

Executive summary

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# Social Panorama of Latin America and the Caribbean **2024**

The challenges of non-contributory  
social protection in advancing towards  
inclusive social development



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ECLAC

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# Social Panorama of Latin America and the Caribbean **2024**



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social protection in advancing towards  
inclusive social development**



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**ECLAC**

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The Social Panorama of Latin America and the Caribbean is a publication prepared annually by the Social Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC), led by Alberto Arenas de Mesa, and by the ECLAC Statistics Division, led by Rolando Ocampo, with the collaboration of the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, headed by Simone Cecchini, and the Division for Gender Affairs of ECLAC, headed by Ana Güzmes García.

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- Three dots indicate that data are not available or are not separately reported.
- A dash indicates that the amount is nil or negligible.
- A full stop is used to indicate decimals.
- The word “dollars” refers to United States dollars, unless otherwise specified.
- A slash between years (e.g. 2023/2024) indicates a 12-month period falling between the two years.
- Individual figures and percentages in tables may not always add up to the corresponding total because of rounding.

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## **A. Social protection, especially its non-contributory component, is essential for advancing towards inclusive social development**

Although it varies from country to country, the development pattern in Latin America and the Caribbean has a number of common economic, social and environmental imbalances, which are reflected in three development traps: low capacity for growth; high inequality and low social mobility and cohesion; and low institutional capacity and ineffective governance to address development challenges ([Salazar-Xirinachs, 2023](#)). Against the backdrop of these three traps and the vicious circles that feed them, it is no exaggeration to say that the countries of the region are in a development crisis.

Data regarding the first trap speak volumes: between 2015 and 2024, the annual growth rate in Latin America and the Caribbean averaged just 0.9%, less than half the 2.0% recorded in the “lost decade” of the 1980s ([ECLAC, 2024a](#)). This worrying situation has led the Economic Commission for Latin America and the Caribbean (ECLAC) to underscore the need to move towards a great productive transformation by scaling up and improving productive development policies. This is the key to breaking from the trap of low capacity

for growth ([ECLAC, 2024b](#); [Salazar-Xirinachs and Llinás, 2023](#)). As regards the second trap, the high inequality characteristic of the region is caused by several factors: a heterogeneous and slow-changing production matrix, weak education and vocational training systems with high dropout rates and poor learning outcomes, regressive tax systems, and social protection systems marked by weaknesses and gaps ([ECLAC, 2024c](#)). The trap of low institutional capacity and ineffective governance translates into public policies and institutions that lack the capacities to manage the necessary transformations. Breaking from this trap will require strengthening the technical, operative, political and prospective (TOPP) capabilities of institutions in each area of transformation, including forums for social dialogue and the mobilization of requisite financial resources. Also needed are strategies to build pro-reform coalitions, as opposed to those that resist change; for this, an analysis of the political economy of reform is essential ([ECLAC, 2024c](#)).

This development crisis is interwoven with a host of critical obstacles to inclusive social development in the region. These include deeply rooted poverty and vulnerability to it, structural, unjust and inefficient inequalities; gaps in human capacity-development (in education, health, nutrition) and in access to basic services; deficits in decent work and uncertainties linked to technological changes in the world of work; still partial and unequal access to social protection; a social institutional framework under construction; and insufficient social investment. These issues have been compounded by emerging obstacles related to the different forms of violence, the demographic transition and migratory trends; changes in the world of work, the technological transformation, epidemiological and nutritional changes, and climate change and disasters ([ECLAC, 2019](#)). This involves a structure of social risks that is being reconfigured and is superimposed on a set of structural risks that occur over the life cycle and render people more vulnerable to falling into and remaining in poverty, and to the violation of their social, economic, cultural and environmental rights ([Robles, 2024](#)).

Addressing the various challenges posed by this scenario calls for urgent efforts to strengthen social protection systems in the region, as they play a direct role in eradicating poverty and reducing inequalities by aiming to ensure universal access to adequate income levels, basic social services and housing, and to labour and social inclusion policies and decent work (ECLAC, [2020a](#), [2022a](#), [2022b](#) and [2023a](#)). Moving towards universal, comprehensive, sustainable and resilient social protection systems is vital. This will require adopting a universalist approach that is sensitive to differences, making these social protection systems accessible to all and making it possible to address existing inequalities. It will also require strengthened and comprehensive systems to address risks in an intersectoral manner and with coordination among administrative levels and throughout the life cycle. At the same time, they must be sustainable, meaning that they must fulfil the commitments made to this generation and future generations, with a balanced approach to three dimensions: coverage, adequacy of entitlements and financial sustainability. Lastly, there is a need for social protection systems that are resilient to change and crises and are responsive, flexible and adaptable ([Arenas de Mesa, 2023](#); ECLAC, [2021](#) and [2022a](#); [Cecchini and Martínez, 2012](#)).

Social protection systems of this nature, which place people at the centre, are of strategic importance for progress towards inclusive social development and are the fundamental basis for progress towards true welfare States ([Arenas de Mesa, 2023](#)). The focus on the eradication of extreme poverty and poverty, and the reduction of inequalities, is consistent with inclusive social development, which can be defined as a condition in which all people live free from poverty and have a level of well-being that aligns with economic growth. This enables the development of skills in a context of freedom and dignity, with full enjoyment of economic, social, cultural and environmental rights and opportunities for recognition and participation. To achieve this, the gaps in access to basic areas of well-being must be addressed, along with social inequalities and the structures that perpetuate them,

from a universalist perspective that is sensitive to differences ([ECLAC, 2024d](#)). Likewise, the focus on the enjoyment of rights helps to ensure people's access to quality public services, reduce their vulnerability to social risks and ensure sustainable income levels, making social protection a requirement of welfare states ([Briggs, 1961](#); [Barr, 2020](#); [ECLAC, 2023a](#); [ILO, 2018](#); [Segura-Ubierno, 2007](#)). These systems also enhance social cohesion and inclusion, redistributing risk exposure and a common social protection floor ([Robles, 2024](#)).

Social protection systems consist of contributory and non-contributory entitlements ([Cecchini and Martínez, 2012](#)). Contributory policies link the contributions made by individuals throughout their working lives with access to entitlements (both for recipients and any beneficiaries). They may be funded by contributions from employees and employers, as well as by public or other sources. Conversely, non-contributory policies decouple access to entitlements from contributions and are funded mainly from public resources (taxes or other government revenues), or from external grants or loans. They may be universal or target specific population categories, with priority given to certain income levels ([ILO, 2024a](#)). In the region, they include cash transfers (both conditional and non-conditional) and in-kind transfers, financial support through subsidies and tax deductions, transfers of goods and the provision of services, as well as non-contributory pension systems ([Cecchini and Martínez, 2012](#); [ECLAC, 2024d](#); [Robles and others, 2024](#)).

Non-contributory social protection becomes particularly relevant in view of the persistent levels of extreme poverty and poverty in the region, together with the historical and structural nature of inequality and the high levels of labour informality and low-quality jobs that translate into limited or scarce access to contributory social protection policies ([ECLAC, 2023a](#)). Non-contributory social protection policies are key to ensuring that access to well-being does not depend on the socioeconomic level of households and participation in the labour market (Esping-Andersen, 1990 and [1999](#)), as they lower access barriers for essential public

goods such as quality education and health, and reduce people's exposure to various risks through income protection mechanisms. To achieve this, social protection uses a number of mechanisms and tools, such as inter-agency work and linkages between the components of social protection systems; policies to ensure a basic level of income for all; integrated social information systems; crisis, disaster and emerging risk response mechanisms; systems and instruments for intersectoral linkages and coordination such as the joined-up policies developed for comprehensive care in early childhood and for other groups in need, such as older persons and persons with disabilities; and comprehensive care policies (ECLAC, [2020a](#) and [2023b](#)).

This edition of the Social Panorama of Latin America and the Caribbean presents an in-depth analysis of non-contributory social protection policies and programmes and the corresponding institutional framework, with particular emphasis on their vital role in eradicating poverty and reducing inequality. The impact of non-contributory social protection on poverty and inequality, which hinder inclusive social development, substantiates the need to increase social investment in this area, thus ensuring its financial sustainability, as well as the urgency of strengthening institutional capacities for the efficient implementation of these public policies.

## **B. Towards the Second World Summit for Social Development: social protection at the heart of inclusive social development strategies**

The World Summit for Social Development held in Copenhagen in 1995 was the first international effort to define social protection, linking it primarily to poverty eradication. On that occasion, it was argued that social protection should protect from poverty those whose employment situation, health or care needs and those who lost their livelihoods due to natural disasters or civil violence, wars or forced displacement put them at risk of falling

into poverty ([United Nations, 1995](#)). The indissoluble link between the promotion of social development and the protection of human rights was highlighted at the Summit, and social protection was a central element.

Almost 30 years later, debate on the definition and scope of the concept of social protection is ongoing (Arenas de Mesa, [2019](#) and [2023](#); [ILO, 2018, 2021](#) and [2024a](#); ECLAC, [2006, 2018](#) and [2020a](#); [Levy, 2018](#); [Cecchini and Martinez, 2012](#)). In 2000, the Commission for Social Development established that social protection is a “a set of public and private policies and programmes undertaken by societies in response to various contingencies in order to offset the absence or substantial reduction of income from work; provide assistance for families with children; and provide people with health care and housing”, noting that the definition was non-exhaustive a starting point ([United Nations, 2000](#), p. 3). It is noteworthy that this definition, together with the reference to the need for social consensus on the levels of either risk or deprivation that are deemed unacceptable, alludes to the idea that social protection is not exclusively aimed at people living in poverty, but also at those facing other types of life-cycle risks, whether during their working years or in retirement or old age.

The International Labour Organization (ILO) has also provided descriptions of social protection, regarding it as a human right that is “defined as the set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle” ([ILO, 2021](#), p. 226). It also establishes nine branches of social protection,<sup>1</sup> which may be addressed by a mix of contributory and non-contributory schemes and are closely linked with the ILO Social Protection Floors Recommendation, 2012 (No. 202).

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<sup>1</sup> These branches are: child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection (medical care), old-age benefits, invalidity/disability benefits, and survivors’ benefits ([ILO, 2021](#)).

ECLAC has also participated actively in the debate on social protection. In 2019, the Regional Agenda for Inclusive Social Development was adopted at the third session of the Regional Conference on Social Development in Latin America and the Caribbean; the instrument states that social protection aims to “guarantee universal access to income that permits an adequate level of well-being, as well as universal access to social services (such as health, education, water and sanitation), housing, labour inclusion policies and decent work” ([ECLAC, 2020a](#), p. 19). This first axis of this technical and political instrument focuses on the design, consolidation and deepening of universal and comprehensive social protection systems, and reflects a broad understanding of the concept of social protection that incorporates not only income protection and medical care when facing various risks, but also the importance of the development of human capacities, labour inclusion and care ([Robles, 2024](#)).

The pivotal role of social protection in advancing inclusive social development over the past 30 years and the extensive debate on the definition thereof set the stage for the discussions that will take place at the Second World Summit for Social Development in 2025. This will be a critical opportunity to ensure that social protection is regarded as a key component of development strategies and, on that basis, to identify and agree on strategic guidelines and policies to move towards universal, comprehensive, sustainable and resilient social protection systems.

### **C. The high-inequality trap and high levels of poverty: challenges for non-contributory social protection**

The high inequality and low social mobility and cohesion characteristic of Latin America and the Caribbean constitute a trap that hinders development and stems from various factors, including weak social policies and social protection systems that fail to mitigate the effects of inequality rooted in the production system and in the region’s history and culture

([ECLAC, 2024c](#)). Progress towards universal, comprehensive, sustainable and resilient social protection systems is therefore essential in order to face multidimensional, concurrent and acute challenges old and new.

Given the various interactions between the critical obstacles mentioned above and the simultaneity with which they occur, it is possible to identify a risk structure that is being reconfigured and could shape the development and future of social protection systems ([Robles, 2024](#)). Therefore, regional challenges faced by governments must be urgently identified with a view to designing transformative social protection policies that ensure the well-being of all. This requires, among other things, adequate levels of coverage, sufficiency and financial sustainability (Arenas de Mesa, 2023).

Although the countries of the region have made significant progress in expanding and strengthening their social protection systems, especially non-contributory social protection policies, significant gaps and inequalities remain that require urgent attention. According to the International Labour Organization ([ILO, 2024a](#)), around 2023, the proportion of the population covered by at least one social protection entitlement in Latin America and the Caribbean (effective coverage) was 61.2%.<sup>2</sup> As shown in chapter II, addressing this coverage gap requires strengthening social registries and establishing information systems that enable countries to identify vulnerable populations and bolster the mechanisms of social protection systems to ensure access for those who need it. Furthermore, there is marked segmentation in access to social protection depending on household characteristics. For example, in 2022, while 1 in 2 households in the lowest income quintile accessed social

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<sup>2</sup> This indicator to monitor target 1.3 of the Sustainable Development Goals (SDGs) indicates the proportion of the total population that receives a contributory or non-contributory cash benefit, excluding health and sickness benefits, under at least one of the contingencies or functions of social protection (refers to a contributory or tax-financed benefit) or that is contributing to at least one social security scheme ([ILO, 2024a](#)).

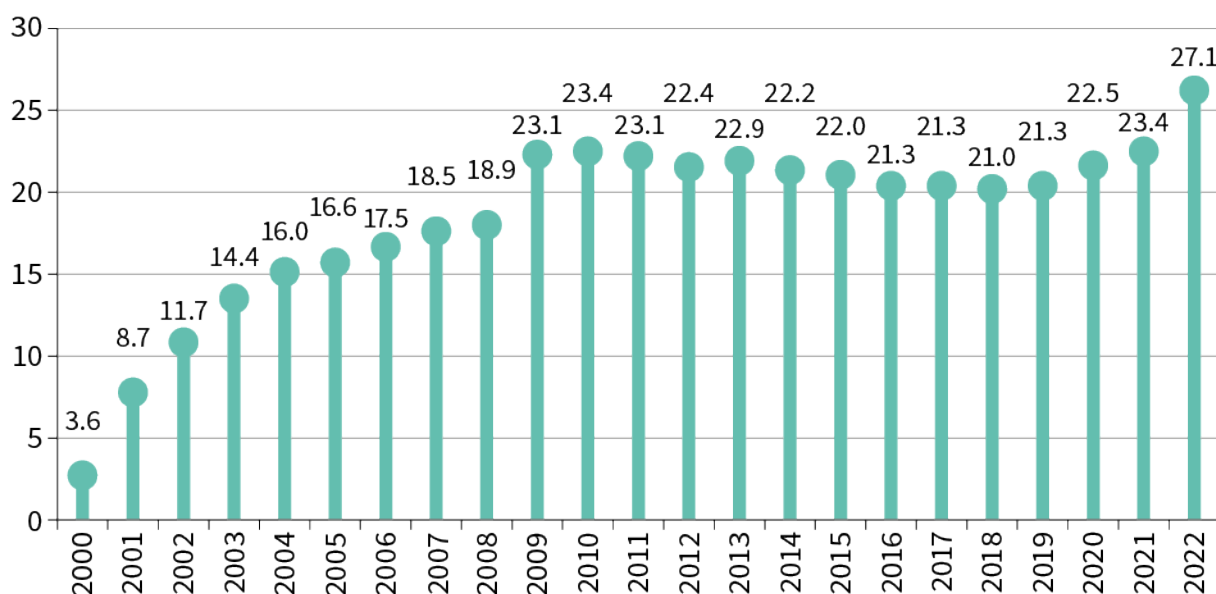
protection through non-contributory programmes (50.2%), this proportion dropped to 1 in 10 higher-income households (10.4%). Among the latter, the percentage of households lacking access to social protection was less than one fifth (17.3%) that same year, while in the lowest income quintile it exceeded one third of households (36.5%).

There has been a notable expansion of non-contributory social protection policies in the region. Two of the most important entitlements, in terms of coverage and investment in recent decades, are conditional cash transfer programmes, as shown in figure 1, and non-contributory pension systems, as shown in figure 2.

### Figure 1

Latin America and the Caribbean (20 countries):<sup>a</sup> population in recipient households of conditional cash transfer programmes and other continuous transfers,<sup>b</sup> 2000–2022

(Percentages of total population)

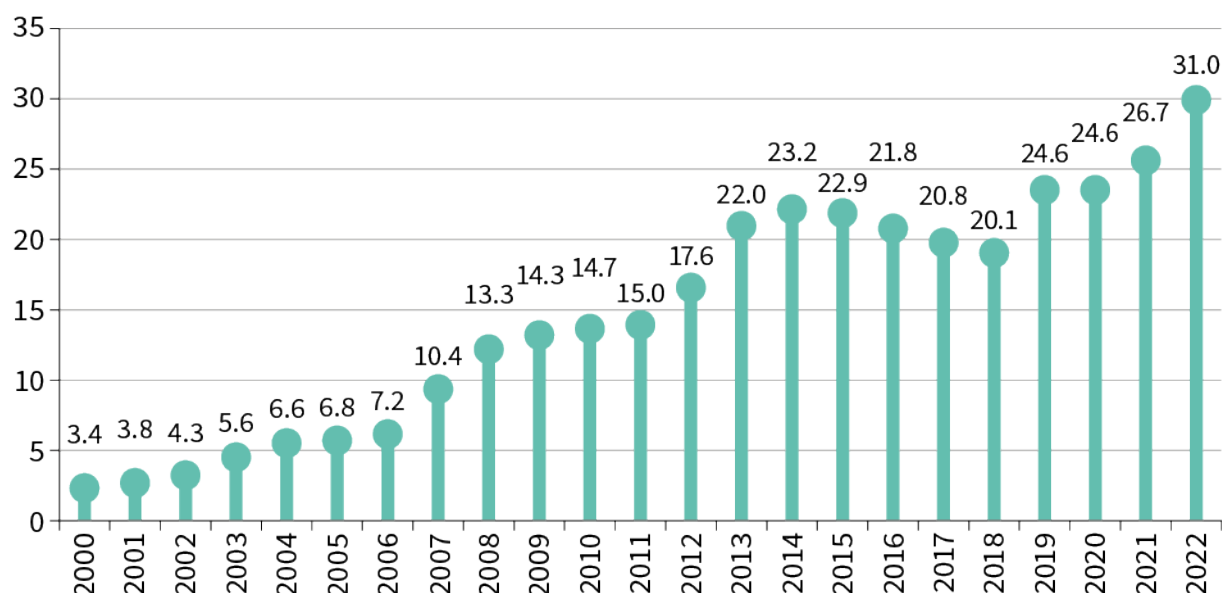


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), [Non-contributory Social Protection Programmes Database - Latin America and the Caribbean](#); Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, “Population estimates and projections. Revision 2022”; United Nations, [World Population Prospects 2022](#), New York, 2022.

- <sup>a</sup> Weighted average based on information on conditional transfer programmes and other permanent cash transfers, excluding in-kind transfers and subsidies, from the following countries: Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay. For Brazil, data for 2020 refer to coverage and expenditure of the Bolsa Família programme, and for 2021 and 2022, data refer to the *Auxílio Brasil* programme.
- <sup>b</sup> This indicator is built by multiplying the number of households covered, as informed by official country sources, by the average household size of the poorest income quintile at the national level, according to CEPALSTAT data. The method of Figueroa and Vila (2024) was used for the estimation of the complete series. The imputation of missing data by programme is done using the available data, assuming equivalence with the last available data or a linear relationship between the two closest available data. The total population of Latin American and Caribbean countries is used as a base for the average, regardless of whether they have programmes that are active in the year of estimation.

**Figure 2**

Latin America and the Caribbean (23 countries):<sup>a</sup> coverage of pensioners aged 65 and over in non-contributory pension systems,<sup>b</sup> 2000–2022  
(Percentages of population aged 65 years and over)



**Source:** J. I. Vila, C. Robles and A. Arenas de Mesa, “Overview of non-contributory pension systems in Latin America and the Caribbean: analysis of their evolution and their role in old-age economic security”, [Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability](#), ECLAC Books, No. 164 (LC/PUB.2024/6-P/-\*), A. Arenas de Mesa and C. Robles (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2024.

- <sup>a</sup> Weighted average for the following countries: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Trinidad and Tobago and Uruguay.
- <sup>b</sup> For years in which there is no coverage data, but the non-contributory pension system is operating, the values are imputed according to the following rule: if missing values are found at the start or end of the series, the first or last value is repeated up to three times; and the [Akima \(1970\)](#) interpolation method is used to complete intermediate missing values. If the age of access to non-contributory entitlements is younger than 65 years and age-specific coverage data is not available, this is calculated by multiplying the total reported coverage by the share of the population aged 65 years and older in the target population. No imputations are made if the non-contributory pension system has not been operating.

According to data from the ECLAC [Non-contributory Social Protection Programmes Database - Latin America and the Caribbean](#), 27.1% of the population of Latin America and the Caribbean—that is, one in every four individuals in the region—resided in households receiving these entitlements in 2022 (Figuroa and Vila, 2024). The expansion of non-contributory pension systems represents one of the major milestones in strengthening the region’s social protection systems, especially considering the high levels of labour informality and the wide gaps and inequalities in pension systems. Their coverage has grown from 3.4% of people aged 65 and over in 2000, equivalent to approximately 1 million older persons, to 31% of this population in 2022, equivalent to 19.6 million people ([Arenas de Mesa and Robles, 2024](#)).

The importance of non-contributory public transfers is also reflected in the share of transfer amounts in total household income. In 2022, this was 23.8% of the income of households living in extreme poverty, and the adequacy of these entitlements remains a key challenge. The information presented in chapter II shows that the disbursements under conditional transfer programmes are often insufficient to close the gap between the per capita income of poor households and the poverty line, while the entitlements paid by non-contributory pension systems are lower than those of contributory systems.

It is therefore essential to improve linkages between contributory and non-contributory policies to close the gaps in the coverage, sufficiency and financial sustainability of social protection systems. In addition, it is important to continue strengthening social information systems and social registries to identify the populations that lack access to these instruments and strengthen the mechanisms to ensure access. Entitlement design should also be tailored to the needs and characteristics of the various target populations. Such efforts become more urgent in the face of recurrent crises and a risk structure that is being reconfigured.

## **D. In 2023, poverty fell to its lowest level since 1990, but income inequality remains high**

Slow economic growth, together with a sluggish labour market and inflation, poses significant challenges for the region's social protection systems, owing mainly to its effect on poverty and inequality. As examined in chapter I, Latin America and the Caribbean recorded moderate per capita GDP growth of 1.4% in 2023, with a rate of 1.3% in Latin America and 2.6% in the Caribbean.<sup>3</sup> Only 5 of the 20 Latin American countries recorded growth above 3%, and 9 had growth rates below the regional average, including 4 that contracted relative to 2022.

The labour market was relatively flat, with no change in the labour participation rate between 2022 and 2023, while employment was up 0.3 percentage points and average unemployment down 0.6 percentage points. Regional inflation, as measured by the variation in the consumer price index (CPI) and excluding countries with chronic inflation, ended the year at 4.6%, 3 percentage points lower than the 2022 rate.

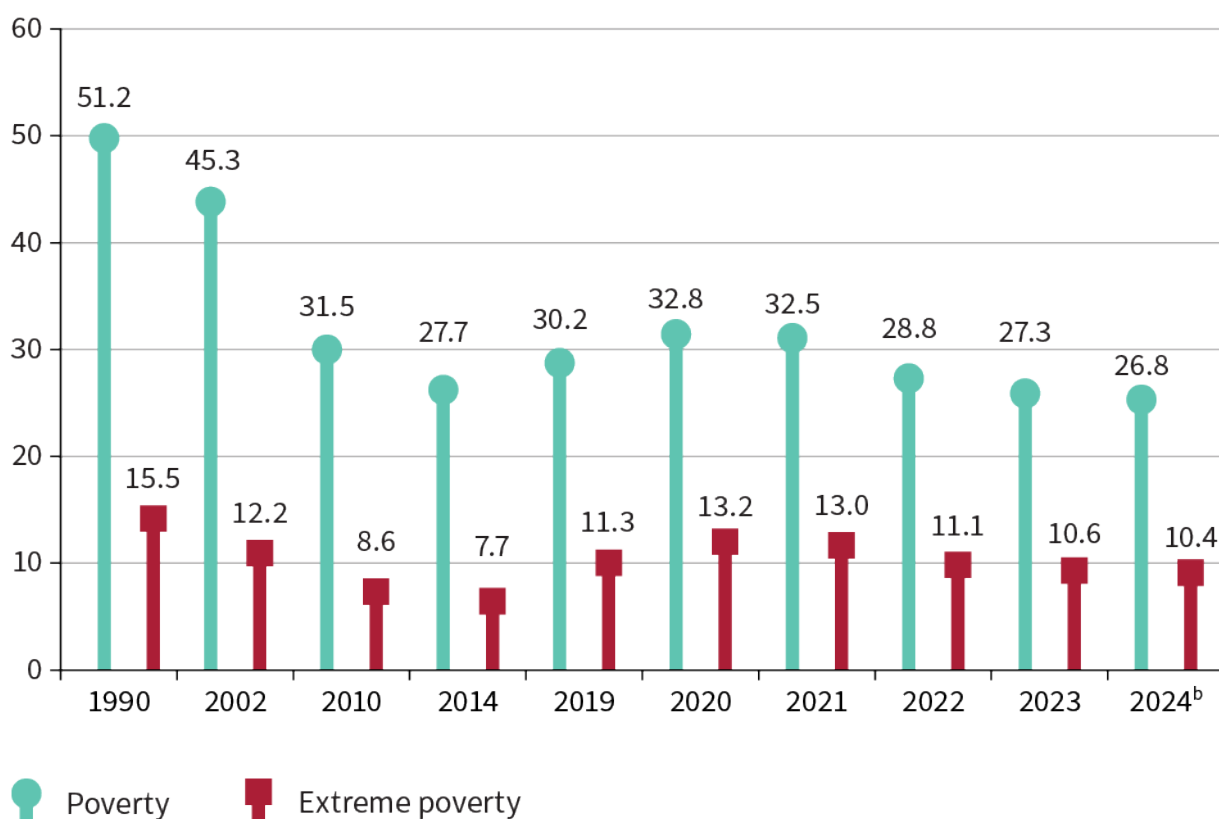
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<sup>3</sup> This figure does not include Guyana, which recorded 38.3% growth after initiating oil production from recently discovered oil reserves.

Despite this, in the aggregate, poverty continued its gradual descent, following a spike during the coronavirus disease (COVID-19) pandemic. In 2023, 27.3% of the population was living in poverty, the lowest figure for Latin America since 1990, though the 2014 rate came close (27.7%). As shown in figure 3, this represents a decrease of 1.5 percentage points from 2022 and of more than 5 percentage points from 2020, the year the pandemic broke out.

**Figure 3**

Latin America (18 countries):<sup>a</sup> people in poverty and extreme poverty, 1990–2024  
(Percentages)



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

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

<sup>b</sup> Projections.

The decline in regional poverty in 2023 is attributable mainly to poverty reduction in Brazil, which accounted for approximately 80% of the variation in the regional average. Reductions of at least 1 percentage point were also registered in Colombia, El Salvador, Paraguay and the Dominican Republic. Only in Honduras (compared to 2019) and Peru did poverty and extreme poverty indicators rise (by approximately 1 percentage point each). In all other countries for which information is available, poverty and extreme poverty remained relatively stable relative to the previous year.

Extreme poverty in the region was 10.6%, down 0.5 percentage points since 2022 but up nearly 3 percentage points compared to 2014 which was heretofore the year with the lowest rate of the past three decades. Poverty is likely to continue to trend downward —albeit slowly— with a decrease of 0.5 percentage points in 2024, but progress on extreme poverty is expected to be negligible (see figure 3).

Regional poverty among women aged 20–59 stood at 22.2% in 2023, nearly 4% over the rate for men in the same age group. From 2014 to 2023, poverty declined more among men than among women, causing the femininity index of poverty to rise from 113 to 121.<sup>4</sup>

In 2023, 4 out of 10 children and adolescents lived in households below the poverty line. This proportion is high compared to the adult population, where the figure is 2.4 out of 10 for the 18–59 age group and 1.5 out of 10 for the 60 and over age group.

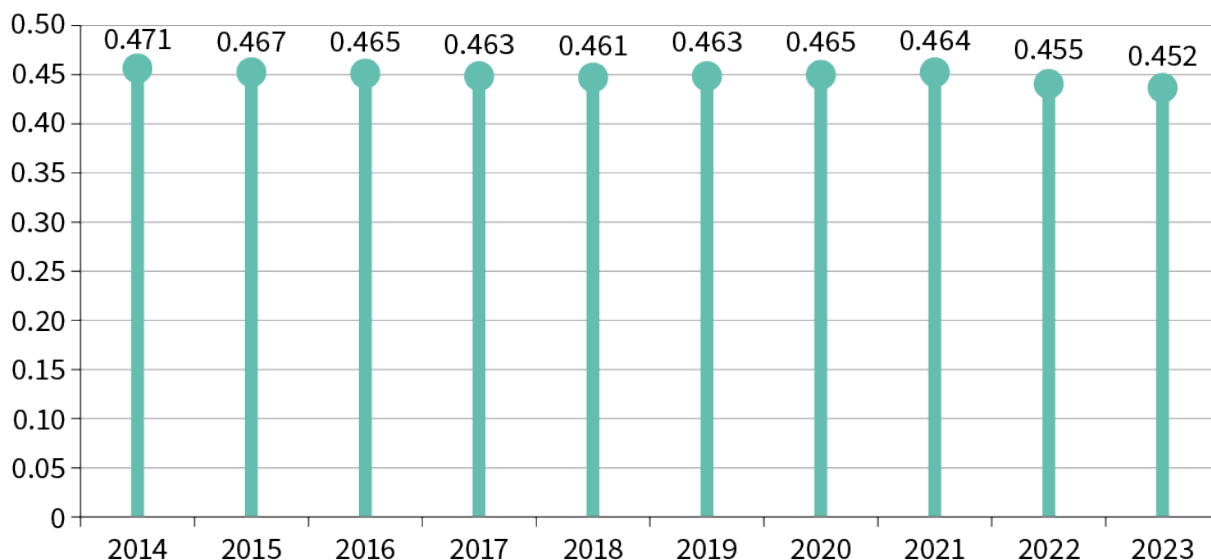
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<sup>4</sup> The femininity index of poverty is the ratio between the poverty rate for women and the poverty rate for men, typically calculated for the 20–29 age range.

Poverty estimates are closely associated with wage income. In 8 out of 12 countries in which poverty declined between 2021 and 2023, income from waged work was the main contributor to that reduction. In three countries, an increase in own-account worker income also contributed to poverty reduction.

Public transfers, including conditional and non-conditional cash transfers, emergency assistance, non-contributory pensions and other State programmes, also had a significant impact on poverty, as seen in the first year of the pandemic ([ECLAC, 2022b](#)). In some countries, transfers have continued to support poverty reduction since that year, in particular in Brazil, Colombia and Mexico. Non-contributory transfers are a substantial source of income for low-income households.

Income inequality in the region remained characteristically high in 2023 as measured by the Gini index, with a value of 0.452 representing minimal year-on-year variation (see figure 4). This long-term trend has held true even in years when income concentration indices have decreased ([ECLAC, 2023a](#)). As will be discussed in chapter I, the simple average for 14 countries with available data indicates a 4% decline in the Gini index between 2014 and 2022–2023, for an annual variation of -0.4%.

**Figure 4**Latin America (14 countries):<sup>a</sup> Gini index, 2014–2023

**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, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay (countries with household survey data available for 2022 or 2023).

Estimates based on models that integrate data on the wealth of the Latin American population (financial and non-financial assets) show that it is even more concentrated and unequal than income distribution. Around 2021, the wealthiest 10% of the population held 66% of total income, and 33% was in the hands of the richest 1%. That wealth concentration figure for the top 10% represents an average decline of barely 2 percentage points relative to 2010.

The perception of distributive injustice has remained very high in Latin America and the Caribbean, with figures at or above 80%, although the proportion of the population believing income distribution to be unjust or very unjust decreased by approximately 4 percentage points between 2020 and 2023. Meanwhile, 7 in 10 people reported being in favour of public policies aimed at reducing income inequality, showing that there is strong support for such measures.

Breaking free of the trap of high inequality and poverty in the region requires the design and implementation of comprehensive public policies to address multidimensional inequality ([ECLAC, 2024c](#)). Strengthening social protection systems in Latin America and the Caribbean, in particular their non-contributory components, is a strategically important area in which a comprehensive approach can significantly reduce poverty, the causes of inequality and low levels of social cohesion in Latin America and the Caribbean.

## **E. Investing in children: a critical aspect of non-contributory social protection**

In light of the significant role of non-contributory social protection in overcoming poverty, it must be strengthened, especially to support the population groups at greatest risk of poverty. Designing and implementing a poverty reduction strategy focused on protecting income at either end of the life cycle —childhood and old age— is therefore important ([Robles and Santos García, 2023](#); [Arenas de Mesa and Robles, 2024](#)).

The region's children and adolescents face a range of challenges and are among the population groups hardest hit by the protracted social crisis brought about by the pandemic. In 2020, poverty in Latin America was estimated to affect 51.3% of this population group ([ECLAC/UNICEF, 2020](#)). Although the poverty rate fell to 42.5% in 2022, it was still considerably higher than for other population groups and nearly thrice the rate for persons 65 and over ([ECLAC, 2023a](#)). Eradicating child and adolescent poverty is a human rights imperative and essential for achieving inclusive social development.

Child and adolescent poverty not only poses many challenges for their comprehensive development ([ILO/UNICEF, 2023](#)), but also entails high costs, with significant impacts on

countries' inclusive social, economic and environmental development. Considering the critical window of opportunity for early childhood development during the first 1,000 days of life, investing in early childhood is an extremely cost-effective policy ([Heckman and Masterov, 2007](#)); the same is true for adolescence, the second critical period ([UNICEF, 2017](#)). Investing in children and adolescents is therefore strategic for the region. Addressing the wide gaps that remain in access to social protection for households with children and adolescents is essential ([ECLAC/UNICEF, 2020](#)). According to the data presented in chapter II for 14 Latin American countries, nearly a quarter of households with children and adolescents had no access to any type of social protection in 2022. The role of non-contributory social protection in closing these gaps and in comprehensive child and adolescent development is key.

A study by Esping-Andersen (2013) on policies that proved effective in reducing inequality in Nordic societies highlighted the importance of childcare policies, including parental leave and family allowances. These policies have a virtuous chain reaction: not only do they contribute to child and adolescent development, they also open up opportunities for paid work for parents and caregivers, in particular women, broadening their options and enabling them to contribute more to household income. Cash transfers aimed at children and adolescents are among the most direct methods available to States for addressing monetary poverty in this phase of the life cycle ([ODI/UNICEF, 2020](#)). As indicated in the Regional Agenda for Inclusive Social Development ([ECLAC, 2020a](#)) and with a view to achieving Sustainable Development Goal (SDG) 1, the coverage and sufficiency of these entitlements could be significantly expanded in the region as part of a comprehensive strategy aimed at eradicating poverty at either end of the life cycle and steadily reducing inequalities ([ECLAC/UNICEF, 2020](#)). In addition, the region's experience in consolidating the processes and mechanisms of the institutional framework for non-contributory pension systems could offer valuable lessons for the sustainable expansion of public programmes to address child and adolescent poverty and inequality.

## F. Non-contributory pension systems: a key element in the effort to eradicate old-age poverty

High levels of informality, coupled with changes in the world of work and persistent gender inequality and other labour market inequalities ([ECLAC, 2023a](#)) have led to low levels of contributory pension system coverage in the countries of the region. This translates into significant gaps and inequalities in contributory pension system coverage in old age, in addition to the challenges arising from population ageing and the feminization of this ageing, which are addressed in chapter III. These factors explain much of the expansion of non-contributory pension systems in the region over the last two decades. In addition, their potential to eradicate poverty and extreme poverty in old age and reduce inequalities, particularly those linked to gender, have placed them at the centre of non-contributory social protection strategies in the region ([Arenas de Mesa and Robles, 2024](#)).

The region presents a wide range of experiences and arrangements related to the role of these policies in pension systems. There are some countries where non-contributory pension systems have limited coverage and are designed as welfare entitlements, with limited linkages with contributory pension systems. Other countries have wider coverage and increasing linkages with contributory pension systems, resulting in broad pension system coverage as a whole. Still others have made progress towards universality: examples in Latin America include Chile, with a quasi-universal pension; and Mexico and the Plurinational State of Bolivia, with universal pensions.

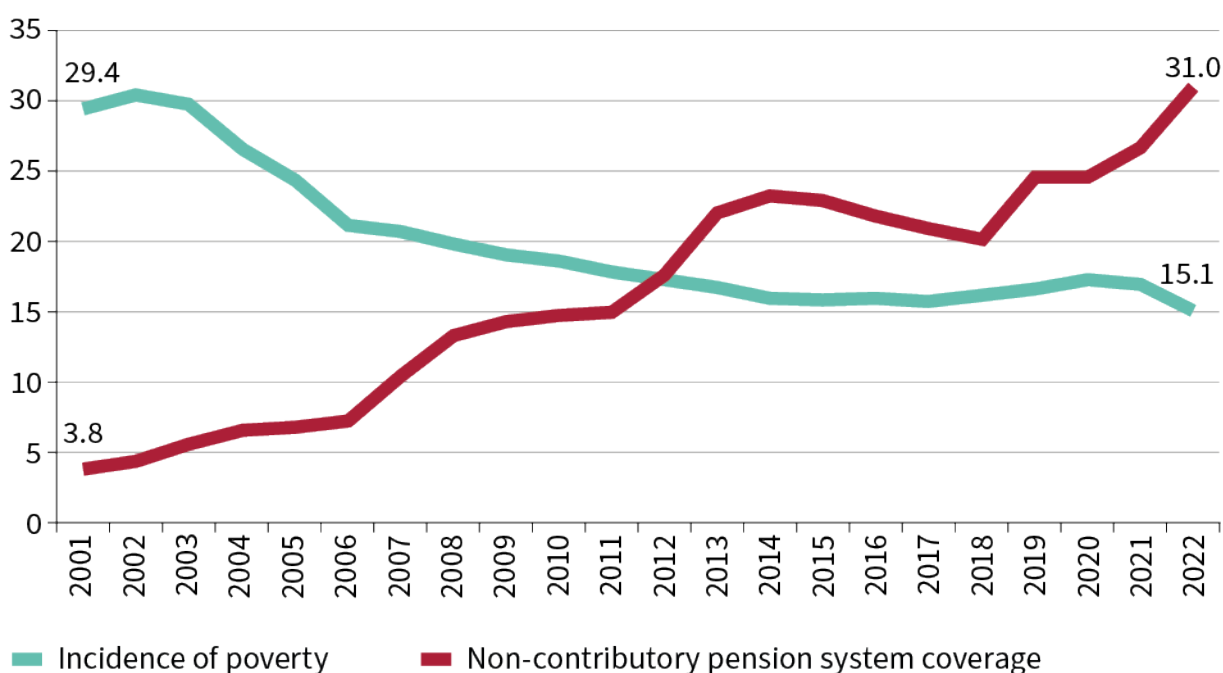
Non-contributory pension system coverage increased by more than 27 percentage points among persons aged 65 and over in the last 20 years, a period in which poverty fell by 14.3 percentage points in this population group, as shown in figure 5. In addition, in most countries where the overall pension system covers less than 50% of persons aged 65 and

over, the proportion of this population living in poverty is above 20% ([Vila, Robles and Arenas de Mesa, 2024](#)). This illustrates the important role of non-contributory pension systems in reducing old-age poverty and the progress made to date in its eradication.

### Figure 5

Latin America and the Caribbean (23 countries):<sup>a</sup> poverty and non-contributory pension system coverage among persons aged 65 and over, 2001–2022

(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J. I. Vila, C. Robles and A. Arenas de Mesa, “Overview of non-contributory pension systems in Latin America and the Caribbean: analysis of their evolution and their role in old-age economic security”, [Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability](#), ECLAC Books, No. 164 (LC/PUB.2024/6-P/-\*), A. Arenas de Mesa and C. Robles (eds.), ECLAC, 2024; and [CEPALSTAT](#).

<sup>a</sup> Figures on the incidence of poverty are for 18 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Non-contributory pension system coverage includes information from 23 countries: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Trinidad and Tobago and Uruguay.

The data indicate that progress towards eradicating old-age income poverty in the region is possible and feasible from a financial sustainability perspective. In 2022, the incidence of old-age poverty stood at 15.1% of the population aged 65 and over.<sup>5</sup> Based on this information, the estimated additional social investment required by non-contributory pension systems would be around 0.7% of GDP in 2035 to cover all older persons in the first two quintiles of the income distribution—that is, the poorest 40% of the population, with a level of sufficiency equivalent to one poverty line— which would significantly contribute to eradicating old-age poverty in the region ([Arenas de Mesa and Robles, 2024](#)).

## G. The care crisis perpetuates gender inequality and calls for stronger social protection

The right to care, which includes the right to give and receive care, and to self-care, is a cornerstone of internationally recognized human rights. It implies recognizing the value of care work, ensuring the rights of caregivers, and challenging the stereotypical assignment of these responsibilities to women, promoting social and gender co-responsibility. Ensuring the right to care requires strengthening of social protection systems with care policies focused on a new social organization of care and on reducing poverty and inequalities.

Latin America and the Caribbean is experiencing a care crisis exacerbated by demographic processes, specifically population ageing and changing epidemiological trends, that reflect

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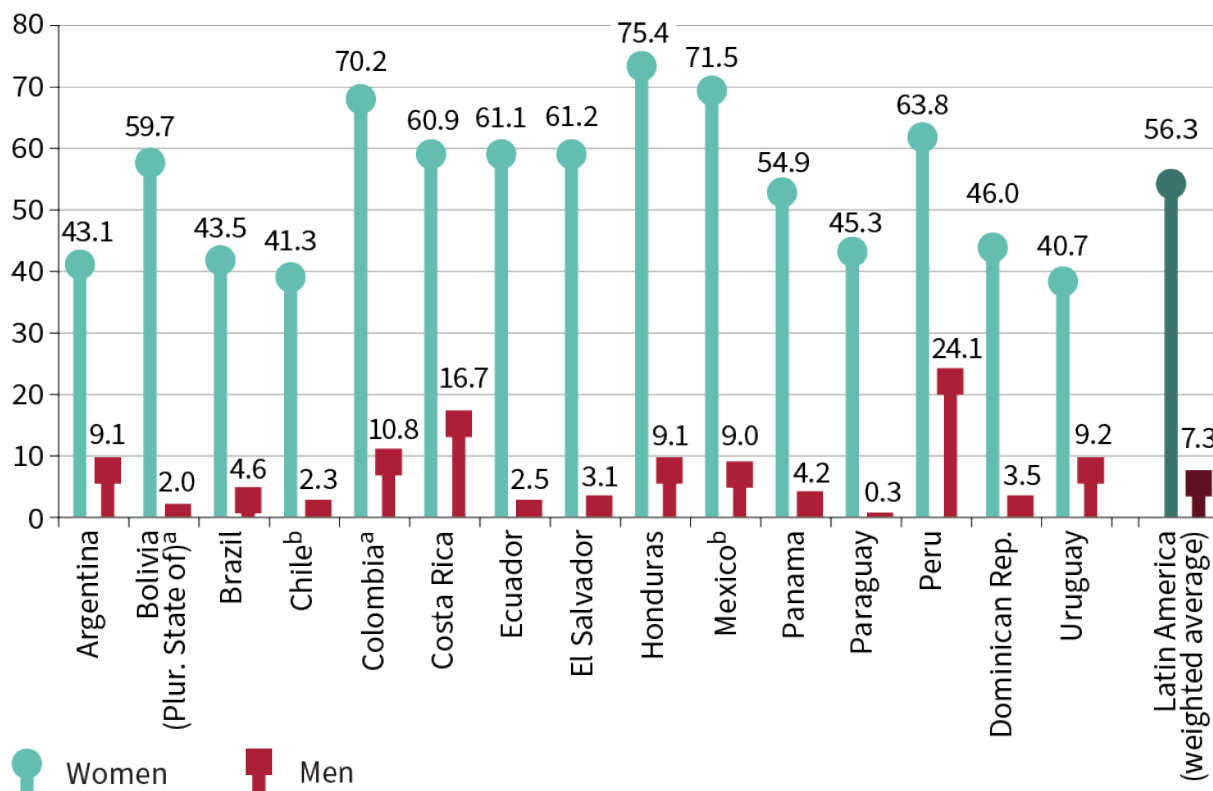
<sup>5</sup> According to ECLAC data for 18 Latin American countries, based on the Household Survey Data Bank (BADEHOG).

a widening gap between the demand for care and the availability of people to provide it in the current environment. The hallmark of this continuing crisis is growing demand that far outstrips the availability of care infrastructure and services, which has a disproportionate impact on the burden of unpaid care work shouldered by women (ECLAC, [2010](#) and [2020a](#); [Fraser, 2016](#); [Benería, 2008](#)).

The sexual division of labour and the current social organization of care create gender gaps manifested throughout the life cycle and in the different labour market trajectories of women. In 2022, only slightly more than half of women in Latin America and the Caribbean were active in the labour market (53.5%), compared to close to 75.9% of men ([ECLAC, 2023a](#)). Among the economically inactive population, 56.3% of women said they engaged exclusively in unpaid domestic and care work, compared to 7.3% of men, as shown in figure 6. These gaps are also reflected in men's and women's access to old-age pensions and the sufficiency of these entitlements. As shown in chapter III, the proportion of women with income of their own below the poverty line and who receive a non-contributory pension is smaller than the percentage of those who do not (42.6% compared to 70.3%); however, the own income of more than 85% of women is less than two times the poverty line, whether they receive a pension or not, and whether they receive contributory or non-contributory pensions.

**Figure 6**

Latin America (15 countries): population aged 15–65 years outside the labour market whose main activity is unpaid domestic and care work, around 2023 (Percentages)



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

<sup>a</sup> Data refer to 2021.

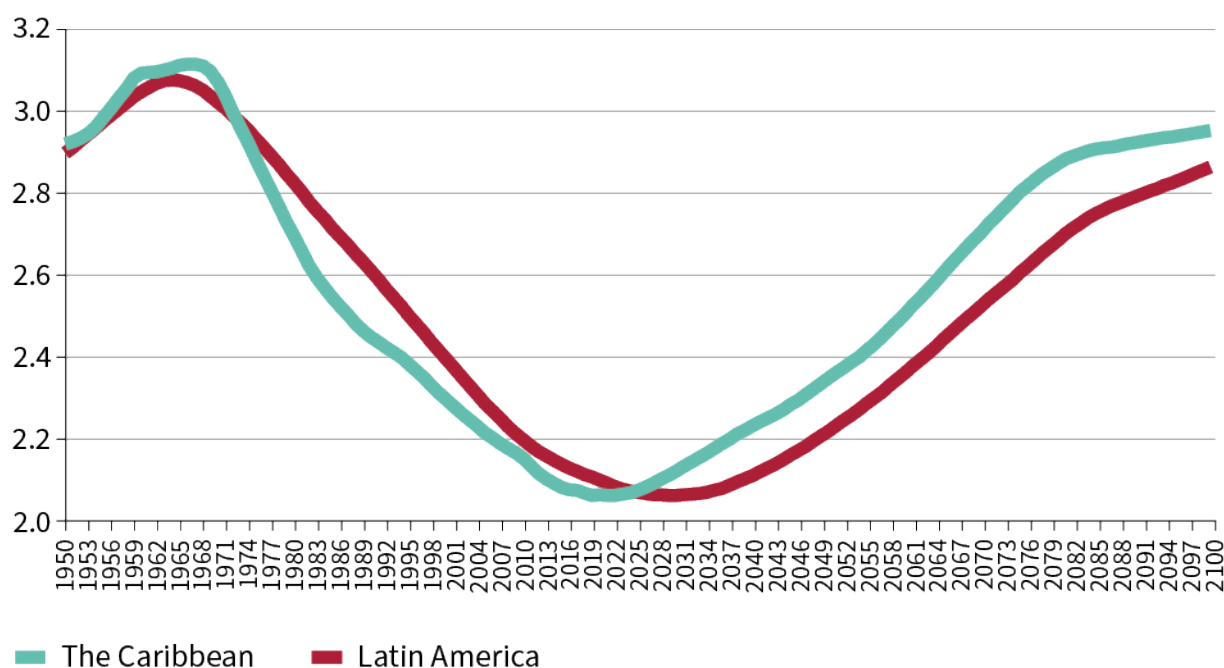
<sup>b</sup> Data refer to 2022.

These gender gaps are being created and perpetuated amid rapid population ageing that will increase demand for social protection and for care, especially the long-term kind. It is estimated that there will be 138 million people aged 65 years and over in the region in 2050, an increase from 9.9% in 2024 to 18.9% of the total population. Likewise, as indicated in chapter III, the number of persons aged 65–79 years is expected to peak

in 2077, at 126 million, while the population aged 80 years and over will continue to grow until 2100. The burden of care required by this population segment will fall entirely on persons aged 15–64 years, and will grow steadily in the future, as shown in figure 7. Failure to address the gaps reflected in the current social organization of care as it relates to the labour market and access to social protection may worsen the crisis, exacerbating existing gender inequalities and undermining the sustainability of care.

**Figure 7**

Latin America and the Caribbean (47 countries and territories):<sup>a</sup>  
burden of care, 1950–2100  
(Units of care per caregiver aged 15–64 years)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, [World Population Prospects 2024: Summary of Results](#), New York, 2024; and M. Durán Heras, [El trabajo no remunerado en la economía global](#), Bilbao, BBVA Foundation, 2012.

**Note:** The unit of care refers to the unit of total care required for each age group, according to the Durán scale ([Durán Heras, 2012](#)), divided by the population aged 15–64 years. The unit of total care represents the sum of units of care for persons aged 0–14 years, 15–64 years and 65 years and over, divided by the total number of persons aged 15–64 years.

<sup>a</sup> Latin America: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The Caribbean: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Caribbean Netherlands, Cayman Islands, Curaçao, Dominica, French Guiana, Grenada, Guadeloupe, Guyana, Jamaica, Martinique, Montserrat, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten (Netherlands part), Suriname, Trinidad and Tobago, Turks and Caicos Islands, and United States Virgin Islands.

Demand for long-term care is also on the rise. The growing population aged 80 years and over is more likely to become dependent or have some disability for which they will require assistance and care to be able to exercise their autonomy. Meanwhile, epidemiological changes, with a rise in chronic illnesses, will result in greater long-term care requirements for older persons ([ECLAC, 2022b](#)). Given that women have a longer life expectancy than men, and considering the current social organization of care, women are expected to be increasingly responsible for care and in need of it at the same time. Moreover, demographic changes will shrink the family networks that have historically provided the bulk of unpaid care. All these changes underpin the urgency of consolidating comprehensive, accessible and effective public care systems, and of providing families with economic compensation for their contribution to care, ensuring that women are no longer disproportionately responsible for this work.

Unlike other sectors, where productivity gains may reduce the need for labour, the total demand for labour in the care sector is expected to increase, despite the incorporation of new technologies, owing partly to the interpersonal, socio-affective nature of this work ([ECLAC, 2022b](#) and [2023a](#); [ILO, 2018](#) and [2024a](#)). This presents two opportunities for the

region: first, it would generate new jobs in the care economy thanks to the expansion of care services, and second, it would reduce the amount of time spent on unpaid care work in households, eliminating the main barrier to women's labour market participation and improving activity and income. However, without suitable labour inclusion policies that counter gender stereotypes in care work, historical gender inequalities may be perpetuated and the precariousness already affecting many women employed in this sector may worsen (ECLAC, [2022a](#) and [2023a](#)).

In that regard, advancing towards a care society with universal, comprehensive, sustainable and resilient social protection systems means recognizing the need to expand the provision of care to avoid perpetuating and deepening inequalities stemming from the sexual division of labour, and guaranteeing the right to care for all people (ECLAC, [2022a](#)).

This requires social protection systems that protect all workers sufficiently and recognize unpaid care work ([ILO, 2024b](#)). It also means implementing comprehensive care systems that establish a new social organization of care to assist, support and care for people, seeking to ensure their autonomy and promoting gender-equal and inclusive societies. This may be achieved by expanding services and contributory or non-contributory entitlements, strengthening paid leave systems (maternity, paternity and parental) and flexible working arrangements, and encouraging economic subsidies or transfers for care, among other initiatives. These efforts must recognize, reduce, redistribute, compensate and represent care work from a gender, intersectional and human rights perspective that encourages co-responsibility among genders, households, the State and communities ([United Nations, 2024](#)).

## H. The technical, operational, political and prospective (TOPP) capabilities of institutions are also key strengthening non-contributory social protection

Achieving inclusive social development through public measures requires implementation of comprehensive, sustainable and transparent social policies, which in turn calls for robust social institutions that can both manage social protection systems and maintain and strengthen management with the passage of time and governments, through State policies. In the past three decades, social institutions in the region have played a significant role, especially in the creation of social development ministries (or equivalent entities), most of which are responsible for the available non-contributory social protection programmes. Although each country's social institutional framework has its specific characteristics, there are similarities among the countries, given the shared objective of advancing towards inclusive social development, which favours the exercise of rights and the closing of gaps that affect the poor and vulnerable ([ECLAC, 2023a](#)).

The strengthening of social institutions requires suitable TOPP capabilities at the State level, in general, and non-contributory social protection, in particular. These capabilities allow the State to take transformative action and coordinate various stakeholders in each policy area, employing social dialogue as a tool for collaboration, persuasion and conflict management, and with planning and anticipatory capacities for harmonious governance ([Salazar-Xirinachs, 2023](#)).

The TOPP capabilities of social protection institutions encompass specific objectives and guidelines. Regarding technical capabilities, there is need of progress in the consolidation of comprehensive information systems (social registers) and of monitoring and evaluation systems to ensure appropriate decision-making and accountability. Operational capabilities

require the application of process management models, skilled human resources to ensure the quality of services, and use of modern budget management tools. Political capabilities include the strengthening of governance and the supervision of forums for social dialogue that advance social and fiscal covenants to bolster social protection. Lastly, prospective capabilities should advance a long-term strategic vision that identifies limiting and facilitating factors as well as demographic, technological, labour market and other trends; harmonizes the opinions and positions of the different stakeholders; and develops negotiation, implementation and communication strategies to ensure that non-contributory social protection policies are effective and efficient ([Salazar-Xirinachs, 2023](#); ECLAC, [2023a](#) and [2024b](#)).

Despite the progress in the region in this area, there are still fundamental challenges to strengthening the capabilities of social institutions. Thus, at the fifth session of the Regional Conference on Social Development in Latin America and the Caribbean, ECLAC ([2023c](#)) proposed a set of guidelines for each dimension of the institutional framework. With respect to the legal and regulatory dimension, a recommendation was made to consolidate the legal foundations for an approach based on rights and of universalism that is sensitive to differences, and to ensure that policy objectives are aligned with institutional capacity. In turn, to strengthen the organizational dimension, it was proposed to invest in human resources, capabilities and technology, and to improve efficiency and sustainability through coordination, decentralization and participation.

For the technical and operational dimension, a recommendation was made to improve information systems for decision-making, expand the dissemination of intersectoral and population-based social information, create systems for monitoring and evaluating social policy, and expand the metrics for social policy decisions. Regarding the financial dimension, it was suggested

to pursue financial sustainability to strengthen social institutions for eradicating poverty and reducing inequality, and to generate information on the socioeconomic cost of social gaps.

Lastly, two cross-cutting proposals were also put forward, concerning the development of strategic and prospective planning, and progress in the creation of new social and fiscal covenants. Progress in these areas would enable countries to improve the quality of non-contributory social protection policies, which would in turn allow them to advance towards the inclusive social development targeted by the social dimension of the 2030 Agenda for Sustainable Development.

## **I. Social spending stopped declining and stabilized, but non-contributory social protection spending remains insufficient**

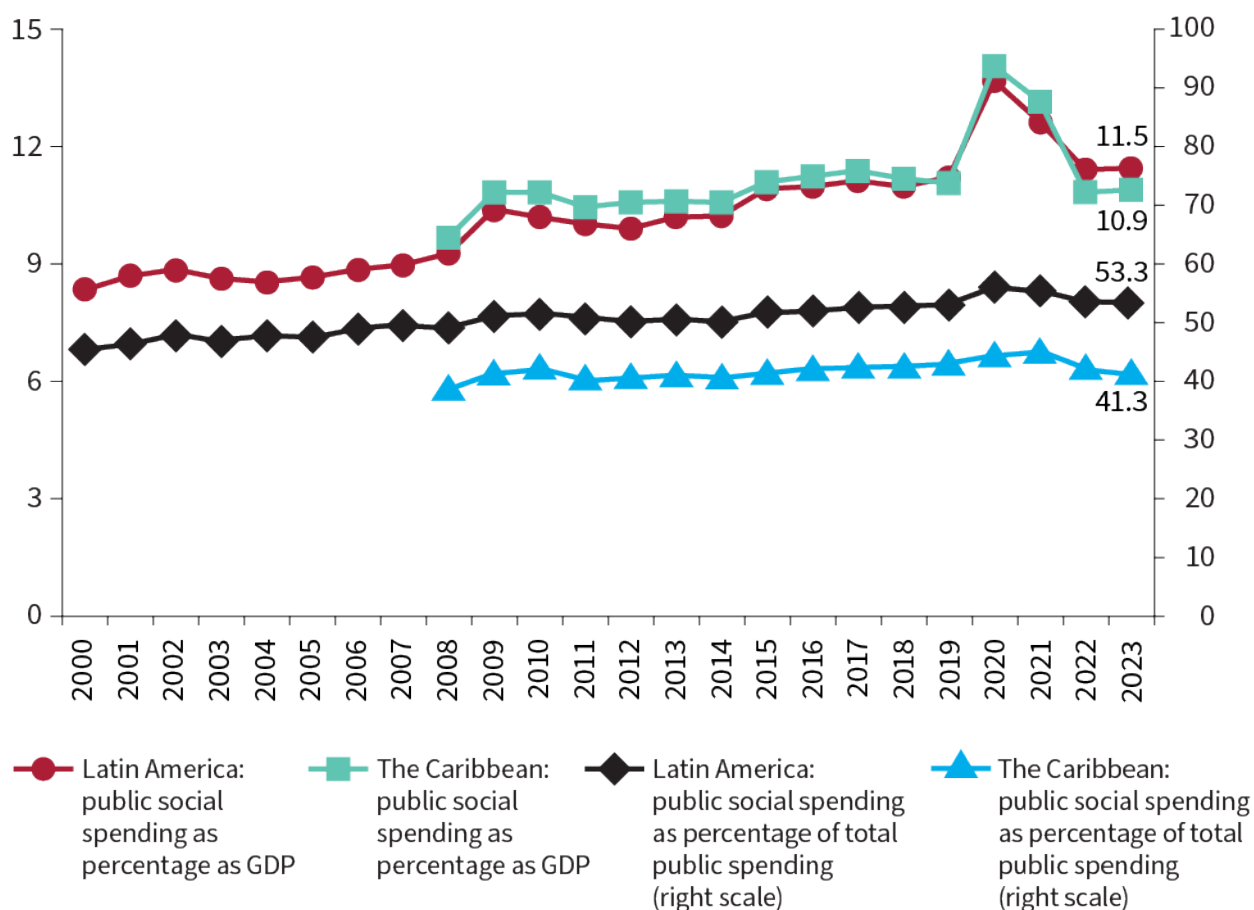
Central government social spending in the countries of the region increased in response to the crisis caused by the COVID-19 pandemic and subsequent crises in 2020. Social spending as a percentage of GDP then contracted, but stabilized in 2023, as private consumption was weighed down by the deteriorating purchasing power of real wages, weak job creation and declining consumer confidence, together with a restrictive monetary policy.

Social spending levels in Latin America remained relatively stable in 2023, averaging 11.5% of GDP, 0.1 percentage points higher than in 2022 and reflecting real growth of 3.2% (in constant dollars at 2018 prices). This trend was more marked, but similar to those seen during the crises in the region in 2002 and 2008. In those cases, there was an increase in the year after the crisis, followed by a sharp drop, then a return to more stable levels, as shown in figure 8.

**Figure 8**

Latin America and the Caribbean (24 countries): central government social spending, 2000–2023

(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 Latin America refer to the simple average for: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The figures for the Caribbean refer to the simple average for: Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Lucia, and Trinidad and Tobago. Coverage for Peru refers to general government. The data for Uruguay do not include the Social Security Bank. The data for the Plurinational State of Bolivia refer 2021, while those for Brazil and Panama refer to 2022.

In 2023, the situation in the seven Caribbean countries for which information is available was similar to that of the Latin American countries. In these countries, social spending as a percentage of GDP came to 10.9% that year, an increase of 0.1 percentage points over 2022. In both cases, there was a slight decrease in the proportion of social spending in relation to total central government spending.

In 2023, the countries of the region allocated 3.9% of GDP, on average, to the central government social protection function, or 1.2 percentage points more, on average, than in 2006. This was the highest level in the region since 2000, with the exception of 2020, when this type of spending averaged 5.2% of GDP. Despite the contraction in spending levels following the pandemic, non-contributory social protection systems have expanded considerably in the last two decades, both in terms of coverage and of spending as a proportion of GDP, increasing the impact of measures to reduce the level and depth of poverty. Expenditure on conditional transfer programmes and other continuous transfers came to 0.26% of GDP in 2022, and the resources used by non-contributory pension systems were equivalent to 0.42% of GDP in 2021. However, major institutional challenges remain in relation to ensuring greater effectiveness in terms of implementation, scope and results. A key factor in this regard is the combination of financing sources with sustainability and sufficiency because, although most programmes depend mainly on national budgets, resources are still limited.

## J. Setting a standard for investment in non-contributory social protection is key for progress on poverty eradication

Target 1.1 of the 2030 Agenda for Sustainable Development sets out to eradicate extreme poverty for all people everywhere by 2030. Just as minimum standards for investment have been established in various social sectors, such as health and education, for specific targets to be met, there is need for an agreed standard for social investment among ministries of social development or equivalent bodies, which will help to eradicate poverty and extreme poverty in Latin America and the Caribbean. Financing for social policies, in particular non-contributory social protection policies, is a cornerstone of social institutional frameworks that must be strengthened. The financial sustainability of such investments must be guaranteed to ensure universal access to income that permits an adequate level of well-being, in particular for persons living in extreme poverty or poverty ([ECLAC, 2020a](#)). Estimating the required level of funding is essential to secure and allocate resources.

Beyond the differences in the size and economic value of poverty gaps across countries, it is possible to set common targets for sustainable public spending that will advance the eradication of poverty in the region. In 2022, public spending by the region's ministries of social development or equivalent entities averaged 0.8% of GDP, equivalent to 3.0% of total public spending (see chapter IV). As such, in line with the position document presented at the sixth meeting of the Presiding Officers of the Regional Conference on Social Development in Latin America and the Caribbean ([ECLAC, 2024d](#)) and the estimates in chapter IV of this publication, a minimum standard of investment in non-contributory social protection of 1.5%–2.5% of GDP or 5%–10% of total public spending has been proposed to advance poverty eradication ([ECLAC, 2024d](#)). Combined with actions to

strengthen the other dimensions of the social institutional framework and appropriate support for the most marginalized populations, this would be a decisive step towards attaining target 1.1 of the 2030 Agenda.

A look at the regional landscape through the lens of poverty gaps and institutional capacities suggests that the proposed standard, with its requisite cash transfers and related administrative costs, is feasible and sustainable. It will also support poverty eradication and contribute significantly to inclusive social development.

## **K. The pressing need to strengthen intersectoral action for progress towards universal, comprehensive, sustainable and resilient social protection**

The development crisis and changing trends in Latin America and the Caribbean make it urgent to accelerate progress in the establishment of universal, comprehensive, sustainable and resilient social protection. The expansion of these systems and of the welfare state are among the transformations proposed by ECLAC as critical for addressing structural challenges in the development model ([Salazar-Xirinachs, 2023](#); ECLAC, [2024c](#) and [2024d](#)).

The multidimensional nature of the objectives of social protection makes it essential to adopt a holistic approach to their design and implementation, with robust intersectoral coordination. In addressing sustainability, a balance must also be struck between the objectives of coverage, sufficiency and financial sustainability ([Arenas de Mesa, 2023](#)). In the current scenario, non-contributory entitlements must also be designed with greater resilience, so that they can be rapidly adapted in crisis contexts —as brought to light

during the COVID-19 pandemic ([Atuesta and Van Hemelryck, 2024](#))— combining emergency responses to unexpected events with transformations of a more structural nature ([Robles and others, 2024](#)).

These considerations have made it possible to identify a series of policy for strengthening non-contributory social protection in the region. First, as noted, it is essential to expand the coverage and sufficiency of strategic entitlements, such as cash transfers and non-contributory pension systems. A gradual, planned expansion can be designed for both of these variables, in keeping with financial sustainability criteria and with the ILO Social Protection Floors Recommendation, 2012 (No. 202) ([ILO, 2012](#)),<sup>6</sup> to ensure at a minimum access to healthcare and income security for all. One pathway towards the universalization of social protection is to begin with the populations at either end of the life cycle, bearing in mind their higher vulnerability and demographic trends, for example by providing transfers with a high degree of coverage to households with children and adolescents or by strengthening existing non-contributory pension systems.

Second, linkages with policies for education ([Rossel and others, 2022](#)), health ([Marinho, Dahuabe and Arenas de Mesa, 2023](#)), labour inclusion ([Robles and others, 2024](#)) and care ([ECLAC, 2022a](#)), among other areas of importance, must be increased and enhanced to strengthen the role of non-contributory social protection in building human capacities and protecting household income. Expanding and consolidating intersectoral policies,

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<sup>6</sup> This Recommendation refers to the need for States to provide nationally defined sets of basic social security guarantees, including access to essential healthcare, which includes maternity care and basic income security for children and for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability, and for older persons ([ILO, 2012](#)).

such as those for comprehensive early childhood and comprehensive care, as well as their essential institutional operating mechanisms, could significantly boost well-being in the region. In particular, the design of conditional and unconditional cash transfers can be strengthened through linkages with these sectors, including in education, health and labour inclusion, to enhance synergies by planning public social service provision in the territories and eliminating financial barriers that can hinder access.

There is a need for better linkages with educational policies and economic entitlements to ensure enabling conditions for children and adolescents to remain in school, discouraging school drop-out and supporting re-entry. Programmes for scholarships, school feeding, support for pregnant students and adolescent mothers and fathers, access to care policies and transportation subsidies, and the provision of textbooks and school supplies ([ECLAC/UNESCO/UNICEF, 2024](#)) are policies that contribute to these aims. Continuous learning is also increasingly important in educational and labour policies and in social protection systems, since it supports people in building skills and competencies, in particular in the current context of multiple transformations.

Given the strategic impact of social protection on the social determinants of health, enhancing linkages between non-contributory social protection and health policies is also fundamental. One example is the proven direct impact of early childhood development programmes on children's health ([Irwin, Siddiqi and Hertzman, 2007](#)), which is why strengthening these programmes in the region is a must. The expansion of primary healthcare should also be at the heart of the strategy for inclusive social development in the region, since it also contributes to eliminating poverty and reducing inequalities ([Marinho, Dahuabe and Arenas de Mesa, 2023](#)).

In the labour market, cash transfers can be combined with training, skill-building, labour inclusion and productive transformation policies, as part of initiatives in sectors that drive growth, employment and the transformation towards green and sustainable economies. These policies must be strengthened and linked with active labour market policies, in particular training, labour intermediation and continuous skill-building schemes. It is also essential to strengthen the design of active labour market policies in the context of non-contributory social protection, especially for the most vulnerable populations, to address the specific barriers they face in that regard. It will be important to not only promote labour inclusion policies for particularly vulnerable populations, but also ensure linkages with comprehensive care policies ([Espejo and others, 2023](#); [Robles and others, 2024](#)).

On the issue of care policies, there is evidence that non-contributory policies account for a larger share of women's income than men's. Owing to higher levels of informality and unemployment among women and their greater burden of unpaid care work, non-contributory policies have been key in countering the feminization of poverty. Progress must therefore be made in promoting non-contributory transfers from a gender perspective to avoid reinforcing the perception that women are responsible for care work. Along those lines, processes aimed at linking, coordinating and regulating care policies are key for avoiding overlap, duplication and segmentation in the quality and accessibility of these services and entitlements.

Lastly, these recommendations require a robust social institutional framework that has strong interlinkages and is highly adaptable. Social information systems and registries are critical in that regard. In particular, social protection systems must meet the challenges of social protection in the digital age ([Palma, 2024](#)). Given the digital inclusion gaps in the region, such challenges relate both to public policy management, including accessibility, management and provision of services, and to people's ability to engage with an increasingly digitalized institutional framework.

## L. Presentation and summary of the key messages of the chapters

The Social Panorama of Latin America and the Caribbean, 2024 has four chapters. Chapter I presents an analysis of poverty and income inequality trends in Latin America and the Caribbean. An overview of the region's economic situation, with a particular focus on per capita GDP, employment, average household income and inflation is followed by a review of poverty trends between 1990 and 2023 and an analysis of the underlying factors. The chapter also examines changes in income inequality, incorporating data on people's perception of inequality and support for State policies to reduce it.

Chapter II presents a detailed analysis of the current status of the main social protection policies in social protection systems in Latin America and the Caribbean, with an emphasis non-contributory social protection systems. A brief conceptual review of these systems and their current challenges is followed by an analysis of access to non-contributory social protection—and persistent inequalities therein—in the region and the progress they have made in narrowing social protection access gaps. Progress and challenges in the coverage and sufficiency of non-contributory social protection policies are then examined, with a focus on the policy design challenges that remain with respect to the goals of eradicating poverty and reducing inequalities. The chapter concludes with recommendations for improving the design of non-contributory social protection policies and strengthening social protection.

Chapter III focuses on the challenges to social protection posed by the care crisis and population ageing. Analysis of the trends and projections of rising demand for care work, exacerbated by demographic and epidemiological shifts, points to a widening gap between supply and demand, which could deepen gender inequalities and pose a risk to the

sustainability of care if not addressed through social protection systems. This is compounded by challenges linked with increasing demand for long-term care services, placing women at risk of needing care while also being called to provide it. The chapter closes with proposals and recommendations for care-based perspective to social protection policies and for the development of comprehensive care policies that can help to build a care society.

Lastly, chapter IV analyses social institutional frameworks in Latin America and the Caribbean and their role in enhancing the technical, operational, political and prospective capabilities of institutions. It begins with a focus on the elements of the institutional framework for non-contributory social protection in the region, investment needs and the need to move forward in establishing a public spending standard for non-contributory social protection to advance poverty eradication. Next, it presents an overview of central government social spending in the countries of the region, broken down by government function (social protection, education, health, housing and community services, recreation, culture and religion, and environmental protection). This analysis includes a comparison of trends in central government spending and a detailed review of the broadest institutional coverage in countries for which information is available.

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## **Cueva de las Manos, Río Pinturas Canyon (Argentina)**

**Prehistoric rock art which bears  
witness to the culture of the earliest  
human societies in the region.**

**Bas-relief on the spiral tower at  
ECLAC headquarters in Santiago.**

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This edition of the Social Panorama of Latin America and the Caribbean, 2024 focuses on the challenges of non-contributory social protection in advancing towards inclusive social development in the region. Tackling the development crisis, inclusive social development gaps and changing risk structure demands progress towards universal, comprehensive, sustainable and resilient social protection systems. Non-contributory social protection policies are essential to fulfil the goals and functions of social protection systems: the protection of income, access to social services and labour inclusion. One in three households in the lowest income quintile lacks access to social protection and the amounts provided by social protection programmes are generally insufficient to overcome poverty. The region faces persistent gender inequality and a care crisis that is likely to be exacerbated by rapid ageing. Eliminating poverty requires comprehensive policies and progress in establishing a standard of investment in non-contributory social protection.



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