Sustainable Development Goal (SDG)

End poverty in all its forms everywhere

1 NO POVERTY

Regional overview

- Latin America made progress in reducing extreme poverty[1] and poverty[2] between 2000 and 2010. Subsequent setbacks have lowered the likelihood of the subregion achieving Sustainable Development Goal (SDG) 1. Almost a third of Latin Americans live in poverty: more than 180 million people do not have sufficient income to cover their basic needs and, of those, 70 million do not earn enough to buy a basic food basket. In the Caribbean, poverty levels are uneven across countries and, while there is insufficient information to describe the trend in the subregion, available estimates indicate that poverty affects at least a quarter of the population in more than half the Caribbean countries.[3]
- The highest incidence of poverty is found among children and adolescents, women, Indigenous Peoples, and people living in rural areas.[4] Poverty goes beyond lack of income and resources; its manifestations include: hunger and malnutrition; limited access to education, social protection and other basic services; vulnerability to disasters and climate change; discrimination; and social exclusion.
- To address the structural problems of poverty and inequality, the countries of the region have made efforts in recent decades to strengthen their social protection systems through policies to expand benefit coverage and levels, as reflected in higher percentages of the poor receiving cash transfers or non-contributory pensions. Despite this, there are still wide gaps in access to social protection, and its coverage and scope remain insufficient.
- On average, the region has made progress towards high levels of access to basic services, especially safe drinking water and sanitation. However, the regional average hides considerable gaps between urban and rural areas, as well as between subregions and countries. In addition, despite the introduction of new financing mechanisms and progress in terms of linkage between social policy and climate action, there is still insufficient progress in ensuring institutional and social resilience to disasters.

1 Extreme poverty is the insufficiency of household income to afford necessary food.

2 Poverty is the insufficiency of household income to purchase goods and services that meet the basic needs of its members.

3 The figures presented for Latin America correspond to 18 countries. For an overview of the incidence of poverty in Caribbean countries, see box I.2 in Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1), Santiago, 2023.

4 Ibid.

Key facts on the region

- In 2022, the proportion of people living in poverty in Latin America was 29%, 1.2 percentage points lower than before the outbreak of the coronavirus disease (COVID-19) pandemic. Extreme poverty affected 11.2% of the Latin American population, so levels have remained similar to those of 2019.
- Poverty disproportionately affects some population groups. In 2022, poverty rates in working-age women were 1.2 times higher than in men; the poverty rate for people aged 17 and below was 42.5% in 2022, 16 percentage points higher than in the 35–44 age bracket; in the same year, the incidence of poverty in the self-identified Indigenous population was 43.1%, twice that of the non-Indigenous and Afrodescendent population.[5]
- In 2019, only 46% of the economically active population was contributing to pension systems,[6] and in 2021, 25.9% of the population was enrolled in conditional transfer programmes, although in many cases with low adequacy levels.[7] Non-contributory pension systems covered 26.7% of the population aged 65 and over in the region in 2021. Even with that progress, conditional transfer policies and non-contributory pensions are insufficient.
- Between 2000 and 2022, the percentage of the population with access to safe drinking water increased from 90.7% to 97.6%, while access to sanitation rose from 74.7% to 89.5% of the population. However, in rural areas access was still far from universal for both indicators and progress was slower in the Caribbean in terms of access to safe drinking water.
- In 2020–2022, the trend in central government social spending was significantly disrupted, with a spike at the onset of the pandemic followed by a return to near-2019 levels in 2022, of around 11% of GDP on average, which represented a much larger adjustment than that observed in the period following the 2008 subprime mortgage crisis.

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5 Ibid.

6 A. Arenas de Mesa, C. Robles and J. Vila, "El desafío de avanzar hacia la sostenibilidad de los sistemas de pensiones en América Latina", *Social Policy series*, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2024, forthcoming.

7 N. Figueroa and R. Holz, "Las persistentes brechas de protección social en la región", *El futuro de la protección social ante la crisis prolongada en América Latina: claves para avanzar hacia sistemas universales, integrales, resilientes y sostenibles*, Social Policy series, No. 246 (LC/TS.2023/163), C. Robles and R. Holz (coords.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2023.

- In Latin America, social spending remains the largest component of total public spending, accounting for 53.4% on average. In the five Caribbean countries for which official information is available, this expenditure amounts to 42.2% of total public spending, on average.
- Social protection, education and health are the items that account, on average, for the largest shares of social spending in Latin American and Caribbean countries. Social spending on social protection accounts for 34.9% in Latin America and 23.1% in the Caribbean; education for 34.3% and 31.3%, respectively; and health for 23.3% and 29.9%, respectively.
- In 2022, only two countries in the region attained the health spending target recommended by the Pan American Health Organization (PAHO),[8] if general government spending is taken into account, and none if central government resources are considered.[9] In the same year, only eight countries in the region were in the recommended ranges for education spending.

Good practices in the region

- The adoption of multidimensional poverty measures has gradually spread in Latin America. Eleven countries in the region (Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and Paraguay) have a multidimensional poverty measure that allows them to capture the various deprivations that constitute poverty, including those related to health, work, social security, education, housing and access to basic services.
- The Regional Water Action Agenda 2023 for Latin America and the Caribbean, the main outcome of the Regional Water Dialogues held that year, is a valuable compilation of the main ideas, efforts and voluntary commitments related to water, as well as a contribution to effective progress

[8] In terms of health spending, in 2014, PAHO set a target of 6% of GDP as a necessary condition for reducing inequities and increasing financial protection within the framework of universal access to health and universal health coverage. See Pan American Health Organization (PAHO), *Strategy for Universal Access to Health and Universal Health Coverage*, Washington, D.C., 2014.

[9] Economic Commission for Latin America and the Caribbean (ECLAC), *Institutional Frameworks for Social Policy in Latin America and the Caribbean: a Central Element in Advancing towards Inclusive Social Development* (LC/CDS.5/3), Santiago, 2023.

by the region's countries in the framework of the second half of the Decade for Action "Water for Sustainable Development", 2018–2028 and, thereby, to the achievement of the SDGs.

- The Regional Agenda for Inclusive Social Development adopted at the third session of the Regional Conference on Social Development in Latin America and the Caribbean in 2019, is an important instrument for strengthening social institutions as a fundamental basis for the design and implementation of quality public policies that are effective, efficient, transparent and sustainable.

ECLAC recommendations

- To continue reducing multidimensional poverty in the region, in an adverse context of low growth and slow post-pandemic economic and social recovery, comprehensive and intersectoral public policies are required that address the structural and cyclical causes of inequality and social exclusion, not only its immediate manifestations.
- A combination of measures designed to boost growth and reduce inequality in income distribution is key to bringing about more significant reductions in poverty and extreme poverty. In particular, public policies that emphasise the reduction of poverty gaps between population groups will play a key role in improving the region's prospects for meeting SDG target 1.1.
- In a labour environment of high informality and precarious employment, there is a need to foster inclusive growth and decent employment, especially for women, young people, older persons and migrants. It is also important to increase the contribution of micro-, small and medium-sized enterprises (MSMEs) through policies that foster labour formalization, productive training and participation in value chains.
- To avoid intergenerational transmission of poverty in the long term, it is key to improve the quality of public education and expand its coverage in order to boost learning opportunities and human development, as well as to make progress in the coverage and quality of public health services.
- Social protection systems need to be strengthened by fostering virtuous linkages between the contributory and non-contributory pillars in order to achieve universal coverage and sustainability.

Social protection

Inclusive growth

Decent employment

Labour formalization

There is also a need for such systems to be more inclusive and gender-sensitive, and to ensure access to basic services and a minimum income for the most vulnerable.[10]

- It is important to expand the legal and effective coverage of unemployment insurance in the region, which exists in only 10 of its 33 countries, so that it operates as an automatic crisis stabilization policy.
- It is also important to integrate disaster risk management with social protection and green recovery instruments in order to increase resilience to the impacts of climate change and disasters, and to ensure that they do not increase poverty in its various dimensions.

[10] A. Arenas de Mesa and C. Robles, "Introducción", *Los sistemas de pensiones no contributivos en América Latina y el Caribe: avanzar hacia la sostenibilidad con solidaridad*, Libros de la CEPAL, A. Arenas de Mesa and C. Robles (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), forthcoming.

A COMBINATION OF MEASURES DESIGNED TO BOOST GROWTH AND REDUCE INEQUALITY IN INCOME DISTRIBUTION IS KEY TO BRINGING ABOUT MORE SIGNIFICANT REDUCTIONS IN POVERTY AND EXTREME POVERTY

Key regional statistics

Sustainable Development **Goal 1**

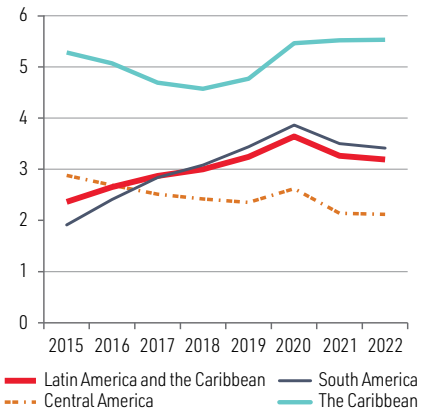
End poverty in all its forms everywhere

Progress in Latin America and the Caribbean

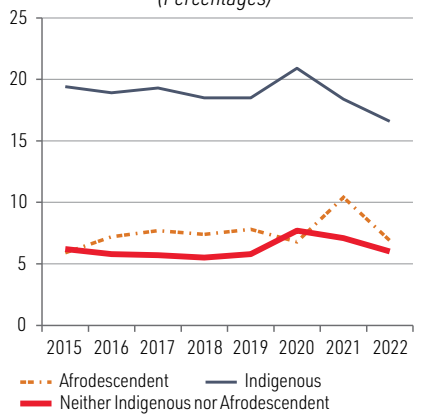
Target 1.1 Eradicate extreme poverty

1.1

Indicator 1.1.1 Proportion of the employed population living below the international poverty line, 2015–2022
(Percentages)



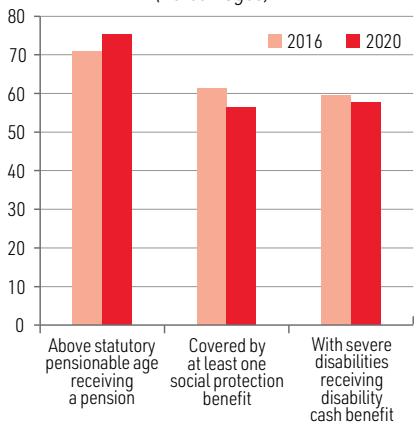
Indicator P-1.1.1 Latin America: Proportion of population living below the regional extreme poverty line, by sex, age, employment status, geographical location (urban or rural) and ethnicity, 2015–2022
(Percentages)



Target 1.3 Implement social protection systems

1.3

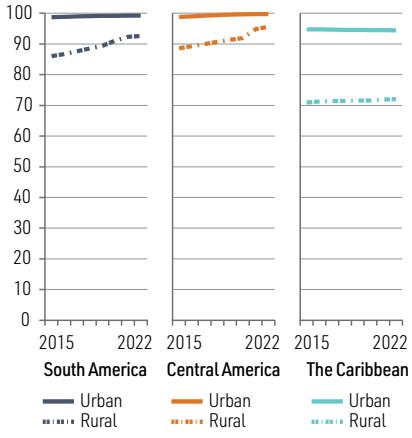
Indicator 1.3.1 Proportion of population covered by social protection floors/systems, 2016 and 2020
(Percentages)



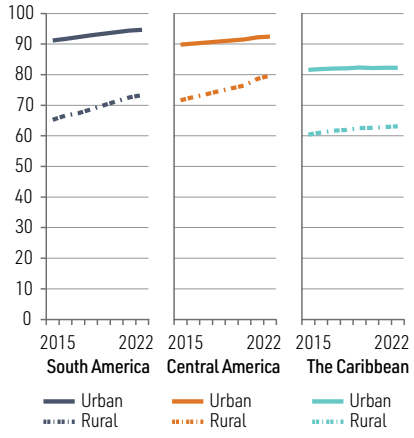
Target 1.4 Equal rights to economic resources, basic services, property and technology

1.4

Indicator 1.4.1 Proportion of population with access to basic services: drinking water, 2015–2022
(Percentages)



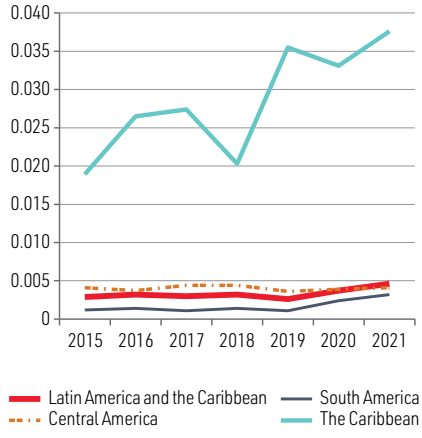
Indicator 1.4.1 Proportion of population with access to basic services: sanitation, 2015–2022
(Percentages)



Target 1.a Resource mobilization to end poverty

1.a

Indicator 1.a.1 Official development assistance grants focused on poverty reduction, 2015–2021
(Percentages of gross national income)



The trend is moving away from the target
The trend is in the right direction, but progress is too slow for the target to be met
Target already reached or likely to be reached on the current trend

The trend is moving away from the target
The trend is in the right direction, but progress is too slow for the target to be met
Target already reached or likely to be reached on the current trend
Insufficient data

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

Note: Each indicator comprises one or more statistical series, which partially or fully cover the corresponding indicator. In the figures presented here, one or more statistical series were used for the respective indicator.