are highly vulnerable to poverty (ECLAC, 2019; Martínez and others, 2022). People with incomes of between 1 and 1.4 times the poverty line are those most likely to fall below the poverty line.

**Table I.4**

Latin America (14 countries): per capita GDP, per capita central government public social spending and estimated gaps, around 2021

(Purchasing power parity (PPP) dollars per capita, dollars at constant 2018 prices per capita and percentages of GDP)

	Per capita GDP (PPP dollars)	Per capita GDP (Dollars at constant 2018 prices)	Per capita public social spending (Dollars at constant 2018 prices)	Gap (Percentages of GDP)		
				Extreme poverty	Poverty	1.4 times the poverty line
Group 1 (Chile, Costa Rica, Panama and Uruguay)	24 014	15 371	2 462	0.1	0.5	1.4
Group 2 (Argentina, Brazil, Dominican Republic, Mexico, Paraguay and Peru)	16 546	8 547	1 052	0.2	1.3	3.5
Group 3 (Colombia, Ecuador, El Salvador and Plurinational State of Bolivia)	10 409	4 977	682	0.5	2.8	7.1
Average of 14 countries	16 926	9 476	1 349	0.24	1.53	3.70

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

**Note:** The data for Chile, El Salvador and Mexico are from 2020.

The vast differences across countries in Latin America means that closing these gaps involves a different challenge for each country. By grouping countries according to their national per capita income levels, the size of the gaps indicated and the level of public social spending, it is possible to estimate what will be involved in addressing these gaps for each country.

The estimation presented (which does not include administration costs) can be used to design a strategy of progressively raising public spending on non-contributory transfers to bring households up to the extreme poverty line, the poverty line and 1.4 times the poverty line. With an average annual increase of 0.1% of GDP in income transfers to households below the extreme poverty line, all countries in group 1 would meet the target of raising average incomes to the extreme poverty line in two years. Group 2 countries would achieve the same target in three years.

In four years, all countries in group 3 could achieve the same target of closing the extreme poverty gap by providing income transfers that represent an average annual increase of 0.2% of GDP. If the countries in group 1 decided to adopt this same increase of 0.2% of GDP for four years, they could even achieve the goal of bringing incomes up to the poverty line.

The information presented in this section is one more input for estimating the resources needed to address the challenges of reducing poverty and inequality in the region and thereby identifying areas of fiscal agreement so that goals and strategies can be decided on in each country.

## 2. Challenges on the way to more adequate and higher-quality investment by social development ministries: towards a minimum standard for sustainable management of social protection systems

The overview presented here of the characteristics of public social spending on the non-contributory component of social protection, which is administered by social development ministries, based on the amounts, distribution and data sources available, shows the most recent progress in terms of available resources, on the one hand, and the challenges that remain in the effort to achieve inclusive social development and close the income gaps affecting poor and extremely poor households, on the other.

A first point to note is that work is still needed to improve the statistics available on social spending, with a particular focus on non-contributory social protection. The data currently available do not cover all the countries in the region, and the sources only provide a partial picture of the amounts involved and their distribution, with

the risk of double counting or undercounting. One problem is that central government is the only institutional coverage that is comparable between countries, and although it provides a basis for an initial analysis, as can be appreciated from the information in the 2021 and 2022 editions of the *Social Panorama of Latin America and the Caribbean*, it does not allow the full diversity of situations in the region's countries to be presented (ECLAC, 2022a and 2022b). Another issue is that while the economic, functional and institutional classifications available represent a significant step forward for analyses of the social policy of social development ministries, they are insufficient to reveal the specificity and diversity of the different programmes covered by this policy. A social protection satellite account-style information system that provide consolidated social spending figures for the different levels of government (institutional coverage) disaggregated by function, programme type, funding source and implementing agency would serve to strengthen social policy institutional frameworks and social policy decision-making.

Social expenditure data provide a basis for financial analyses and evaluations of social policy. However, the capacity of these analyses and their usefulness for social policy planning and implementation would be enhanced if tools such as performance budgeting, programme accounting and process management linked to monitoring and management control systems in the countries were widely available. The financial sustainability challenges confronting social spending initiatives underscore this need. In a context where social spending increased significantly in response to the COVID-19 pandemic, it is crucial for social development ministries and equivalent institutions to assess the sustainability of processes and the technical capacity of teams to meet the challenges of adequately implementing and managing a greater volume of financial resources.

Secondly, the sixth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, held in 2023, ended with approval of the document "Intergovernmentally agreed conclusions and recommendations of the sixth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development" (ECLAC, 2023b), in which country representatives recognize that inequalities have worsened and thus continue to be a predominant feature of the region. They also recognize the need to increase investment in social services, among other measures, a message that is reiterated in the analysis in the *Social Panorama of Latin America and the Caribbean, 2022* (ECLAC, 2022a). During times of economic contraction, one of the measures to implement is the expansion of social protection systems. The pandemic crisis highlighted this need, creating an opportunity to move forward with a new social covenant accompanied by a new fiscal contract (Arenas de Mesa and Mosqueira, 2023; ECLAC, 2022b).

This leads to a third issue that should be borne in mind, namely sufficient spending and the capacity to commit more financial resources in the effort to achieve the targets of SDG 1 (End poverty in all its forms everywhere). Having shared targets for the level of funding allocated to these policies in the region seems to be a worthwhile approach, as it can facilitate the achievement of this Goal. The targets set should be aligned with axis 3 of the Regional Agenda for Inclusive Social Development (ECLAC, 2020), "A strengthened social institutional framework," which refers to the need to "safeguard and consolidate social policy funding" (3.2) by protecting and guaranteeing resources, and to "advocate for the formulation of fiscal rules which [...] ensure the necessary resources for policy sustainability" and reaffirm social policy as an investment in view of its impact on the social, economic and environmental dimensions of sustainable development.

Documents produced by international bodies similar to the Regional Conference on Social Development in Latin America and the Caribbean, such as the Sustainable Health Agenda for the Americas 2018–2030<sup>23</sup> and the Incheon Declaration and Framework for Action for the implementation of Sustainable Development Goal 4,<sup>24</sup> have set funding targets for the attainment of the goals by 2030. Both have set spending targets as percentages of GDP: between 4% and 6% of GDP for education and 6% of GDP for health. In the case

<sup>23</sup> Pan American Health Organization (PAHO).

<sup>24</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF), World Bank, United Nations Population Fund (UNFPA), United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and Office of the United Nations High Commissioner for Refugees (UNHCR).

of education, an additional option is that public spending in this area should be at least 15% to 20% of total public spending. Mention should also be made of the tenth Ibero-American Conference of Ministers of Culture, held in Valparaíso (Chile) in July 2007, where culture ministers and high-level authorities proposed “to progressively allocate a minimum of 1% of the general budget of each State to the promotion of culture” (SEGIB, 2007, para. 3 of the provisions). At the time these goals were set, the Ibero-American countries allocated an average of 5% of GDP and 13.7% of public spending to education, while the situation with health care was unfavourable, with only three countries in the region meeting the target of 6% of GDP for public spending in this sector (Costa Rica, Cuba and Uruguay).

The importance of SDG 1 for the attainment of genuine, inclusive social development, taken together with experiences of the kind mentioned here in other areas of social rights, may show a way forward in this challenge of achieving financial sustainability. Although the viability of the goal varies in countries as diverse as those of the region, devising targets consistent with it may be a path towards achieving it and thereby taking concrete steps towards the universal exercise of rights and the reduction of inequality in the region.

In setting a target for public expenditure on non-contributory social protection, it is important to:

- Keep in mind the centrality of the goal and the targets inspiring it, which clearly relate in this case to SDG 1 (ending poverty) and SDG 10 (reducing inequalities).
- Quantify the challenge and estimate it in terms of technical and financial requirements and time scales. Indicators of coverage, adequacy and financial sustainability are essential for this.
- Set a target that does not change in relation to economic cycles, so that both structural problems and crises can be addressed with stable financial resources.
- Establish an indicator as a percentage of GDP or of public spending that enables a clear message about the scale of investment to be developed, thus avoiding budget cuts (Regional Agenda for Inclusive Social Development line of action 3.2.2).
- Develop innovative revenue-raising proposals for social policy to enhance the financial sustainability of public spending on non-contributory social protection.
- Consider not only spending on social policies but also the cost of not implementing such policies, i.e., the social and economic toll of failing to make progress on social investment.
- Stress the importance of social policy institutional frameworks for implementing this type of policy and the investment aspect of social policy, with the contribution it makes to inclusive economic and social development strategies and a possible reduction in country risk.
- Ensure fiscal sustainability, which is crucial if the State is to be able to provide access to public services for the poorest and secure the financial sustainability of social protection.
- Ensure that reporting employs transparent, accessible and high-quality data that serve to identify opportunities for efficient social spending that supports the fight against corruption. This includes the need to improve and harmonize fiscal and social statistics with interoperable information systems.

The diversity of Latin America and the Caribbean and the roles of social development ministries and equivalent institutions in their respective countries represent a challenge that is also an opportunity for the countries to decide freely on the orientation of priorities and the goals to be met. Each country is in a position to develop a strategy of its own that is consistent with its social, economic and fiscal circumstances.

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## Annex I.A1

Table I.A1.1

Legal recognition of rights in international instruments

	Social housing	Education	Work	Social security	Health	Social development	Food	Healthy environment
International Covenant on Economic, Social and Cultural Rights	✓	✓	✓	✓	✓	✓	✓	✓
International Convention on the Elimination of All Forms of Racial Discrimination	✓	✓	✓	✓	✓			
Convention on the Rights of Persons with Disabilities	✓	✓	✓	✓	✓	✓	✓	
Convention on the Elimination of All Forms of Discrimination against Women	✓		✓	✓	✓	✓		
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	✓	✓	✓	✓	✓			
Convention relating to the Status of Refugees	✓	✓	✓	✓				
Convention on the Rights of the Child	✓	✓		✓	✓	✓	✓	✓
Additional Protocol to the American Convention on Human Rights in the area of Economic, Social, and Cultural Rights (Protocol of San Salvador)		✓	✓	✓	✓		✓	✓
Inter-American Convention on Protecting the Human Rights of Older Persons	✓	✓	✓	✓	✓	✓	✓	✓

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

**Note:** ✓ Direct recognition; ✓ Indirect recognition; ✓ Limited direct recognition.

**Table I.A1.2**  
Evolution of social development ministries and similar entities

Country	Year created	Name	Type of entity
Antigua and Barbuda	2004	Ministry of Housing and Social Transformation <sup>a</sup>	M
Argentina	1981	Ministry of Social Action	M
	1983	Ministry of Health and Social Action	M
	1991	Ministry of Social Development and Environment	M
	2002	Ministry of Social Development	M
	2018	Ministry of Health and Social Development	M
	2019	Ministry of Social Development	M
Bahamas	n.a.	n.a.	n.a.
Barbados	n.a.	n.a.	n.a.
Belize	n.a.	n.a.	n.a.
Bolivia (Plurinational State of)	2006	Ministry of Development Planning	M
Brazil	1990	Ministry of Social Action	M
	1992	Ministry of Social Welfare	M
	1998	Ministry of Security and Social Assistance	M
	2003	Ministry of Social Assistance	M
	2004	Ministry of Social Development and Fight against Hunger	M
	2016	Ministry of Social Development and Farming	M
	2019	Ministry of Citizenship	M
	2023	Ministry of Development and Social Assistance, Family and Fight against Hunger	M
Chile	1990	Ministry of Planning and Cooperation	M
	2005	Ministry of Planning	M
	2011	Ministry of Social Development	M
	2019	Ministry of Social Development and Family	M
Colombia	1997	Social Solidarity Network	A
	2005	Presidential Agency for Social Action and International Cooperation	P
	2011	Administrative Department for Social Prosperity <sup>b</sup>	M
Costa Rica	1971	Joint Institute for Social Aid (IMAS)	A
	2010	Ministry of Human Development and Social Inclusion <sup>c</sup>	M
Cuba	1994	Ministry of Labour and Social Security	M
Dominica	n.a.	n.a.	n.a.
Ecuador	1980	Ministry of Social Welfare	M
	1999	Ministry of Labour and Social Action	M
	2000	Ministry of Social Welfare	M
	2007	Ministry of Economic and Social Inclusion <sup>d</sup>	M
El Salvador	2009	Technical Secretariat of the Office of the President	P
	2019	Office of the Presidential Commissioner for Operations and Cabinet Office <sup>e</sup>	P
Grenada	2004	Ministry of Social and Community Development	M
Guatemala	2008	Social Cohesion Council	P
	2012	Ministry of Social Development	M
Guyana	n.a.	n.a.	n.a.
Haiti	1983	Ministry of Social Affairs and Labour	M
Honduras	2007	Technical Office of the Solidarity Network	P
	2008	Secretariat of Social Development and the Solidarity Network	M
	2014	Secretariat of Social Development and Inclusion	M
	2022	Secretariat of Social Development	M

Country	Year created	Name	Type of entity
Jamaica	1980	Ministry of Health and Social Security	M
	1980	Ministry of Social Security	M
	1983	Ministry of Public Service and Social Security	M
	1986	Ministry of Social Security and Consumer Affairs	M
	1989	Ministry of Labour, Welfare and Sport	M
	1993	Ministry of Labour, Social Security and Sport	M
	2000	Ministry of Labour and Social Security	M
Mexico	1992	Secretariat of Social Development	M
	2018	Secretariat of Welfare	M
Nicaragua	1979	Ministry of Social Welfare	M
	1982	Nicaraguan Social Security and Welfare Institute	A
	1993	Ministry of Social Action	M
	1998	Ministry of the Family	M
	2007	Ministry of the Family, Adolescents and Children	M
Panama	1997	Ministry of Youth, Women, Children and the Family	M
	2005	Ministry of Social Development	M
Paraguay	1995	Social Action Secretariat of the Office of the President	P
	2018	Ministry of Social Development	M
Peru	1996	Ministry for the Advancement of Women and Human Development	M
	2002	Ministry of Women and Social Development	M
	2011	Ministry of Social Development and Inclusion	M
Dominican Republic	2004	Cabinet for Social Policy <sup>f</sup>	P
Saint Kitts and Nevis	2001	Ministry of Social Development and Gender Affairs	M
Saint Vincent and the Grenadines	n.a.	n.a.	n.a.
Saint Lucia	n.a.	n.a.	n.a.
Suriname	1980	Ministry of Social Affairs and Housing	M
Trinidad and Tobago	1989	Ministry of Social Development	M
	2003	Ministry of Social Development and Gender Affairs	M
	2004	Ministry of Social Development	M
	2010	Ministry of the People and Social Development	M
	2015	Ministry of Social Development and Family Services	M
Uruguay	2005	Ministry of Social Development	M
Venezuela (Bolivarian Republic of)	2009	Ministry of People's Power for Communities and Social Protection	M
	2013	Ministry of People's Power for Communities and Social Movements	M

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

**Note:** M = ministry or equivalent entity; A = autonomous entity ranking below a ministry or equivalent entity; P = entity reporting to the office of the President of the Republic.

<sup>a</sup> Now the Ministry of Health, Wellness and the Environment.

<sup>b</sup> Has ministerial rank, but its functions are technical rather than political.

<sup>c</sup> Ministry without portfolio. The rank of Minister of Human Development and Social Inclusion is conferred by decree on the executive president of the Joint Institute for Social Aid.

<sup>d</sup> Between 2007 and 2017, there was a parallel Ministry for the Coordination of Social Development responsible for coordinating the social policies of various ministries.

<sup>e</sup> There is also a Ministry of Local Development, created in 2019, which replaced the Secretariat of Social Inclusion, created in 2009. The latter was the successor to the National Secretariat of Family Affairs, created in 1989.

<sup>f</sup> This is a body that coordinates government social policy formulation, implementation and evaluation.

Table I.A1.3

Participants in intersectoral coordination bodies dealing with social development

Country	President of the Republic	Ministries in other areas	Other public entities	First Lady	Delegates from the different levels of government	Armed Forces	Users of public services	Trade unions	Trade associations	Religious bodies	Private sector
Antigua and Barbuda								1	1	1	1
Argentina		1	1								
Bahamas											
Barbados											
Belize		1									
Bolivia (Plurinational State of)		1	1								
Brazil					1		1				
Chile		1	1								
Colombia		1	1								
Costa Rica		1	1								
Cuba											
Dominica											
Dominican Republic		1	1								
Ecuador											
El Salvador		1	1								
Grenada											
Guatemala		1	1								
Guyana											
Haiti											
Honduras		1	1								
Jamaica											
Mexico		1									
Nicaragua		1	1				1				
Panama	1	1	1	1							
Paraguay		1	1	1							
Peru		1									
Saint Kitts and Nevis											
Saint Lucia											
Saint Vincent and the Grenadines											
Suriname											
Trinidad and Tobago											
Uruguay		1	1								
Venezuela (Bolivarian Republic of)		1									
<b>Total</b>	<b>1</b>	<b>17</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

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



## CHAPTER

# II

# Institutional frameworks for social protection: a comparative analysis of Latin America and the Caribbean and the European Union

## Introduction

- A. The construction of welfare regimes in Europe and Latin America and the Caribbean: a historical comparison
- B. Notes on institutional frameworks for social policy in selected countries of the European Union compared to the experience of Latin America and the Caribbean
- C. The response of social protection systems to the COVID-19 pandemic
- D. Concluding remarks

## Bibliography

## Annex II.A1



## Introduction

As discussed in chapter I, the institutional capacities of the States are crucial for tackling the challenges of inclusive social development. Successes and failures in this area depend on these capacities in their four dimensions; good laws are not sufficient in the absence of compatible organization and management processes, and sufficient and sustainable human, technological and financial resources to make management feasible. It is therefore necessary to make improvements in all dimensions at once. Similarly, the institutional frameworks for social policy in general, and for social protection in particular, are not independent of the institutional and political trajectory of each country; so strengthening them also entails considering each national context with a view to harmonizing processes and policies.

The development of social protection systems in each national or regional context varies considerably, depending on the historical characteristics of their welfare models and their place in the world, the institutional features of each country (including the fiscal capacity of the State), policy implementation, the structure and relative power of the different social groups, and the characteristics and evolution of political systems. It is therefore important to consider how historical trajectories weigh on the current characteristics of social protection systems, and analyse how these responded to the coronavirus disease (COVID-19) pandemic and its aftermath.

This chapter compares selected countries of the European Union and Latin America and the Caribbean, two regions that share the ambition to develop and improve social policies. Beyond the well-known differences in terms of the coverage, sufficiency and institutional capacity of social protection systems in the two regions, it also identifies several common lessons and challenges, in particular for strengthening the future of social protection systems and their institutional arrangements. In this spirit, following a brief review of a number of historical differences in the construction of social protection systems in Europe and Latin America and the Caribbean, the chapter presents a comparison of stylized facts and selected dimensions of non-contributory social protection policies, in order to highlight common lessons and challenges. Lastly, it ends by sketching a number of ideas to guide the strengthening of the institutional framework of social protection systems in the long term.

### A. The construction of welfare regimes in Europe and Latin America and the Caribbean: a historical comparison

The different institutional and social investment capacities in Europe and Latin America and the Caribbean, and the capacity of social policies to respond to adversity and risk, are not circumstantial, but reflect long-standing differences in their historical trajectories. The processes of building social protection systems (a key element of welfare states) and the institutional models derived from these processes are, in turn, inextricably linked to each country's relative development level and historical process. In this respect, the characteristics and relative progress of welfare states provide a basic focus of comparison. In Europe, the concept of the welfare state has its origins in the development of various social security systems since the end of the nineteenth century, alongside industrialization and the emergence of wage labour and full employment as an objective. The role of such systems was to guarantee the continuity of income for workers who had lost the family-based and local solidarities of agrarian society, and, at the same time to assure employers of the loyalty, stability and quality of their workforce (Esping-Andersen and Palier, 2008; Esping-Andersen, 2007). In such arrangements, the State, the market, families, communities and civil society establish a division of labour around the production and redistribution of resources that makes access to well-being less unequal (Maldonado, 2023).

The typologies associated with the welfare state developed by multiple authors refer to historical arrangements with characteristic elements in the economic, social and political domains of different regions and countries around the world, among which more or less universal cases are revealed, segmented or focused

on certain population groups (Barrientos, 2004; Filgueira, 2007). In addition to the State, there are three other key actors —the market, families and social and community organizations— that also provide well-being and social protection; and a comprehensive system of protection needs to take their interactions into account, even though the primary responsibility for guaranteeing economic, social and cultural rights lies with the State (Cecchini and Martínez, 2011). The objective of guaranteeing these rights is pursued through different social protection instruments with varying levels of coverage. More specifically, public resources can be deployed to cover either the entire population universally (as in the Swedish social democratic system), or a substantial part of the population through mechanisms specific to each occupation or sector of activity (as in the German corporatist system), or else just the population living in poverty.

As ECLAC has documented extensively, in Latin America and the Caribbean, which is a region of structurally heterogeneous economies and high levels of informality, the development of social welfare systems has generally been associated with the insurance of workers in different sectors of activity, with different levels of sufficiency, coverage, and financing; and it has excluded large swathes of the population, especially in rural areas (ECLAC, 2012). In the twentieth century, the region's countries did not achieve full employment; nor did they succeed in effectively establishing the (formal) labour contract as a mechanism for allocating income and available jobs, or universal and equal coverage of social security derived from formal employment. This situation left people highly vulnerable to poverty in the face of both individual risks (health problems, accidents, unemployment, changes in family composition, among others) and collective risks (ranging from crisis episodes to natural disasters) (Barrientos, 2004). As a result, social protection systems in Latin America have developed in a fragmented manner, with limits on the scope of coverage and very unequal access to benefits between different population groups (Filgueira and Lo Vuolo, 2020).

The main characteristics of social protection in the region —in its three components of contributory protection (social security), non-contributory protection (social assistance) and labour market regulation (to foster decent work)— have been closely related to the development model (Cecchini and Martínez, 2011). When they gained independence, the Latin American countries had economies based on a commodity export model, with precarious development of social policies and of the State apparatus itself. The first examples of social security arose in the urban formal sector, with social assistance conceived as charity, together with the implementation of the first sectoral education and health policies, and little or no regulation of the world of work. Between the crises of 1929 and the 1980s, a model was adopted that involved industrialization and development based on import substitution, in which social protection was linked to formal work (social security covered formal employment, especially the urban sector of the economy); and social assistance focused on instruments such as food and fuel subsidies, while health and education services were developed in a centralized manner with unequal coverage. The debt crisis and the shift towards fiscal discipline and moderation of public and social spending in the 1980s and 1990s, gave rise to a subsidiary State. This led to the adoption, to a greater or lesser extent, of an institutional model and a residual social protection, understood mainly as assistance in (temporary) emergencies, with social assistance targeted exclusively on persons living in poverty. This was financed partly through social investment funds and the decentralization, outsourcing or privatization of social services.

Since the late 1990s, the increased emphasis of social policy on non-contributory social protection has been reflected in the emergence of large-scale programmes aimed at reducing poverty and vulnerability. These instruments shifted the focus away from contributory social protection and on to human development objectives. Efforts to combat extreme poverty through direct cash transfers were linked to the creation of human capital in children, through increased school attendance, better nutrition and improved access to basic health care. (Barrientos and Santibáñez, 2009; Jenson and Nagels, 2022). Since the decade of 2000, the region's countries have oscillated between two major trends in their social protection models. Some countries have social protection systems focused on assistance and social advancement in a targeted manner, with an emphasis on the subsidiary state and breaking the intergenerational transmission of poverty; others seek to move towards social protection as a citizen guarantee, with social protection systems based on incremental minimum standards and the State as guarantor (Cecchini and Martínez, 2011). These changes, along with the

adoption of new non-contributory instruments (conditional cash transfer programmes and non-contributory pensions), have also brought institutional innovations to the region (evaluations, participant registries, transparency and accountability mechanisms). These instruments are deployed as social investment to confront entrenched political legacies (Jenson and Nagels, 2022; Maldonado, 2012).

In the English-speaking Caribbean countries, the institutional legacy of colonialism initially manifested itself in social protection that focused historically on supporting the very poor and providing limited benefits to the population (Maxwell, 2002). However, these countries have developed social protection programmes that are designed both to provide basic services, such as child welfare, family allowances and old-age benefits (including pensions), and to mitigate poverty, with government interventions tending to keep the poor at the threshold of poverty (Bowen, 2007).

Since the 1990s, in developed and developing countries alike, the globalization of trade and investment, along with offshoring and deindustrialization, have steered economies towards technological innovation, high skills, knowledge and services (both skilled and unskilled), especially for individuals. In this context, traditional social protection mechanisms have proven unable to protect the more mobile, intermittent and often more precarious careers in the new economy, while groups have been identified that are at risk of poverty, suffering greater deprivation (women in single-parent households, young people, the low-skilled, among others). Even wage earners tend to live in a more precarious situation. In addition to these imbalances, there are other challenges related to ageing, the change and diversification of family models and their capacity to simultaneously guarantee income and care (Ullmann, Maldonado and Rico, 2014a and 2014b).

Nonetheless, compared to the time when welfare regimes were established in both regions, growing inequalities and multiple crises have undermined social contracts in different contexts, from welfare state social contracts in the Global North that aim to equalize capital-labour relations and extend social rights, to developmental social contracts in the Global South that seek to foster nation-building, cohesion and development. Throughout this process, social protection benefits and public social services have been reduced or privatized, jobs have become more precarious, and social cohesion and state capacity have declined (UNRISD, 2023). In short, whereas institutional frameworks for social policy have consolidated welfare states with broad levels of coverage and sufficiency in the countries of the European Union in the second half of the twentieth century, Latin America and the Caribbean is a region with its own backstory, inheriting welfare regimes subject to major challenges in terms of their coverage, financing, coordination and institutions. However, as is the case in developed countries, the region also faces new risks associated with technological transformations and changes in the world of work, demographics and the transition to sustainability.

## **B. Notes on institutional frameworks for social policy in selected countries of the European Union compared to the experience of Latin America and the Caribbean**

Institutional frameworks for social policy in each country and region are inseparable from the process through which their welfare regimes or systems were constructed. Thus, the early and less polarized development of social protection systems in European countries, compared to those in Latin America and the Caribbean, is also reflected in domestic institutional organization. Another important factor distinguishing the two regions in the social sphere is the different weight of institutional frameworks for social policies at the international level, in particular their supranational nature. This corresponds to the long road towards European integration, which manifests itself in a far-reaching institutional framework at the legal and regulatory, organizational, technical and operational, and financial levels. The following paragraphs outline some representative features of institutional frameworks for social policy in the two regions.

## 1. Regional frameworks in Europe and Latin America and the Caribbean: the European Pillar of Social Rights and the Regional Agenda for Inclusive Social Development in Latin America and the Caribbean

In Europe, the social dimension of integration received a relatively later and more superficial drive towards supranationality than other dimensions, such as trade, economic and monetary integration, in which efforts to form a common market began in 1957 (a process that culminated in the signing of the Maastricht Treaty in 1992 and the adoption of a single currency in 2002). However, the progress of European integration on other fronts has also driven significant progress in the social domain. In the legal and regulatory sphere, in 1961 the countries of what was then the European Economic Commission established instruments such as the European Social Charter (1961) and the Community Charter of the Fundamental Social Rights for Workers (1989). These aimed to achieve greater convergence in the validity and content of social and labour rights in areas such as employment, living and working conditions, social protection, social dialogue and combating exclusion.

Subsequently, with the adoption in 1992 of the Treaty on European Union, or Maastricht Treaty, an additional Social Protocol was added in parallel and as an annex, which aimed to deepen the implementation of the European Social Charter and integration in the social and labour domains. On this basis, the European Social Charter was revised in 1996 and entered into force in 1999, combining all of the rights guaranteed by the European Social Charter of 1961 and its Additional Protocol of 1988 in a single instrument, and adding new rights and amendments approved by the States. The Charter guarantees the rights and freedoms of all people in their daily lives in the following areas: housing,<sup>1</sup> health,<sup>2</sup> education,<sup>3</sup> employment,<sup>4</sup> social and legal protection,<sup>5</sup> and free movement of persons and non-discrimination<sup>6</sup> (European Union, 1996). The European Committee of Social Rights (ECSR) was created with responsibility for monitoring States' compliance with the European Social Charter; and a monitoring mechanism based on national reporting was created, along with a collective complaints system that enables trade unions and non-governmental organizations to file collective complaints. This is in addition to multiple channels that bind States and open up alternatives for citizens to ensure accountability with regard to social rights.

Currently, the key framework for monitoring and deepening social integration is the European Pillar of Social Rights, which was adopted at the Social Summit for Fair Jobs and Growth in Gothenburg, Sweden, in November 2017. This document represents an additional long-term political commitment to strengthen social and labour rights across the European Union and improve the quality of life of European citizens, in order to consolidate a strong social Europe that is fair, inclusive and full of opportunity (European Commission, 2017).

The European Pillar of Social Rights is based on 20 principles that correspond to three main chapters: (i) equal opportunities and access to the labour market; (ii) fair working conditions; and (iii) social protection and inclusion. The latter has the greatest relative weight, accounting for half of the 20 principles (childcare and support to children, social protection, unemployment benefits, minimum income, old-age income and pensions, health care, inclusion of persons with disabilities, long-term care, housing and assistance for the homeless, and access to essential social services). The chapter on equal opportunities and access to the labour

<sup>1</sup> Universal access to decent and affordable housing, and equal access to social housing for foreign residents.

<sup>2</sup> Accessible and effective health care services for the entire population (among others).

<sup>3</sup> Free primary and secondary education, free vocational guidance services, access to initial and vocational training, university and non-university higher education, and vocational training, including continuing education, including for persons with disabilities.

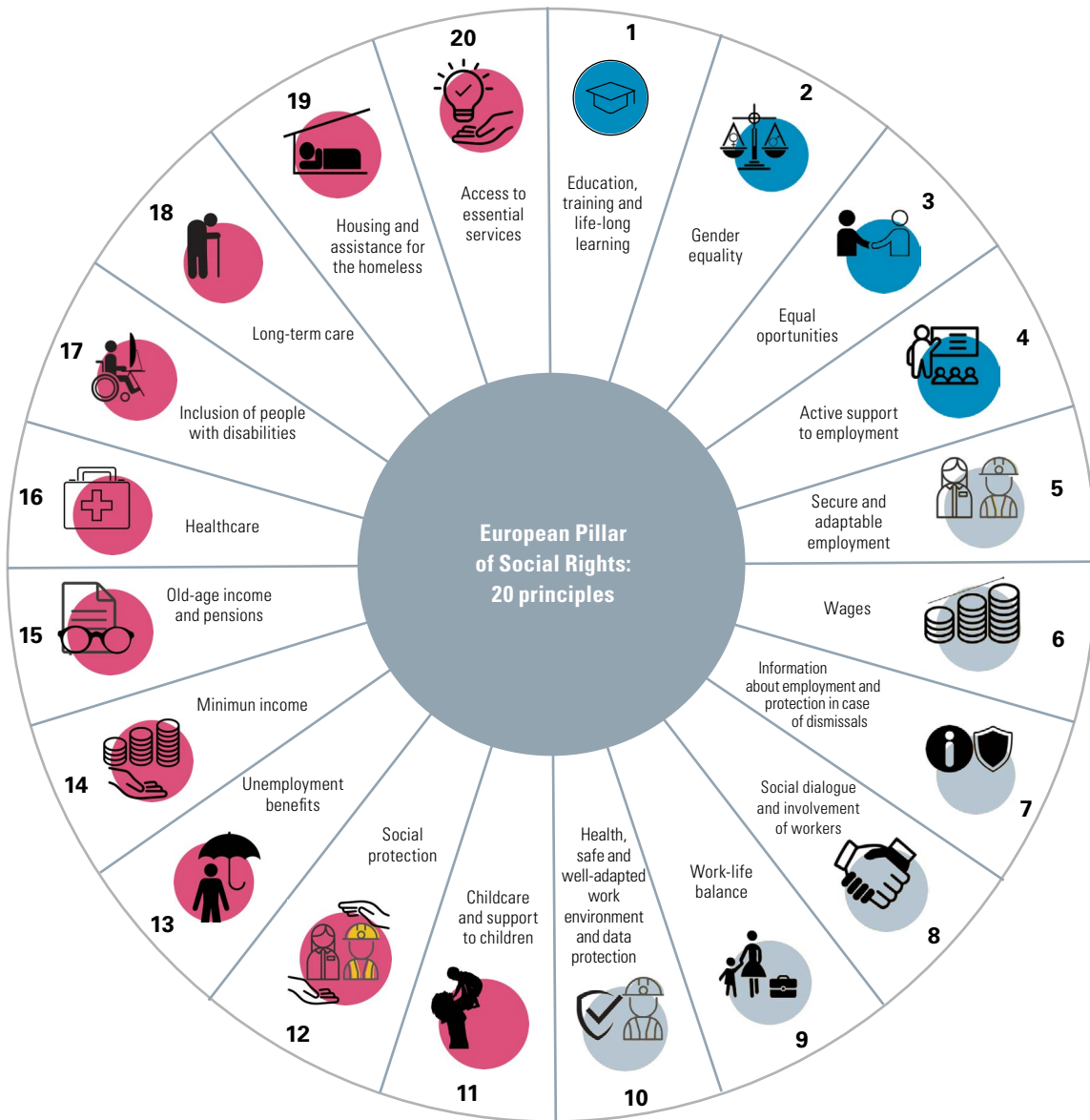
<sup>4</sup> Freedom of employment (prohibition of forced labour and employment of children under 15 and special working conditions for young people between 15 and 18); the right to earn a living through a freely chosen occupation; fair working conditions (with economic and social policies aimed at ensuring full employment) and collective rights (freedom to join a trade union, business and individual association, collective bargaining, voluntary conciliation and arbitration, and the right to strike).

<sup>5</sup> Legal status of children, including protection against mistreatment and abuse; prohibition of all forms of exploitation (sexual or otherwise); legal protection of the family, with equality of spouses in the couple and towards children; the right to social security, social welfare, social services, to be protected against poverty and social exclusion, and to care for children and older persons.

<sup>6</sup> Simplification of immigration procedures for European workers, with the right to family reunification and the right of non-resident foreigners to receive emergency assistance until repatriation, among other measures.

market covers four principles (education, training and life-long learning, gender equality, equal opportunities and active support to employment); while the chapter on fair working conditions covers six principles (secure and adaptable employment, wages, information about employment conditions and protection in case of dismissals, social dialogue and involvement of workers, work-life balance, healthy, safe and well-adapted work environment, and data protection) (see diagram II.1).

**Diagram II.1**  
The European Pillar of Social Rights: 20 principles



**Source:** European Commission, "The European Pillar of Social Rights Action Plan", 2021 [online] <https://op.europa.eu/webpub/empl/european-pillar-of-social-rights/en/index.html>.

In terms of the legal-regulatory dimension at the supranational level, the European Pillar of Social Rights is based on a network of treaties, conventions and provisions that are binding for the Member States and foster its effective implementation. It also crowns a series of forums and meetings of Heads of State and Government, including social summits, such as the one that resulted in the European Pillar of Social Rights

in 2017, or the one that reinforced it in 2021 in Porto, Portugal, as well as meetings at ministerial level, where numerous social issues have been addressed. Similarly, in terms of social and institutional information systems, which form a central element of the technical-operational dimension, the European Commission brings together an impressive *acquis*, such as the Eurostat system, the European Statistical System, the European Documentation Centre of the European Union and even, in institutional and programmatic terms, the Mutual Information System on Social Protection (MISSOC) of the European Social Policy Network. These instruments provide not only comparable information for governments and citizens at the regional level, but also an intergovernmental platform for exchanging information and policy practices in the social policy sphere.

In this context, and in response to the COVID-19 pandemic and the need to fulfil the 2030 Agenda for Sustainable Development, the European Commission adopted the European Pillar of Social Rights Action Plan, published in March 2021. The plan draws attention to the significant impact of the pandemic on employment and welfare regimes across Europe; and it defines three main targets to be achieved by the end of this decade in the areas of employment, skills and social protection, aligned with the United Nations Sustainable Development Goals (SDGs). These three targets, together with those enshrined in the principles of the European Pillar of Social Rights Action Plan, state that “at least 78% of the population aged 20 to 64 should be in employment by 2030; at least 60% of all adults should participate in training every year; [and] the number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030. The targets are backed up by a set of related indicators and targets (European Commission, 2021a).

As noted below, exceptional stimulus measures and coordination efforts at the European Union level have also provided additional support to Member States. Alongside measures to support national health systems and foster collaboration on the development of a COVID-19 vaccine, a package of measures was adopted to minimize the pandemic’s impact on individuals, households, workers and firms. In contrast, Latin America and the Caribbean lacks such a comprehensive regional integration framework with a similar transnational dimension, particularly in the social domain; but it does have several regional and subregional bodies and forums for developing dialogue, cooperation and commitment to its own social agenda.

As shown in table II.1, since the 1970s several dialogue and exchange mechanisms have emerged in various subregional integration and cooperation forums, such as the Southern Common Market (MERCOSUR), the Andean Community, the Central American Integration System (SICA) and the Organization of Eastern Caribbean States (OECS). However, few social frameworks convene all of the countries of the region. There are currently at least 18 mechanisms (conferences, summits, meetings, forums and intergovernmental councils), each with its own periodicity and level of representation (heads of state, ministers, groups with technical representation). Among other things, this shows that social policy remains a key issue in the region, with practical efforts being made to generate exchanges and discussion on an ongoing basis. Most of these bodies have resumed meetings since 2021, despite the pandemic.

In terms of agreements or common frames of reference related to the 2030 Agenda for Sustainable Development and the SDG targets on social protection, key subregional instruments include the Regional Intersectoral Agenda on Social Protection and Productive Inclusion with Equity (ARIPSIP) (SICA and others 2018), and the Social Inclusion and Social Protection Strategic Framework, agreed upon in 2020 by the OECS countries.

The Regional Agenda for Inclusive Social Development, adopted by the countries of the region through their ministries of social development at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, held in 2019 in Mexico City, has regional coverage and is aligned with the 2030 Agenda for Sustainable Development. Its eight principles—a rights-based approach as the normative principle; human empowerment and autonomy; dignified life and progressive well-being; universalism that is sensitive to differences; an approach based on redistribution and solidarity with financial sustainability; a systematic perspective on sustainable development; high-quality public policies; and partnerships and social compacts to consolidate state policies—are intended as a basis for steering the design of social and social protection policies in line with the main international and human rights commitments (see diagram II.2).

Table II.1

Latin America and the Caribbean: regional and subregional intergovernmental bodies and forums focused on social development issues

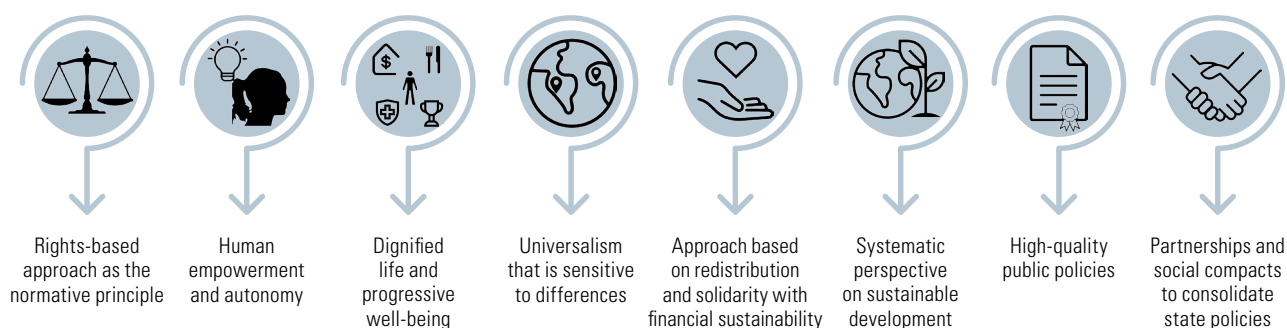
Mechanism	Sponsoring organization	Initial year	Latest meeting	Topic	Periodicity
Meeting of the Ministerial Council of the Social Area	Bolivarian Alliance for the Peoples of our America (ALBA)	2004	2021	Social development	Every two years
Development and Social Inclusion Technical Group	Pacific Alliance	2019	-	Social Development	Continuous
Regional Conference on Social Development of Latin America and the Caribbean	ECLAC	2014	2021	Social Development	Every two years
Meeting of Social Development Ministers and Authorities on and the Eradication of Hunger and Poverty	Community of Latin American and Caribbean States (CELAC)	2011	2016	Social Development	Annual
Council for Human and Social Development	Caribbean Community (CARICOM)	1973	2022	Social Development	Annual
Andean Council of Social Development Ministers	Andean Community (CAN)	2004	2012	Social development	Annual
Meeting of Ministers and High Authorities of Social Development	Southern Common Market (MERCOSUR)	2011	2023	Social development	Annual
Social Summit	MERCOSUR	2005	2023	Social development	Semiannual
MERCOSUR Social Institute	MERCOSUR	2009	2020	Social development	Semiannual
Meeting of Ministers for Social Affairs <sup>a</sup>	Ibero-American Social Security Organization (OISS)	2014	2023	Social development	Every two years
Inter-American Commission for Social Development (CIDES)	Organization of American States (OAS)	2004	2022	Social development	No fixed periodicity
Meeting of Ministers and High Authorities of Social Development	OAS	2004	2022	Social development	Every three years
Ibero-American Summit of Heads of State and Government	OISS	2000	2023	Social security	Every two years
Ministerial Forum for Development in Latin America and the Caribbean	United Nations Development Programme (UNDP)	2007	2022	Social development	Annual
Council for Central American Social Integration	Central American Social Integration of Secretariat (SISCA)	1991	2023	Social development	Semiannual
Meeting of Presidents	SISCA	1991	2023	Social development	Semiannual
Ibero-American Conference of Ministers and Senior Officials Responsible for Social Security	Ibero-American General Secretariat (SEGIB)	2000	2023	Social security	Every two years
South American Council of Social Development	Union of South American Nations (UNASUR)	2009	2015	Social development	Annual

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

<sup>a</sup> Before becoming consolidated as a permanent body in 1988, the Meeting of Ministers for Social Affairs of the Ibero-American Social Security Organization (OISS) formed part of the Inter-American Conference on Social Security, which became permanent in 1988.

Diagram II.2

The eight principles of the Regional Agenda for Inclusive Social Development in Latin America and the Caribbean



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), "Agenda Regional de Desarrollo Inclusivo para América Latina y el Caribe", Santiago, 2019 [online] [https://www.cepal.org/sites/default/files/infographic/files/infografia\\_ardsi\\_dic2019.pdf](https://www.cepal.org/sites/default/files/infographic/files/infografia_ardsi_dic2019.pdf).

On this basis, the Regional Agenda for Inclusive Social Development proposes a series of strategic lines of action grouped into four main areas: (i) universal and comprehensive social protection systems; (ii) policies to foster social and labour inclusion; (iii) a strengthened social institutional framework; and (iv) regional cooperation and integration.

The scope of the Regional Agenda for Inclusive Social Development is smaller because it does not form part of an institutional integration framework as ambitious and long-standing as that of the European Union. Nonetheless, it underscores the desire to adopt certain principles, lines of action and recommendations to guide the design of inclusive social development policies, based on the shortcomings and difficulties of the countries of the region and their institutional frameworks. The European Pillar of Social Rights represents an arrival point in a long history of consolidating a common social agenda based on the availability of significant collective resources and with regulations that govern the sphere of action of each country. In contrast, the Regional Agenda for Inclusive Social Development in Latin America and the Caribbean represents a starting point for confronting the challenges and moving towards genuine welfare states. Implementation will depend on the will, capacity and resources of each of the countries of the region, with periodic follow-up conducted in the framework of the Regional Conference on Social Development in Latin America and the Caribbean. Similarly, the institutional arrangements for cooperation on social protection in the European Union are based on treaties and common regulations, which, in addition to willingness, generate commitments that translate into very specific policies and guide a common institutional framework. In Latin America and the Caribbean, however, there are no regional regulations, and cooperation depends on the will and interests of the competent national authorities, according to their capacities and priorities, with few coordination mechanisms.

## 2. The organizational dimension of institutional frameworks for social policy in European Union countries

In Latin America and the Caribbean, ministries of social development and other similar bodies have assumed a number of functions related to combating poverty, social inclusion and the reduction of inequalities, as well as the protection and well-being of different population groups. In particular, these entities have acquired a prominent role in implementing and expanding various non-contributory social protection instruments, in an attempt to bridge some of the most egregious gaps in the coverage of the contributory component. Hence the interest in analysing, from the organizational dimension of the institutional framework for social policy, how these functions are fulfilled and distributed between different ministerial entities in selected European Union countries.

Although the precursors of the institutional frameworks for social policy in European countries date back to the emergence of welfare regimes in the late nineteenth century, it was not until the mid-twentieth century, especially after the Second World War, that these systems became consolidated and spread to embrace the majority of the population, even almost universally.<sup>7</sup> The ministerial entities that have headed the management of social protection reflect a historical link with ministries of labour and, to a lesser extent, with ministries of health. The latter is a reflection of how social protection originally emerged, linked both to the world of wage-earning work and to the development and expansion of public health care.

Currently, of the 17 European countries with information, in 10 (Bulgaria, Czechia, Germany, Greece, Italy, Lithuania, the Kingdom of the Netherlands, Norway, Portugal and Slovenia) the main ministerial unit is associated with the ministries of labour; while in two (France and Sweden) the ministries of health still play a central role. In other countries, the leading role is played by entities related to social affairs, social security or the family. Considering the organizational structure of non-contributory social protection, there are only a few cases where a single ministry is the protagonist (see tables II.A1.1 and II.A1.2).

<sup>7</sup> The countries of Eastern and Central Europe followed a different trajectory, in which the entire population was incorporated into public and social services after World War II, in the planned economy framework. From 1990 onwards, this was accompanied by a radical transformation with the transition to a market economy and pluralist political regimes.

In general, there is a clear parallel with the emergence and evolution of welfare regimes in Europe, in the sense that the main ministerial entities responsible for implementing social protection are linked to social security, in other words the contributory component of social protection. The same can be said about the timing of their creation. Apart from countries that made late transitions to democracy (Southern European and Mediterranean countries) or belonged to the socialist bloc of Eastern and Central Europe until 1990, these entities were created either before or shortly after the World War II, when welfare states became consolidated in Europe. These entities were responsible for the institutions coordinating social insurance linked to the world of work (pensions, unemployment), health and social assistance for families. In some countries, there was a pattern in which two or more ministerial units were responsible for different social protection functions. Examples include Germany and Ireland, where, notwithstanding the primary role of the Federal Ministry of Labour and Social Affairs in the former case and the Department of Enterprise, Trade and Employment in the latter, there has been a ministerial unit focused on family or child welfare since the 1950s. This is also the case in Belgium, where several entities are responsible for different aspects of social security, decent work and social assistance. In many cases, however, the names and functions of these ministries have undergone major changes. In France, for example, the Ministry of Social Affairs (now the Ministry for Solidarity and Families) has at various times been linked to other portfolios, such as health or employment, or else has acted as an independent entity.

A very recent diversification can be seen in several countries (Denmark, France, Ireland, Norway and Spain) with the creation or redefinition, between 2019 and 2022, of new entities with mandates pertaining to rights, well-being or social assistance for specific population groups, such as families, children and adolescents, youth or older persons. Examples include Spain's Ministry of Social Rights and the 2030 Agenda (2020) and France's Ministry for Solidarity, Autonomy and Persons with Disabilities (now the Ministry for Solidarity and Families) (2022). There are also examples of a certain instability, such as in Poland, where in 2020–2021 the Ministry of Family and Social Policy was temporarily linked to the Ministry of Labour.

In terms of the missions and mandates of the main social protection agencies, a common feature is their focus on social security and decent work, and on ensuring a basic level of well-being for citizens. Albeit with some variety, there is a general emphasis on providing support or services to families and to specific population groups, such as children, adolescents and persons with disabilities. Compared to the mandates of the ministries of social development in Latin America and the Caribbean, there is less emphasis on poverty reduction and even less on disaster preparedness, reflecting the specifics of each region in terms of the social agenda and the protection provided by these entities against various risks.

In terms of horizontal coordination at the central level, ministerial cabinets are a first area of high-level political coordination partly owing to the predominance of parliamentary and semi-presidential systems. In some cases, several ministers or delegates with specific mandates may coexist within the same ministry during a government's term of office. Rather than social departments, in many cases there are mechanisms for permanent dialogue and consultation with economic and social actors. In the decade of 2010, these economic and social councils were operating in European Union 20 countries, serving as an important mechanism for social dialogue and consultation (European Economic and Social Committee, 2010). Vertical coordination on social issues varies greatly, depending on the federal or central nature of each country, with significant institutional inertia affecting the role of local governments in the provision of social services.

An overview of the ministerial units responsible for some important contributory and non-contributory social protection mechanisms reveals a diversity of national trajectories. As might be expected, labour or employment-related entities or, failing that, those responsible for social security, are the most prominent in the contributory components.

At the same time, in terms of specific non-contributory mechanisms (such as family or early childhood allowances, or instruments guaranteeing minimum income), other, also relatively new, entities are gaining prominence. These have mandates related to social assistance and assistance to population groups such as children and adolescents or persons with disabilities, in contrast to what is happening in the contributory sphere. This shows that the non-contributory components of social protection have remained organizationally within the orbit of social security institutions. Lastly, these entities are seldom involved in actions related to access to social housing; and, unlike in Latin American countries, disaster-related risks as such do not appear systematically in the social protection mandates or mechanisms identified in Europe.

## C. The response of social protection systems to the COVID-19 pandemic

### 1. Strategies deployed in both regions

Starting in February or March 2020, all countries around the world acted rapidly to implement comprehensive public health measures to contain the spread of the pandemic. These brought economic and productive activity to a standstill in broad sectors. In order to confront these challenges and mitigate their effects, various public policy sectors implemented multiple emergency measures and adjustments. In response to an exceptional situation, the coverage of social policies, and social protection systems in particular, were expanded to mitigate the adverse economic consequences that were considered undeserved in terms of individual responsibility (Becker and Seemann, 2022; ECLAC, 2020a).

In all regions, the economy was supported by a wide range of government measures, including access to low-interest loans, loan guarantees, and the deferral of taxes, social contributions, and debt payments generally, as well as compensation for independent or self-employed workers. The main difference between countries was in the capacity of their institutional frameworks for social policy and the availability of financial resources —two factors that made it possible to achieve different degrees of coverage and adequacy of benefits. In terms of health and work, the pandemic also led to the introduction and expansion of sickness benefits to adapt to the wide range of new situations of ill-health and the greater frequency of days off for illness. In many cases, sickness benefits were also extended by making individuals or their employers eligible to receive them from the first day of quarantine or infection, and by eliminating waiting periods before being able to access benefits.

In European Union countries, these measures were supported at the supranational level. The European Union relaxed its rules on state support and activated the general escape clause of the Stability and Growth Pact, for the first time (effectively removing deficit limits to encourage member States to increase public spending to alleviate the socioeconomic impact of the pandemic on national economies). It also created several financial shields for member States, including in the areas of employment support and social protection. One example is the European Instrument for Temporary Support to Mitigate the Risks of Unemployment in an Emergency (SURE), which supported job retention programmes, part-time work and similar measures to help protect jobs and, thus, employees and the self-employed against the risk of unemployment and income loss. Between 2020 and 2022, it made up to 100 billion euros available in concessional loans to member States for new job retention programmes or the extension of existing programmes. Another key measure was the Emergency Assistance Facility, which aimed to mitigate the immediate impact of the pandemic and anticipate recovery needs, in particular the development of vaccines and access to them. It also offered greater flexibility in the use of cohesion policy funds under the Coronavirus Response Investment Initiatives (CRII and CRII+). Lastly, in a landmark agreement, the European Union established the NextGenerationEU Fund as a temporary instrument to support the recovery in member countries. The core of this fund includes the Recovery and Resilience Facility and an increased budget for the European Union for 2021-2026, in order to build back a greener, more digital and more resilient Europe after the pandemic. This 1.8-billion-euro stimulus package proved to be the largest in the history of the European Union (Vanhercke, Spasova and Fronteddu, 2021; Baptista and others 2021).

Beyond the pandemic response, another important example is the European Child Guarantee, adopted by the Council of the European Union in 2021. This programme aims to prevent and combat child poverty and exclusion by providing vulnerable children with access to services and support in five areas: early childhood care and education (ECCE), education, health, healthy nutrition and housing. In addition to establishing a shared, cross-sectoral commitment to social policies related to child well-being, its adoption involves a commitment to appoint a national coordinator of such a strategy, with adequate resources and a mandate to enable effective coordination and monitoring of the initiative (Molinuevo, Nur and Pozneanscaia, 2021).

The measures implemented by the region's countries also covered several public policy areas, including monetary and financial, fiscal measures, measures to maintain productive capacity, and actions to expand social protection systems. This includes multiple objectives, such as strengthening health systems through budget increases; protecting income and employment among both formal and informal workers; supporting the consumption of basic necessities such as food and basic services; and protecting productive capacity to create conditions for the recovery of economic activity through fiscal support (rebates) and access to credit through government guarantees (Arenas de Mesa and Mosqueira, 2021).

In November 2020, emergency fiscal plans represented an average of 4.3 percent of regional GDP (ECLAC, 2020b). Several ECLAC publications have documented the measures implemented through non-contributory social protection systems in 2020–2022 (ECLAC, 2020a, 2021a and 2022a; ECLAC/PAHO, 2021). At the onset of the pandemic, the major challenge facing the Latin American countries was to reach individuals and households in three groups: (i) those included in existing social protection systems; (ii) those included in non-contributory social protection systems; and (iii) those in between who were not covered by existing benefits (informal workers, including most self-employed, and their dependents) (Blofield, Giambruno and Pribble, 2021).

Approaches to social protection policies have varied widely across countries. Depending on the characteristics and structure of the economy, the size of the informal sector and the more or less fragmented and segmented structure of the social protection system, measures ranged from generalized ad hoc disbursements to carefully calibrated increases in benefit levels and extensions of their maximum duration. Unemployment benefits were increased and extended in nearly all countries, and some countries even introduced a special type of benefit for the recently unemployed (Becker and Seemann, 2022). In the case of job retention measures, two categories were generally used: tax-financed systems and systems financed from unemployment insurance funds. The distinction is partial, since in the case of unemployment insurance, the government had to intervene during the pandemic anyway, because the available funds alone would have been insufficient to cover the costs.

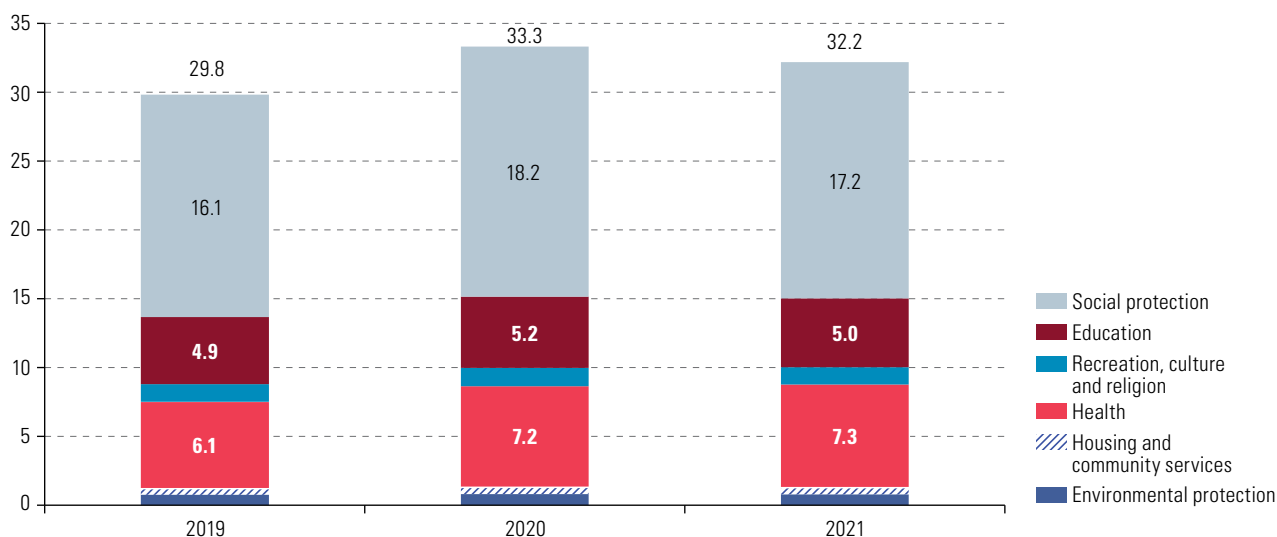
In Latin America and the Caribbean, and also in Europe and elsewhere in the world, each country tried a combination of approaches and instruments: nearly all introduced new cash transfers, subsidies in the form of tax exemptions and special borrowing conditions, deferrals of social security contributions, and measures that innovatively targeted the self-employed and small businesses, as well as job seekers. Although these instruments were introduced with the utmost urgency and on a temporary basis, in most countries the original deadlines were extended at least once. Even in the case of benefits financed by contributions and various insurance mechanisms, the measures everywhere required at least additional financing by the state. The costs were borne by taxpayers at large, as in the case of the wage replacement programmes in European countries and the exceptional measures to support the self-employed, especially in the European Union, which temporarily overrode the traditional division of responsibilities in the respective welfare regimes (Seemann, 2022).

In the European Union countries, the reports of the European Social Policy Network provide a comparison of the main measures and their implementation characteristics in nine different areas of social protection and social inclusion: unemployment benefits, employment protection, sickness benefits and sickness assistance, health care, minimum income schemes and other forms of social assistance, housing, essential social services and parental leave, and other relevant social protection or social inclusion support measures. These reports do not provide detailed information on the coverage or adequacy of the benefits, but they do make it possible to identify the types of measures adopted by European Union Member States. These emergency social protection and social inclusion measures in response to the pandemic were crucial for mitigating the impact on the workforce and the social protection system. Unlike in Latin America, many of the responses were based on contributory systems and formal jobs (Robles and Rossel, 2021), hence the comparatively major importance of job retention and unemployment benefit systems.

An initial contrast between the countries of the two regions reflects the difference in fiscal space and social investment. On average the countries of the European Union were able to mobilize social spending equivalent to 33.3% of GDP in 2020 (18.2% of GDP in social protection), as shown in figure II.1. By comparison, as noted in chapter I section D, in Latin America and the Caribbean the best-case scenario for social spending as a whole is an average of 13.5% of GDP in 2020, which is the highest level in this century (ECLAC, 2022b).

**Figure II.1**

European Union (27 countries):<sup>a</sup> average general government social spending by functional classification, 2019–2021  
(Percentages of GDP)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Union, Eurostat [online] <https://ec.europa.eu/eurostat>.

<sup>a</sup> The countries included are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Kingdom of the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

The adequacy of the benefits can be judged from the systems of job retention, guaranteed minimum income and unemployment benefits. Most countries in all regions sought to improve existing employment protection measures by relaxing eligibility, duration and payment conditions; and some introduced new instruments to address the impact of the pandemic more effectively in specific sectors. In the European Union countries, the vast majority of national income replacement programmes provide an allowance based on a replacement rate ranging from 60% to 80% of (mostly gross) wages. In terms of coverage, these programmes supported more than 42 million jobs in the European Union. It is also worth noting that, since the global financial crisis of 2008, job retention programmes have also been available to all workers in most European Union Member States, including several categories of atypical workers, such as part-time, fixed-term and temporary workers (Baptista and others 2021).

With respect to job retention systems,<sup>8</sup> two key measures were adopted at the European Union level: (i) short-time work, which includes measures to directly subsidize hours not worked, and (ii) wage subsidies, which provide a wage supplement for reduced hours and a subsidy for hours worked.<sup>9</sup>

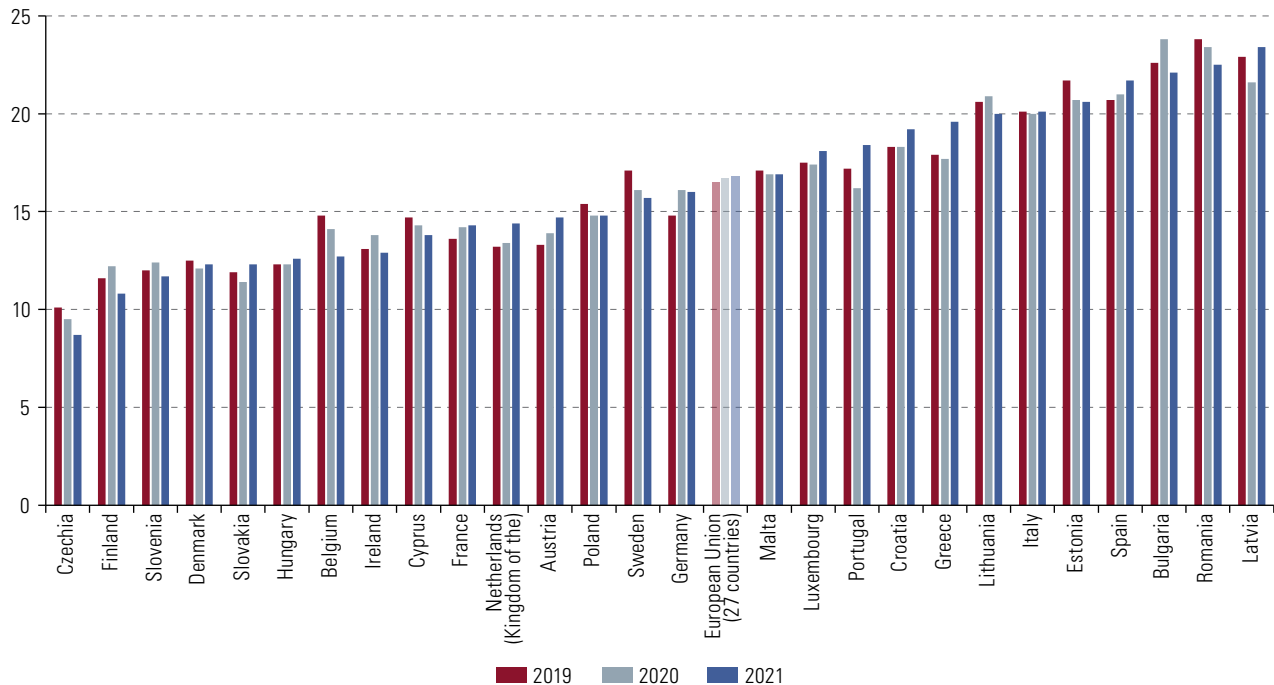
In Latin America, the battery of social protection policy instruments was what mobilized the most resources in the countries for which central government information is available, reaching its highest ever level in 2020, averaging 5.9% of GDP (1.7 percentage points higher than in 2019). This increase aimed to expand contributory social security benefits (including unemployment insurance) and implement various measures to lighten the tax burden on contributions. In addition, 468 non-contributory social protection and other support measures were implemented between 2020 and 2021, including 207 cash transfers, 122 transfers in kind, 49 measures to ensure and facilitate access to basic services (water, energy, telephone and internet) and 90 measures involving tax relief, mechanisms to ensure ease of payment and price fixing. These included 157 new cash transfers approved during the emergency. As documented by ECLAC, while all of these measures mitigated the increase in poverty, they could not prevent it from increasing significantly (Atuesta and Van Hemelryck, 2022; Santos García, Farías and Robles, 2023).

<sup>8</sup> The report of the European Social Policy Network describes the measures adopted by the countries and highlights the retention of employment.

<sup>9</sup> For a detailed description of these systems, see Baptista and others (2021, p. 181).

In comparison, the European Union deployed a broader set of policies than Latin America and the Caribbean with a higher level of social spending, which enabled it to contain greater increases in poverty. As shown in figure II.2, at the regional level, the at-risk-of-poverty rate in the European Union increased moderately by just 0.3 percentage points between 2019 and 2021 (from 16.5% to 16.8%). Individual countries varied widely: while some recorded increases of between 1 and 2 percentage points (such as Austria, Germany, Greece, Portugal and Spain), others saw reductions of between 1 and 2 percentage points (such as Belgium, Czechia, Romania and Sweden).

**Figure II.2**  
European Union (27 countries): at-risk-of-poverty rate, 2019–2021  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Union, Eurostat [online] <https://ec.europa.eu/eurostat>.

Thus, considering the measurement differences between the indicators available in the two regions, the impact of the COVID-19 pandemic generated a significant rise in the poverty rate in Latin America and the Caribbean. In the 2019–2020 biennium, poverty advanced from 30.4% to 32.8% (a relative increase of 7.9%), while extreme poverty grew by 14.9%, from 11.4% to 13.1% (ECLAC, 2022b). In the countries of the European Union, in contrast, the average increase in the at-risk-of-poverty rate was less than 2%.

## 2. A review of two specific instruments of the social protection systems in each region: emergency transfers and minimum income schemes

Substantial support was provided through minimum income schemes in European Union countries and emergency transfers in Latin America and the Caribbean, as well as benefits and adjustments linked to unemployment insurance in both regions.<sup>10</sup> Both instruments, as well as other forms of social assistance implemented in both regions, made sense given the possibility that the COVID-19 crisis and subsequent containment measures would cause an unprecedented loss of income for the most vulnerable sectors of the population.

<sup>10</sup> Owing to space limitations, this chapter focuses on these two instruments because they reveal the lesser importance of unemployment insurance, which is relatively absent in Latin America; and to highlight the challenges shared by both regions with respect to targeted and non-contributory income support for groups and individuals living in poverty and those most vulnerable to poverty.

In the European Union countries, the objective of minimum income schemes is a means of guaranteeing a minimum standard of living for all persons who lack sufficient income, whether they are working or not, to enable them to gain access to adequate goods and services. Although these instruments were called into question in the political debate in some countries, their importance was confirmed by the social and economic impact of the pandemic, in particular the possibility of heightened levels of financial insecurity, poverty and income inequality. Other measures included support (with or without means testing) targeted at persons with no links to the labour market, and the provision of benefits (with income verification) to persons with current or past links to the labour market. An important difference is that while in the European Union countries these non-contributory measures were generally complementary to more comprehensive contributory programmes, in Latin America they played a much greater role in filling the gaps in the overall coverage of social protection (see tables II.A1.3, II.A1.4 and II.A1.5). This includes not only the larger volume of resources generally invested in contributory and non-contributory social protection in normal times, but also their organizational structures and horizontal and vertical coordination, as well as the management and information tools, which were already providing a high level of coverage to different population groups throughout the territory.

The measures that were adopted mitigated the impacts of the crisis and helped to protect people at risk of poverty or social exclusion, by reinforcing the right to a minimum income. Those adopted in 16 countries of the European Union aimed to strengthen social protection for persons with no link to the labour market (such as children, students and social assistance recipients).

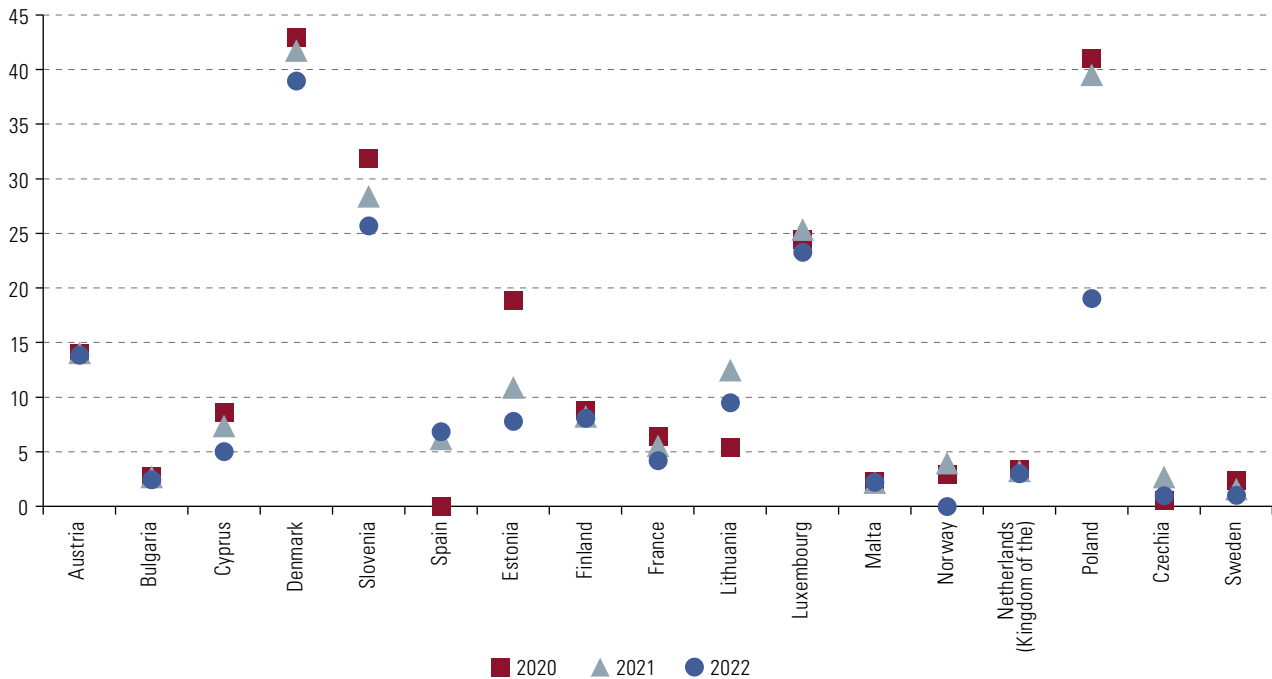
The overall picture raises the question of whether the changes introduced in response to the crisis will have the potential to trigger more permanent improvements in the future or, conversely, their transitory nature will leave pre-existing problems untouched. Studies by the European Social Policy Network, find examples of permanent progress that include an increase in the level of benefits of a number of social minima in Belgium, the early implementation of the minimum vital income as a permanent instrument in Spain, and the positive impact of the exceptional measures on well-being among the poorest households in France.

Most of the adjustments introduced during the pandemic, including suspension of the requirement to have a job or to be looking for work in order to access minimum income schemes, were temporary and only in place for short periods. Above all, there were persistent problems, sometimes acute, in terms of the adequacy and accessibility of minimum income schemes. These include administrative problems, such as accessibility and efficiency gaps between the different federal entities in Austria; problems of effective coverage of the most vulnerable groups by the citizen's income in Italy, including third country nationals; or poor accessibility for the most vulnerable groups in Romania. In other cases, no additional support measures were adopted for current recipients of minimum income schemes. In Bulgaria, for example, participants did not receive extra compensation for additional health-related expenses caused by the pandemic. There were also eligibility problems in Greece, since eligibility was based on the previous year's income, and many people were unable to access benefits despite having experienced a significant drop in income as a result of the pandemic (Baptista and others 2021).

In terms of the adequacy of social protection benefits in the European Union, it is difficult to establish a single benchmark for all countries. One possibility is to compare the amounts provided by these systems in the case of the same type of situation and household, based on data from the TaxBEN tool, which is available on the Organisation for Economic Co-operation and Development (OECD) portal. The benefits in each country can be consulted there in the case of a representative family consisting of two children (of four and six years old), two adults aged 40, one of whom has been unemployed for two months and has paid social security contributions for 15 years, and the other who has not participated in the paid labour market (inactive). Figure II.3 shows that in 10 countries (Cyprus, Denmark, Estonia, France, Lithuania, Luxembourg, Norway, Poland, Slovenia and Sweden), the amount of the benefit increased slightly as a proportion of the average wage between 2020 and 2022, the years in which the COVID-19 pandemic had the greatest impact. In 2020, the average was 12.8%, compared to 10.1% in 2022 and 12.2% in 2019, before the health emergency.

**Figure II.3**

European Union (17 countries): guaranteed minimum income by country, 2020–2022  
 (Percentages of the average wage)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD), “Benefits and wages” [online] <https://www.oecd.org/social/benefits-and-wages/>.

According to the assessment made by the 2021 and 2022 reports titled “Employment and Social Developments in Europe”, the package of work retention and income support measures implemented by European Union countries succeeded in curbing the rise in unemployment (the unemployment rate rose on average from 6.6% to 7.3% between December 2019 and April 2021), and largely safeguarded the resources of the most vulnerable households by protecting their incomes, despite an increase in market inequalities (European Commission, 2021b and 2022). Nonetheless, as the European Social Policy Network reports note, despite the considerable scope of these measures and their positive welfare effects, the COVID-19 pandemic highlighted several long-standing weaknesses in social protection systems: the importance and challenge of ensuring accessible, timely and adequate income and support for all, in particular for those whose situation of vulnerability and disadvantage was exacerbated by the pandemic (various population groups, including the impact of the crisis on multiple dimensions of gender inequality); the functioning and inclusiveness of social protection systems, due partly to the combination of increasing protection and inclusion needs and declining social contributions and tax revenues; and, given their importance, the need to reflect on the role of these systems (including sources of financing) (Baptista and others 2021).

In the case of Latin America and emergency transfers, between March and August 2022, the countries of the region announced around 402 non-contributory social protection measures. According to the latest evaluation, these measures evolved as the protracted crisis unfolded, so their characteristics varied over time in terms of coverage (extensions or alterations of eligibility criteria), duration (number of transfers), and magnitude (increase or decrease in amounts and benefits provided). They were characterized by the use of cash transfers (43% of the interventions up to August 2022) and by their speed of design, implementation and delivery, varying greatly in terms of amount, coverage, sufficiency and duration of the benefits implemented (Atuesta and Van Hemelryck, 2022 and 2023).

Other complementary measures included in-kind transfers (28%) and other support (19%), such as tax exemptions, price controls and payment facilities, as well as improved access to basic services (10%). Studies also show that, since the onset of the pandemic, cash and in-kind transfers reached an average of 50.2% of the population in 2020 (325.9 million individuals), 47.2% in 2021 (325.9 million individuals) and only 15.6% in 2022 (102.2 million individuals), thanks to an estimated investment of US\$ 89.7 billion in 2020, US\$ 45.3 billion in 2021 and US\$ 102.0 between January and August 2022 (Atuesta and Van Hemelryck, 2022 and 2023; ECLAC, 2020a).

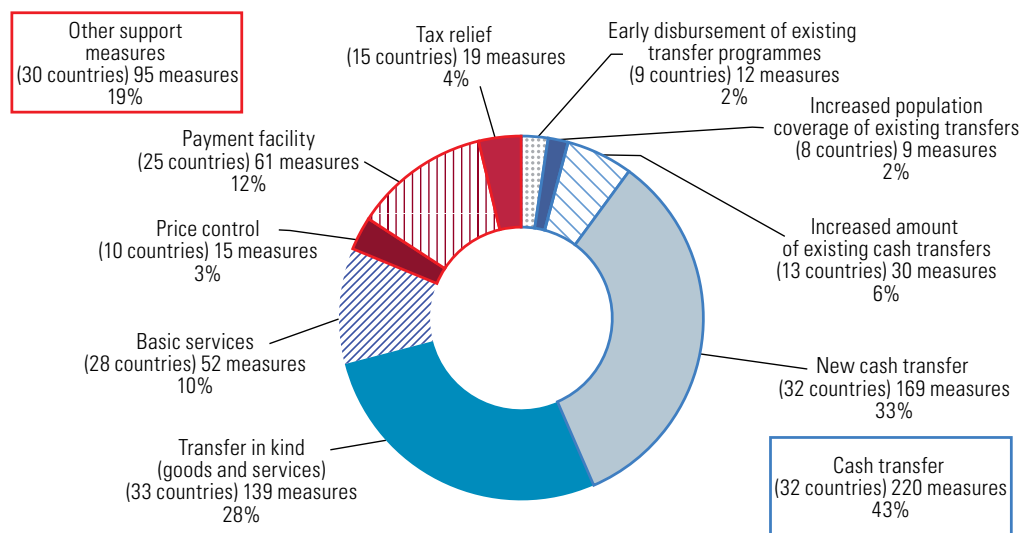
In Latin America and the Caribbean, there are no minimum income schemes such as those in the European Union. However, non-contributory transfer programmes, generally targeted at the poor but with broad coverage of the total population, have played a comparable role as social protection instruments in times of crisis to maintain the income of the recipient population. Cash and in-kind transfers in the region were estimated to have covered almost 84 million households in 2020 and 2021, and individual coverage dropped from about 326 million to 308 million people (Atuesta and Van Hemelryck, 2022). These averages conceal significant differences between countries and subregions: while some South American countries (the Bolivarian Republic of Venezuela, Brazil and Chile) display a significant expansion of coverage, others such as Mexico and some Central American countries report more moderate increases.

As shown in figure II.4, measures related to non-contributory transfers were predominant among the set of emergency measures and among the countries that implemented them. In particular, a key part of these measures consisted of the introduction of new transfers, encompassing and expanding the original target population of other programmes and including substantial middle-class segments (Robles and Holz, 2023). This, together with the gaps in contributory social protection, shows the extent to which previous programmes remain far from permanent mechanisms to guarantee a basic income, apart from vulnerable groups or those living in poverty, with prioritization mechanisms that vary widely in terms of effectiveness.

**Figure II.4**

Latin America and the Caribbean: emergency non-contributory social protection measures and other forms of support for the population living in poverty and vulnerability, by type of measure, from 1 March 2020–31 August 2022

(Number of countries, number of measures and percentages of the total number of measures)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), COVID-19 Observatory in Latin America and the Caribbean, Santiago [online database] <https://www.cepal.org/en/subtopics/covid-19>; "Social protection measures to confront COVID-19", Santiago [online] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>; Atuesta, B. and T. van Hemelryck (2023), "Protección social, crisis y pandemia: aprendizajes en perspectiva comparada", El futuro de la protección social ante la crisis prologada en América Latina: claves para avanzar hacia sistemas universales, integrales, resilientes y sostenibles, Social Policy series, C. Robles and R. Holz (coords.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), forthcoming, and official information from the respective countries.

Another important element was the delivery of physical goods and the strengthening of basic services. Support in kind was based on the provision of food, medicines, and hygiene and contraceptive products to combat the effects of the pandemic, along with the distribution of food in households or through institutional mechanisms such as schools or canteens. This has been a key part of government responses to ensure continuity in the distribution of school meals, despite the temporary school closures, and to maintain school feeding programmes through various means (most often the delivery of food packages to be prepared at home) (Robles and Rossel, 2021).

However, the impact of these social protection measures should not be underestimated. As reported in *Social Panorama of Latin America 2021*, monetary poverty in the region was estimated at 32.8% (203 million people) and extreme poverty at 13.1% (81 million people) in 2020. Without these emergency social transfers, an estimated 33.4% of the population would have been in poverty in 2021, instead of 32.3% (ECLAC, 2022a).

In most Latin American and Caribbean countries, the application of emergency non-contributory social protection measures made it possible to partially contain the rise in poverty and extreme poverty rates, and alleviate the negative impact of the crisis on income distribution (Atuesta and Van Hemelryck, 2022). In the case of transfers, their use made it possible to rapidly reach new population groups outside contributory social protection, beyond those already included in non-contributory protection. However, their scope in terms of coverage and precision was far from guaranteeing access to the entire population in question. Moreover, their temporary funding and emergency nature often left the possibility of setting up permanent mechanisms pending. Thus, the shortcomings of social protection institutions in Latin America and the Caribbean are shown by the fact that, while the pre-existing social protection instruments allowed for specific adjustments to be made in response to the emergency, in 33 countries new transfers had to be introduced, which accounted for 33% of the measures adopted.

At the same time, the prolonged crisis caused by the pandemic once again drew attention to the main shortcomings of the region's social protection systems and the need to strengthen the contributory pillar, along with formal employment. This would enable the population linked to the labour market to count on stable income insurance mechanisms during periods of unemployment and transition to new occupations, especially in a context marked by the increasing use of technology and the need to move towards an environmentally sustainable economy (Atuesta and Van Hemelryck, 2022). At the same time, the challenge remains of analysing people's access to the labour market from a needs and rights perspective. The challenges identified for the delivery of these emergency social benefits include factors such as the timeliness of their introduction and the capacity of the social policy institutions in place to deliver them quickly, the coverage of the measures (in other words, maintaining them during the pandemic and targeting them to broad groups of the population), their sufficiency (especially to keep people from falling below the poverty line and guarantee basic services), and their duration (in other words their capacity to prolong the delivery of monetary and in-kind transfers during periods of lockdown and, above all, the economic and social impact of the crisis) (Robles and Rossel, 2021).

In terms of the coverage of emergency and existing social protection measures, it was generally possible to reach the population living in situations of poverty and vulnerability, older persons, and those working in the formal economy, whose incomes were declining or even disappearing. However, other vulnerable groups (such as informal workers, persons with disabilities, migrants or young people) received less targeted support; and their access to benefits was often conditional on their inclusion in social registers or mechanisms for making rapid contact with these groups. It is also important to stress the importance of mainstreaming a gender approach in emergency responses, in order to address the vulnerabilities arising from the unequal burden of domestic and care work on the capacity to generate income and access social protection.

Regarding the sufficiency of the largest benefits for which information is available, and considering a duration spanning March 2020 to October 2021, it is estimated that only a few countries in Latin America and the Caribbean (Brazil, Chile, the Dominican Republic and Panama) managed to cover the extreme poverty line with the cash transfers that were delivered (Atuesta and Van Hemelryck, 2022). Considering the period from March 2020 to August 2022, only Chile delivered monthly monetary transfers above the poverty line during the entire period, while only Chile and Panama delivered monthly monetary transfers above the extreme poverty line, followed by Argentina, Colombia and Brazil with monthly monetary transfers of around 0.9 times the value of the extreme poverty line (Atuesta y Van Hemelryck, 2023).

The duration of the measures has varied. In the case of emergency cash transfers, the countries that provided the most transfers also tended to be those that maintained them for the longest time. For example, in the case of Brazil, the average duration of the set of measures was 13.5 months with 12.8 payments per recipient between March 2020 and December 2021. Countries with long-term cash transfers and a large number of disbursements include the Dominican Republic, Grenada and Saint Lucia, in contrast to countries with short-term transfers and few disbursements (the Bolivarian Republic of Venezuela, El Salvador and Jamaica). Costa Rica, Honduras, Mexico, Peru and the Plurinational State of Bolivia are in an intermediate situation, with an average duration between five and 10 months, but with between one and three disbursements per recipient (Atuesta and Van Hemelryck, 2022).

In the case of unemployment insurance, in response to the pandemic and strict lockdown measures, temporary changes were made to unemployment benefit programmes in the European Union, to make them more inclusive and, in some cases, more generous. Most European Union countries (21) temporarily altered the key parameters of their unemployment benefits, in order to increase access, improve replacement levels or extend the duration.

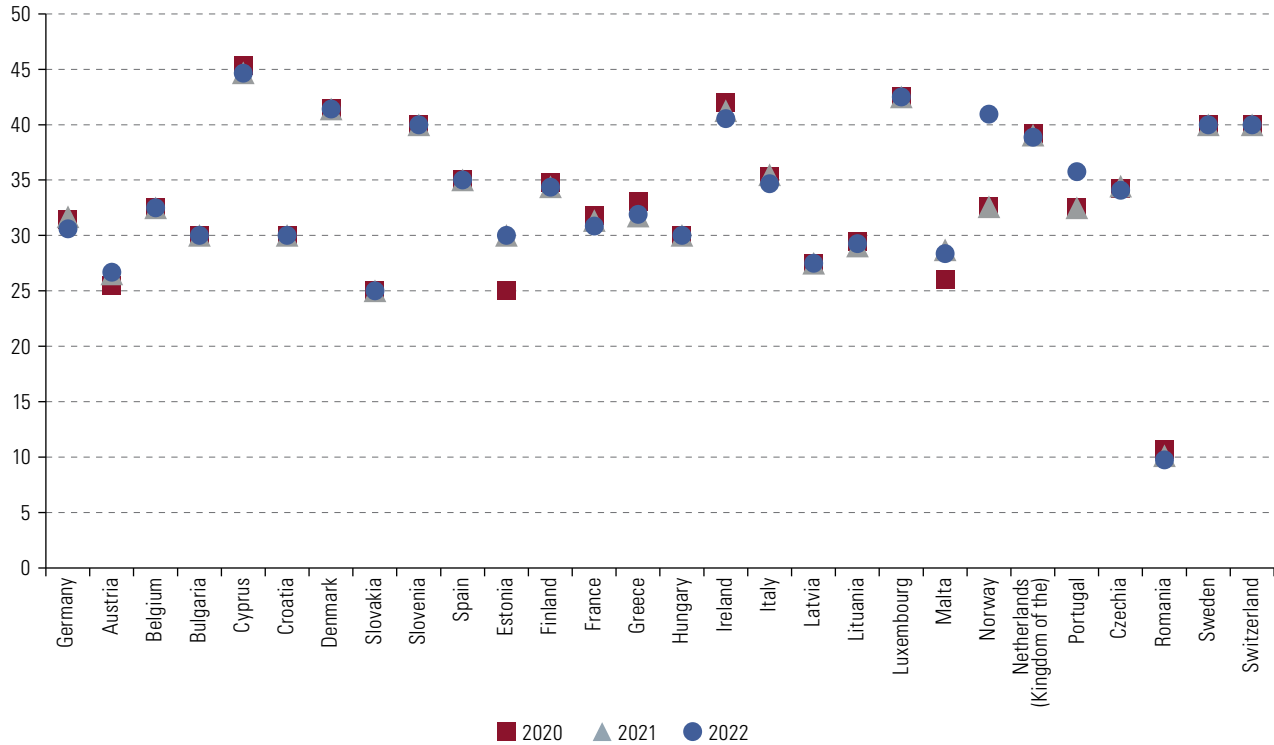
In general, these measures followed the evolution of the pandemic through time: in most countries they were introduced in March 2020 and remained in force throughout the containment periods. Most of the measures involved adjustments to the parameters of the pre-existing unemployment programmes. Only in a few exceptional cases (such as Belgium, Estonia, France, Latvia and Malta) were new benefits created or new worker categories included. In nearly all cases, these were temporary measures, except in Estonia, where the pandemic accelerated an already ongoing reform of unemployment benefits (Baptista and others 2021). The most frequently modified parameters included the temporary inclusion of new profiles, such as atypical workers and the self-employed (8 countries), and the extension of the period during which benefits could be received (12 countries). In general, the conditions for access to benefits were relaxed, and in seven countries access was facilitated for workers without a sufficiently long work history (UNEDIC, 2022).

In terms of the adequacy of these measures, it is hard to make a general comparison given the diversity of systems, amounts and cases according to the situation of individuals, and household composition. However, the amounts estimated by the TaxBEN database for 2020–2022 give an indication. For this purpose, a representative case could be that of a family with the same characteristics as above, consisting of two adults (40 years old) and two children (4 and 6 years old), one of the adults being unemployed for two months having contributed to social security for 15 years, while the other adult does not participate in the labour market. In such a case, the replacement rate of unemployment insurance would remain similar on average between 2020 and 2022: 33.2%, 33.5% and 33.6% of the average wage, respectively. As shown in figure II.5, in 2020, in most countries apart from Romania, the replacement rate of unemployment benefits ranged from 25% of the national average wage (Estonia) to 45.3% (Cyprus). In 2022, these rates remain broadly unchanged, except for increase in a few countries (Estonia, Malta and Norway).

In the case of Latin America, the closure and disruption of many social services, and the paralysis of broad sectors of the economy, resulted in an unprecedented decline in labour force participation, among women in particular. Women took on the extra burden of unpaid care demands and their unequal distribution in households, resulting in the female participation rate falling back to levels similar to those of 2002 (ECLAC, 2021a). Unemployment had a particularly strong impact on informal workers, with a marked effect on labour market integration among young people, and a decline in labour income, which affected low-income workers the most (Robles and Rossel, 2021).

In this scenario, and compared with the countries of the European Union, unemployment insurance is not only absent in many Latin American countries, but also, given its link to formal wage-earning employment, it often covers only a small fraction of the working population (see table II.2). Nonetheless, where such an instrument exists at the national level, several measures similar to those observed in European Union countries were implemented during the pandemic. Specifically, as noted in an ECLAC study, measures were adopted to: (i) broaden the scope of coverage, make the conditions of access to benefits more flexible, or include other workers who are normally excluded from these protection systems; (ii) extend the duration of these instruments and, in some cases, improve their adequacy by raising replacement rates; and (iii) improve access to support by reducing or eliminating the waiting period (Velásquez, 2021).

**Figure II.5**

 European Union (28 countries): unemployment insurance replacement rates, 2020–2022  
 (Percentages of average wage)


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD), "Benefits and wages" [online] <https://www.oecd.org/social/benefits-and-wages/>.

**Table II.2**

European Union (20 countries) and Latin America: measures to facilitate access to unemployment insurance, 2020–2021

Scope	Selected measures	European Union countries (20 countries)	Latin American Countries
Access conditions	Relaxation of pre-requisites in terms of employment or insurance status	Greece, Finland, France, Latvia, Portugal, Spain, Sweden, Finland, France, Italy, Latvia, Portugal, Sweden	Brazil, Chile, Ecuador, Uruguay
	Employment status (atypical and self-employed workers)	Belgium, Greece, Finland, France, Italy, Latvia, Portugal, Spain, Sweden	Chile, Uruguay
	Other measures (such as extension to employees who resigned and suspension of the gradual reduction of benefit amounts over time)	France, Latvia	
Level of benefits	Increase in benefit amounts or rates	Austria, Bulgaria, Estonia, Finland, Ireland, Lithuania, Malta, Poland, Sweden	Argentina, Chile, Venezuela (Bolivarian Republic of)
Duration of benefits scope	Suspension of the reduction of benefits over time	Belgium, France	Argentina, Chile
	Abolition or reduction of benefit eligibility deadlines	Denmark, Finland, Ireland, Sweden	Ecuador
	Extension of benefit eligibility period	Belgium, Bulgaria, Denmark, France, Germany, Greece, Italy, Latvia, Lithuania, Portugal, Romania, Slovakia, France	Argentina, Ecuador, Venezuela (Bolivarian Republic of)

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of I. Baptista and others, *Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An Analysis of Policies in 35 Countries*, Brussels, European Commission, 2021; M. Velásquez, "La protección ante el desempleo: medidas aplicadas durante la crisis del COVID-19", *Project Documents* (LC/TS.2021/214), Santiago, ECLAC, 2021.

Several lines of strategy arise from this experience, such as the need to activate social protection modalities for situations of unemployment involving reduced working hours and the suspension of business activities. This means ensuring that the employment relationship is maintained in order to avoid a further rise in unemployment; but it is also necessary to try to replace the income lost by those who work through new forms of insurance. It is also important to move towards a comprehensive form of social protection against unemployment for all contractual modalities, in addition to wage-earning, in order to cover the self-employed and those working in the informal sector. This will require information-sharing mechanisms and different sources of financing to take into account the different realities of populations that fall outside the scope of wage employment. Lastly, it is also a priority to develop adequate instruments to extend the scope of protection against loss of income, in a context of change in which different work modalities are developing and the transition from informality to formality is gaining particular importance (Velásquez, 2021).

Lastly, the contrast between the two regions highlights the importance of unemployment insurance as a central component of contributory social protection to protect people's income and guarantee a minimum level of security in the face of the wide variety of factors —both individual and collective— that can result in unemployment. Moreover, as a contributory mechanism, unemployment insurance guarantees a certain level of adequacy. This, per se, does not imply the injection of additional resources, although governments may supplement and extend the adequacy and the duration of benefits in times of crisis. This mechanism is less common in Latin American and Caribbean countries, partly because of the comparatively lower level of formal employment and, hence, of contributory social protection. It also reflects the difficulty of adopting financing mechanisms for this type of instrument between workers, governments and employers, and the management and information capacities needed to make them work effectively in times of crisis.

### 3. Selected challenges and shared lessons learned

A review of the policies implemented during the coronavirus disease (COVID-19) pandemic in the two regions reveals similarities in terms of the type of instruments deployed in the contributory and non-contributory social protection systems. The main differences between the two regions reflect the financial sustainability, coverage and adequacy of benefits, the institutional frameworks for social policy they have in place, and the decisive support from the supranational level, which, in the case of the European Union countries, facilitated the various forms of support provided by the European Commission. This made it possible, inter alia, to provide financial support for the emergency policies implemented, in an exceptional manner, both because of the availability of resources and because national fiscal expenditure and debt limits were lifted.

At the same time, despite the higher levels of coverage and greater adequacy of benefits in the countries of the European Union, founded on an installed base of social services and social protection and a welfare state that has a sound institutional framework, there are a number of challenges that are not foreign to the experience of Latin America and the Caribbean, although they impinge to a lesser extent. The International Labour Organization (ILO) estimates that by 2020, the percentage of people in vulnerable situations with access to cash transfers through social assistance was 75.1% in western, northern and southern Europe, 61.2% in eastern Europe, but just 36% in Latin America and the Caribbean (ILO, 2021, p. 48). Similarly, although up to 32 million people in the European Union benefited from job retention programmes at the height of the crisis, categories such as the self-employed were less likely to have access (European Commission, 2021b, p. 17). Therefore, as noted in the assessment of the European Social Policy Network of the European Commission, it is primarily a question of coverage challenges in respect of certain vulnerable groups by the minimum income schemes of the European Union countries (especially atypical and informal workers, regular and undocumented migrants, among others) (Baptista and others 2021).<sup>11</sup> In the case of emergency transfers in Latin America and the Caribbean, the coverage challenge was much greater owing to the shortcomings of existing systems, which required new mechanisms to be adopted. Second, horizontal and vertical coordination problems arose in the implementation of emergency measures to avoid duplication or efficiency problems, especially when attempting to give the local level room to manoeuvre in order to identify needs and risks quickly (OECD, 2020; Hocquet, 2020).

<sup>11</sup> Accessibility problems are reported in all European Union countries —especially gaps in the coverage of vulnerable sectors of the population, which were not adequately protected during the pandemic (students or young people, single-parent families, third-country nationals) (Baptista and others, 2021, p. 18).

A third common challenge was the difficulty of using the crisis and the shortcomings revealed by the emergency to make improvements or reforms at the national level, so that, while maintaining the differences between the two regions, progress could be made in strengthening the quality of services to deal with future large-scale crises such as the pandemic. Until 2021, the reports of the European Social Policy Network also noted that few of the actions taken to address the pandemic were permanent measures or reforms (Baptista and others, 2021). In both regions, there was a risk that the emergency measures would be withdrawn without medium-term reforms being adopted. In the European case, the measures, commitments and recommendations made at the supranational level of the Action Plan of the European Pillar of Social Rights, adopted in 2021, provide an important frame of reference in that region to address the challenges and gaps identified during the pandemic. This type of framework has no parallel in Latin American and Caribbean countries.

Emergency transfers in the region were accompanied by innovations and extraordinary efforts to expand coverage, with varying degrees of depth. Several institutional weaknesses were highlighted in the region, such as the need to improve the capacity and use of information systems for decision-making, or to guarantee funding beyond the emergency. The pandemic could have been an opportunity to make significant progress in strengthening systems, but in many countries coverage actually declined in 2021 (Blofield, Giambruno and Pribble, 2021). On the positive side, the emergency measures helped to strengthen the capacity of States to deliver more comprehensive benefits to the population more effectively, by updating databases or creating new emergency programmes that could help to expand the scope of this instrument in the future. Depending on the country, one lesson or challenge concerns the systematic availability of data on the composition of households in the region and how this affects access to contributory and non-contributory cash transfer programmes. However, this experience could be turned into an opportunity to expand and strengthen social protection systems in Latin America and Caribbean countries, with a focus on universality, comprehensiveness, resilience and sustainability, and to link them in a coordinated manner with disaster management systems to comprehensively address the various emergencies and risks faced by the region, even more so in a context of cascading hazards such as those that have arisen in recent years (ECLAC, 2021b).

The measures adopted in European Union through their minimum income schemes do have parallels in Latin America and the Caribbean. Although on a different scale, both regions clearly faced the challenge of achieving systematic and permanent access for vulnerable populations, with adapted social information tools that take advantage of new information and communication technologies (ICTs), was evident. In European Union countries, minimum income schemes (and other social assistance instruments) displayed limited capacity to include some of the most vulnerable population groups, such as children and adolescents,<sup>12</sup> students and young people,<sup>13</sup> temporary agency and platform workers,<sup>14</sup> single-parent families,<sup>15</sup> large families,<sup>16</sup> third-country nationals,<sup>17</sup> asylum seekers or refugees<sup>18</sup> and homeless people,<sup>19</sup> among others (Baptista and others, 2021).

In both regions, albeit in different degrees, the debate also raised the general issue of moving from the adoption of temporary and emergency measures to the implementation of reforms aimed at correcting the loopholes and problems identified, in particular with a view to moving towards a permanent and universal instrument to guarantee a minimum income. Latin America and the Caribbean still face the challenge of making progress in social protection systems in the face of problems such as the greater social and economic gaps left by the pandemic, population ageing, the situation of informal workers or workers with non-standard contracts, and the increased public demand for support to re-enter the labour market and recover their income (Atuesta and Van Hemelryck, 2022). In the countries of the European Union atypical and informal workers also posed a challenge, although they were fewer in number. In both regions, migrants and refugees formed a group that was particularly difficult to include. In Latin America and the Caribbean, effective inclusion of

<sup>12</sup> Croatia, Czechia, Hungary and Romania.

<sup>13</sup> France, Luxembourg and Slovenia.

<sup>14</sup> Belgium.

<sup>15</sup> Czechia and Greece.

<sup>16</sup> Greece and Slovenia.

<sup>17</sup> Belgium, Greece and Luxembourg.

<sup>18</sup> Belgium, Denmark and Greece.

<sup>19</sup> Belgium, Bulgaria, Finland, Luxembourg and Sweden.

the vulnerable population requires addressing the problems of social registries and information systems discussed in chapter I. The problems of duplication and lack of coordination between social registries and information systems discussed in chapter I are also a common challenge. In addition to the challenge of coordination in serving specific groups, there are problems of coordination both horizontally (between policy and social protection units at the central level) and vertically (between different political-administrative levels). These difficulties are not new, but their characteristics were exacerbated during the emergency, without necessarily leading to solutions or reforms (Baptista and others, 2021). In both regions, the contribution of social protection to social resilience when such events occur was ratified by strengthening prevention, adaptation and response capacities, especially in the case of the most vulnerable households, while highlighting the importance of institutional resilience, which means strengthening public capacities to address short, medium and long-term needs in a comprehensive and harmonized manner, with legal frameworks and management models that fulfil the standards of quality public policies: effective, efficient, sustainable and transparent (ECLAC, 2021b).

Lastly, in both regions, the COVID-19 pandemic demonstrated the benefits of increasing the digitalization of social protection systems, given their potential to improve service delivery and information gathering and management, to transfer resources quickly, to limit or reduce leakage or enrolment errors, and to reduce the operating costs of policies and programmes (European Commission, 2021b). However, such benefits are not immediately exportable or replicable, but depend on context-specific design and implementation to mitigate the risks and potential challenges of exclusion, protection and privacy violations, and obscured transparency and accountability for participants (Lowe, 2022).

## D. Concluding remarks

This chapter has drawn on several elements to compare the historical differences that exist between the institutions of social protection in the countries of Latin America and the Caribbean and those of the European Union, and some of the challenges they share.

The distinguishing features that emerge from the analysis of the two regions include the different development patterns of the social protection systems, especially the truncated systems that exist in Latin America and the Caribbean, as a correlate of a heterogeneous productive structure with high levels of informality, and social protection systems that have shortcomings in terms of harmonization, coverage, sufficiency and financial sustainability in their contributory and non-contributory components. These limitations are also reflected in the capacity of the installed social policy institutions and their ability to respond effectively to shocks and emergencies, without compromising the management of long-term programmes.

In the context of the COVID-19 pandemic, although to some extent similar social protection instruments were mobilized in both regions, the measures adopted in European Union countries of the were based on pre-existing mechanisms, relying on strengthening the contributory component and complemented by non-contributory instruments. In contrast, in Latin America and the Caribbean they focused more on the expansion of non-contributory instruments, including the introduction of new benefits. Although ministries of social development and similar institutions in both regions adopted measures to cope with the COVID-19 pandemic, experience showed that pre-existing institutional capacities and the level of institutional resilience made a difference in terms of their effectiveness in protecting the population in disaster emergencies.

A comparison of the responses of social protection systems in general and in relation to the implementation of selected instruments (emergency transfers and unemployment insurance) reveals two major challenges for Latin America and the Caribbean: (i) to address the structural problems that characterize the economic and social context in which inequality is rooted; and (ii) to continue efforts to broaden and deepen social protection systems. Firstly, it reaffirms the historical need to overcome the structural gaps in the production structure and the labour market, thereby addressing the structural axes of the social inequality matrix in the region; and secondly, it is clear that recent experience has further clarified the limitations that exist in terms of the coverage and comprehensiveness of social protection systems in the countries.

As noted above, both the characteristics of welfare states and the shortcomings of the institutional frameworks for social policy in addressing persistent and emerging challenges lie at the heart of the differentiation between the two regions. This can be seen in the social protection systems of the countries of Latin America and the Caribbean, which have not yet succeeded in implementing a universal, comprehensive, sustainable and resilient approach; and in the fact that regionwide cooperation facilities do not have the financial mechanisms or technical rules and standards needed to enable joint efforts between countries to achieve better outcomes.

Although it is unnecessary to attain the European level of regional integration on social issues, a move towards cooperative commitments, such as those proposed in the Regional Agenda for Inclusive Social Development, is a way to strengthen institutional and social resilience. This would make it possible to address the structural gaps and emerging critical problems of inclusive social development, which are related to the demographic, environmental and technological changes that are currently under way. Moreover, as discussed at the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean, it is crucial to learn and act upon the lessons of the pandemic, to be able to confront new crises as they arise. In particular, the institutional resilience and coordination of the social protection system needs to be strengthened, as part of a comprehensive disaster management and mitigation policy (ECLAC, 2021b).

As will be seen in chapter III, if these paths are to be pursued on a sustainable basis, the space for political action needs to be defined in each context. This involves identifying the factors, actors and conditions that are critical for their achievement, and thus open windows of opportunity and define strategies that facilitate this throughout the public policy decision-making cycle.

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## Annex II.A1

Table II.A1.1

European Union (17 countries): main ministerial entities responsible for social protection, around 2022

Country	Ministerial entities	Year founded (latest change)	Historical attachment to traditional social policy ministries	
			Labour	Health
Germany	Federal Ministry of Labour and Social Affairs	1919 (1949)	X	
	Federal Ministry for Family Affairs, Senior Citizens, Women and Youth	1953 (1994)		X (1986–1991)
Belgium	Federal Public Service for Social Security	1959 (2003)	X	
	Federal Public Service for Employment, Labour and Social Dialogue	1895 (2003)	X	
	Federal Public Service for Social Integration, Anti-Poverty Policy, Social Economy and Federal Urban Policy	2002		X
	Federal Public Service for Health, Food Chain Safety and Environment	1900 (2001)		X
Bulgaria	Ministry of Labour and Social Policy	1944 (1997)	X	
	Ministry of Health	1944		X
Czechia	Ministry of Labour and Social Affairs	1969 (1990)	X	
	Ministry of Health	1969 (1990)		X
Denmark	Ministry of Social Affairs, Housing and Elderly Persons	1920 (2021)		
	Ministry of Employment	1942 (2001)	X	
	Ministry of Health	1926 (2021–2022)		X
Slovenia	Ministry of Labour, Family, Social Affairs and Equal Opportunities	1992	X	
	Ministry of Health	1991 (2000)		
Spain	Ministry of Inclusion, Social Security and Migration	2020	X	
	Ministry of Social Rights and Agenda 2030	2020		X
	Ministry of Labour and Social Economy	1920 (2020)	X	
France	Ministry of Health and Prevention	1920 (2012)		X
	Ministry of Labour, Employment and Economic Inclusion	1906 (2017)	X	
	Ministry for Solidarity, Autonomy and Persons with Disabilities (now the Ministry for Solidarity and Families)	2022		X
Greece	Ministry of Labour and Social Affairs	1975 (2019)	X	
	Ministry of Health	1975 (2015)		X
Italy	Ministry of Labour and Social Policies	1920 (2009)	X	X (1999–2001 2008–2009)
Ireland	Department of Social Protection	1947 (2020)		X (1947)
	Department of Health	1947		X
	Department of Childhood, Equality, Disability, Integration and Youth	1956 (2020)		X (1947)
Lithuania	Ministry of Social Security and Labour	1990	X	
	Ministry of Health	1990		X
Norway	Ministry of Labour and Social Inclusion	1916 (2006)	X	
	Ministry of Children and Families	1956 (2021)		
	Ministry of Health and Care Services	1956 (2021)		X
Netherlands (Kingdom of the)	Ministry of Social Affairs and Employment	1918 (1981)	X	
	Ministry of Health, Welfare and Sport	1951 (1994)		X
Poland	Ministry of Family and Social Policy	2005 (2020)	X (2020–2021)	
	Ministry of Health	1918 (1999)		X
Portugal	Ministry of Labour, Solidarity and Social Security	1916 (2015)	X	
Sweden	Ministry of Health and Social Affairs	1920		X
	Ministry of Employment		X	

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Commission, Mutual Information System on Social Protection (MISSOC) [online database] <https://missoc.org/>; official websites of the respective entities.

Table II.A1.2

European Union (17 countries): mission and functions of the main ministerial entities responsible for social protection, around 2022

Country	Ministry	Mandates related to:			
		Social assistance <sup>a</sup>	Decent work <sup>b</sup>	Health	Social security <sup>c</sup>
Germany	Federal Ministry of Labour and Social Affairs	X	X		X
	Federal Ministry of Family Affairs, Senior Citizens, Women and Youth	X			
Belgium	Federal Public Service for Social Security	X			X
	Federal Public Service for Employment, Labour and Social Dialogue		X		
	Federal Public Service for Social Integration, Anti-Poverty Policy, Social Economy and Federal Urban Policy	X			
	Federal Public Service for Health, Food Chain Safety and Environment			X	
Bulgaria	Ministry of Labour and Social Policy	X	X		X
	Ministry of Health			X	
Czechia	Ministry of Labour and Social Affairs	X	X		X
	Ministry of Health			X	
Denmark	Ministry of Social Affairs, Housing and Senior Citizens	X			
	Ministry of Employment		X		
	Ministry of Health			X	
Slovenia	Ministry of Labour, Family, Social Affairs and Equal Opportunities	X	X		X
	Ministry of Health			X	
Spain	Ministry of Inclusion, Social Security and Migration	X			X
	Ministry of Social Rights and Agenda 2030	X			X
	Ministry of Labour and Social Economy		X		
France	Ministry of Health and Prevention	X		X	X
	Ministry for Solidarity, Autonomy and Persons with Disabilities (now the Ministry for Solidarity and Families)	X			
	Ministry of Labour, Employment and Economic Inclusion		X		X
Greece	Ministry of Labour and Social Affairs	X	X		X
	Ministry of Health			X	
Italy	Ministry of Labour and Social Policies	X	X		X
Ireland	Department of Social Protection	X			
	Department of Childhood, Equality, Disability, Integration and Youth	X			
	Department of Health			X	
Lithuania	Ministry of Social Security and Labour	X	X		X
	Ministry of Health			X	
Norway	Ministry of Labour and Social Inclusion	X	X		X
	Ministry of Children and Families	X			
	Ministry of Health and Care Services			X	
Netherlands (Kingdom of the)	Ministry of Social Affairs and Employment	X	X		
	Ministry of Health, Welfare and Sport	X			
Poland	Ministry of Family and Social Policy	X	X		X
	Ministry of Health			X	
Portugal	Ministry of Labour, Solidarity and Social Security	X	X		X
Sweden	Ministry of Health and Social Affairs	X		X	X
	Ministry of Employment		X		

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Commission, Mutual Information System on Social Protection (MISSOC) [online database] <https://missoc.org/>; official websites of the respective entities.

**Note:** The table was prepared according to the mandates of each ministry. In practice, ministries may have different functions, or else may share functions with other institutions.

<sup>a</sup> "Social assistance" refers to the implementation of a non-contributory social policy.

<sup>b</sup> Decent work means the fostering of work for the whole population, the creation of quality jobs, safety and well-being at work, and the regulation of labour relations.

<sup>c</sup> "Social security" refers to the implementation of a contributory social policy.

**Table II.A1.3**

European Union (8 countries): features of additional measures adopted in minimum income schemes, 2020–2021

Type of adjustment	Country							
	Belgium	Germany	Denmark	Greece	Spain	Italy	Latvia	Portugal
Additional or increased transfer	X	X		X		X		
Facilitation of access/relaxation of eligibility criteria		X	X			X		X
Extension of benefit duration				X			X	X
Speedy implementation					X			
Increased coverage					X			

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of I. Baptista and others, *Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An Analysis of Policies in 35 Countries*, Brussels, European Commission, 2021.

**Table II.A1.4**

European Union (7 countries): means-tested support measures for certain vulnerable workers, by type of support provided and maximum duration of support, 2020–2021

Support targeted to:	Country						
	Austria	Greece	France	Italy	Netherlands (Kingdom of the)	Portugal	Slovakia
<b>Employees</b>						X	X
Self-employed/own account workers	X	X	X	X	X	X	X
Non-conventional workers			X				X
Unemployed	X		X			X	
<b>Type of support</b>							
Monthly	X		X	X	X	X	X
Lump sum disbursement						X	
Loan						X	
<b>Maximum duration:</b>							
Less than 6 months	X	X	X	X			
6–12 months			X			X	
More than 12 months					X		X

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of I. Baptista and others, *Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An Analysis of Policies in 35 Countries*, Brussels, European Commission, 2021.

**Table II.A1.5**

European Union (16 countries): exceptional support measures not related to employment status, subject to eligibility criteria and type of support, means test and novelty of the measure, 2020–2021

Eligibility criteria and type of support	Country															
	Austria	Belgium	Czechia	Germany	Greece	Finland	France	Hungary	Croatia	Italy	Lithuania	Luxembourg	Latvia	Poland	Portugal	Slovakia
<b>Means-tested</b>																
Easier access to benefits			X								X			X		X
Increased support for children		X		X					X		X	X	X		X	
Increased support for students and youth				X			X									
Increased social assistance support		X				X	X			X	X	X	X			
<b>Not means-tested</b>																
Easier access to benefits																X
Increased support for children	X							X			X		X			X
Increased support for students and youth																X
Support for the unemployed					X											
<b>Is the measure new?</b>																
Yes	X	X	X	X	X	X	X		X	X	X		X	X	X	X
No (it is a modification existing mechanisms)			X	X				X	X		X	X	X		X	X

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of I. Baptista and others, *Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An Analysis of Policies in 35 Countries*, Brussels, European Commission, 2021.



## CHAPTER



# Institutional frameworks and governance for implementing inclusive social development policies

## Introduction

- A. Governance of the decision-making process in inclusive social development policies
- B. Elements of the governance of inclusive social development policies
- C. The institutional framework for social policy and governance of the inclusive social development policy cycle
- D. Elements to define argumentation and dialogue strategies throughout the inclusive social development policy cycle

## Bibliography



## Introduction

The institutional framework for social policy and governance are both fundamental and interdependent in the construction of good-quality social policies. A social policy institutional framework that has greater capacities and margin for decision-making helps to make the governance of social policies more effective and transparent. It provides the necessary framework and support for the design, implementation, evaluation and continuous improvement of social policies (Martínez and Maldonado, 2019; ECLAC, 2022). However, institutional frameworks for social policy do not operate in a vacuum, but are part of a broader governance architecture that has its own routines and institutional legacies and which encompasses decision-making throughout the public policy cycle and the power relations that underpin the generation, agreement, construction and adoption of policies to address social issues. This process shapes complex scenarios with multistakeholder participation and influence both from within the State (those with political functions and participation in the formal decision-making process) and outside it (citizens, civil society, think tanks and the media, among others).

The institutional framework for social policy and the governance of decision-making need to be considered together in order to analyse how public policies for inclusive social development can be improved, a key point raised by the Economic Commission for Latin America and the Caribbean (ECLAC) at its thirty-ninth session (ECLAC, 2022). Progress in this direction will necessarily require improving the technical knowledge and professional capacities within the public service, as well as the political, strategic, foresight and management capacity of public policy decision makers and executors. It is essential to turn ideas, will and agreements into concrete actions to this end.

The premise of this chapter is that the ability of the actors involved in social development policies to conduct better public conversations and political-institutional relations depends on how strong the dimensions of the institutional framework for social policy (legal and regulatory, organizational, technical and operational, and financial) are in the countries of the region. This means considering the factors present in each context and the position of the actors, and adopting strategies conducive to the development of quality social policies.

To enable the various actors to function in this power scenario, the institutional dimensions must be well established and provide a clear, coherent and balanced framework throughout the inclusive social development policy cycle. This will reduce the room for discretion and avoid excessive bureaucracy, fostering effective governance of decision-making.

Efforts to strengthen inclusive social development policies and their governance have been a constant worldwide over the past few decades, as reflected in the push by organizations such as the United Nations, through ECLAC and the United Nations Development Programme (UNDP), and the contributions of the Inter-American Development Bank (IDB), the World Bank and the Organisation for Economic Co-operation and Development (OECD), among others. As a result, countries too have afforded priority to designing and implementing social development policies, and these require proper governance to be effective—that is, good management and exercise of power (UNDP/IDEA, 2022). These ideas have been translated into conceptual frameworks that figure in the main points of the discussion on the institutional framework for social policy and social policy governance that has arisen in Latin America and the Caribbean in recent years.

This chapter presents the definitions formulated by international agencies and the approaches developed in the academic debate on governance. It also offers some precisions to define the scope of social development policies, with the aim of clearly establishing their sphere of action and understanding their importance in fostering societal well-being.

The chapter also examines the different stages of the policy cycle, from formulation to evaluation of inclusive social development policies. It reflects on the importance of effective governance at each of these stages in order to produce positive outcomes and achieve the objectives set, taking into account the interaction of different factors, the various actors involved and their strategies.

Finally, some of the main challenges in relation to inclusive social development policies in Latin America and the Caribbean are discussed with a view to strengthening both the institutional framework for social policy and the governance of social policies.

## A. Governance of the decision-making process in inclusive social development policies

Governance is a fundamental concept in the sphere of government and has been the subject of a broad debate that has placed it at the heart of both contemporary political theory and governmental practice. Box III.1 explains this importance and summarizes some approaches to the concept of governance, accounting for the importance that both the academic sector and international organizations afford to good governance in decision-making processes for the implementation of quality social policies, with a greater or lesser emphasis on formal and informal and objective and subjective aspects that arise in the exercise of power and public policy decision-making. A recurring point of agreement is that the effective exercise of government requires good governance. This justifies its inclusion in the analysis and diagnoses that underpin the design of social policies, as well as strategies for their implementation.

### Box III.1

#### Approaches to governance in academic debate and in international agencies

Governance in the context of public policy has been an important subject of reflection, both in academic discussion and in international agencies. Despite its diversity, in the academic sector there is a common substrate referring to analysis of the State, public policies and the exercise of power (Levi-Faur, 2012). Without excluding other possible groupings or engaging in an exhaustive review of the literature on the subject, it may be observed that a key part of many definitions refers to governance as an exercise of power and political praxis. Among other things, this includes an interest in how society is governed; the new rationales of governance, from politics and communities to markets, from politicians to experts, from centralization to decentralization; changes in the scales of government and forms of soft or hard power (Bevir, 2012; Levi-Faur 2012; Peters, 2012; Rhodes, 2012).

A current often described as institutionalist characterizes governance as a set of formal and informal rules, norms and institutions that regulate and coordinate the behaviour of actors at the individual or collective level (State and non-State organizations) (Jessop, 2019; Ostrom, 1990). There are also other approaches that prioritize reflection on the process of interaction and coordination of actors and the formation of networks in the management of public problems and the construction of democratic political systems, in which guarantee of these actors' participation in turn increases the legitimacy of the governance process (Peters and others, 2022; Rhodes, 2017; Sørensen and Torfing, 2011; Stoker, 2019).

Governance has acquired much importance on the international agenda in recent decades. Consequently, the main international agencies working in the field of development have devised their own definitions, which refer in different ways to the interactions between actors, rivalry between interests, and the exercise of power. For example, the United Nations Development Programme (UNDP/IDEA, 2022, p. 4) understands governance as: "a series of (inter)actions between state and non-state actors to formulate and implement social, economic, and institutional policies and reforms related to the access and/or exercise of power". Similarly, the World Bank conceptualizes governance as "the process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power... power [is defined] as the ability of groups and individuals to make others act in the interest of those groups and individuals and to bring about specific outcomes" (World Bank, 2017, p. 3).

The attributes of what is considered good governance are common to all analyses and have been formulated in fairly similar terms by different international agencies. The Human Rights Council has characterized good governance based on the attributes of transparency, responsibility, accountability, participation and responsiveness to the needs of the population (OHCHR, n.d.). According to OECD (2020, p. 15) "Sound public governance consists of the formal and informal rules, procedures, practices and interactions within the State, and between the State, non-state institutions

and citizens, that frame the exercise of public authority and decision-making in the public interest". UNDP (2021), given the urgency of sustainable recovery from the effects of the coronavirus disease (COVID-19) pandemic, proposes more concrete principles: (i) fiscal policies that allow sustainable, inclusive spending and are friendly to economic growth; (ii) transformation of the capacities of the State with innovation; (iii) Transparency, publicity of information and accountability in public management; (iv) reconstruction of trust and legitimacy in political, economic, and social actors; (v) citizens as an active part in the construction of agreements; (vi) elimination of the use of violence as negotiation mechanism between social and political actors; (vii) the rule of law and access to justice applied equally to all citizens; and (viii) intergenerational equity and environmental sustainability as priority objectives.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Office of the United Nations High Commissioner for Human Rights (OHCHR), "About good governance", n.d. [online] <https://www.ohchr.org/en/good-governance/about-good-governance>; World Bank, *World Development Report 2017: Governance and the Law*, Washington, D.C., 2017; M. Bevir, *Governance: A Very Short Introduction*, Oxford University Press, 2012; B. Jessop, "Spatiotemporal fixes and multispatial metagovernance: the territory, place, scale, network scheme revisited", *Spatial Formats under the Global Condition*, M. Middell and S. Marung (eds.), De Gruyter Oldenbourg, 2019; D. Levi-Faur, "From 'big government' to 'big governance'?", *The Oxford Handbook of Governance*, Oxford University Press, 2012; Organisation for Economic Co-operation and Development (OECD), *Policy Framework on Sound Public Governance: Baseline Features of Governments that Work Well*, Paris, OECD Publishing, 2020; E. Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge, Cambridge University Press, 1990; B. G. Peters, "Governance as political theory", *The Oxford Handbook of Governance*, D. Levi-Faur (ed.), Oxford University Press, 2012; B. G. Peters and others, "How collaborative governance can make political systems more democratic and effective", *A Research Agenda for Governance*, Edward Elgar Publishing, 2022; United Nations Development Programme (UNDP)/International Institute for Democracy and Electoral Assistance (IDEA), *Governance, Democracy and Development in Latin America and the Caribbean, 2022*; United Nations Development Programme (UNDP), *Latin America and the Caribbean: Effective Governance, beyond Recovery*, New York, 2021; R. A. W. Rhodes, "Waves of governance", *The Oxford Handbook of Governance*, D. Levi-Faur (ed.), Oxford University Press, 2012; R. A. W. Rhodes, *Network Governance and the Differentiated Polity: Selected Essays*, Oxford University Press, 2017; G. Stoker, "Embracing complexity: a framework for exploring governance resources", *Journal of Chinese Governance*, vol. 4, No. 2, 2019; E. Sørensen y J. Torfing, "Enhancing collaborative innovation in the public sector", *Administration & Society*, vol. 43, N° 8, 2011.

In light of the foregoing, it is worth analysing the characteristics of the governance of decision-making processes in inclusive social development policies in Latin America and the Caribbean. This leads to characterization of the governance and institutional framework of social development, inclusion and social protection as an area with interdependencies and specificities with respect to the public policy sectors overall.

Inclusive social development links the concepts of social development and social inclusion (ECLAC, 2016 and 2020). Social development places people at the heart of development processes and represents progress in all areas and functions of social policy, such as health, education, social protection, labour inclusion, pensions, housing, and food and nutritional security. The concept of social inclusion also refers to extending the benefits of development to the entire population, by reducing gaps and promoting participation in social, economic and political life (ECLAC, 2016 and 2020; Martínez and Maldonado, 2019).

Social protection systems make a decisive contribution to ending poverty and reducing inequality. Social protection is aimed at ensuring universal access to adequate income for a sufficient level of well-being, social services (such as health, education, water and sanitation), housing, employment inclusion policies and decent work. Thus, social protection seeks to effectively address gaps in access to well-being, enabling the exercise of rights and full participation in society, and it is therefore a key mechanism of inclusion (ECLAC, 2016; Martínez and Maldonado, 2019). In this regard, reducing inequalities and gaps (gender, territorial, by race or ethnicity, among others) is one of the main objectives of public policies for inclusive social development. In other words, it is not enough to promote development, the point is to achieve certain levels of well-being for the entire population (ECLAC, 2020 and 2022; Cecchini, Holz and Soto de la Rosa, 2021).

Governance in these domains relates to government decision-making in sectors related to the objectives of inclusive social development and the policies and approaches to achieving them, and in particular how to govern in order to reduce inequalities and gaps in democratic contexts. These ideas and conceptual frameworks distinguish the social policy sector from other public policy sectors involving particular practices, factors or actors. In the case of social policy, the ways in which the actors define strategies, reproduce practices and elaborate discourses are closely related to their visions of the role of the State, the market, the community

and families in the generation of social welfare and the provision of social protection. They are also closely linked to the conception of citizenry and democracy and, in particular, to thinking in relation to the inherent and universal rights of individuals in a participatory political regime and the definition of the guarantees and commitments States must assume and the duties of individuals. In turn, these conceptions are linked to (and even determine) visions of the desirable means for achieving collective goals and ideals and to principles of public policy, in particular, the definition of the extent to which it is legitimate to promote certain collective objectives and at the cost of which goods, resources or values.

From these conceptions ultimately derive specific approaches to the instruments and objectives of social protection policies, which shape reference paradigms that stakeholders use to develop their strategies and practices and justify their stances vis-à-vis the public opinion.

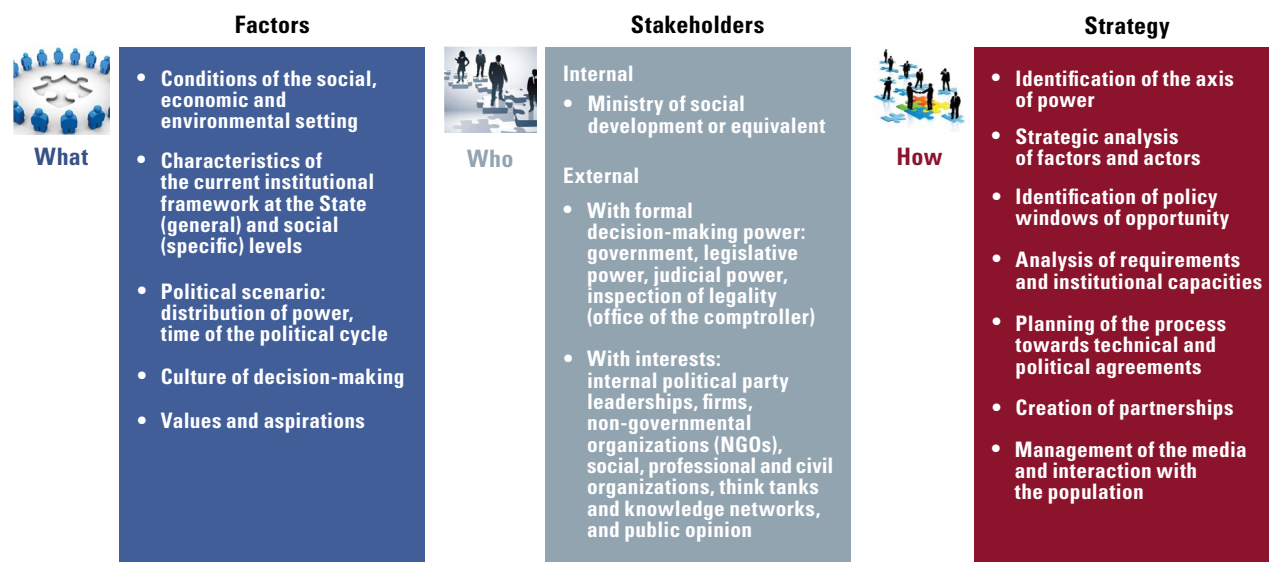
Based on the foregoing, the idea is to identify the elements that drive the inclusive social development policy cycle and may serve the dual purpose of consolidating an institutional framework for social policy and a form of governance that supports the design of quality social development policies and can thus contribute to building universal, comprehensive, sustainable and resilient social protection systems (ECLAC, 2021).

## B. Elements of the governance of inclusive social development policies

Given the specificities of inclusive social development as a public policy field and the characteristics of each national context, governance can be more clearly analysed in light of very specific questions about the what, the who and the how of social policies. These questions refer to three fundamental elements: (i) the factors that lead to a certain social situation and the proposed solutions; (ii) the stakeholders with power involved in each political-institutional scenario; and (iii) the strategies that are (or can be) adopted throughout the inclusive social development policy cycle (see diagram III.1). The feasibility of implementing a social policy depends on having the information and analytical models to answer these questions.

Diagram III.1

Elements of the governance of inclusive social development policies



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

Governance in the context of inclusive social development policies is influenced by various factors in the arena of power (the what), in particular the institutional and financial dynamics and routines that are key in shaping governance and the way in which the challenges of inclusive social development are addressed. Several of these illustrate the relationship between the notions of institutional framework for social policy and social policy governance. Some of these are highlighted below.

First, socioeconomic and environmental conditions in a specific context and time —particularly the level of development, poverty and inequality— affect the framework in which social policies are developed. These conditions can determine the most urgent priorities, approaches and measures to address the challenges of inclusive social development.

Second, it is important to consider the characteristics of the current social institutional framework, particularly the legal and regulatory framework, which regulates decision-making parameters and procedures. A clear, solid regulatory framework is crucial to underpin the coherence and legitimacy of the decisions and actions of the players involved. This is complemented by the organization and management model, with its functions and spaces for participation, processes, systems and technologies, and its professional and technical capacities, which in turn are complemented by the financial resources available and determine the capacity to implement effective inclusive social development policies. The availability and appropriate allocation of resources influence the feasibility and sustainability of government actions.

It is also important to consider not only the specific elements of the social institutional framework, but also the frameworks emerging from the overall fabric of public institutions, with the norms and functions attributed to the different spheres of authority, which directly affect the spaces for social policy deliberation.

Third, the political arena implies several points of interest that can influence the dynamics of governance and the decisions made. Obvious ones are electoral processes, main political conflicts and the interests of the different stakeholders arising from the demands of civil society and tensions surrounding the redistribution of resources. In particular, the formation of partnerships and coalitions among the various stakeholders can be a determining factor in achieving consensus, building capacities and mobilizing resources for inclusive social development.

At the same time, the political culture —understood as a society's shared aspirations, attitudes, values and beliefs— influences the way in which power is exercised and decisions are made. Understanding the political culture and its diverse visions and positions is essential for analysing the behaviour, interaction and the strategies of the actors.

These factors provide the context in which governance occurs and determine the conditions for addressing the challenges of inclusive social development effectively and equitably.

With respect to the key stakeholders (the who) in the decision-making process and the implementation of social policies, it must be considered that there is a great diversity of individual and collective actors, often intertwined, who lead, sanction and influence —with different degrees of responsibility— the contents and outcomes of decision-making processes as a function of: (i) their position in the formal decision-making structure; (ii) the importance of the process for their interests and values; and (iii) the powers and resources they control and can mobilize. Individual stakeholders are those who act individually (for example, the head of the executive power, a legislator or a union leader), while collective stakeholders are made up of a variable number of individual actors, whose agreements and interactions determine the behaviour or the final decision made by the collective stakeholder. An obvious example is the bodies of the legislative branch, which are made up of individuals or parliamentary groups who together determine the direction in which the collective stakeholder exercises the formal powers it holds. Among the individual and collective stakeholders are the established powers with formal decision-making capacity (the executive, legislative and judicial powers, for example), political parties and intergovernmental, state and parliamentary leaders, pressure groups or business interests (private sector, trades unions and business associations, among others), civil society organizations and non-governmental organizations (NGOs), think tanks and knowledge networks (experts, research centres, universities and international organizations, among others) and the general population, the electorate and the media.

These people and institutions involved in the process of creating and implementing public policies perform different functions and act in different directions, guided by different motivations, approaches and interests. In this regard, the social authority has a key role among the factors of the institutional framework for social policy that determine the governance of decision-making. The degree to which the formal power is recognized of ministries of social development or their equivalent and the collegiate instances of authority in the coordination of social policies is critical in determining the role they play and the capacity they have to influence decision-making processes.

The stakeholders with formal decision-making power are those who occupy positions with resolute capacity in the legally established institutional structure for decision-making. They direct the processes of consultation, deliberation, negotiation and decision, overseeing aspects of public policy in the process of development. Their position grants them resources and exclusive powers that they may exercise autonomously or responsively to the preferences of other actors. Examples of these actors are the head of the executive power, the chambers of the legislative power, the administrative courts and the judiciary, government ministers (of social development and others), deputy ministers, governors, mayors and other holders of public office with different levels of decision-making power in the social policy sector.

The stakeholders with immediate interest are those whose interests and values are directly and immediately involved in the decision-making process and in the potential outcomes of the policy under analysis. They may be collective actors with decision-making power or actors external to the formal structure who are involved in order to defend material or economic interests, power or ideological or normative values.

Contextual stakeholders are active observers who do not have direct interests in the decision-making process, but participate by providing knowledge, instruments or points of support for actors with decision-making power or immediate interest. These may be international organizations, universities, think tanks, the media, or other groups in society that influence the strategies and discourses of the main actors (Maldonado Valera and Palma Rocco, 2013a).

The stakeholders play a crucial role in governance and being familiar with them helps to understand the complexity of power relations, the interests at stake and the responsibilities of each one in the decision-making process and the implementation of public policies. Identifying and analysing the stakeholders, as well as their roles, interests and capacities, improves understanding of the dynamics of governance and helps to design more effective strategies to address the challenges of inclusive social development.

The various stakeholders with formal decision-making power, those with immediate interest, and contextual actors interact, defend interests, mobilize resources, and play a fundamental role in the configuration and outcome of the decision-making process and the implementation of policies. Asymmetrical distribution of resources and powers among actors gives them unequal influence, and may lead to the formation of coalitions and change the initial equilibria of the process. In turn, the presence of veto-wielding actors can hinder changes to the status quo.

The strategies of the various stakeholders in the process form the third important element of inclusive social development policies (the how). Good preparation of these strategies is essential to ensure a smooth, efficient public policy cycle. This requires analytical capacity and prospective vision at all stages of the process.

Preparing a strategy implies defining how the necessary actions will be carried out to achieve the objectives and avoid breaks in the policy cycle. This definition requires considering several aspects. First is to determine the axis of power, i.e. the key elements that influence decision-making and policy implementation. This implies understanding the factors present in the respective power scenario, such as the regulatory framework, available resources and capacities, socioeconomic conditions, political culture, external and internal pressures, political foresight, alliances and coalitions, among others.

A strategic analysis is essential to establish the viability of public policies, find possible ways to elaborate definitions that are technically sound and anticipate obstacles that could arise based on the factors and stakeholders involved. For this, it is necessary to define the elements that are essential, as a minimum, for the object at hand. This is a fundamental step to achieve the objectives of the social policy being considered.

The analysis includes evaluation of the technical requirements and institutional capacities, planning of the process to reach technical and political agreements on the solutions for the problems encountered and establishment of mediation mechanisms within governments and State powers to facilitate collaboration and consensus-building. It also includes the formation of alliances with strategic actors and the definition of lines of participation to foster dialogue and consultation with relevant stakeholders, such as civil society organizations, community groups and other key actors. By involving stakeholders in decision-making and implementation, these participatory mechanisms contribute to the legitimacy of policies.

It is also necessary to consider management of the media and how this interacts with the population as part of governance strategies. Effective and transparent communication is crucial to provide information about policies, build trust, and promote societal understanding and support.

In conclusion, the strategies adopted by the actors play a fundamental role in the governance of inclusive social development policies. Effective implementation of these strategies can improve the ability of inclusive social development policies to address challenges and achieve the expected outcomes. In this regard, it is often useful to arrange the analysis of each stage of the policy cycle as entries to policy windows for decision-making. This is achieved by building up a communality between the stakeholders with decision-making power in relation to an issue on the public agenda (the problems), the alternatives for resolving it (the solutions) and the existence of a favourable context among the main political actors (the politics) (see box III.2).

#### Box III.2

##### Windows of opportunity for decision-making in social policy

Windows of opportunity for positive outcomes of decision-making on inclusive social development policies can open on one of three streams, either individually or in combination.

The problems stream refers to the means by which actors with resolute capacity acquire information about certain specific conditions and the way in which they define elements of reality as problems deserving of public action. This reflects not only the factual information available (for example, the variation of indicators considered relevant in a particular sector), but also to a social construction that defines a phenomenon as a public problem within the framework of public and academic debate. That is, there are many phenomena that have not always been interpreted as social problems warranting public action, such as risk management vis-a-vis natural disasters, working conditions, or even poverty and inequality. Although causal and discursive information is required to transform phenomena into problems requiring public action, sometimes a sudden or fortuitous occurrence (for example, a crisis, an accident, a symbolic event) places the issue on the public agenda as a problem. Such problems can fade away when other, more urgent or more important ones arise, when attempts to solve them fail and there are no alternatives apparent, or when the problem mutates or even disappears after a certain time.

The policy stream refers to the work of researchers and specialists who analyse problems and formulate possible solutions in a public policy sphere. International organizations, which contribute to the range of alternatives in many sectors of public policy, may also be included here. This stream evaluates different solutions or alternatives to narrow down feasible courses of action. Other actors (interest groups, political parties, the media, among others) usually take up these alternatives and act as powerful advocates for their adoption. If no solutions are available for a priority problem, the public agenda may resort to pre-existing (and ineffective or inadequate) policies or, simply, inaction will prevail.

Lastly, there is the political stream per se, made up of a set of factors (elections, legislative dynamics, leadership competition for legitimacy and influence, powers of and relations between branches of government, pressures from competing interest groups, fluctuations of public opinion, and so forth) that determine not only what issues or problems will tend to be included on the government agenda, but also the possibilities of reaching consensus through negotiation or persuasion to adopt a decision or programme of action.

In this model, a decision or course of action is very likely to be adopted when the three streams converge in a window of opportunity for social policy: i.e. when, in response to a problem that is recognized as urgent and in the purview of the government or public sector, a financially and technically feasible alternative is available and the political actors with decision-making capacity consider it possible and worthwhile to adopt it. The convergence of the three streams is often erratic and asynchronous, and “partially open” policy windows can occur, for example when there are solutions to acknowledged problems, but the political climate is not receptive, or when there is consensus on the existence of a problem and political will to solve it but no feasible alternatives, or even when there is potential consensus around an available alternative, but the problem is not treated with sufficient urgency or given enough importance on the government agenda, especially if other problems are afforded greater urgency or attention. Policy windows usually open in the political stream (for example, when a new government takes office) or in the problems stream (for example, when an event places a problem on the public agenda). The main players in this confluence are elected politicians, civil servants, academics, journalists, specialists at the service of interest groups and other “political entrepreneurs” who are constantly alert to take advantage of a favorable political event or configuration to promote a (their) solution, or to express the urgency of a problem and point out the inefficiency or absence of public action to deal with it.

The policy window model serves to describe the set of factors that play a role in the volatile process of public policy creation in democracy and, in particular, it explains why the existence of a widely recognized social problem is not in itself enough to motivate a government response, because without information, diagnoses and alternatives that provide a basis for action and without the support of the actors with decision-making power, a programme of government action is unlikely to be adopted. However, the model enters little into how policy windows arise and the conditions that explain them, or the functioning of the government apparatus or the effects of implementation after a decision is taken. It also tends to attribute an apolitical or neutral role to the policy community, which in fact plays a more active and interests-based role, both in the social construction of problems and in the promotion of alternatives. Lastly, the focus on policy windows gives the model a dependence on circumstances and leaves out of the analysis longer-term processes relating to the evolution of policies, ideas and institutions.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J. Kingdon, “Agenda setting”, *Public Policy: The Essential Readings*, S. Theodolou and M. Cahn (eds.), Upper Saddle River, Prentice Hall, 1995; J. Kingdon, *Agendas, Alternatives, and Public Policies*, London, Pearson Education, 1997; P. Sabatier, “Toward better theories of the policy process”, *PS: Political Science & Politics*, vol. 24, No. 2, Cambridge, Cambridge University Press, 1991; P. Sabatier, *Theories of the Policy Process*, Boulder, Westview Press, 1999; P. Sabatier and E. Schlager, “Les approches cognitives des politiques publiques: perspectives américaines”, *Revue française de science politique*, vol. 50, No. 2, Lyon, Persée, 2000.

Identifying a window of opportunity for social policy complements the strength of the technical arguments with elements that make it more feasible that a public policy will be adopted and, therefore, implemented. It can thus be a key to the public policy space, so it is not enough to simply define its components. They must also be made effective by means of strategic design in light of the factors and stakeholders that characterize the governance of decision-making. Examples of windows of opportunity that often occur and should, therefore, be considered when planning actions are political times of administrative change and elections for government positions, budget cycles and their approval processes, the opportunities that arise from the positioning of social movements or their demands, as well as commitments coming out of international agreements and treaties that can draw attention and appreciation to certain lines of social policy action.

Times of crisis and the beginning of new political cycles (such as the advent of a new government or even a new ministerial cabinet) can generate windows of opportunity for substantive changes. Taking advantage of these requires active leadership and a solid strategy. Otherwise, in the near term it is likely that hasty, partial adjustments will take precedence, without finding new viable, structural and lasting compromises (Becker and Seemann, 2022).

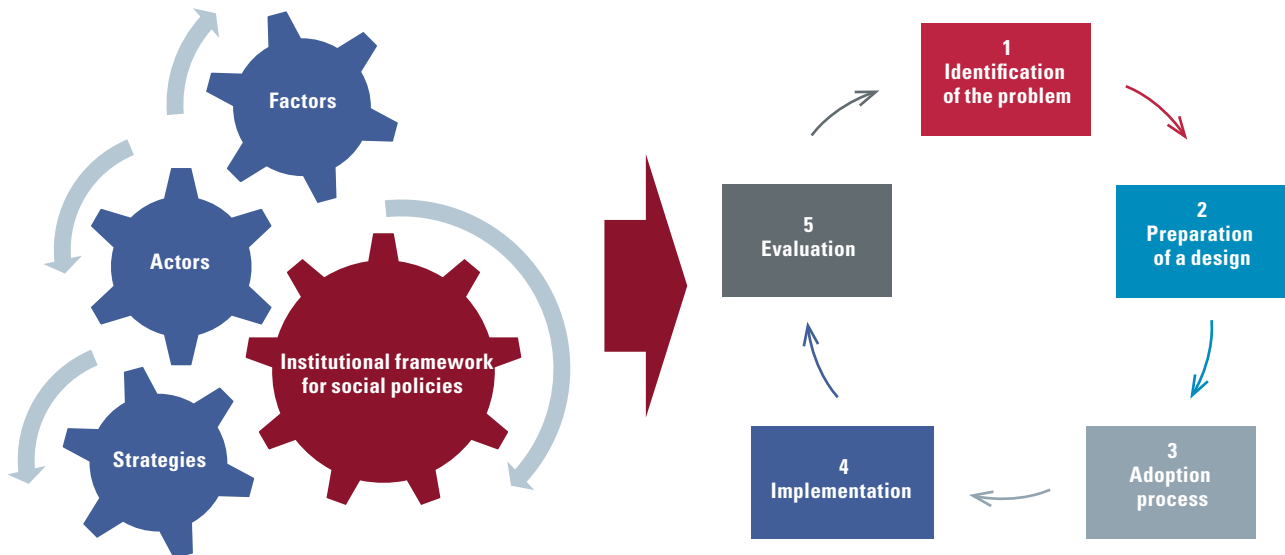
## C. The institutional framework for social policy and governance of the inclusive social development policy cycle

As has been shown, the institutional framework for social policy and the governance of decision-making in inclusive social development policy are interconnected, complementary and mutually reinforcing. A solid and well-designed institutional framework for social policy provides the necessary framework for effective governance, by promoting regulated negotiation spaces, citizen participation, accountability, transparency, and financial sustainability in the decision-making process. Conversely, effective governance contributes to strengthening social policy institutions by generating trust and legitimacy in the trajectory of social policies.

The four dimensions of the institutional framework for social policy (legal and regulatory, organizational, technical and operational, and financial) are manifested among the numerous factors described above. Together with the actors and strategies, they are present in the spheres of negotiation and power that must be navigated to advance decision-making throughout the social policy cycle. Thus, the different stages of the cycle of inclusive social development policy unfold in a continuum with the institutional frameworks for social policy at the centre of governance for the success of the social policy decision-making process (see diagram III.2).

**Diagram III.2**

Institutional framework for social policy and governance of the social policy cycle



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of A. Arenas de Mesa, *Historia de la reforma previsional chilena: una experiencia exitosa de política pública en democracia*, Santiago, International Labour Organization (ILO), 2010.

Strengthening the institutional framework for social policy enables good governance and vice versa, in a dynamic that underpins the development of quality social policies. To achieve effective governance in the sphere of inclusive social development policies, it is necessary to strike a balance, so that —based on solid principles and incremental capacities— the institutional framework adapts through processes of constant improvement. An open, transparent, and flexible institutional framework for social policy is conducive to participation, collaboration, legitimacy and trust-building among citizens, their political representatives and State institutions and, at the same time, is more effective in achieving inclusive social development objectives. Ultimately, the objective is to ensure that social policies are of good quality and have a real impact on society (Peters, 2018; Rhodes, 2007).

The optimal point of governance is a balance based on clear rules and procedures together with the ability to make decisions with authority and transparency, in a timely manner, seeking to avoid both of the two extremes that can threaten this objective: institutional rigidity and full discretion.

On the one hand, excessive bureaucratization of social policy institutions can hinder the capacity for action of the actors participating in decision-making and the governance of the entire process. Inflexible management structures and processes can affect the social policy function, particularly the ability to anticipate and respond to emerging situations, and can limit both the exercise of authority and the possibilities of action of the relevant actors. This can lead to the creation of alternative channels, and to informal and opaque decisions or practices, where the most powerful actors predominate without counterweights throughout the social policy cycle, from diagnosis to evaluation. This runs counter to the basic principles of a good social institutional framework.

On the other hand, a lack of rules is detrimental to governance. Excessive discretion in the exercise of power violates some of the principles that guide democratic governance, with the risk of arbitrariness and exclusions in policy implementation, which undermines both impartiality and the effective and efficient achievement of the objectives of inclusive social development.

To avoid these problems, the institutional framework for social policy must be sufficiently open, transparent and flexible. Institutional openness means including different actors and perspectives in decision-making, enabling the participation of public, private and civil society actors. This enriches the process of policy formulation and implementation, since different interests, knowledge and experiences are taken into account. Meanwhile, transparency ensures that actions and decisions are visible and open to public scrutiny, which fosters accountability and reduces the risk of corruption or abuse of power.

As described in box III.3, the governance of inclusive social development policies, particularly those related to social protection, can be analysed from various perspectives, considering, for example, the level at which decisions are made or the types of decisions that are made at each point of the policy cycle. Here the main reference is to the latter.

### Box III.3

#### Governance in the context of inclusive social development policies

Within the framework of inclusive social development policies, particularly social protection policies, working definitions have often been adopted to ground the conceptualization of governance. These definitions have some points in common in relation to the way they treat different areas of governance.

In a study for the World Bank, Basset and others (2012) define three entry points for social protection governance and combine the areas of governance of the system with those of programmes. The first entry point is the rules of the game, which define how social programmes, including eligibility criteria, benefits, conditionalities and exit criteria and so on operate. The second entry point refers to roles and responsibilities of the actors involved, which encompass from the macro (policy) level to the micro (delivery of entitlements) level of the programme within the system. This point also includes analysis of responsibility for financing, service provision and monitoring across different levels of government, but also the institutional arrangements and incentives for providers on the ground, whether public (such as municipalities) or private (such as non-governmental organizations (NGOs) or private firms). The third entry point for governance is formed by the control and accountability mechanisms in place to ensure proper fulfilment of the responsibility of social protection. This includes both the supply side, for example through social records and information systems, and the demand side, through audit and appeals processes.

United Nations/ILO (2021) distinguishes key governance mechanisms at three different levels. At the high level it identifies the national strategy, the legislative and regulatory framework, institutional structures and policy designs and high-level coordination mechanisms. At the mid level it refers to programme-level management information systems, integrated management information systems and international frameworks for ICT-based solutions in social protection. Finally, at the frontline it includes ways to strengthen social protection governance at the interface between the system and its primary users, such as contributors, recipients, service providers, and so on. In this case, the key governance mechanisms include horizontal coordination at the operational level, payment systems, appeals mechanisms and avenues for stakeholder participation.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of L. Bassett and others, "Rules, roles, and controls: governance in social protection with an application to social assistance", *Social Protection and Labor Discussion Paper*, No. 1206, Washington, D.C., World Bank, 2012, and United Nations/International Labour Organization (ILO), *Global Research on Governance and Social Protection: Global Overview*, 2021.

As indicated, the dimensions of the social institutional framework, together with contextual factors, the actors and their strategies are present at each stage of the inclusive social development policy cycle, in which decision spaces arise. At each of these moments, the quality of the institutional framework for social policy may operate to impede or facilitate the process.

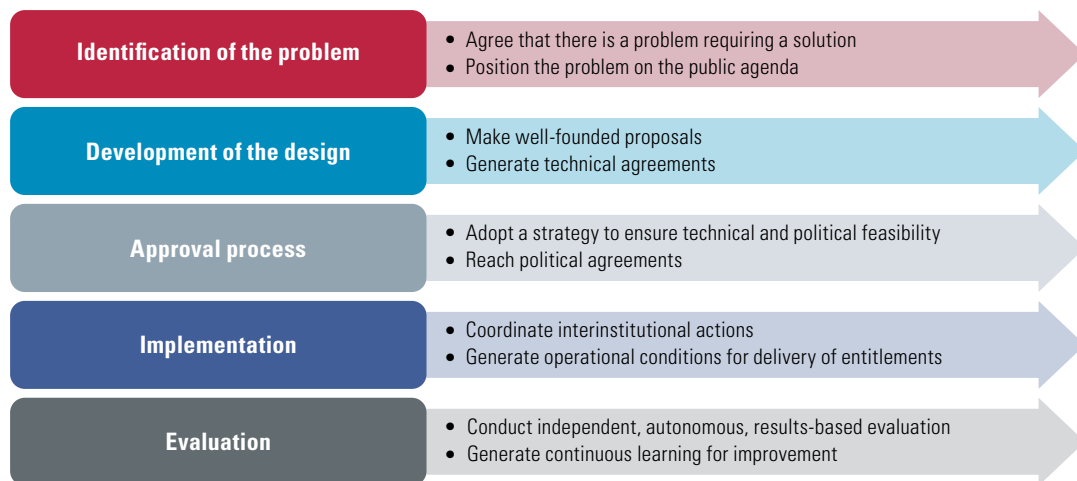
The cycle of inclusive social development policies occurs within an institutional framework and in the broader context of the governance of social policies and public policies in general. As an analytical system, this cycle serves to represent the different stages of a complex process in which stakeholders, factors and strategies converge in a political scenario with the main aim of addressing problems arising from conditions of vulnerability and inequality among citizens, and advancing towards the construction and consolidation of a welfare state. Although these stages have a logical sequential order, they do not always occur in a linear manner and may overlap, depending on the dynamics between the stakeholders, factors, and strategies.

Each stage has a main purpose and presents various restrictions or opportunities in relation to these elements. It is very important that the analysis—not only of the initial diagnosis, but of the entire process—is based on solid evidence underpinning the decisions made concerning the problem, the solution, and the public policy proposal. Thus, from the design of social policy onwards, it is essential to consider the requirements of the subsequent stages, especially implementation, and to anticipate and project the necessary capacities within the State apparatus to ensure that the ideas and agreements reached are translated into real, sustainable benefits for citizens.

As shown in a summarized manner in diagram III.3, governance in the inclusive social development policy cycle is strengthened as the actors identify problems, reach technical agreements on solutions, conclude political agreements in the negotiation processes, and adopt measures for implementation and a methodology for continuous policy improvement. Thus, at each stage of the public policy cycle, objectives are presented that must be achieved via decision-making and represent challenges to be overcome, and the following elements can be identified: actions to be carried out, factors that depend on each context and include recurring practices linked to each country's institutional culture, strategic actors who operate in accordance with the position they occupy, and a framework of ideas that guide policy proposals and come up against convictions and interests.

**Diagram III.3**

Challenges at the different decision-making stages of the inclusive social development policy cycle



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of A. Arenas de Mesa, *Historia de la reforma previsional chilena: una experiencia exitosa de política pública en democracia*, Santiago, International Labour Organization (ILO), 2010.

There follow some elements to be considered at each stage of the process, along with specific experiences in some countries of the region. The cases presented are merely intended to exemplify some relevant aspects of decision-making governance at the different stages of the inclusive social development policy cycle, not to establish any opinion as to their technical quality or evaluate their results.

## 1. Identifying the problem and positioning it on the public agenda

In the first stage, the identification of the social problem, it is important to consider the collective perception and the willingness of the actors to find effective solutions. This collective perception means not only acknowledging the existence of the problem, but also understanding its magnitude and its societal repercussions. A collective awareness will heighten the sense of urgency and facilitate the mobilization of resources and technical and political efforts to address the problem (Arretche, 2015).

In addition to collective perception, it is important to acknowledge public awareness of the social problem as an initial phase of the cycle of public policies. As noted by Secchi (2014), once a problem gains visibility and relevance on the public agenda, opportunities to address it open up and discussions that can lead to the implementation of effective solutions start to take place. This public recognition is essential to ensure that the problem is not ignored and that decision makers afford it the necessary attention.

In order to include a problem on the public agenda, it is necessary to understand and recognize the axes of power that will influence the process. The key actors (both individuals and institutions) with the capacity to influence decision-making and the configuration of the political agenda must also be identified and considered. Understanding the power dynamics and the relationships between the different actors will make it possible to anticipate possible resistance or support for addressing the problem (Sabatier and Weible, 2018).

Addressing social problems in a multidimensional manner means recognizing and considering their complexity. Social problems are not limited to a single technical or right-related sphere, but interconnect with economic, social, cultural and environmental aspects. Fully understanding these aspects makes it possible to design more comprehensive and effective responses and avoid superficial or partial solutions that do not capture their complexity.

The identification and recognition of a social problem entails evaluating its scope and analysing the gaps in the current policies or programmes that prevent its solution. Likewise, identifying and characterizing the subjects or population groups that the potential public policy is expected to target will help to direct efforts appropriately and ensure an inclusive response. The process also involves classifying the problem and establishing whether it requires a substantive policy with changes in legislation or some other thorough-going intervention, or an instrumental policy focused on specific programmes or projects.

Although social problems are always present in society, political will is a determining factor for getting them onto the public agenda and adopting concrete measures. Actors with power must join forces to reach a consensus regarding the existence of the problem and the will to address it (Arretche, 2015). This requires overcoming possible political obstacles and tacit vetoes that can hinder the identification and tackling of problems.

In short, the first stage of identifying the social problem in the public policy process requires the collective perception and willingness of the actors to find effective solutions (Arretche, 2015). Public awareness and recognition of the problem are essential to address it. It is necessary to understand the axes of power, consider the multidimensional dimensions of the problem and overcome possible political obstacles (Sabatier and Weible, 2018). Political will and the ability to build consensus are key factors in driving change and achieving effective solutions to social challenges. If this stage is carried out properly, the foundations will be laid for the implementation of effective public policies and the search for solutions to the problems encountered.

In Latin America and the Caribbean there are some examples in which the examination of a problem has led to the adoption of important social protection policies. One of these is the Zero Hunger programme in Brazil, for which various factors converged at a key political moment: shared perception of the importance of the problem, the readiness and willingness of the actors to seek solutions, the resolve of the then presidential candidate Lula da Silva to include it in his agenda in 2001 and the collaboration of some international organizations in the analysis. Based on proposals relating to food security and the fight against hunger, economic and social debates were established and the issue became a national priority that required planned and determined action by the State, with the active participation of society. The start of the programme in January 2003 awakened

Brazilian national awareness of the contradiction whereby millions of families lacked food in a country that was enjoying an agricultural export boom. With the election of Lula da Silva as President in 2003, Zero Hunger became the main government strategy to guide both economic and social policies. This integrated social and economic approach helped to join up structural policies and different emergency initiatives in the fight against hunger and poverty. The commitment to end hunger permeated the national awareness and obtained massive support, generating alignment between the problem stream, the solution stream and the politics stream, which opened a window of opportunity for decision-making in public policy to establish hunger and poverty on Brazil's public agenda as a problem that technical and political actors should take responsibility for.

The Chilean pension system reform adopted in 2008 to deal with the low pensions of the population is another good example of the stage of identifying a problem and getting it onto the public agenda. In this process, it became clear that the participation of actors with economic and political power involved in pension fund administration was an obstacle to addressing the problem. This showed that the recognition of a social problem is not enough; a series of other conditions are also needed, first, to get the problem onto the public agenda, and second to secure the political and economic will to address it. The process sometimes encounters many obstacles, which are, moreover, amplified when the solutions proposed could affect the country's financial policy. This was the case in Chile, where the resources administered under the individual accounts pension system created in 1981 were equivalent to 70% of gross domestic product (GDP), which clearly explained the political and economic power behind the pension fund management firms, known as AFPs (Arenas de Mesa, 2019).

The problem of low pensions was a matter of concern among the public and had been the subject of analysis by several national and international think tanks, such as ECLAC, since the late 1980s and during the first 15 years of democratic government. However, the political space was not open for it to be viewed as a problem to be addressed by social security policy. In the framework of the 2005 presidential campaign, the issue of pensions was included on the public agenda and political actors began to adopt it as part of their electoral campaigns. The candidate and later president, Michelle Bachelet, announced pension reform as an election promise, and it was in fact implemented during her first term in office (2006–2010). The problem was thus installed on the public agenda and the collective perception of multiple stakeholders generated the conditions: after 25 years of operation of the AFP system, all the factors converged for reform—in a quarter of a century enough evidence had built up on its vulnerabilities across all economic cycles, and the idea had become widespread that it was time to rethink it. This time it seemed more feasible to break the barrier of networks of influence (Arenas de Mesa, 2010, p. 49). Once again, the window of opportunity for public policy was opened by political processes and convergence of political will in relation to social problems, not necessarily by agreeing upon a route towards a solution, but at least agreeing upon the need to find one.

The National Care System in Uruguay is another case in which factors occurred that enabled a problem to be identify and included on the public agenda. The debate on the concept of care has emerged recently in the region and has quickly gained traction in the research and policy agenda, which in turn includes theoretical background from the sociological literature on the division of labour, feminist thinking on domestic work, and the approaches of various international organizations. In Uruguay's case, care as a problem to be addressed by policymakers arose during the government of José Mujica and, in 2013, Uruguay became the first country in the region to establish a comprehensive public policy to address the care needs of the population.

The process of including care on the public agenda of Uruguay involved various actions and strategies: conducting research and generating data to provide evidence of gender gaps and multiple inequalities between people and different types of households in access to well-being (such as time-use surveys conducted in Uruguay (2003, 2007, 2013), the country's Continuous Household Surveys (2012, 2013), the population census of 2011 and specific studies); the participation of key actors in the working group created in the framework of the National Social Policy Council, which led to the identification that: (i) care is a right and the State has the responsibility to ensure citizen participation in the design of a policy on the subject; (ii) civil society organizations and academia in Uruguay had carried out a large body of conceptual work which should be shared and discussed to build collective proposals; (iii) the design of the National Care System required citizens to be aware of and involved in defining their needs; (iv) social policies required consideration of the specific features of each

locality in order to provide universal responses while taking particularities into account; and (v) the working group participated in local discussions to highlight the need to increase interinstitutional coordination (Inter-institutional Working Group-CNPS, 2011, cited in Aguirre and Ferrari, 2014, pp. 33–34). Strategic alliances with international organizations, such as the International Labor Organization (ILO), ECLAC, and other institutions specialized in care were also essential, as they helped provide evidence and technical advice to support the implementation of care policies in Uruguay (Aguirre and Ferrari, 2014; Colacce and Manzi, 2017).

## 2. The design process and the need for technical agreements

If a social policy is to be capable of being implemented, solid, broad technical agreements must be built at the design stage, with active participation by stakeholders from different spheres of society. These stakeholders—including academics, think tanks, political parties, non-governmental organizations, social organizations, unions and civil society in general—play a fundamental role by contributing their experience, knowledge and perspectives to the design process (Arenas de Mesa, 2010).

To achieve these technical agreements, spaces for meetings and dialogues must be provided to foster citizen participation. These spaces will allow open exchange of ideas, informed debate and the consideration of multiple points of view, all contributing to the construction of more inclusive and legitimate policies. Strategies must also be implemented to ensure transparency at all stages of the policy design process, promoting accountability and ensuring that citizens are active participants in decision-making. The definition of participation strategies that address sensitive issues—such as the options between targeted or universal social policies and contributory or non-contributory social protection—is based on decisions that must be carefully evaluated to ensure that the policies that are designed are viable, relevant, effective and sustainable and respond adequately to the realities and needs of the target population.

At this stage, it is essential to ensure that the proposal is valid and reliable to ensure that the social policy ultimately implemented will be effective and efficient in solving the problems identified. Several key aspects must be taken into account in this regard. First of all, a constructive dialogue must be established with strategic actors, such as experts and policymakers who have specialized knowledge and relevant experience on the issue in question. Their participation complements the policy proposal with multidisciplinary approaches and innovative solutions (Bardach, 2012). It is also necessary to analyse the country's economic model, in order to understand the interaction between the mechanisms of production, distribution and consumption and how these affect the population's social protection and well-being (Bardach, 2012), and to examine the regulatory framework to identify opportunities and constraints for the design and implementation of social policies.

The search for technical consensus at this stage requires political skills to overcome barriers and the divergent interests of the actors involved. It is essential to establish effective coordination and promote collaboration between the different sectors of society to achieve solid and viable agreements. The participation of academics, professionals from think tanks, political representatives and social organizations not only brings transparency to the process, but also strengthens the legitimacy and quality of the resulting policies (Bardach, 2012).

In this context, it is also crucial to analyse the architecture of power that will have to be mobilized at the legislative and administrative levels to make the proposal viable. According to Sabatier and Weible (2018), by identifying the key actors and institutions involved in decision-making, effective strategies can be established to galvanize political action and ensure that the proposed policy is implemented effectively.

In short, the design stage of a social policy is a complex and multidimensional process in which solid technical consensus must be reached with the active participation of various stakeholders in society. Transparency, informed debate and citizen inclusion are needed to ensure the reliability and validity of the policy proposal. Analysis of the context, consideration of economic, legal and organizational aspects and political skills are essential to design a viable and effective social policy that can address the challenges identified.

The role of actors from the academic sector and international cooperation entities can be key in the design process and in opening windows of opportunity for social policy for their acceptance and subsequent implementation. In the case of Honduras, the updating of the social protection policy and the establishment

of the Social Development Secretariat in 2022 occurred in the context of government change and alternation, a complex and multidimensional process in which international organizations cooperated in the transfer of knowledge and proposals on the architecture of social protection as well as the generation of a space for collaboration to address particular challenges. These processes, which, as noted, took place in the framework of a change in government, led to the renewal of standards, approaches and technical cadres to redefine an institutional framework for social protection as a whole.

Haiti—which has experienced adverse political, social, economic and environmental conditions for many years—stands out for its notable process of deliberation and definition of the National Policy on Social Protection and Promotion after several years of analysis and consultation (Haiti, 2020). The process began in 2016, in the framework of the Social Protection Sector Board and its Drafting Subcommittee established by the Ministry of Social Affairs and Labour. In the period 2016–2020, multiple national consultations and costing and budgeting exercises were carried out, as well as workshops to prioritize the needs of the various population groups and the necessary contributory and non-contributory measures. The government’s adoption of the policy in 2020 marked an important political and institutional milestone, establishing for the first time a strategic framework to address social protection and numerous future social challenges, with active participation by various national and international actors and multi-stakeholder consensus. In addition to national entities, collaboration was extended by international partners such as the World Food Programme (WFP) and ECLAC (Tromben Rojas, Cecchini y Gilbert, 2022). Despite several emergencies and episodes of instability, the process has gradually moved forward and led to the definition of a Plan of Action and Implementation for 2023–2025 under the National Policy. In this experience, marked by serious episodes of crisis, instability and disasters (including the COVID-19 pandemic), the Social Protection Sector Board has acted as a body for intersectoral deliberation that has kept the process moving forward and generated proposals and technical consensus within the government and beyond.

The design process of the social protection system *¡Vamos!* of Paraguay also warrants mention, owing both to its technical preparation phase and to its negotiation between political actors. The work was directed by the Technical Unit of the Social Cabinet and involved international experts from the European Union, the Regional Programme for Social Cohesion in Latin America (EUROSociAL) and ECLAC, with whom an initial technical proposal was prepared to articulate the work of the different government bodies that would participate in the system. In the first stage of preparation, in 2017, various meetings were held to consider the opinion of representatives of the National Congress, the vision of civil society, the academic sector, the private sector and various opinion leaders, and an interinstitutional drafting technical group was formed with representatives of seven ministries, five national secretariats and two sectoral institutions. The results and proposals were discussed with the programmatic teams of the 2018 presidential candidates, in order to reach a consensus on their necessity and political feasibility (Paraguay, 2018a). In the second stage, at the start of his government in September 2018, President Mario Abdo Benítez announced the social protection system at an international seminar (Paraguay, 2018b) and convened all the authorities of the participating institutions to a workshop to share the approach and principles of the system with international experts. Work on the detailed design of the components continued, the system was included in the discussion of the 2019 budget and a road map was outlined. In 2018 the Social Cabinet was restructured, the commitment to form the social protection system was formalized in Presidential Decree No. 316/18 and work on the conceptual and institutional analysis was redoubled. In January 2019, a third stage began, focused on programme planning—identifying operational support and establishing goals—with a four-year plan approved by the Executive Team of the Social Cabinet (Paraguay, 2019). In early 2021, Decree No. 4775/2021 was issued establishing the *¡Vamos!* social protection system of Paraguay, and a strategic framework of objectives and actions was adopted, along with a prioritization of strategic actions for multiannual planning for 2019–2023 (Paraguay, 2021 and 2023).

As in other examples mentioned, a window of opportunity was opened by the moment of the election, to converge political will around the need to acknowledge a problem, develop a comprehensive response through inclusion and social protection and move towards making it a reality by means of a technical, operational and organizational proposal. This example also includes the formation of a broad technical group with the support of international cooperation entities and the engagement of various social, academic and political actors in discussing the proposal.

### 3. Social policy approval process

Negotiation processes play a vital role in the process of approval of a social policy. These processes are not limited to internal political coalitions, but also involve negotiations between different entities, either within the administration of the Executive Branch or between the Executive Branch and the Legislative Branch, depending on the regulatory requirements that will be necessary to implement the proposed policy (Grimmelikhuijsen, 2012).

These negotiation processes are important because of the need to reconcile technical and political aspects, avoiding contradictions that could jeopardize the achievement of objectives (Booher and Innes, 2010). In decision-making, the technical and ethical validity of the message contained in the policy proposal and its objectives is not the only thing that matters: it is also important who presents it and in what manner, how it is adapted, who receives it and what their convictions are, and negotiations are carried forward to make the proposal politically viable.

In this sense, those carrying out the approval process of a social policy must use strategic and negotiation skills adapted to the specific context of each country, taking into account the political dynamics and the particular needs of the stakeholders involved (DeLeon and Weible, 2010; Susskind y Cruikshank, 2006).

It is essential that political and technical leaders have a comprehensive understanding of the policy and address both technical aspects and political considerations to improve the prospects for approval. An important step of the approval trajectory is to identify the key administrative and legislative steps and legal regulations in the policy construction process. From the moment of the initial diagnosis, it is important to anticipate, plan and establish an analytical framework to guide decision-making and orient the policy design. Strategic planning is essential in the policy approval process, to optimize the chances of success by considering the context and establishing an analytical framework (Bryson, Edwards and Van Slyke, 2018; Nutley, Walter and Davies, 2007).

In sum, the approval of a social policy requires identification of the roles of the actors involved in the process, with frames of reference and maximum and minimum limits in relation to what is to be discussed, as well as the right political juncture to have the conversation. Policymakers need to have the leadership and the technical and political experience to coordinate effectively and achieve the proposed objectives. These, combined with strategic negotiation skills and a good communications strategy, are essential to obtain the approval of a social policy. Understanding of the context, strategic planning, effective negotiation and good communication are fundamental pillars in overcoming the challenges and obstacles that may arise in the process of social policy approval, thus ensuring its viability and contributing to the well-being of society as a whole (Bardach and Patashnik, 2015; Schneider and Ingram, 2005).

The main actors in the process also contend with the pressure and positions of multiple stakeholders with interests outside the State apparatus and of formal decision-making entities, such as the media, pressure groups, think tanks, organized civil society or even the public, in cases where the proposal is widely politicized. In addition, these processes are not limited to the adoption of new policies, but also include the annual allocation of the necessary resources in the budget law.

An example that illustrates the process of policy design and approval involving numerous stakeholders was Costa Rica's Law No. 9220 of 2014, which adopted and established the country's National Child Care and Development Network (REDCUDI). The purpose of the legislation was to establish a universal public childcare and development system with solidarity-based financing to join up and coordinate the different modalities of public and private provision of childcare services, and to strengthen and expand the alternatives for comprehensive childcare.<sup>1</sup> The Executive Branch played a strong role in the approval trajectory, by supporting the process from the highest political level. This support helped to ensure the availability of the necessary resources and to establish a favourable political climate, coordinated, in turn, with the Minister of Social Welfare and Family. This was key for the engagement, via a specific executive decree, of the different social, public and private stakeholders with an interest in comprehensive care, protection and child development, and

<sup>1</sup> See [online] [http://www.pgrweb.go.cr/scij/Busqueda/Normativa/Normas/nrm\\_texto\\_completo.aspx? nValor1 =1&nValor2=77044](http://www.pgrweb.go.cr/scij/Busqueda/Normativa/Normas/nrm_texto_completo.aspx? nValor1 =1&nValor2=77044).

for the construction of necessary alliances, including spaces for NGOs and universities and considering their recommendations. The Ministry of Social Welfare and Family houses the REDCUDI Executive Directorate, which has vice-ministerial rank and implements the policy. In the approval process, international organizations and international cooperation entities, such as the United Nations Children's Fund (UNICEF), IDB and ILO, also provided valuable support. It is important to note that the process did not start from scratch: in the creation of REDCUDI full recognition was given to the background, experiences and prior initiatives in the field of early childhood care and development existing in Costa Rica (Guzmán León, 2014).

The approval process of the pension reform in Chile between 2007 and 2008, mentioned above, also illustrated how agreements can be established between stakeholders with very different interests in order to carry forward a social security reform (Arenas de Mesa, 2010; Maldonado Valera and Palma Rocco, 2013b). The contribution of the individually funded pension system to financing the economic model adopted in the 1980s brought in a financial and social security dimension that required political strategies to be elaborated at each stage of the process. As well as the discussion phase before the legislative work to align the visions of the government parties and their leaders and the deliberations in the legislative body, the following were also key aspects of the process: the existence of a negotiating team headed by the ministers of labour and finance and coordinated by the executive secretary of the reform, who had a technical and political profile; the identification of the most controversial issues that would necessarily require a special discussion or more limited negotiation; the preparation of the political map of the members of the finance and labour commissions in the chamber of deputies and the senate; the identification of the technical and political actors of the opposition who would be the counterparts in the negotiation; the formation of parallel commissions for technical, political and financial issues in order to strengthen convergence and reduce differences; dissemination in the media of the issues addressed in the legislative discussion, emphasizing what the government was putting forward in the proposal to generate identification and support; the balancing of the interests of the actors based on the requests made by members of parliament, both from the opposition and from the government. In short, achieving agreement and cross-cutting support for the reform took hard work and wide-ranging effort in order to address the social demand for better pensions and changes to the social security system (Arenas de Mesa, 2010; Maldonado Valera and Palma Rocco, 2013b).

Added to the cases above is that of Argentina, which —according to the information provided by the Ministry of Social Development<sup>2</sup>— has extensive experience in the use of negotiation instruments in the field of public policies in general and social policies in particular. These instruments seek to build consensus at the level of the central government and the provincial and municipal governments to facilitate the implementation of policies on the ground, as well as with political and social stakeholders (political parties, civil society organizations and interest groups such as unions), in order to consider different perspectives and demands in policymaking, including those of the representatives of the legislature. These negotiations between stakeholders from the executive and legislative branches of government support the inclusion of different perspectives, consensus-building and the search for solutions that benefit society as a whole.

As has been seen, to make policy approval viable and ensure its sustainability, it is essential to build broad bases of representativity, legitimacy and support by securing wide consensus and considering the visions of different actors, identifying elements of consensus and dissent to organize the various dimensions (technical, political and financial) of the negotiations.

## 4. Implementation and governance

The implementation of an inclusive social development policy or programme is a complex process that requires comprehensive attention at all its stages, from interinstitutional coordination at the central level, to the distribution and delivery of goods and services to the population at the territorial level. In this sense, from the high-level political agreement right to the “last mile” coordination is essential, especially in the last stage of the process, which involves creating the necessary operating conditions for the proposed entitlements or services to reach the end recipients in a timely and effective manner.

<sup>2</sup> Information provided in the framework of the preparatory meetings for the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean.

Governance plays a key role in the successful implementation of social policies. The principles and values that govern it must guide this process and ensure it takes place in a transparent manner, with citizen participation and accountability (Martínez Moreno, 2018; OECD, 2019). In this regard, it is essential that both the State and the government clearly understand their capacities and the resources available at this stage. This involves carefully assessing the institutional, financial, human, technological and operational capacities needed to design the policy effectively in its specific context (see chapter I). However, these capacities must be supported by relationships between stakeholders, negotiations and political operation in order to administer power in the various scenarios in which social policy is to be implemented.

It is important to be clear about the characteristics of the governance of public policy implementation processes in each country, with their particular factors, stakeholders, and strategies. The federative pact in Brazil, for example, refers to the distribution of power and responsibilities between the different levels of government (federal, state and municipal), with a governance model based on decentralization and the autonomy of each of these levels, recognizing their competencies and capacities for public policy implementation. In this compact, the federal government is responsible for establishing general policies and coordinating activities at the national level, as well as providing financial resources and technical support to states and municipalities. Meanwhile, state governments have the power to legislate and execute policies in their territory, while municipal governments have autonomy to manage local affairs and provide public services at the municipal level.

The federative pact in Brazil is based on the subsidiarity principle, whereby decisions and actions must be carried out at the level of government closest to citizens, as long as that level has the necessary capacity and the resources to do so. This assumes that public policies are implemented in a decentralized manner, adapting to local needs and realities. In this kind of policy implementation there is close collaboration between the different levels of government, with coordination mechanisms such as intergovernmental committees and councils, which enable dialogue and joint decision-making between the federal government, states and municipalities (Grin and Abrucio, 2017).

However, despite advances in decentralization and the strengthening of the federative pact, some challenges remain in the implementation of public policies in Brazil. These include access to greater financial resources in subnational governments, improved management capacity in some municipalities and states, inequality between regions, and the need to improve coordination and cooperation between different levels of government (Arretche, 2012).

In sum, the federative pact in Brazil establishes a framework of decentralization and autonomy for public policy implementation, recognizes the importance of the different levels of government, and promotes collaboration between them. Although there are application challenges, the federative pact seeks to strengthen management capacity and adapt policies to local needs, thus contributing to the development and well-being of Brazilian society (Grin and Abrucio, 2017; Arretche, 2012).

The Caribbean countries offer an example of subregional coordination for disaster management policy implementation and governance. The Caribbean Disaster Emergency Management Agency (CDEMA), an intergovernmental body for disaster management in the Caribbean Community (CARICOM), has played a key role in coordinated response to hurricanes, volcanic eruptions and the COVID-19 pandemic, among other disasters (ECLAC, 2021). CDEMA has the mandate to mobilize and coordinate responses to disasters, including mitigation measures, information management, support for policies and practices for the reduction of disaster losses at the regional and national levels, and improvement of institutional capacities to respond to disasters (ECLAC, 2021; CDEMA, n.d.).

Another interesting case in relation to governance of social policy implementation is the responses to the COVID-19 pandemic in Latin America and the Caribbean. Countries with a strong yet flexible social institutional framework, with efficient governance mechanisms and robust coordination capacities were able to face the challenges more effectively and mitigate the adverse effects of the health crisis through citizen support programmes. Among other examples, Uruguay stands out for its rapid and efficient response capacity, thanks to its solid institutional frameworks for social policy and effective governance. The Government of Uruguay put in place early oversight and case monitoring, established clear protocols and communicated transparently with the population. It also fostered coordination between the different actors, both at the governmental and civil society levels, which contributed to a comprehensive and coordinated response (World Bank, 2023). Costa Rica also stood out for the strength of its institutional framework for social policy and governance in the pandemic response and, particularly, for its universal

health system and capacity to coordinate the response of various institutions at the national level (ECLAC, 2022). In the case of Chile, one of the reasons the country was able to rapidly provide broad vaccination coverage during the COVID-19 pandemic was its existing institutional capacity, reflected above all in a primary health care system with over 70 years of experience (Marinho, Dahuabe and Arenas de Mesa, 2023).

These examples testify to the importance of having a solid institutional framework for social policy and effective governance, both for the implementation of inclusive social development policies, and to respond to crises. Coordination capacity, transparency, citizen participation and evidence-based decision-making are key elements for a successful response.

## 5. The challenges of evaluation for institutional frameworks for social policy

Evaluation plays a fundamental role in the approach of continuous learning and improvement of the processes of social policy formulation and implementation. In a context in which societies face complex and shifting challenges, it is essential to have evaluation mechanisms that allow for an exhaustive and careful analysis of outcomes and the impact of policies implemented.

The evaluation of social policies is influenced by several factors that determine the governance of processes and the decisions that arise from it. A first point to be considered is the institutional framework for social policy for evaluation in each country, since the authority responsible, the stakeholders involved, the evaluation methodology, and the established processes and procedures define the framework of action. From that starting point, governance must also include certain aspects in order to achieve the expected outcomes. One of these is transparency, which implies the availability of clear and accessible information on the policies implemented, the objectives, the resources allocated and the results obtained. Transparent mechanisms facilitate accountability, promote public confidence in government action and improve the quality of government decisions. By allowing proper access to information and promoting stakeholder participation, transparency fosters objective and impartial evaluation, providing a solid foundation for improving the design, implementation and results of social policies (Mulgan, 2000).

Furthermore, public participation in the evaluation of social policies promotes legitimacy and accountability. The inclusion of different stakeholders, including civil society organizations, academia and citizens, in the design and conduct of evaluation broadens the perspective and ensures consideration of diverse interests and needs. Public participation is key to the effective evaluation of social policies, as it ensures greater legitimacy of processes and results and allows different groups in society to contribute their knowledge, experiences and perspectives, which makes for better-quality and more relevant evaluation. This translates into a more complete and balanced analysis, by avoiding biases or exclusions that could affect the objectivity of the results (Mulgan, 2000).

The independence and autonomy of evaluation institutions are essential to ensure the objectivity and impartiality of the evaluation process. These institutions must be protected from political pressure or private interests, so that they can carry out their work in a transparent manner without external influence. They must also have the technical capacity and resources to conduct rigorous evaluations (Arenas de Mesa and Berner Herrera, 2010). According to Weiss (1979), the existence of institutions specialized in conducting evaluations, with trained personnel and access to relevant information, is essential to carry out reliable, good-quality evaluations.

In this regard, it is important to have a solid evaluation culture in government, where the independence of evaluation institutions is valued and their autonomy is supported. The culture of evaluation means recognizing this phase of the process as a tool for improvement and learning, an investment to improve decision-making and knowledge and not merely red tape. It should be noted that, in addition to the work of international organizations and academia, the specific experience of evaluating conditional cash transfer programmes has been key to spreading the culture of evaluation (Martínez, 2015).

Governance of the public policy evaluation also requires effective use of the results obtained. It is important that evaluation findings and recommendations are accessible and taken into account in government decision-making to improve policies. Good use of the results strengthens accountability and contributes to

the continuous improvement of public policies. This underscores the importance of making evaluation results accessible and understandable to decision makers. Clear, concise presentation of findings—which must be relevant and applicable— facilitates their use in the design and adjustment of public policies. Furthermore, evaluation should be seen as a decision-making tool, and policymakers and implementers should make use of the findings and recommendations (Martínez, 2015; Weiss, 1979).

An example from the region of stable governance of social policy evaluation is provided by Mexico's National Council for the Evaluation of National Social Development Policy (CONEVAL). This experience began in 2004 with the creation of an institutional framework in the General Social Development Law (LGDS), which established CONEVAL as a technical body with management autonomy and powers to periodically measure poverty from a multidimensional perspective and systematically evaluate policies and federal government social programmes (Maldonado Valera, 2013).

In addition to LGDS and CONEVAL, whose scope is limited to federal social policies in Mexico, mention should be made of the Performance Evaluation System established under the Federal Budget and Fiscal Responsibility Law (2006), which is intended to evaluate the effectiveness and efficiency of public programmes and policies. This legislation, which established the use of systematic evaluations, has promoted accountability in general and especially in the field of social development. In addition, a set of General Evaluation Guidelines were prepared in order to ensure coordination and collaboration between the instances responsible for evaluation in the Federal Public Administration. These guidelines identify mechanisms for joint work between CONEVAL and the Ministry of Finance and Public Credit (SHCP) to ensure comprehensive and quality evaluations. The autonomous nature of CONEVAL, backed by a solid regulatory framework, has strengthened the evaluation of social programmes and supported informed and evidence-based decision-making.

Instances of evaluation and monitoring exist in other countries of the region as well. Colombia created the National System for the Evaluation of Management and Results (SINERGIA) in 1994 under the coordination of the National Planning Department, with the aim of improving the management of public investments, by monitoring and evaluating strategic public policies in the country, as established in the National Development Plan. To this end, SINERGIA has powers to monitor the results of public policies, analyse the efficiency and effectiveness of the administration in terms of the formulation, execution and evaluation of policies and programmes, and generate the necessary information for decision-making on planning and resource allocation (Colombia, 1994).

In Jamaica, the responsibilities of the Performance Evaluation and Management Unit, which is part of the Cabinet Office, include leading the performance monitoring system across government ministries, departments and agencies, as well as establishing an evaluation system. All this is done within the framework of the Performance Monitoring and Evaluation System, which seeks to improve the results of public management through impact analysis of projects, programmes and policies, in order to use this information in decision-making (Jamaica, 2010).

## **D. Elements to define argumentation and dialogue strategies throughout the inclusive social development policy cycle**

As discussed in this chapter, given the multiple factors to be considered (including long-term institutional inertias) that can limit the scope for action and compromise the adoption of quality social policies, and given the diversity of stakeholders with influence over the results at each stage of the social policy cycle, it is important to devise strategies that, in addition to incorporating rigorous analysis and technical design, consider how to negotiate and persuade this diversity of stakeholders and, to the extent possible, anticipate potential resistance through constructive dialogue.

In terms of the Regional Agenda for Inclusive Social Development, in which the approach is centred on reducing gaps in well-being and the enjoyment of rights, this supposes—among other fields of action— building spaces for dialogue and agreement to expand the scope, financing, and redistributive nature of inclusive social development policies. This gradual and long-term task involves rethinking the way in which social policy alternatives can be disseminated and legitimized vis-à-vis the different stakeholders.

The stakeholders back the arrangements within each welfare regime not only because they will maximize their income or individual welfare, but also because to some extent they approve of its purpose and contribution to the common good. According to Mau (2003), under the premise that both normative concerns and material interests contribute to shaping attitudes towards welfare provision and that the welfare state may be conceived as an arrangement for institutionalizing reciprocity, people may invoke norms of fairness and reciprocity when evaluating welfare policies instead of pursuing solely income-related interests.

Much of the discussion revolves around the validity and legitimacy of the social problem identified as an object of social policy, the proposed alternatives and social policy instruments and the general perceptions of the population groups targeted by these policies, the perceived merit of individuals or the group to which they belong as recipients of public policies, as well as the situations, deficiencies and risks that social policy is supposed to address. Debates on the reform or expansion of social protection systems relate to fundamental questions about the most appropriate instruments and level of financing required to meet the needs of various population groups, as well as the risks and situations that legitimately deserve support, whether temporarily or permanently (Van Oorschot and others, 2017).

Throughout the social policy cycle described in this chapter, the strategies must include carefully prepared arguments to put to the opinion and perceptions of the various stakeholders. In this regard an important element has to do with the notion of need and merit associated with the population groups targeted by social policies; in other words, the fact that public opinion, political actors and even the policy designers themselves may have biases or prejudices when considering access to social programmes of different groups, such as unemployed youth or Indigenous and Afrodescendent persons (Van Oorschot and others, 2017). In relation to reasons that may generate resistance among different stakeholders, both the design and the negotiation and communication strategies must include solid technical and programmatic arguments at the various moments of the social policy cycle. As stated in the Regional Agenda for Inclusive Social Development, these aspects must be considered as part of the analysis and strategies for the adoption and implementation of quality social policies and programmes. The principles of the Regional Agenda for Inclusive Social Development offer a framework to defend the validity or suitability of social policies beyond the perception of any one group or stakeholder at a given time.<sup>3</sup>

The rights-based approach is a very useful basis for the actions of social policy and social protection systems. It focuses on guiding the design of social policies in order to ensure the effective enjoyment of human rights—including economic, social, cultural and environmental rights—by the entire population, prioritizing the progressive closing of gaps between different groups and people and using the greatest possible available resources (Martínez, Maldonado and Schönsteiner, 2023; Pautassi, 2010; Sepúlveda, 2014).

Considering the foregoing, it may be affirmed that the advances made in terms of the institutional framework for social policy are crucial that they may represent a window of opportunity for social policy for ministries of social development or their equivalent to achieve their objectives by means of high-quality, inclusive and sustainable social policies that address the core problems of poverty and inequality in the region. The challenge of strengthening the institutional framework for social policy and its various dimensions persists and has to do with the need to have a strategy for argumentation and negotiation at each point of decision-making about the framework, finding ways to position the messages that will make them viable in relation to the range of contextual elements and the perspectives of each of the stakeholders. While some elements have been examined here and some lines of action of the Regional Agenda for Inclusive Social Development shed light on possible paths towards achieving this objective, these must be adapted to the specific context of each country and to the new scenarios emerging in today's changing social reality. All this confirms that a stronger institutional framework for social policy forms the basis of good governance for implementing inclusive social development policies capable of addressing and reducing inequality in the region.

<sup>3</sup> Rights-based approach as a normative horizon; empowerment and autonomy of people; decent standard of living and progressive levels of well-being; universalism that is sensitive to differences; redistributive rationale and solidarity with financial sustainability; systematic vision of sustainable development; quality public policies; alliances and social compacts to consolidate State policies (ECLAC, 2016).

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CHAPTER

# IV

## Concluding remarks and proposals for strengthening the institutional framework for social policy of ministries of social development in Latin America and the Caribbean

- A. Legal and regulatory dimension
- B. Organizational dimension
- C. Technical and operational dimension
- D. Financial dimension

Bibliography



Chapters I, II and III analysed the key elements of organizational development of the ministries of social development and their equivalents in the countries of the region, challenges that arise, and what is needed to move towards governance of decision-making in public policymaking, to enable significant steps forward in terms of the design and implementation of high-quality social policies. Without suitable institutional frameworks for social policy and governance, it is not possible to envisage effective, efficient, sustainable and transparent outcomes that provide a committed and relevant response to social problems for the recipient population of a social policy.

A sound institutional framework for social policy, with transparent governance of the decision-making process, is also required for active and demonstrable implementation of a rights-based approach, thus enabling fulfilment of the social aims of the 2030 Agenda for Sustainable Development. The characteristics of these two instruments can be enabling or limiting in terms of the scope of social policy and inclusive social development. Institutional frameworks for social policy provide the infrastructure and capacities required for design, implementation and evaluation; governance aligns the activities of the stakeholders responsible for prioritizing and implementing social policy, through negotiation processes and accords throughout the social policy cycle. The more developed the institutional framework for social policy, the less discretionary and more transparent these decision-making processes are, meaning that the decisions made and their outcomes are more sustainable and inspire greater trust among citizens.

As indicated in the Regional Agenda for Inclusive Social Development, “since social institutional frameworks are the result of an ongoing process of construction and successive adjustments, even the countries that have made the most progress must maintain their efforts to improve policy quality and address new challenges and social demands” (ECLAC, 2020c, p. 26). Therefore, the path of development of institutional frameworks for social policy is ever-changing and subject to ongoing refinements, with frequent needs for either improvement or adaptation to respond to new social challenges faced by citizens.

As confirmed through the analysis in chapters I, II and III, the mandates of ministries of social development and their equivalents frequently include an active role or even coordinating role for such bodies in institutional frameworks for social policy (ECLAC, 2020c). However, this does not mean that the progress made is sufficient to achieve their aims, because of the ever-present prospect of refinement and because development of institutional frameworks for social policy does not always move in one direction, with cases of institutional instability and setbacks in the region.

Institutional frameworks for social policy are a central element in advancing towards inclusive and sustainable development. For social development to be inclusive it must actively seek to end poverty and reduce inequality, contribute to the exercise of rights and the closing of gaps that affect the poor and vulnerable, and be resilient, in order to sustainably address the structural and emerging factors that perpetuate unequal social structures. In this regard, development and strengthening of such institutional frameworks is also key to governance of participatory and transparent decision-making that facilitates social inclusion and cohesion, which are two vital components of inclusive and sustainable social development.

Axis 3 of the Regional Agenda for Inclusive Social Development proposes 13 lines of action to improve social institutional frameworks as a means of implementing the 2030 Agenda and inclusive social development (ECLAC, 2014 and 2020c). In short, in terms of the legal and regulatory dimension, these lines of action range from advocacy for adaptation of national legal frameworks to the human rights-based approach—particularly with regard to economic, social and cultural rights—to strengthening frameworks in relation to the role of ministries, secretariats and collegial bodies, both at the central and subnational levels, with a guarantee of recognition, well-being and rights of various population groups, with a universal, comprehensive and sustainable scope.

With respect to the organizational dimension, the lines of action range from working to improve horizontal and vertical coordination, deepening decentralization and local development, to strengthening human resources policies to build the capacities of technical teams and to having mechanisms for participation, transparency and accountability.

In relation to the technical and operational dimension, management tools include consolidation of disaggregated and interoperable social information systems and monitoring and evaluation of social benefits, thus enabling access to and correct use of data to improve the quality and timeliness of decision-making.

With regard to the financial dimension, the lines of action entail consolidating a level of social investment with sufficient and sustainable resources to enable implementation of policies to move forward with inclusive social development and particularly to address the well-being needs of the most vulnerable and those subject to the greatest exclusion and discrimination.

This document has discussed countries' progress on these lines of action and the remaining challenges. Based on experiences in the region and lessons learned in other parts of the world, 10 proposals are made below to strengthen the institutional framework for social policy of ministries of social development in the region, in the four dimensions (legal and regulatory; organizational; technical and operational; and financial), accompanied by two cross-cutting proposals for strengthening institutional frameworks for social policy and governance of the related decision-making processes (see table IV.1).

**Table IV.1**

Policy proposals for ministries of social developments' institutional frameworks for social policy

Proposal	Dimension
1. Consolidate the legal and regulatory framework, to promote a rights-based approach and universalism that is sensitive to difference	Legal and regulatory
2. Improve the alignment of regulatory aims and mandates with the capacity of the institutional framework for social policy	
3. Invest in human resources, capabilities and technology to ensure positive outcomes	Organizational
4. Enhance efficiency and sustainability through coordination, decentralization and participation	
5. Invest in information systems for decision-making	Technical and operational
6. Expand and disseminate social information at the intersectoral and population levels to reaffirm and consolidate the central role of inclusive social development	
7. Consolidate and create social policy monitoring and evaluation systems	
8. Expand the use of metrics in social policy decision-making	
9. Pursue financial sustainability in order to strengthen institutional frameworks for social policy, to eradicate poverty and reduce inequality	Financial
10. Produce and disseminate studies on the socioeconomic cost of existing social gaps	
11. Conduct strategic forward planning	
12. Pursue the construction of new social and fiscal compacts	

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

## A. Legal and regulatory dimension

### Proposal 1. Consolidate the legal and regulatory framework, to promote a rights-based approach and universalism that is sensitive to differences

Some countries in the region need to strengthen and modernize the organic laws related to their ministries of social development. For an institutional framework for social policy to be effective, it must have regulations that set out well-defined mandates in terms of development and social inclusion, with a clear social authority, a robust organizational model, suitable human resources policies, and sufficient and sustainable financial resources, in keeping with the demands of citizens in the twenty-first century. Progress must be made in this respect while applying an approach based on the life cycle, rights and universalism that is sensitive to differences, leaving no one behind, with a view to meeting the Sustainable Development Goals (SDGs) of the 2030 Agenda.

## Proposal 2. Improve the alignment of regulatory aims and mandates with the capacity of the institutional framework for social policy

The region's ministries of social development have mandates that encompass a variety of missions and target populations. This situation, combined with an unstable organizational model and limited technical capabilities, make management by the ministries of social development less effective and less efficient. Work is therefore required to address the gaps that frequently exist between the mandates and responsibilities of ministries of social development and their institutional capacities (organizational, operational, human, technological and financial).

Certain tools can facilitate such processes, with a view to ensuring sustained high-quality social policy, including logical analysis of existing law, assessing aims and requirements and identifying priorities and key challenges, both within the technical teams of ministries of social development and in relations with external stakeholders. A review must also be performed of commitments and targets, the approach of government policy and the technical alternatives available for aligning and meeting requirements.

To obtain a clear view of institutional capacity to meet commitments, an assessment must be performed of alignment of the logical framework for social policy, assigned functions, the organizational model, and available resources. In view of this, it is advisable to conduct ongoing evaluation of institutional capacities (organizational, operational, human, technological and financial), highlighting the strengths and weaknesses of the current legal framework in terms of achieving aims and proper specification of the role of the social authority and its counterparts at the different levels of government.

Of the management tools that can contribute to this, consideration should be given to results-based management model and process certification and re-engineering. Results-based management enables management priorities to be set and measures to be implemented over time, as well as facilitating linkages with the required human, physical and financial resources. Process certification and re-engineering can contribute to making management transparent, finding means of improving efficiency, identifying opportunities for improvement, and monitoring progress and its link with measurement of the effectiveness of government action.

## B. Organizational dimension

### Proposal 3. Invest in human resources, capabilities and technology to ensure positive outcomes

To complement this, strengthening human resource policies and personnel is vital to building professional, technical and administrative capacities that are central to more efficient management within ministries of social development. Progress on development of such policies within ministries of social development is not only a requirement but also an asset that can facilitate dialogue with other sectors and foster political will to move forward with implementation of their functions. Human talent is a key factor in moving towards a comprehensive approach to social policy. Together with highly trained public officials, human resources policies are required that support the stability and success of the key functions of ministries of social development. To expand these management capabilities and achieve sustainable outcomes, needs for management of present and future challenges must be quantified and areas for improvement must be identified, all of which must be accompanied by investment in information and communications technology (ICT).

An appropriate balance between human and technological capabilities is crucial. They are two sides of the same coin and must be analysed in a complementary and inter-temporal manner to guarantee institutional resilience and to minimize misalignment owing to needs for adaptation to formal mandates and changes in the economic and social context that may affect priorities.

## Proposal 4. Enhance efficiency and sustainability through coordination, decentralization and participation

When formulating management models for social protection systems, it is vital to have institutionalized interlinking instruments, not only with spaces for central coordination of actors, but also with defined roles in shared management processes, with clearly stipulated responsibilities and targets. Progress in this direction entails building an organizational culture that values inter-agency work. Multiple factors cause social problems, which also affect multiple dimensions; multisectoral measures are therefore required to address these problems in a comprehensive and sustainable manner (ECLAC, 2021).

This is a basic prerequisite for social protection systems to achieve their intended outcomes. Given the scope of such systems, coordinated efforts are required from the different levels of government and among them. Fulfilment by ministries of social development of the goals that are central to their mission does not depend entirely on individual work—in the same way that their contributions do not solely affect the areas for which they have exclusive responsibility—but rather on inclusive social development strategies that consider all social rights and thus all sectors. Although there are collegial bodies within many of the social authorities of the countries of the region, in some cases organizational silos persist, preventing full potential from being reached. The obstacles that prevent progress in this regard originate from specialization in different disciplines, but also from political, territorial and jurisdictional differences that become established and spread within public administrations. Therefore, in order to create new and renewed management spaces and break away from these cultures, in this document it is argued that interlinkages are fundamental, as well as the potential they offer in terms of quality social policy. Therefore, interlinkages must be raised as a key area for improving governance. This calls for strategies, as it is the responsibility of the stakeholders to take steps to institutionalize such processes.

Including technical work teams and key stakeholders from the community in these analysis and design processes contributes to their substance, to social cohesion, and to the level of commitment assumed with respect to targets by all stakeholders involved. The potential of participation should be drawn on, as it is important not only in deepening democracy and providing greater legitimacy to social policies, but also in improving social policy by enabling design and implementation that is better aligned with local realities (Cecchini and Holz, 2021). Furthermore, given the growing distrust of governments and their policies, citizen participation in public administration strengthens citizens' feeling of belonging as members of their communities, allows them to express and defend their interests, draws on their experiences and boosts their capacities, thus contributing to improved quality of life. This is in line with the principle of people's empowerment and autonomy of the Regional Agenda for Inclusive Social Development, which seeks to promote participation of individuals, families and communities "so that they can choose and carry out their life projects in decent conditions, effectively enjoying rights, free from all forms of violence and discrimination" (ECLAC, 2020c).

A one-stop shop or single point of access—enabling citizens to access all social protection programmes and benefits through a single channel—is a specific expression of applied coordination of social management in a country. There are several positive experiences of such an initiative in the region, but there is still a long way to go. Three alternative formats in this regard have stood out: (i) physical establishments, with local offices that offer multiple services; (ii) face-to-face, with family support that brings public services into the home; and (iii) digital platforms, enabling citizens to access information, learn about procedures and apply for services and receive them directly. In this regard, the capabilities offered by the ongoing rapid technological transformation present an excellent opportunity to expand coverage of programmes and close gaps in the physical world. Indeed, gaps could widen instead of narrowing for the most vulnerable if they do not have access to networks with sufficient coverage and capacity or to adequate digital connection equipment, or if they do not have sufficient digital literacy to participate as necessary (Martínez, Palma and Velásquez, 2020; ECLAC, 2022c).

## C. Technical and operational dimension

### Proposal 5. Invest in information systems for decision-making

One area that is crucial and strategic, not only in the specialized literature but also in the experience of the countries of the region, is information systems. It is therefore imperative to undertake substantial investment in them, with the aim of promoting a culture of evidence-based decision making, with information that gives as accurate a vision as possible of social realities and of the actions taken by the various stakeholders in social policy, both public and private, so that the parties involved can make increasingly transparent and objective decisions. To achieve this, a number of measures should be considered. Many measures are already under way in the countries of the region, but others still require greater impetus to be implemented.

### Proposal 6. Expand and disseminate social information at the intersectoral and population levels to reaffirm and consolidate the central role of inclusive social development

One way forward is to undertake processes that strengthen information systems for decision-making, improving the coverage and reliability of administrative records, expanding social records and creating or expanding social observatories, with data on social realities, public policies and stakeholders. Given that it is now easier to process big data, interoperability of records and connections with social, economic and environmental data from various public and private sources represent an unmissable opportunity, while always respecting people's right to information privacy.

### Proposal 7. Consolidate and create social policy monitoring and evaluation systems

Monitoring and evaluation of social programmes has a history in the region spanning more than three decades; however, key challenges remain with respect to disseminating the culture of monitoring, management control and evaluation. Public agencies are needed that have methodological approaches and technical capacities suited to the requirements of inclusive social development and other social functions. Such agencies should not only consider the specific impacts of programmes but also coordinate the analysis of outcomes of the different stakeholders, be connected with national statistical systems, and analytically link monitoring and control of management with observed impacts.

Comprehensive monitoring of management not only entails checking compliance with the targets set for each administrative unit, whether physical or financial, but also having an information system with which to compare the results of different areas and organizational units and to identify risks and areas for continuous improvement in management, in relation to the impacts sought and the technical and technological equipment required.

A key aspect in this area is the organizational model, and the body within the public administration that oversees the monitoring and evaluation system. As indicated in chapter I, experiences in the region are varied: specialized areas within ministries of social development (such as the Office of the Undersecretary for Social Evaluation in Chile or the Directorate-General for Monitoring and Evaluation in Peru), offices overseen by other ministries (such as the Council for Monitoring and Evaluation of Public Policies in Brazil, which reports to the Ministry of Economic Affairs, or the National System for Evaluation of Management and Results (SINERGIA) in Colombia, which reports to the National Planning Department), or specific institutional frameworks (such as the National Council for Evaluation of Social Policies (CONEVAL) in Mexico). Ideally, the greatest possible technical capacity and autonomy should exist to perform assigned functions, and each of these alternatives has advantages and disadvantages in this regard. The best-suited institutional

arrangement depends on the situation of each country; what is important is to safeguard performance of evaluation functions to improve the quality of social policy. Lastly, building a culture of monitoring and evaluation calls for systematic measures and greater efforts to disseminate findings and lessons, within and outside government institutions overseeing social policy.

## Proposal 8. Expand the use of metrics in social policy decision-making

The momentum offered by the proposals included in the 2030 Agenda should be seized, to encourage a three-dimensional vision (economic, social and environmental) in evaluation and resource allocation methodologies.

Traditionally, (ex ante) evaluation models—for production-related projects and for social policy projects—have had an efficiency-based approach, based on cost-benefit and minimum cost analysis, accompanied by a rationale based on prioritized objectives and, on occasion, estimates of expected impact. This is consistent with a view of development focused on economic growth, but does not sufficiently consider the three dimensions of sustainable development: economic, social and environmental. Economic growth is a cornerstone of development strategies; however, environmental sustainability and inclusive social development are also required to move forward with a sustainable development strategy. Therefore, investments should be made in implementing new evaluation methodologies—like the systems that are currently available for valuing the economic impact of ecological footprints, including development of carbon credit markets—to raise awareness of both social footprints and their economic and environmental impact. In addition to providing a more comprehensive view of the situation, this would enable resources to be allocated in a more sustainable manner.

In addition to this sustainable development approach that underpins the 2030 Agenda, it is also necessary to develop multi-criteria methodologies that take into account ongoing experiences in developed countries and in the region itself. Examples include the systems in place in Australia, Canada, France, New Zealand, the Republic of Korea and the United Kingdom, all countries that have made progress on taking these aspects into account when evaluating investment projects. In the region, there have also been positive experiences in this area, such as those of Argentina and Paraguay, in addition to the technical proposal prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) in conjunction with the Ministry of Social Development and Family Affairs of Chile for new methodologies for the country's National Investment System (ECLAC/MDSF, 2023).

## D. Financial dimension

### Proposal 9. Pursue financial sustainability in order to strengthen institutional frameworks for social policy, to eradicate poverty and reduce inequality

To realize inclusive social development in the countries of the region, it is crucial to have access to financial resources that enable a minimum level of benefits to be maintained, to offer well-being in accordance with social rights and the Goals of the 2030 Agenda. Considering the level of social expenditure and social policy implementation capacities that the countries demonstrated when responding to the coronavirus disease (COVID-19) pandemic, it seems this challenge can be overcome, to close current gaps.

In light of the background information provided in chapter I on the financial dimension of the institutional frameworks for social policy of 14 Latin American countries in 2021, it is estimated that the income gap of households to reach the extreme poverty line is equivalent to an average of 0.24% of GDP, and in the case of the poverty gap, to 1.53% of GDP. These figures give some idea of the effort required, even though they mask a wide variety of situations in the countries, relating to the extent of poverty and levels of spending in each territory; as a result, the challenge is multi-faceted.

Considering the capacities and challenges in each country, it is proposed that gradual progress be made towards targets for poverty and extreme poverty, increasing earmarked expenditure on non-contributory social protection transfers from ministries of social development, in order to close households' income gaps so that they at least reach the extreme poverty line. Therefore, with an average annual increase of 0.1% of GDP in public spending on non-contributory social protection income transfers for households,<sup>1</sup> almost the entire population would reach—with the sum of their own income and non-contributory transfers—an income level equal to or higher than the extreme poverty line by 2030. Only the Plurinational State of Bolivia would require an additional year to reach the target, while 11 countries would reach it in less than five years.

With the proposed spending on non-contributory transfers, the target of one poverty line would be reached in three countries in the region between now and 2030 (Costa Rica, Panama and Uruguay), and in another two (Chile and the Dominican Republic) by 2032.

In the case of countries that are able to increase spending by an average of 0.2% of GDP, after 10 years, in addition to the five countries mentioned above, another five (Argentina, Brazil, Ecuador, Paraguay and Peru) would be expected to reach a minimum income level of one poverty line. Mexico would follow them one year later.

If these figures were to be distributed at a fixed amount equivalent to an average extreme poverty line per person, rates of extreme poverty would be more than halved from their current levels in all 14 countries. The size of the gap would thus narrow on average from 0.24% to 0.07% of aggregate GDP.

The countries of Latin America have viable and sustainable fiscal space to finance growth in social investment through an annual increase in national budgets, which would enable minimum levels of socioeconomic well-being, in line with the proposals in the 2030 Agenda for Sustainable Development. However, the expected outcomes are not automatic. They require an effort from institutions for social policy to manage and finance administration of the transfers and the political will to make them happen.

For the Caribbean countries, significant impacts on well-being could also be expected, with an increase in the amount of the non-contributory social protection income transfers to households. However, the subregion faces significant challenges in terms of availability of data for indicators that are vital to decision-making. Accurate and comparable data on poverty and extreme poverty are urgently needed in all the countries of the region, to set financial sustainability targets, supported by fiscal policy in the area of inclusive social development.

## Proposal 10. Produce and disseminate studies on the socioeconomic cost of existing social gaps

Producing and disseminating studies on the socioeconomic impact that social policies have on closing gaps in areas such as poverty, inequality, hunger, access to water and sanitation, quality education, and effective access to public health, housing or decent pensions, is part of consolidating a narrative that impacts countries' agendas, to underscore the importance of investing in social policies in general and in universal, comprehensive, sustainable and resilient social protection systems in particular.

Often, social investment decisions are based on the cost of implementing proposed social programmes and their links to the objectives pursued. Little attention is given to the social and economic cost of not addressing social problems, of not implementing social policies to address their solution. This leaves out a key part of the analysis, as in many cases it entails committing more resources than the cost of solving them. Providing a solution to social problems can, therefore, more than justify the expenditure involved and thus facilitate allocation of financial resources.

In this context, socioeconomic research by ministries of social development can facilitate evidence-based decision-making and make policy implementation feasible, with an analysis of socioeconomic costs and benefits

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<sup>1</sup> Estimate to cover existing income gaps in each household, on the basis of average figures for 14 Latin American countries. The calculations do not take into account operating expenditure.

complementing the impact on exercise of social rights that social policy seeks to achieve. The experience of the studies on the cost of hunger (Martínez and Fernández, 2009) and the cost of the double burden of malnutrition (Fernández and others, 2017) carried out jointly by ECLAC and the World Food Programme (WFP) are specific examples that could be drawn on to make progress with this type of research.

Following these public policy proposals to strengthen the institutional frameworks for social policy of ministries of social development, two cross-cutting proposals are presented below that may be key to the impact of inclusive social development policies: (i) strategic forward planning; and (ii) pursuing new social and fiscal compacts to address inequality in the region.

## Proposal 11. Conduct strategic forward planning

To make implementation of social policy proposals feasible, it is important not only for proposals to be technically sound, but also politically viable, given the contexts in which decisions are made.

Given the diversity of stakeholders in the public policy cycle, with different views and interests, strategies for constructing quality social policies need to be based on careful technical and substantive arguments, capable of convincing these multiple stakeholders and addressing their potential reluctance. This is true both for the general direction of social policy and for each programme or project that undergoes a decision-making process at some point in the public policy cycle. In addition to the need for well-founded designs in terms of the relevance and technical robustness of proposals, the use of strategic planning and forward planning tools is suggested.

In that regard, ministries of social development should consider the following actions:

- Ensuring they have a detailed description of existing governance structures and the characteristics of the decision-making process they must follow, pursuant to prevailing regulations.
- Identifying internal strengths and weaknesses and external opportunities and threats, which could facilitate or hinder a proposal.
- Characterizing the stakeholders involved (internal and external), including their degree of influence, positions, priorities and the feasibility that they receive what is proposed, determining how much there is for negotiation.
- Assessing, with care, the scope for action and possible windows of opportunity or reluctance over the public policy cycle.
- Analysing scenarios and courses of action to reach the broadest consensus in decision-making, identifying the key minimums to move towards the established objectives.

## Proposal 12. Pursue new social and fiscal compacts

Various documents have highlighted the need to foster changes that lead to a new social and fiscal compact, in order to support inclusive and sustainable social development strategies in the region (ECLAC, 2014 and 2022b; Hopenhagen and others, 2014).

The social compact is inherently linked to governance. As highlighted in the position document of the fourth session of the Regional Conference on Social Development in Latin America and the Caribbean, the social compact is a political instrument based on broad and participatory dialogue, serving to build consensus and forge agreements for the medium and long term. The compact entails all sectors taking ownership of and contributing to those agreements, and actors with more power and privilege making

significant concessions on their immediate interests, to create a more stable, beneficial, legitimate and sustainable collective situation for society as a whole in the medium and long term. It is also an instrument to collectively adopt wide-reaching objectives, making structural reforms and transformative policies more legitimate and robust (ECLAC, 2021).

ECLAC has also stated that the fiscal compact is the natural complement to the social compact, and should promote progressive and sustainable taxation that guarantees the financial sustainability of social protection through sufficient financial resources, thus enabling social investment that promotes inclusive social development, the enjoyment of rights and resilience-building among the population. This proposition has been accompanied by clear and direct proposals for implementation, such as moving towards fiscal policy that supports development and implementation of universal, comprehensive, sustainable and resilient social protection systems (ECLAC, 2021).

The social challenges at the regional, national and local levels arising from the existing socioeconomic context and the Goals of the 2030 Agenda for Sustainable Development must be considered together with the aforementioned factors relating to institutional frameworks for social policy and the characteristics of governance of the social policy decision-making process in the countries. The opportunities that arose from the pandemic can be drawn on to advocate for social and fiscal agreements and compacts, highlighting institutional frameworks for social policy and democratic governance as complementary assets to contribute to the pursuit of inclusive and sustainable social development.

Specifically, in keeping with previous proposals, this document urges support for joint efforts to increase public spending on non-contributory social protection. In that regard, studies should be performed of the feasibility of setting a target to finance income transfers aimed at ending income poverty, linking that target —with a multidimensional approach— to fulfilment of the other targets of the social aims set out in the 2030 Agenda, leaving no one behind. Networks should be formed of the public sector, civil society, academia, the production sector and international cooperation bodies, to enable creation of fiscal space that guarantees the financial sustainability of social protection. Countries need broad, explicit and formal agreements to ensure the sustainability of these social policy efforts. This effort should bring not only social benefits, but also significant indirect impacts in terms of social cohesion, public safety, democratic governance and economic development, while addressing and reducing inequalities.

Cooperation, both intraregional and interregional, is crucial to countries' ability to implement these proposals and successfully improve their capacity and institutional framework for social policy, shaping governance in a way that centres on transparency and information. Sharing experiences and learning from successes and failures will allow all the countries to move forward with these processes and strengthen regional institutional frameworks. The Regional Agenda for Inclusive Social Development offers a solid framework for developing these dissemination and persuasion strategies. It brings together a rights-, gender- and universalism-based approach that is sensitive to difference. That approach contributes to addressing possible reluctance or resistance from multiple stakeholders, especially in terms of overcoming inaccurate information and even prejudices and stigmas that often emerge in public discussions on social policies and institutional frameworks for social policy.

Lastly, Latin America and the Caribbean is unfortunately a leader in terms of inequality, and addressing this is one of the main objectives of social policies and inclusive social development strategies. In that regard, different factors must be considered, and this document is devoted to one of them: the strengthening of institutional frameworks for social policy, which —together with suitable governance of the decision-making process— is a key element in promoting social policies to decisively tackle poverty and inequality, and in implementing inclusive and sustainable social development policies in the region.

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In a global context of cascading crises and great uncertainty, Latin America and the Caribbean continues to face structural problems such as poverty, inequality and the violation of economic, social, cultural and environmental rights. While institutional frameworks for social policy show progress, these frameworks are still being consolidated. This is compounded by critical obstacles to inclusive social development, which include technological transformation, migration, the effects of disasters and climate change, and various forms of violence, that risk exacerbating challenges.

In view of the achievements and challenges of the countries of Latin America and the Caribbean in their efforts to get back on track to achieve the goals of the 2030 Agenda for Sustainable Development, this document analyses the progress made and identifies some avenues for strengthening social policy institutions, and thus improving the quality of public policies for social development. It also presents some recommendations for building strategic and transparent governance of decision-making processes, as a prerequisite for ensuring that a rights-based approach can become a sustainable reality in the region.