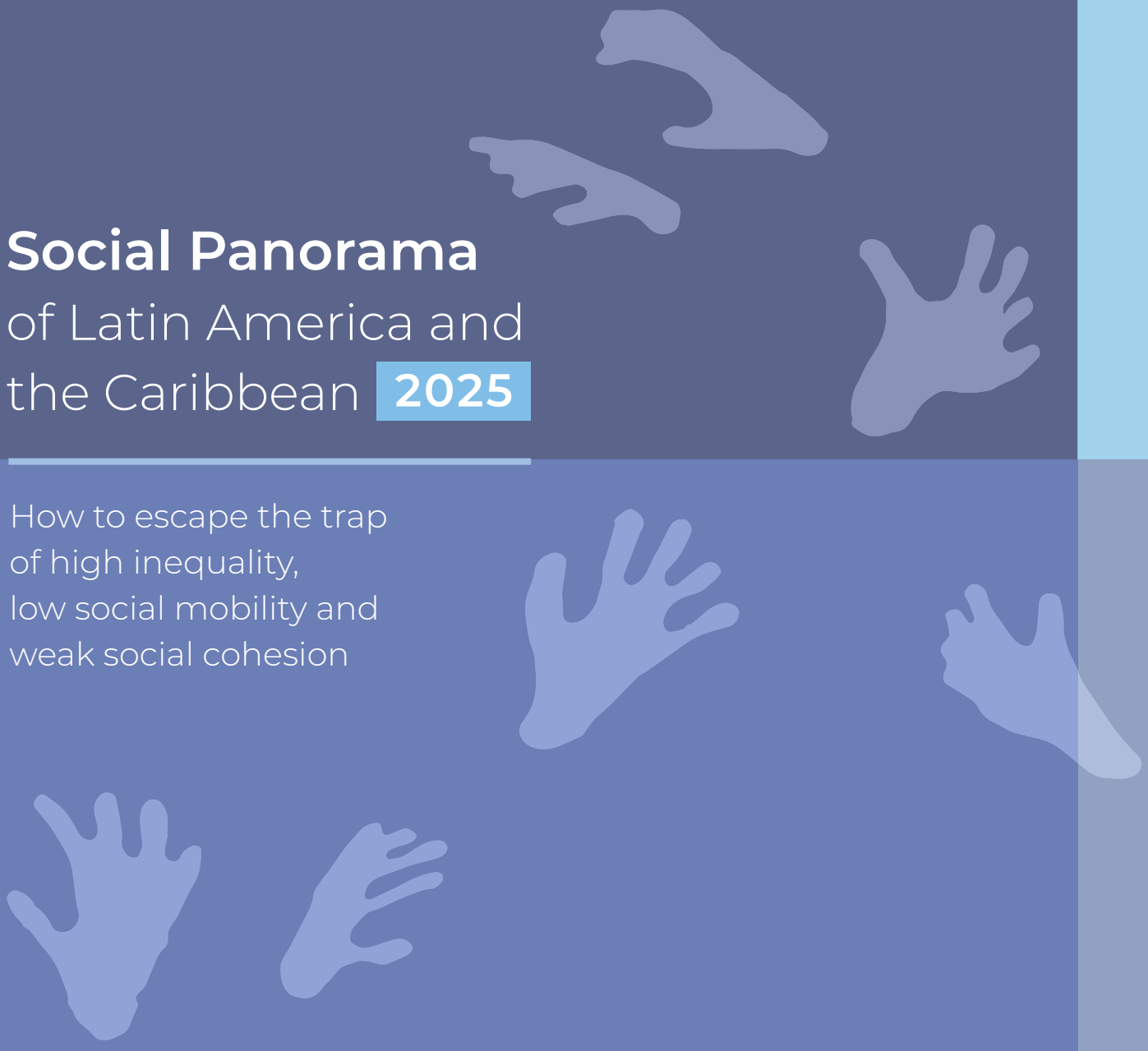
Social Panorama of Latin America and the Caribbean 2025

How to escape the trap of high inequality, low social mobility and weak social cohesion



UNITED NATIONS

ECLAC

Thank you for your interest in this ECLAC publication

UNITED NATIONS

ECLAC

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

Register

Click on the link below for our social networks and other channels for accessing our publications:

https://bit.ly/m/CEPAL

Social Panorama of Latin America and the Caribbean 2025

How to escape the trap of high inequality, low social mobility and weak social cohesion

UNITED NATIONS

ECLAC

José Manuel Salazar-Xirinachs
Executive Secretary

Javier Medina Vásquez
Deputy Executive Secretary a.i.

Alberto Arenas de Mesa
Chief, Social Development Division

Rolando Ocampo
Chief, Statistics Division

Simone Cecchini
Chief, Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC

Ana Güezmes
Chief, Division for Gender Affairs

Sally Shaw
Chief, Documents and Publications Division

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 Güezmes García.

The preparation of the 2025 edition was coordinated by Alberto Arenas de Mesa with the support of Daniela Trucco, who worked on the drafting together with Ignacia Abufhele, Fabiana Del Popolo, Andrés Espejo, Ernesto Espíndola, Álvaro Fuentes, Fernanda Fuentes, Karen García, Daniela González, Pablo Herrera, Mariana Huepe, Carlos Maldonado, Xavier Mancero, María Luisa Marinho, Rodrigo Martínez, Javiera Ravest, Jorge Rodríguez, Zulma Sosa and Pablo Villatoro. Mario Acuña, Lenin Aguinaga, Miguel Castillo, María Paz Collinao, Florencia Escobedo, Rocío Maldonado, Rocío Miranda, Javier Muñoz and Leandro Zelpo worked on the data collection and statistical processing. Valuable contributions and comments relating to different sections of the document were received from Vianka Aliaga, Andrés Boeninger, Amparo Bravo, Simone Cecchini, Argentina Cervantes, Raquel Chanto, Martín Cherkasky, Diego Collado, Natalia Genta, Nincen Figueroa, Daniela Huneeus, Marco Llinás, Jorge Mario Martínez, Rolando Ocampo, Amalia Palma, Miosotis Rivas, Claudia Robles, Lucía Scuro, Humberto Soto de la Rosa, Lucía Tumini, Helvia Velloso, Marisa Weinstein, Luis Yáñez and Romain Zivy.

United Nations publication
ISBN: 978-92-1-157688-7 (print) • ISBN: 978-92-1-154670-5 (pdf)
Sales No.: E.25.II.G.5 • LC/PUB.2025/23-P • Distribution: G • Copyright © United Nations, 2026 • All rights reserved
Printed at United Nations, Santiago • S.2500422[E]

Explanatory notes:

- 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. 2024/2025) 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.

This publication should be cited as: Economic Commission for Latin America and the Caribbean. (2026). *Social Panorama of Latin America and the Caribbean, 2025.* (LC/PUB.2025/23-P).

Tables

Figures

Boxes

Diagrams

Infographics

Executive summary

A. Background

Most countries in Latin America and the Caribbean are caught in three development traps that are limiting progress in the well-being of their populations: low capacity for growth; high inequality, low social mobility and weak social cohesion; and low institutional capacity and ineffective governance. These challenges are compounded by climate change and the need to move towards environmentally sustainable development (Salazar-Xirinachs, 2023; Economic Commission for Latin America and the Caribbean [ECLAC], 2024a). This edition of *Social Panorama of Latin America and the Caribbean* focuses on the analysis of the second trap, and includes public policy guidelines to reduce inequality.

This document is part of the inequality research agenda implemented by the Economic Commission for Latin America and the Caribbean (ECLAC) within the framework of the Second World Summit for Social Development. Some of this work has been conveyed in various publications and regional and international events in 2024 and 2025 (ECLAC, 2024b, 2024c, 2025a, 2025b), in which ECLAC, among other things, presented the countries of the region with 10 proposals to advance towards a pact for inclusive social development. Moreover, ECLAC, along with the countries of the region, has placed inequality at the centre of the agenda of its subsidiary bodies, including the Regional Conference on Social Development in Latin America and the Caribbean, the Regional Conference on Women in Latin America and the Caribbean and the Regional Conference on Population and Development in Latin America and the Caribbean.

B. Second World Summit for Social Development: the urgency of advancing towards inclusive social development

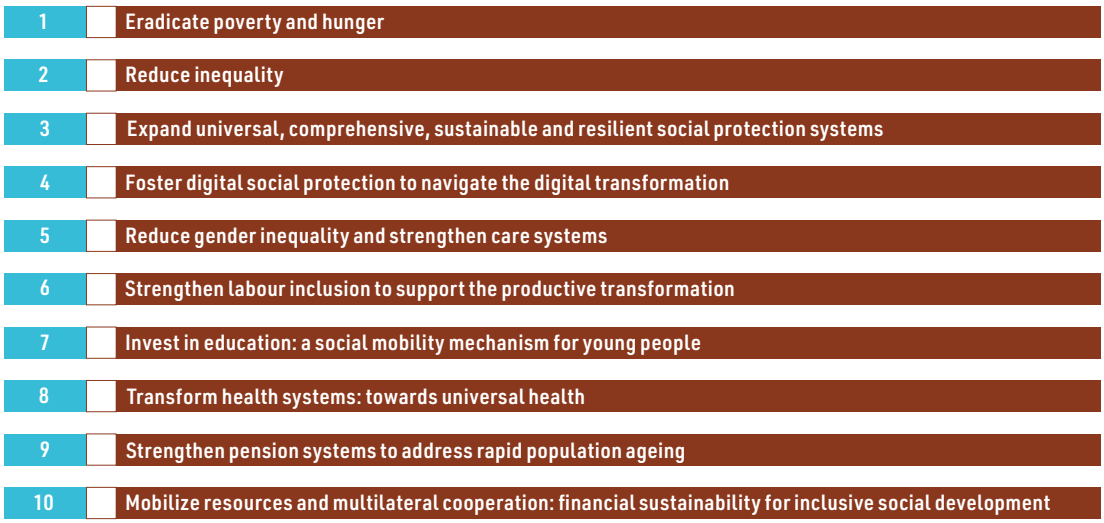
The Second World Summit for Social Development,[1] held in Qatar from 4 to 6 November 2025, was a historic opportunity for progress in achieving the Goals of the 2030 Agenda for Sustainable Development, as well as reducing inequality and strengthening social cohesion and democracy through a pact for inclusive social development (ECLAC, 2025b; United Nations, 2025). Thirty years after the first World Summit for Social Development, the global community came together in Qatar to reaffirm the commitment to inclusive social development; to agree to foster policies that ensure the eradication of poverty and hunger and the reduction of inequality and that encourage social cohesion and economic mobility; and to strengthen governance, international cooperation and the role of civil society in implementing effective policies for sustainable development.

The Second World Summit for Social Development produced the first political declaration to incorporate the concept of inclusive social development. This development strategy places people and their rights at the centre, promoting a life free from poverty, hunger and social inequalities. Achieving this level of well-being requires robust institutional policies, social participation and high, sustained, inclusive and sustainable economic growth. Among other factors, such economic growth must ensure the financial sustainability of the backbone of this development strategy: a universal, comprehensive, sustainable and resilient social protection system (ECLAC, 2025c, p. 4; 2024c, 2024d). The shift from the concept of social development to that of inclusive social development underscores the need to ensure universal access to basic services and to overcome structural obstacles that perpetuate inequalities and exclusion (ECLAC, 2025a). The 2030 Agenda for Sustainable Development, the Regional Agenda for Inclusive Social Development (ECLAC, 2020), the Montevideo Consensus on Population and Development (ECLAC, 2013) and the Tlatelolco Commitment (ECLAC, 2025c) play a key role in this transition.

[1] This edition of the *Social Panorama of Latin America and the Caribbean* does not explicitly address the specific content of the Second World Summit for Social Development as it was prepared ahead of the Summit.

In preparation for the Second World Summit for Social Development, ECLAC member States agreed to propose a global pact for inclusive social development (ECLAC, 2025b). The Commission recommended advancing towards this pact by focusing on 10 strategic proposals (see diagram 1).

Diagram 1
Ten proposals for an inclusive social development pact



Source: Economic Commission for Latin America and the Caribbean. (2025). The road to the 2025 Second World Summit for Social Development: towards a pact for inclusive social development. *ECLAC Special Report*. (1).

Countries will have to make considerable efforts to meet the commitments made at the Second World Summit on Social Development and monitor implementation. Thus, in the political declaration of the Summit, the regional commissions of the United Nations were requested to provide support for monitoring, reviewing and implementing the agreed agenda (United Nations, 2025). Specifically, the regional commissions were invited to utilize existing mechanisms and platforms and to convene meetings in advance of the follow-up to assess progress made, gaps and opportunities for action. In Latin America and the Caribbean, the Regional Conference on Social Development in Latin America and the Caribbean will be responsible for organizing these preparatory meetings.

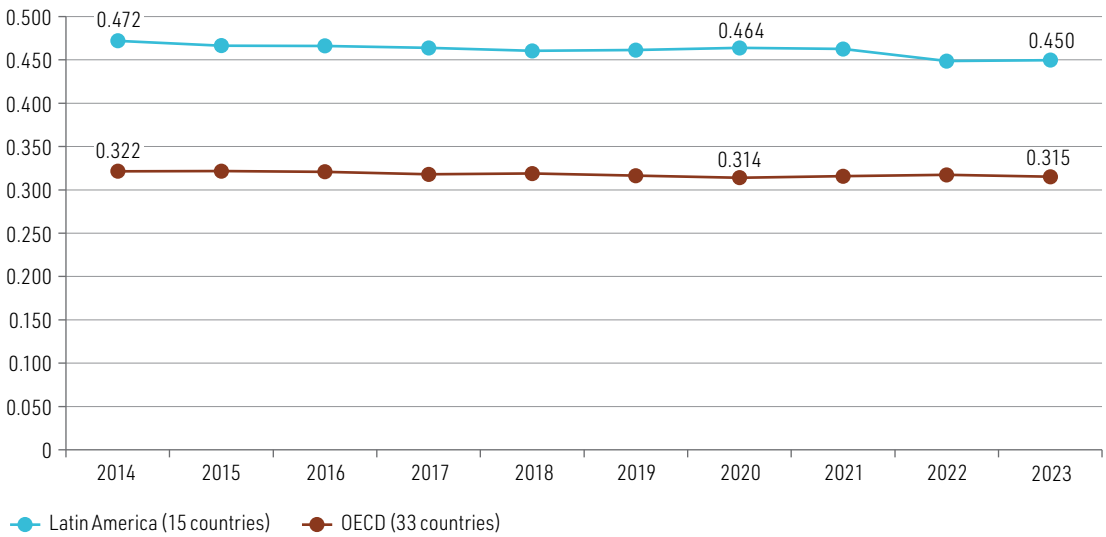
ECLAC is therefore committed to supporting the countries of the region in taking the necessary steps to honour the pact. One of the main obstacles to achieving this goal is the high and persistent inequality in the region, which must be addressed through efficient and effective action. To that end, this edition of the *Social Panorama of Latin America and the Caribbean* is focused on the trap of high inequality, low social mobility and weak social cohesion, and includes an analysis of the multidimensional nature of inequality and the need to design and implement comprehensive policies to reduce it.

C. High and persistent inequality in Latin America and the Caribbean: an obstacle to progress towards inclusive social development

High levels of income inequality in Latin America and the Caribbean are a historic and structural obstacle to progress towards inclusive social development and fuel the region's development crisis (Salazar-Xirinachs, 2023; ECLAC, 2024b). Over the past 10 years, income inequality in the region

has been persistently higher than in countries of the Organisation for Economic Co-operation and Development (OECD) (see figure 1). According to ECLAC, the extreme inequality in the region is unacceptable from a rights and social justice perspective, as well as ineffective from an economic growth perspective. Inequality not only affects people's opportunities and limits their access to well-being; it also weighs on society as a whole and on countries' development (ECLAC, 2024a, 2024b). It erodes social cohesion and the stability of social compacts in various ways, for example by fuelling distrust in institutions and in public policies and officials, and weakens the attachment to democracy (Salazar-Xirinachs, 2023; ECLAC, 2024a).

Figure 1
Latin America (15 countries) and OECD (33 countries): Gini coefficient, 2014–2023[a]



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG) and World Bank Open Data. https://data.worldbank.org/.

[a] Simple averages. Latin American countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The OECD group does not include any countries in the Latin America group.

It impedes members of the population from exercising their rights and exacerbates the other two structural traps affecting development in the region, as it is counterproductive for economic growth and weakens institutions and governance (Salazar-Xirinachs, 2023). Hence, the uncertain and complex environment marked by challenges linked to globalization and geopolitics, accelerated technological change, and the effects of climate change, migration and weaker global economic growth, which are worsening the challenges faced in the region, has given rise to a vicious circle of structural development traps that are perpetuating the crisis (ECLAC, 2024a).

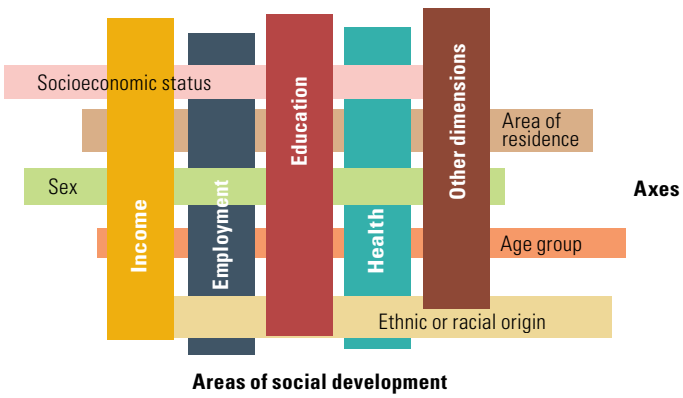
ECLAC has identified six main factors or causes that explain high inequality and low social mobility and cohesion in the countries of the region: (i) low growth, which leads to sluggish and highly informal labour markets, and large disparities in productivity, which generate segmented labour markets with large pay disparities; (ii) regressive tax systems; (iii) weak social policies and social protection policies that do little to reduce the effects of production-based inequality; (iv) education systems with serious deficiencies, that do not meet the new labour market needs linked to the technological revolution and that moreover, are segmented and thus do not fulfil their potential as a powerful mechanism for social mobility; (v) gender inequality; and (vi) high levels of inequality and spatial segregation in urban areas, where 80% of the region's population lives. These are compounded by the cross-cutting issues of discrimination and human rights violations faced by specific population groups (ECLAC, 2024b).

D. Inequality is a multidimensional phenomenon with various causes, and requires multidimensional measurement to support comprehensive policies aimed at reducing it

Although inequality has traditionally been measured in terms of income, there is now broad consensus on its multidimensional nature, which goes beyond income disparities (ECLAC, 2016, 2024b; Bourguignon, 2024; Foster and Lokshin, 2024). Inequality is a multidimensional phenomenon that manifests in areas that are crucial for the population, such as education quality and labour inclusion, and weighs on the determinants of inclusive social development.

Once this multidimensional nature has been recognized, the different forces that drive inequality and shape social, political and economic relations must be identified. ECLAC (2016) proposed a social inequality matrix as an analytical framework that captures the multidimensional nature of inequality and aims to determine the different areas in which it appears (see diagram 2). This approach enables an analysis of the interconnected and mutually reinforcing nature of the different dimensions of inequality, and the influence of factors such as gender, age, ethnicity and race, area of residence and socioeconomic origin in the distribution of resources and opportunities, thus shedding light on the deep-rooted and multifaceted causes of inequality. The recognition of these factors and mechanisms is fundamental to developing comprehensive policies that reduce inequality and allow progress towards inclusive social development (ECLAC, 2016, 2024b).

Diagram 2
The social inequality matrix in Latin America and the Caribbean



Source: Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)); Economic Commission for Latin America and the Caribbean. (2024). *The trap of high inequality and low social mobility in Latin America and the Caribbean: an obstacle for inclusive and sustainable social development*.

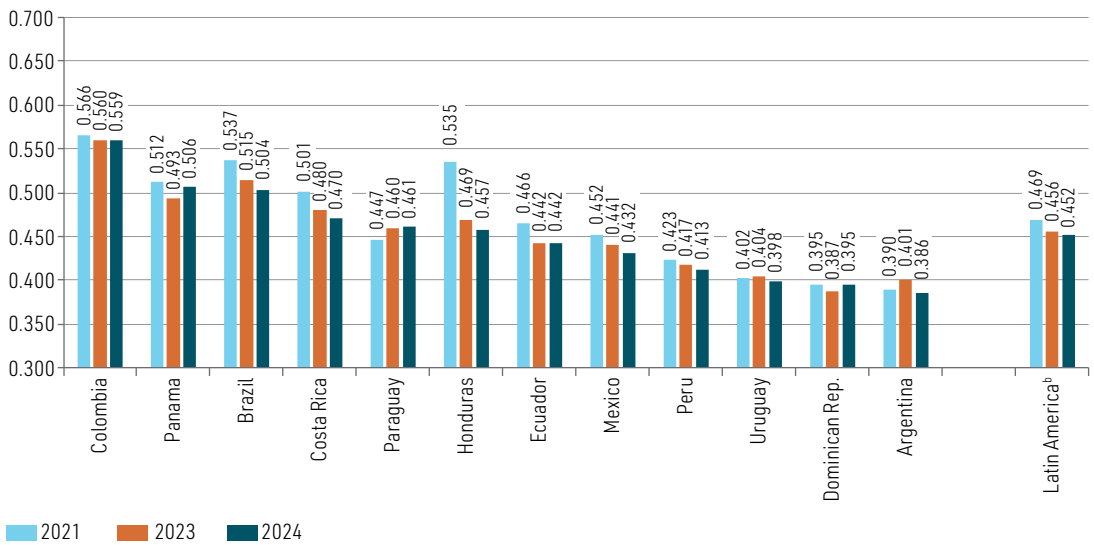
Likewise, progress in the measurement of inequality in all its dimensions is crucial. For more than seven decades, the multidimensional measurement of inequality has been fragmented and sporadic (ECLAC, 2024b; Alvaredo et al., 2023). The countries of the region face various challenges in advancing in this type of measurement. These include the need to improve and develop homogeneous sources of information that allow more accurate measurement of inequality. This requires methodological consensus to institutionalize such measurement through the definition of dimensions, indicators and procedures to obtain a reliable and robust analysis (ECLAC, 2024b, 2024c). This type of measurement would facilitate the design and implementation of comprehensive policies to address inequality in an effective and sustained manner.

E. Income inequality remains high, but is trending downward slightly

Income inequality in Latin America and the Caribbean, addressed in chapter I, is one of the clearest manifestations of the socioeconomic gaps affecting the region. It is especially high and reflected in different ways. First, the average Gini coefficient for Latin America and the Caribbean is the highest of all regions in the world, and only lower than a subregion of Africa (sub-Saharan Africa). Some Latin American countries therefore reflect the highest levels of inequality in the world (Alvaredo et al., 2023; ECLAC, 2024b). Second, according to household surveys, the highest income decile in the region accounts for an average of one third of total national income, while the lowest income decile fails to account for even 2%. This indicates an income gap of more than 20 times between the wealthiest 10% of the population and the poorest 10%, in line with a pattern of extreme concentration that highlights the need for comprehensive policies to reduce deep-rooted and persistent structural inequalities.

Analysing the trends in the Gini index, which is the most commonly used inequality indicator, the comparison of the most recent figures available in each country with those of 2014 shows an average annual decline of 0.5% in the index for 16 countries of the region (see figure 2). In 2024, the index was 0.452 (simple average for 12 countries). Although this figure is similar to that of 2023 (0.456), the comparison with 2021 (0.469) shows a slight improvement in income distribution. Between 2021 and 2024, the regional average for the 12 countries analysed fell to an annual rate of 1.3%. However, these limited variations do not indicate structural transformations.

Figure 2
Latin America (12 countries): Gini index, 2021, 2023 and 2024[a]



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Data for 2021 and 2023 for Mexico refer to 2020 and 2022. 2021 data for Paraguay are not strictly comparable to following years.
[b] Simple average for 12 countries.

While the improvement in income distribution has been a positive development, it is important to underscore that it is due primarily to labour market forces and long-term demographic trends rather than redistributive policies. In four of the five countries where inequality declined most significantly between 2021 and 2024, the labour market was the main contributing factor. Meanwhile, shrinking household sizes owing especially to the diminishing proportion of children and adolescents —more

pronounced in the lower income groups— have contributed to the narrowing of per capita income gaps between the first and fifth quintiles. Thus, there is ample room for public policy to play a more decisive role in reducing inequality.

Despite its considerable importance, the measurement of income inequality faces formidable methodological challenges. A series of approaches, which integrate surveys with tax records and national accounts data, have been developed to address this problem and are analysed in chapter I. World Inequality Lab estimates constitute one such approach, based on distributional national accounts. Although results do not always align with survey findings, there has been a minor decline in income inequality —at least in the years since the coronavirus disease (COVID-19) pandemic—, with the wealthiest 1% now accounting for a slightly smaller share of total income (before tax) relative to the prior period.

F. The region must pursue quality education, as inequality is perpetuated by education system shortcomings

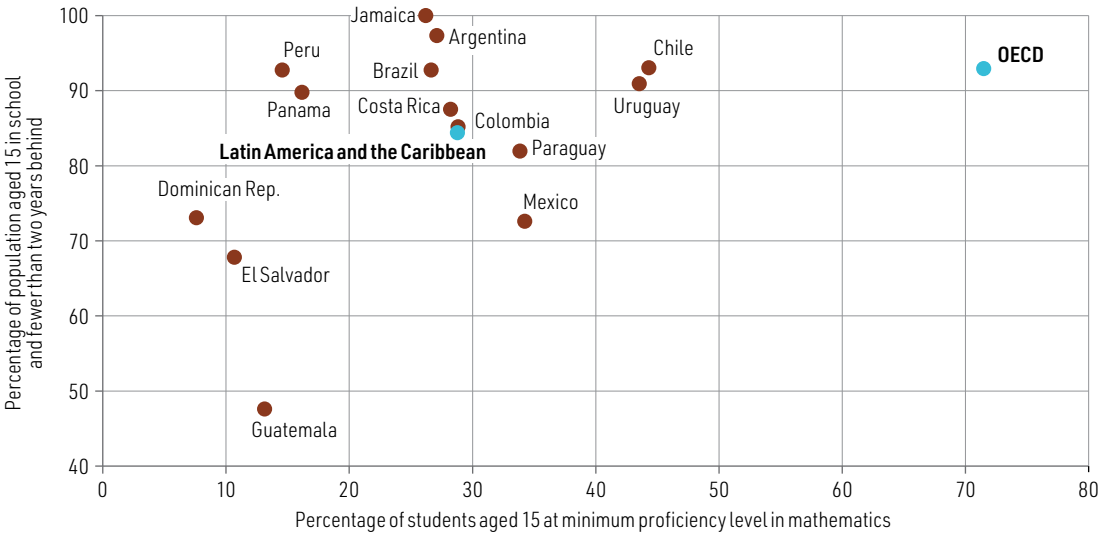
A second factor contributing to high inequality in the countries of the region is flawed education and vocational training systems. Chapter II of this edition of the *Social Panorama of Latin America and the Caribbean* notes that, despite progress in education coverage in recent decades, the countries of the region continue to face significant inclusion and quality gaps, which are associated with the axes of the social inequality matrix. Education coverage challenges remain, in particular regarding access at the pre-primary level, completion at the secondary level, and access and retention in higher education. Meanwhile, the fact that schooling does not provide students with the knowledge needed to address current global challenges points to an alarming crisis of learning.

Figure 3 shows persistent challenges in education coverage and quality in the countries of the region. On average, in the countries of Latin America and the Caribbean that participated in the 2022 round of the Programme for International Student Assessment (PISA), education coverage among the population aged 15 is nearly 14 percentage points lower than coverage in OECD countries, and the proportion of students that meet the Assessment's minimum level of proficiency in mathematics is 48 percentage points lower in the region than in OECD countries. In other words, OECD scores nearly triple regional scores, on average. These gaps limit opportunities for young people and hinder regional growth, which highlights the need for comprehensive policies that ensure school retention and relevant learning outcomes.

Responding to the need for progress on the multidimensional measurement of inequality, chapter II presents a proposal for measuring education inequality using a bidimensional index of inequality of opportunity in education.[2] An analysis of the index of inequality in learning outcomes, adjusted for access (which includes students outside the education system) and the bidimensional index of inequality of opportunity in education (which combines inequality of coverage and learning outcomes in a single indicator), shows persistent education inequality in both coverage and learning outcomes. The results show that including coverage in the analysis substantially increases inequality in learning outcomes. Similarly, the region's index of inequality of opportunity in education is more than double that of OECD countries, underscoring the inability of education systems to adequately compensate for unequal student backgrounds and advance social mobility.

[2] The bidimensional index of inequality of opportunity in education is calculated by multiplying two components: an index of inequality of opportunity in coverage, given by the percentage of the population aged 15 either not in school or more than two years behind in school, and an index of inequality of opportunity in outcomes, which estimates the proportion of learning inequality in the mathematics component of PISA that can be attributed to predetermined factors not dependent on the student, such as sex, migration status, household socioeconomic and cultural status, and school characteristics.

Figure 3
Latin America and the Caribbean (14 countries) and OECD (33 countries):[a] proportion of population aged 15 in school and fewer than two years behind, and proportion of students aged 15 who meet the minimum level of mathematical proficiency[b] of the Programme for International Student Assessment, by country, 2022
(Percentages)



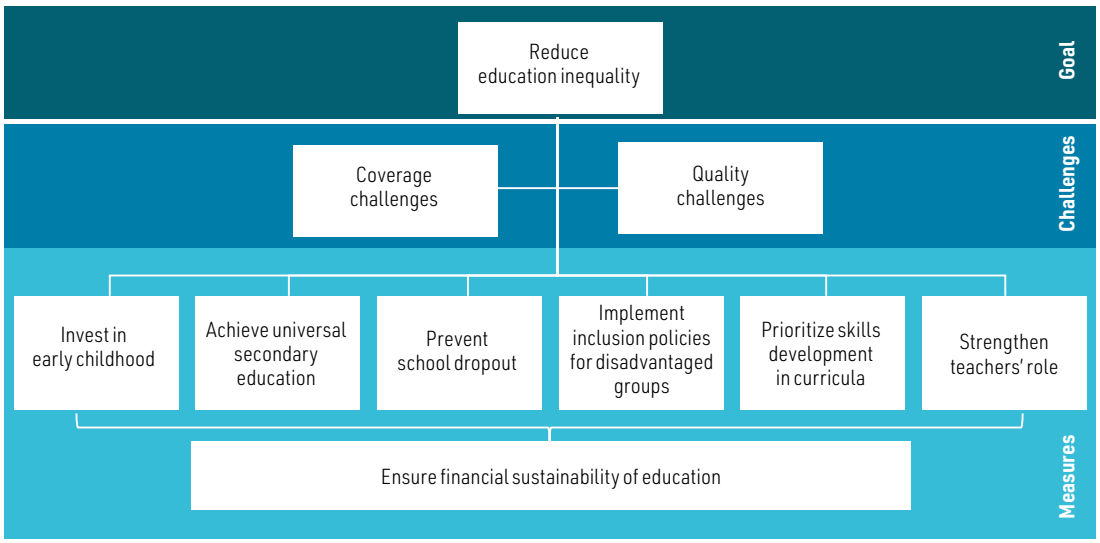
Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing.
[a] Simple averages. Latin American and Caribbean countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay. OECD countries: Australia, Austria, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kingdom of the Netherlands, Latvia, Lithuania, New Zealand, Norway, Poland, Portugal, Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom and United States.
[b] The minimum level of proficiency in mathematics is level 2.

Meanwhile, although intergenerational education mobility has improved in the region in the past two decades —especially at the primary and secondary levels—, significant challenges remain in higher education, where parents' level of education continues to be a fundamental determinant. Education mobility is less prevalent in the highest and lowest income quintiles and especially limited in the lowest. This situation is compounded by a negative correlation between income inequality and education mobility: the higher a country's income inequality, the lower the probability that children will reach a higher level of education than their parents.

With a view to overcoming these challenges and harnessing the transformative potential of education, chapter II proposes a set of strategies to reduce education inequality in both coverage and quality (see diagram 3). One proposal is to move towards universal pre-primary education, given its important role in reducing school dropout and repetition and improving learning outcomes. Another recognizes the need for holistic policies that include early warning systems to prevent school dropout, programmes to strengthen educational trajectories, education services adapted to student diversity, scholarships, income protection and comprehensive care to achieve universal secondary education. An additional policy recommendation for improving learning outcomes is to focus on tailoring teaching methods to each student's level, through more personalized methods and with the support of digital and hybrid modalities; prioritize curricula that emphasize cognitive, socioemotional and digital skills; and gradually extend the school day, taking context and public expenditure on education into account. Planning, designing and implementing this type of education

policy calls for increasing financially sustainable public investment and, crucially, understanding that more and better investment in education is not a product of development but, rather, a vital prerequisite for its achievement.

Diagram 3
Strategies for reducing education inequality



Source: Economic Commission for Latin America and the Caribbean.

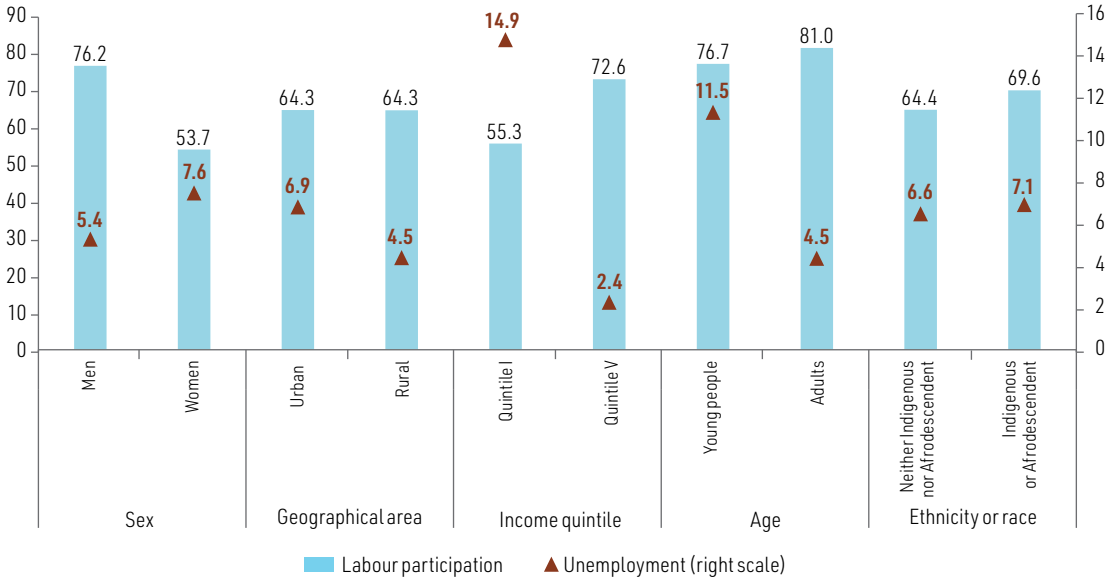
G. Amid the variety of persistent labour inclusion challenges, job formalization is fundamental for reducing inequality

Persistent inequalities in education access and quality are linked to inequality in job opportunities. As discussed in chapter II, this is not only a product of education gaps perpetuating unequal access to quality jobs and barriers to labour inclusion, but also of low economic growth, limited formal job creation and the productive heterogeneity that characterizes the region's economies. These factors create segmented and highly informal labour markets that hamper education's ability to improve living conditions and reduce inequality.

The region's labour market is profoundly unequal in structure. Increasing education levels should translate into higher labour participation, lower unemployment, better wages and more access to quality jobs for all, but this does not materialize in an equitable manner, leaving historically excluded groups at a disadvantage. Chapter II shows that one out of two women does not participate in the labour market and that unemployment rates are significantly higher among women, young people, urban residents, Afrodescendants and Indigenous Peoples (see figure 4).

Labour informality affects nearly half of employed persons, particularly women, young people and low-wage workers, which translates into a lack of legal coverage and effective access to social protection. High levels of informality limit the redistributive effect of education, creating an urgent need to link advancements in education to a labour market that creates formal, protected and quality jobs. In this regard, labour formalization should be viewed as a key strategy for reducing poverty and inequality.

Figure 4
Latin America (13 countries):[a] labour participation and unemployment rates, by social inequality matrix axis, 2023[b]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Simple averages. "Young people" refers to persons aged 15–29 not in school, and "adults" refers to the population aged 30–59.
[a] Latin American countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Data disaggregated by geographical area do not include Argentina, and data disaggregated by ethnicity or race do not include Argentina, Costa Rica, the Dominican Republic, El Salvador or Paraguay.
[b] Data for the Plurinational State of Bolivia refer to 2021, while those for Chile and Mexico refer to 2022.

In chapter II, a methodology[3] is applied to estimate how the labour income of the informally employed would change if they became formally employed and, thereby, to approximate the potential impact of formalization on the population's well-being. The simulations presented in the chapter show that if all informal workers became formally employed, their average income would rise by 29%, their poverty levels would fall by 12.1%–24.3% and the Gini coefficient for total labour income would decrease by 14%. Thus, progress on labour formalization is a concrete path for improving people's economic well-being and living conditions. This process must be sensitive to differences and take into account the gaps particularly affecting groups that have historically suffered exclusion or discrimination.

Boosting formal employment and reducing inequality requires the adoption of a comprehensive policy approach encompassing productive development, the labour market, regulations and care (see diagram 4). This involves transforming the production structure, strengthening strategic sectors that generate quality employment, increasing job training, implementing tax incentives and improving labour oversight and intermediation. This approach should ensure access to social protection systems for all, irrespective of employment status, and should include the design of informal-to-formal transition programmes that combine training, access to financial services and technical support, incorporating an intersectional perspective.

[3] The simulations use a partial equilibrium model enabling an evaluation of not just the individual benefits of formalization but also its potential aggregate effects on poverty and inequality levels.

Diagram 4
Labour strategies and policies for reducing inequality

Source: Economic Commission for Latin America and the Caribbean, on the basis of Espejo, A., Trujillo-Salazar, L., Caillaux, E., Figueroa, N. and Robles, C. (2023). Políticas activas de mercado de trabajo en América Latina y el Caribe: desafíos para la inclusión laboral con protección social. *Project Documents* (LC/TS.2023/192). Economic Commission for Latin America and the Caribbean; Huepe, M. (2024). El desafío de la sostenibilidad financiera de la educación en América Latina y el Caribe. *Project Documents* (LC/TS.2024/1). Economic Commission for Latin America and the Caribbean.

Strengthening education and promoting labour inclusion should be recognized as pillars of inclusive social development. Comprehensive strategies adapted to specific contexts should be planned, designed and implemented as a policy priority, supported by robust institutional capacities, a long-term vision that ensures financial sustainability, and the implementation of productive development policies that strengthen education and work to drive down inequality (ECLAC, 2024f).

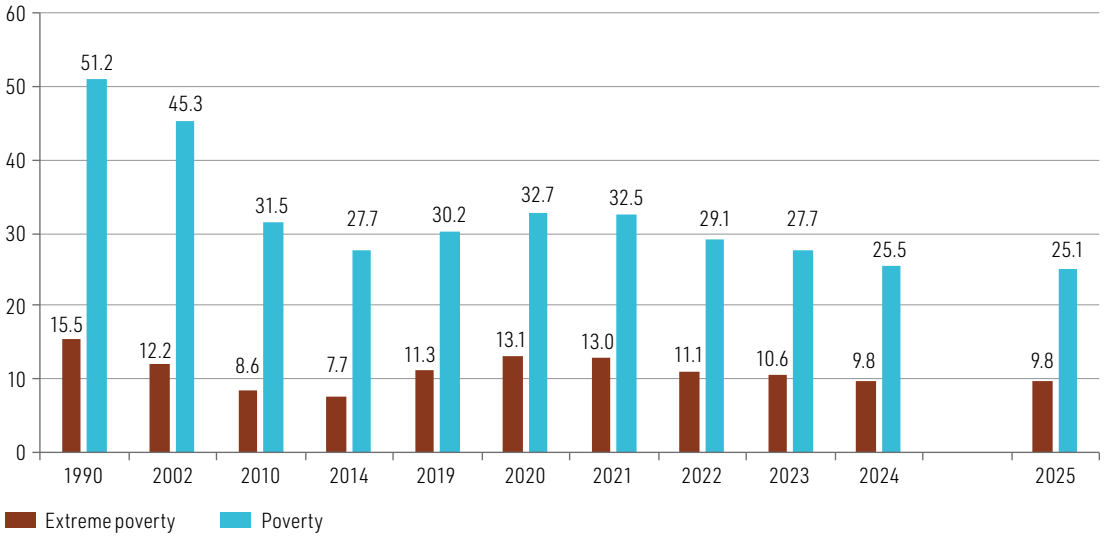
H. Monetary poverty and multidimensional poverty declined significantly in 2024

High and persistent inequality in Latin America and the Caribbean compounds the challenge of eradicating poverty, which is the most extreme manifestation of inequality. Progress on poverty elimination is essential for advancing towards inclusive social development. Chapter I of the *Social Panorama of Latin America and the Caribbean, 2025* includes an analysis of poverty from two perspectives: one that focuses on income insufficiency, and one that considers a broader set of deficiencies in different areas of well-being.

With regard to monetary poverty, 25.5% of the regional population was poor in 2024, a decrease of 2.2 percentage points since 2023 and more than 7 percentage points since 2020,[4] and the lowest rate since comparable records began (see figure 5). Meanwhile, the extreme poverty rate fell to 9.8% in 2024, down 0.7 percentage points from its 2023 level, meaning that progress was more modest than in the case of overall poverty. Extreme poverty was still 2.1 percentage points higher than in 2014, when it fell to its lowest level of the last three decades. In all the countries, wage income was the source that had the greatest impact on poverty, whether this rose or fell.

[4] The reduction in poverty in 2024 was due mainly to the performance of Mexico and, to a lesser extent, Brazil, which accounted for 60% and 30% of the regional decline, respectively. In the case of extreme poverty, these countries contributed 49% and 31% of the reduction, respectively. Without their results, the regional decline would have been small and rates would have remained at around 2019 levels.

Figure 5
Latin America (18 countries):[a] population in extreme poverty and poverty, 1990–2024 and projections for 2025
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted averages of the following countries: 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.

With regard to multidimensional poverty, ECLAC has developed a multidimensional poverty index for Latin America (MPI-LA) in response, first, to the unsuitability of the relatively undemanding thresholds used in global indices to the current context in the region and, second, to the limited comparability between national measures (ECLAC, 2025d). MPI-LA is based on the capabilities and rights approaches and incorporates deprivation indicators in four dimensions: housing, health, education, and employment and pensions. Each dimension has the same weight and is composed of three equally weighted indicators. To be considered poor, someone must be deprived in at least 4 of the 12 indicators.

The results presented in chapter I show a sustained decline in multidimensional poverty in the region, from 34.4% in 2014 to 20.9% in 2024, a downward trend that was interrupted in 2020 by the effects of the pandemic. During this period, multidimensional poverty was consistently higher in rural areas, among children and adolescents and in the poorest income quintiles. This situation confirms the existence of social groups suffering from cumulative disadvantages that leave them more vulnerable to multidimensional poverty and make it harder for them to escape it.

Around 2024, 29.1% of multidimensional poverty in the region was explained by deprivations in the dimension of employment and pensions. Some 15.2% of total poverty was due to poor-quality employment and 11.4% to lack of labour market participation. Housing accounted for 28.4% of multidimensional poverty, lack of Internet access for 11.0% and overcrowding for 10.9%. As for the remaining dimensions, education and health were responsible for 22.8% and 19.6% of total multidimensional poverty, respectively.

The situations of individual countries varied greatly. Thus, while the incidence of multidimensional poverty was over 50% in Guatemala, Honduras and El Salvador around 2024, in Costa Rica, Uruguay and Chile it affected less than 6% of the population.[5] Poverty was severest in the countries where it was most prevalent: the poor were deprived in more than two dimensions on average in Guatemala and Honduras, but in less than one and a half dimensions in Chile, Uruguay and Costa Rica.

I. Profound gender inequality persists, limiting the exercise of women's rights and autonomy

One of the factors explaining high inequality, low social mobility and weak social cohesion is gender inequality, which affects women, adolescents and girls who face discrimination in particular. As discussed in chapter III, the reduction of gender inequality is not only a human rights issue but an essential condition for progress towards inclusive and sustainable social development. This is reaffirmed in the Tlatelolco Commitment, which establishes a decade of action (2025–2035) to accelerate the achievement of substantive gender equality and the care society through political, economic, social, cultural and environmental transformations (ECLAC, 2025c). Among other requirements, this means dealing with the four structural obstacles, as identified in the Regional Gender Agenda, that perpetuate gender inequality in Latin America and the Caribbean (ECLAC, 2017) and have a direct impact on women's autonomy. These gaps are mutually reinforcing and limit women's effective exercise of their rights, access to economic opportunities and political and social participation.

The first of these obstacles is socioeconomic inequality and persistent poverty within the framework of an exclusionary growth model. Although monetary poverty has decreased in aggregate terms in the region, the femininity index of poverty has been rising, from 105 in 2003 to 113 in 2013 (Economic Commission for Latin America and the Caribbean and United Nations Entity for Gender Equality and the Empowerment of Women [ECLAC and UN-Women], 2025) and 121 in 2023, which means that women continue to be overrepresented in low-income households and face greater difficulties with labour inclusion. Likewise, individual multidimensional poverty[6] affects women more than men, mainly because of greater deprivation in the employment dimension, with women being three times as likely to suffer from this as men (ECLAC, 2025d) as a result of inequalities in the distribution of paid and unpaid work and in the social organization of care. This type of analysis reinforces the need to move ahead with comprehensive policies that link labour market policies to policies for care and co-responsibility for care between genders, the State, the private sector and households.

The second structural issue is the persistent sexual division of labour and the unfair social organization of care, which make women primarily responsible for the care work that is essential for sustaining life. In the 10 countries of the region[7] that have calculated the monetary value of unpaid household work, figures range from 19% to 27% of GDP. This is in a context of growing demand for care driven

5 The differences in results between the monetary and multidimensional measures of poverty are due to the fact that they assess different areas of well-being. The monetary indicator treats household income as a proxy for access to the goods and services needed to meet basic needs, while the multidimensional approach captures deprivations in areas such as education, health, housing and employment. Thus, it is possible for a household not to be classified as income-poor but to have multiple deficiencies in other fundamental areas of well-being, and vice versa. Poverty rates and profiles thus differ depending on the approach applied.

6 A major challenge for multidimensional measures is to capture gender inequalities. In a measure such as MPI-LA, individual deprivations are converted into household deprivations, which masks gaps within households. To assess gender gaps in the population aged 20–59 with the MPI-LA indicators, individual deprivations were not converted into household deprivations (CEPAL, 2025d).

7 The countries that have these data are Argentina (2020), Chile (2025), Colombia (2021), Costa Rica (2022), Ecuador (2017), El Salvador (2017), Guatemala (2014), Mexico (2021), Peru (2010) and Uruguay (2021).

by demographic, epidemiological and climatic changes which, together with the reduced availability of time and people to provide it, are creating a care crisis that could easily get worse (ECLAC, 2025e).

The third structural obstacle are patriarchal, discriminatory and violent cultural patterns, reflected in harmful practices that perpetuate the subordination of women and in the high prevalence of gender-based violence and the persistence of feminicide (in 2024, there were at least 11 gender-related killings of women per day). Furthermore, inequalities are exacerbated in the case of women who face multiple forms of exclusion and discrimination, such as Indigenous women, women of African descent, women with disabilities and girls and young women in migration and rural contexts, which highlights how the axes of inequality are interrelated and mutually reinforcing.

The fourth obstacle are gender relations and the concentration of power in the public sphere. Despite regulatory advances aimed at increasing political participation and the implementation of mechanisms such as parity measures and gender quotas, gender parity remains an unmet aspiration in the executive, legislative and judicial branches and in local government.

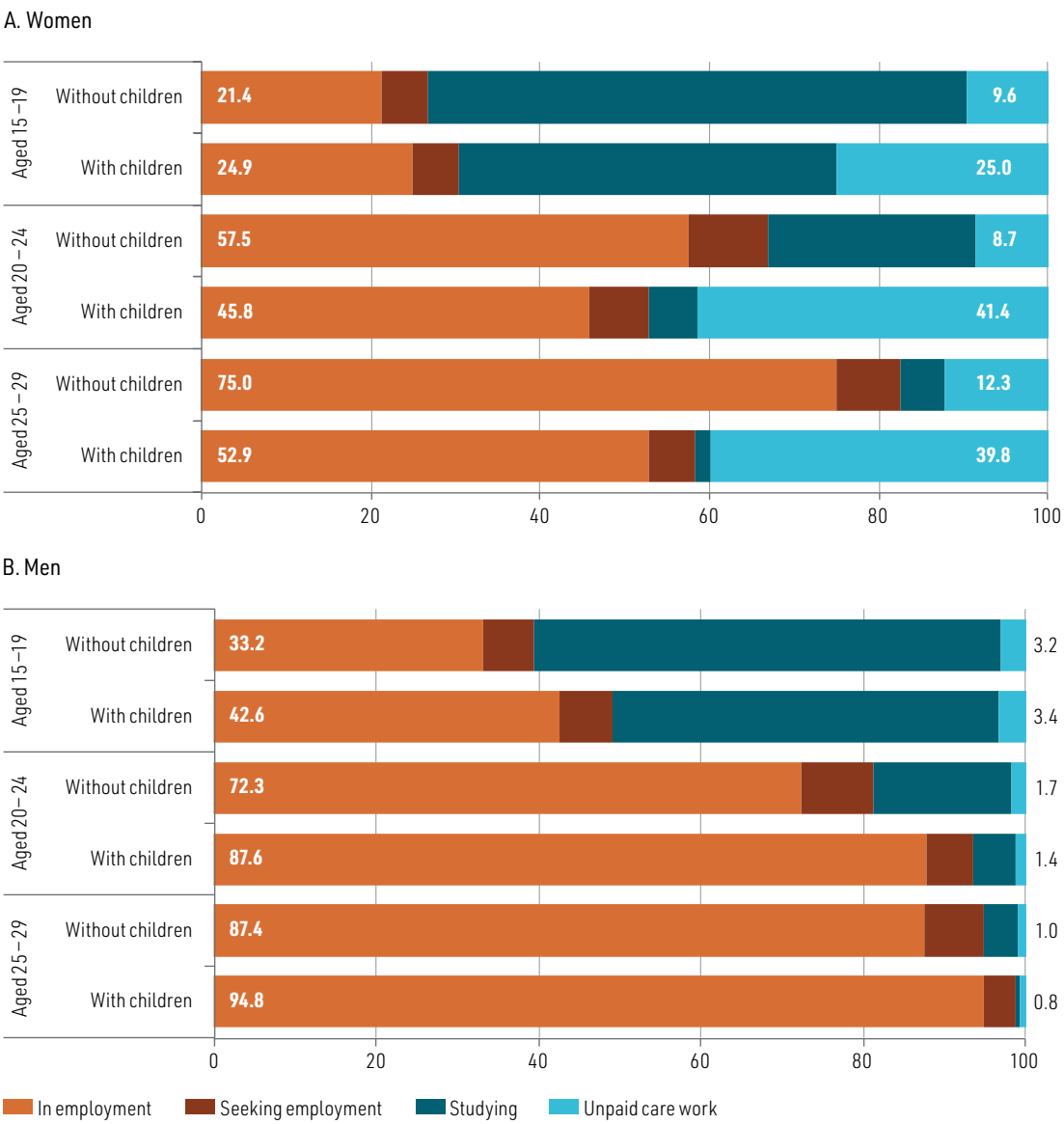
These structural obstacles manifest themselves from early ages and affect the life courses of girls, adolescents and young women, thereby reproducing inequality in its multiple dimensions, as discussed in chapter III. One important trend is the higher prevalence of child marriage, early unions and adolescent pregnancy, particularly in the lowest income quintiles. In 15 countries with information available, between 24% and 55% of women aged 20–24 in the lowest income quintile were married or in a union before the age of 18; in comparison, this figure ranges between 2% and 32% for women in the highest income quintile. At the same time, a larger proportion of men in the 15–29 age group participate in the labour market, while many women are outside the education system and paid employment and devote a great deal of time, in some cases up to 75 hours per week, to unpaid work. In all household income quintiles, the proportion of young women whose main activity is unpaid domestic and care work far exceeds that of men, especially in lower-income households. In turn, the presence of children in a household significantly increases care demands and limits young women's access to educational and employment opportunities (see figure 6).

The sexual division of labour is also reflected by gender segregation in tertiary education, especially in science, technology, engineering and mathematics (STEM) fields, with 10.8% of female tertiary graduates obtaining their degrees in these areas, compared with 29.3 % of males. Conversely, 40.6% of female graduates in tertiary education obtain their degrees in areas related to the broader care sector (education, health and welfare), compared with 21.9% of men. Gender segregation in tertiary education, together with factors linked to the sexual division of labour and the unequal social organization of care, reinforce gender gaps in the labour market and exacerbate the trap of high inequality in the region.

Addressing gender inequality requires the implementation of public policies that eliminate stereotypes and foster women's participation in all areas of knowledge, including STEM subjects. There is also a need to professionalize those working in the care sector and certify their skills, which means that the quality, perceived value and dignity of this work need to be enhanced by ongoing training policies, recognition of knowledge and access to appropriate working conditions. Likewise, given its potential to create jobs and increase incomes and to open the way to greater female participation in the labour market, among other benefits, the care economy should be treated as a strategic sector for the productive transformation that the region needs if it is to deal with the development crisis. ECLAC has accordingly called for a transition to a care society, as a new development model that places the sustainability of life and the planet at its centre while recognizing care as a fundamental human

right, ensuring the rights of both those who require care and those who provide it, and promoting the right to self-care in accordance with the principles of equality, universality and social and gender co-responsibility (ECLAC, 2025c, 2025e).

Figure 6
Latin America (15 countries):[a] main activity of population aged 15–29, by sex, age group and presence of children (aged 0 to 5) in the household, 2024[b]
(Percentages)



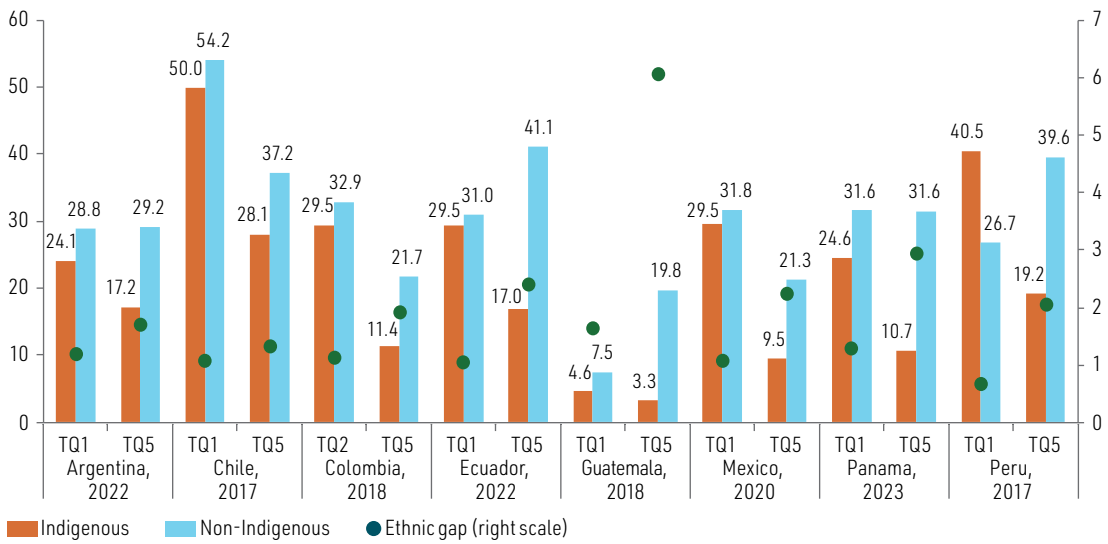
Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] **Weighted averages of the following countries**: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data are from 2023 for El Salvador and the Plurinational State of Bolivia and 2022 for Chile.

J. Inequality in the form of discrimination, exclusion and violation of the rights of persons with disabilities, Indigenous Peoples and migrants

Inequality is also reflected in rights violations and the exclusion of certain population groups, as discussed in chapter III. This is the case with Indigenous Peoples, migrants and persons with disabilities, some of the population groups targeted by the priority measures of the Montevideo Consensus on Population and Development (ECLAC, 2013), who are most affected by the trap of high inequality, low social mobility and weak social cohesion, exacerbated by exclusion, discrimination and the historical violation of their individual and collective rights.

In all the countries of the region, ancestral lands, where most Indigenous Peoples live, suffer from historical deficits in investment, infrastructure, resources and governance, and from various threats, including encroachment, environmental degradation and violence towards communities and their representatives. These challenges, combined with exclusion, discrimination and the historical violation of their individual and collective rights, give rise to intersecting ethnic and territorial inequalities reflected, for example, in a lower rate of access to higher education among Indigenous young people than their non-Indigenous peers, and an even lower rate among those living in rural areas and in regions with a high concentration of Indigenous residents (see figure 7). These gaps are also evident at the municipal level, and municipalities with a high concentration of Indigenous residents —which often overlap with ancestral lands, albeit not exactly— record lower levels of educational attainment.

Figure 7
Latin America (8 countries): percentage of Indigenous and non-Indigenous population aged 20–29 accessing higher education, in the first territorial quintile (TQ1)[a] and last (TQ5) territorial quintile of Indigenous presence at the minor administrative division level, and ethnic gap in each quintile,[b] 2020 census round
(Percentages and non-Indigenous/Indigenous ratio)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

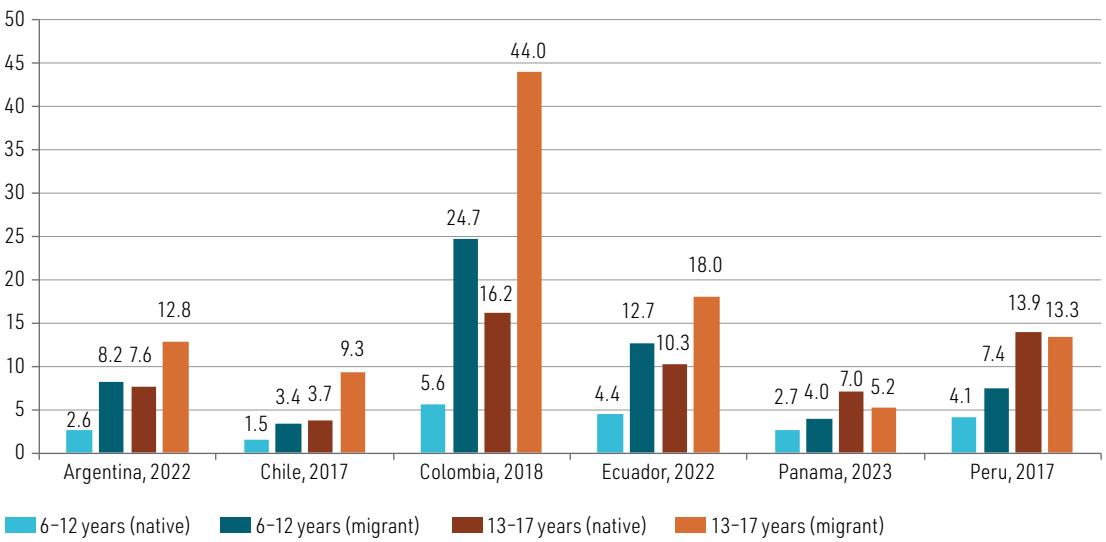
[a] In the case of Colombia, data refer to the second territorial quintile (TQ2) of Indigenous presence, as there were very few cases in the first territorial quintile (TQ1).

[b] The ethnic divide was obtained by dividing the percentage of non-Indigenous young people aged 20–29 accessing higher education by the percentage of Indigenous young people accessing higher education, in each territorial quintile.

Addressing the inequalities faced by Indigenous Peoples entails recognizing their identity and rights as such, acknowledging their defence of ancestral lands taking into consideration their territorial, cultural and sociopolitical diversity and ensuring the exercise of recognized collective rights. It is also vital to ensure access in these territories to basic services and to educational and employment opportunities that are adapted to local realities and that integrate traditional knowledge, care practices, environmental management, agroecology and collective entrepreneurship models. Affirmative action, such as quotas or specific scholarships, especially for secondary and higher education, as well as adequate infrastructure, digital connectivity and special support for bilingual teachers with intercultural training, foster educational inclusion.

Regarding international migrants, although Latin America and the Caribbean continues to register negative net migration and ever-greater migrant outflows (United Nations, 2024),[8] immigration has become more common in recent decades for many countries of the region owing to increasing intraregional migration (ECLAC, 2023a). This population group faces a variety of barriers in exercising their rights. For example, educational exclusion significantly and disproportionately affects migrant children and adolescents (see figure 8).

Figure 8
Latin America (6 countries): school-age population not attending formal educational institutions, by age group according to migration status, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

School inclusion for migrants requires agile mechanisms for the recognition of studies and academic qualifications; accelerated education; levelling programmes and schools with extended hours that offer academic reinforcement and psychosocial support to reduce dropout rates and learning gaps; access to technical and vocational education and training; local language courses, where necessary; recognition of cultural diversity; quotas in universities; financial aid and subsidies for materials and transportation; anti-bullying protocols; intercultural curricula; and cultural diversity training within the educational community.

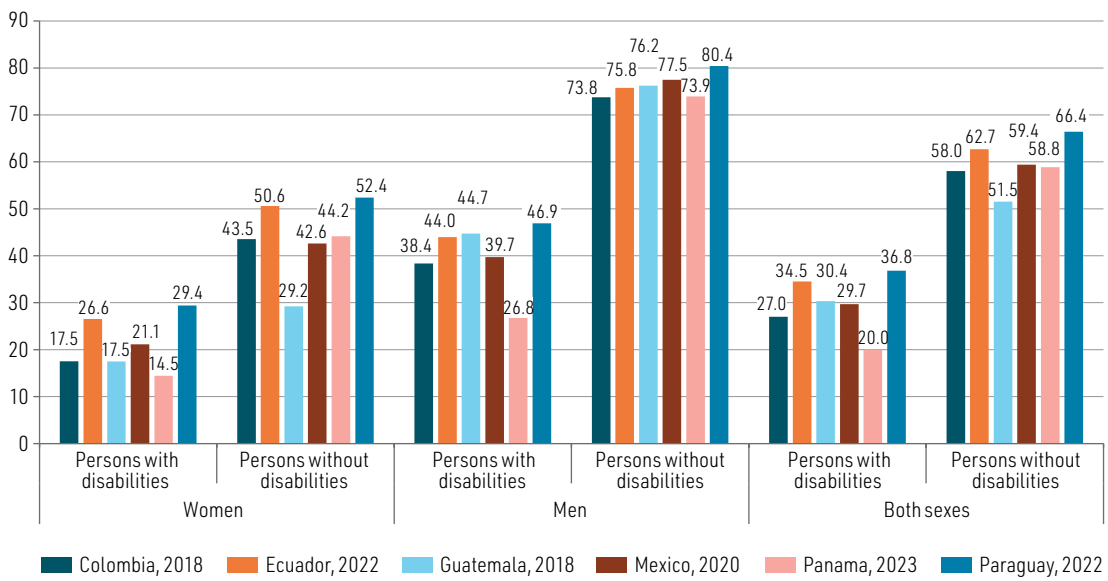
[8] Net migration is defined as the number of immigrants minus the number of emigrants over a given period.

The discrimination faced by this population group is evident in the fact that in several countries of the region, international migrants —especially women— outnumber their native peers in the informal labour market despite higher labour participation rates and educational attainment (ECLAC, 2023a). This points to barriers to accessing formal wage employment, a lack of stable employment options and, consequently, recourse to self-employment or to informal —and often precarious— jobs as an income-generating strategy.

To advance migrants' labour inclusion, there is a need for programmes to guide job-seekers; facilitate access to national and local employment and entrepreneurship programmes; and promote skill certification and technical upskilling. Also helpful are campaigns and training to foster appreciation for cultural diversity and for migrants' contributions and to combat xenophobia. While regularizing migration is critical for the educational and employment inclusion of migrants, it is not sufficient on its own, and the rights-based governance framework that ensures safe, orderly and regular migration must be strengthened.

The population with disabilities is another group that faces various social inclusion barriers and inequalities stemming from discrimination. In this regard, an international framework was forged in recent decades for the rights of persons with disabilities, along with a set of instruments aimed at promoting and protecting the exercise of these rights (ECLAC, 2021). However, implementation challenges remain, as discussed in chapter III. Persons with disabilities have fewer years of schooling and lower educational attainment than those without disabilities. On the employment front, their participation rate is lower than that of their peers without disabilities and they are more likely to not seek employment in the belief that their disability is an impediment to hiring, or because of accessibility issues, family or employer restrictions, stereotypes and stigmas regarding their fitness for work. Women with disabilities in particular suffer from exclusion, recording labour participation rates below 30%, compared with around 50% for women without disabilities (see figure 9).

Figure 9
Latin America and the Caribbean (6 countries): labour force participation (aged 15 and older), by disability status and sex, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

To address the inequalities faced by persons with disabilities, it is necessary to ensure their access to inclusive education adapted to their needs, eliminating prejudices and exclusionary, discriminatory practices. Subsidies and financial incentives are needed for companies, institutions and individuals to hire persons with disabilities and implement the reasonable accommodations required for them to exercise their right to work on an equal basis with others. Disability must also be mainstreamed in all self-employment programmes, adopting accessibility measures and support systems and implementing inclusive training strategies for the professional development and continuing education of persons with disabilities.

The multiple and varied inequalities faced by these population groups, which are replicated in others, such as Afrodescendent populations, strengthen the call for implementation of comprehensive policies to address exclusion, discrimination and the historical violation of their rights. In that regard, their participation in the decisions that affect them is vital, as is implementation of the national and international laws and regulations for their inclusion and the exercise of their rights. Designing and implementing these policies requires strengthening institutional capabilities, as discussed in chapter IV.

K. Limited technical, operational, political and prospective institutional capabilities are weakening implementation of policies to reduce inequality

High inequality in the region is compounded by the trap of weak institutional capacity and ineffective governance, which hampers the management of vital transformations in the region (ECLAC, 2024b). The regional institutional context, marked by weakness, significant fragmentation and pressing social demands, hinders efforts to address inequality through comprehensive and effective public policies that endure over time and can be adapted to changing contexts (ECLAC, 2024a; Salazar-Xirinachs and Boeninger Sempere, 2025). Progress in reducing inequality requires a solid foundation of technical, operational, political and prospective (TOPP) capabilities; permanent, broad and representative forums for dialogue; and effective governance capable of settling differences and producing greater convergence and coordination among political, economic and social stakeholders (ECLAC, 2024b; Salazar-Xirinachs, 2023).

Amid global crises and rapid changes across multiple dimensions, the countries of the region must strengthen their capacity to develop new and agile ways to adapt to various processes and transitions, making the shift from prescriptive and aspirational thinking to a strategic and operational approach that equips institutions with the actual capabilities required to drive, implement and sustain specific transformations to overcome the development crisis (Salazar-Xirinachs and Boeninger Sempere, 2025). For this reason, ECLAC has proposed the need to strengthen TOPP capabilities, to ensure that policies aimed at reducing inequality have: (i) appropriate, evidence-based diagnoses that draw on technical capabilities; (ii) operational capabilities for strong and sound implementation; (iii) political capabilities to ensure legitimacy, viability and continuity; and (iv) prospective capabilities to maintain effectiveness and swiftly adapt to changing environments (Salazar-Xirinachs and Boeninger Sempere, 2025).

These strengthened institutional TOPP capabilities underpin the effective implementation and management of regulations, organizational frameworks, management instruments and the financial

dimension, enabling them to address the needs and rights of the entire population, with a particular focus on the groups facing the greatest obstacles to the exercise of their rights. As discussed in chapter IV, the countries of the region have advanced in that regard, including through the ratification of international human rights instruments, at the constitutional level and with regard to national legislation, and through the strengthening of their regulatory frameworks. This has been accompanied by the presence of specialized bodies within governments responsible for implementing policies that address the inequality faced by women, children and adolescents, older persons and persons with disabilities, among other groups. Nevertheless, challenges remain in providing social 'policy' institutions with greater financial, technical and human resources and in combating discrimination in a more coordinated and systematic manner.

The statistical visibility of historically marginalized population groups —whose rights have been systematically violated— is also essential to strengthen institutions' technical capabilities and develop robust diagnoses that result in evidence-based policymaking. In this regard, progress has been made in both the population censuses and household surveys of the region's countries by incorporating questions and data disaggregated by the sex of the residents of each household and self-identification of Indigenous Peoples, Afrodescendants, disability status and nationality, among other aspects. Challenges nonetheless remain with the quality and availability of those data and the regularity of data collection.

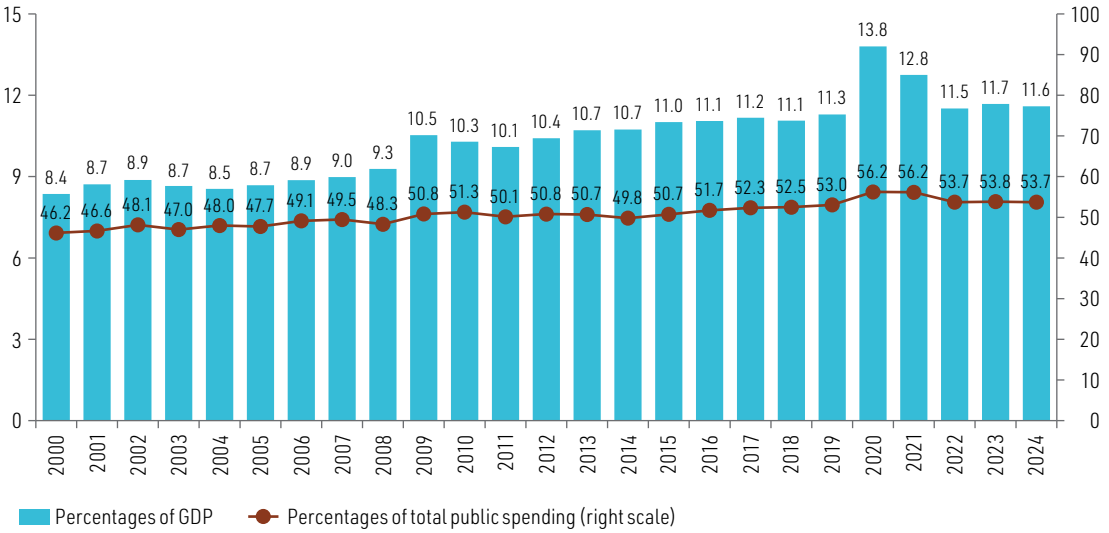
L. Social spending stabilized following the pandemic

Resource availability and financial sustainability are crucial for developing the TOPP institutional capabilities required to address the multiple inequalities in the countries of Latin America and the Caribbean and to enable the design and implementation of policies and measures to drive the transformations needed for the region's inclusive social development. Regarding social spending over the last 24 years, chapter IV shows a broadly stable growth trend in public social spending by central governments in Latin America relative to GDP between 2000 and 2019 (see figure 10). In 2020 and 2021, social spending gathered pace owing to the crisis caused by the COVID-19 pandemic, and in 2020, the highest levels of social spending of the century were recorded in the region, at 13.8% of GDP (ECLAC, 2023b). In the three-year period 2022–2024, spending fell by an average of 1.2 percentage points of GDP relative to the 2021 level and by 2.2 percentage points relative to the 2020 level. In 2024, central government social spending averaged 11.6% of GDP and 53.7% of total public spending in 24 of the region's countries.

This figure points to a stabilization of spending in recent years, following the decline from the peak levels in 2020 as a result of the COVID-19 pandemic. However, central government public social spending varies widely across the region, with three countries spending more than 15% of GDP, while seven others report spending levels below 10% of GDP.[9] At the subregional level, in the seven Caribbean countries for which information is available (Bahamas (The), Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago), the average level of central government social spending was 11% of GDP in 2024, thus maintaining the trend towards stabilization seen in recent years. Meanwhile, in the 17 Latin American countries, such spending amounted to 11.6% of GDP (0.1 percentage points less than the previous year).

[9] The countries with central government public social spending above 15% of GDP are Brazil, Uruguay and Chile, while in The Bahamas, El Salvador, Guatemala, Guyana, Honduras, Panama and the Dominican Republic, spending is below 10% of GDP.

Figure 10
Latin America (17 countries):[a] central government social spending, 2000–2024[b]
(Percentages of GDP and of total public spending)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
[a] Simple averages. The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[b] The coverage of the Plurinational State of Bolivia refers to the central administration and that of Peru to general government. Data for the Plurinational State of Bolivia refer to 2021, while those for Brazil, Panama and Paraguay refer to 2023.

The share of social spending in total central government public expenditure also stabilized to some extent, averaging 53.7% for Latin America in 2024, just 0.1 percentage points lower than in the previous year. Thus, public social spending continues to be the main component of total public expenditure in Latin America. In the seven Caribbean countries mentioned above, social spending as a share of total public spending increased by 1.1 percentage points to 41.1% in 2024. This indicates certain differences in the subregion's social priorities compared with those of Latin America, as social spending represents less than 50% of total public spending.

Similarly, central government social spending per capita, in dollars at 2018 prices, averaged US$ 1,326 in 2024 among the 24 countries in the region for which information is available. This represents an increase of US$ 37 (or 2.9%) per capita relative to 2023.

Among the 17 Latin American countries, central government social spending per capita averaged US$ 1,110 in 2024, which is US$ 53 below the 2022 peak, but US$ 3 above the 2023 level. Among the seven countries of the Caribbean, social spending per person expanded significantly in 2024, by an average of US$ 121, to US$ 1,852. This represents an increase of 7% over 2023. When compared with the average for Latin American countries, these figures show a substantial gap in favour of the Caribbean, where per capita social spending in 2024 was 67% higher than in Latin America.

The regional trends in social expenditure are backdropped by a prolonged slowdown in private consumption, declining purchasing power of real wages, scant job creation, weak consumer confidence owing to high levels of uncertainty stemming from geopolitical tensions, financial volatility and trade restrictions, and the depletion of savings accumulated by families in recent years, all of which affect tax revenue. In addition, monetary policy is being kept tight to control inflation, with interest rates held above normal levels, while wide fluctuations in global commodity prices and the recent tariff hikes have further contributed to a scenario of low economic growth in the region (ECLAC, 2024e, 2025f).

Moreover, the structure of central government social spending in the six functions of government remained relatively stable between 2000 and 2024. In Latin America, the social protection and education functions continue to account for the largest shares of social spending, at 4.4% and 3.8% of GDP, respectively. The third most important expenditure function continues to be health, which represented 2.7% of GDP in 2024. This distribution is mirrored in South America, although spending on social protection is somewhat higher (6.4% of GDP). In contrast, social protection spending in Central America, the Dominican Republic and Mexico accounts for just 2.1% of GDP, similar to the level in the Caribbean, which averages 2.5% of GDP for this function.

Lastly, as shown in chapter IV, public transfers such as non-contributory pensions and cash transfers play a significant role in reducing poverty and extreme poverty. On average, across 11 countries, the effect of transfers in reducing total poverty was 2.5 percentage points in 2014, representing a 9% decrease in incidence. Although poverty levels were slightly lower in 2023, public transfers had an even greater impact that year, reducing poverty by 3.5 percentage points (a 15% drop in incidence). The trend was similar but more pronounced in extreme poverty, for which the impact rose from 2.2 percentage points in 2014 (a 24% decrease in incidence) to 2.7 percentage points in 2023 (a 31% decrease in incidence). These trends underscore the importance of social protection systems for the most vulnerable segments of the population, given their impact on the incomes of those living in extreme poverty. Nonetheless, the design of such systems must be strengthened, with the overarching goal of eradicating poverty (ECLAC, 2024d).

M. Comprehensive public policies to promote inclusive social development and overcome the high inequality trap must be adopted

Escaping the trap of high inequality, low social mobility and weak social cohesion requires designing and implementing comprehensive policies that address the six root causes of inequality (ECLAC, 2024b). The implementation of limited, isolated measures will not suffice to address the multidimensional nature of inequality. It is therefore urgent to adopt a new approach that enables the region to overcome this trap and advance towards inclusive social development through policies that link the various sectors.

The expansion of the welfare state, together with the strengthening of social protection systems and the promotion of coordinated sectoral policies, such as improvements in education and health to achieve higher levels of labour inclusion, are essential to mitigate multiple inequality gaps and lay the foundations for greater productivity and growth (ECLAC, 2024b). Universal, comprehensive, sustainable and resilient social protection systems are essential for eradicating poverty, reducing inequality and achieving inclusive social development (Arenas de Mesa, 2023). This process and approach, reflected in the 10 proposals for a pact for inclusive social development agreed upon by ECLAC member States (ECLAC, 2025a), calls for countries to make concerted efforts to expand coverage and improve learning outcomes in education systems, reduce high levels of informality in the region, strengthen labour inclusion and promote employment and decent work with a gender perspective. These actions contribute to sustainable and inclusive growth and increased productivity. In this sense, strengthening education and labour inclusion should be viewed as pillars of inclusive social development that should be coordinated with other measures, such as digital inclusion, the strengthening of pension systems and the consolidation of universal, comprehensive, sustainable and resilient health systems (ECLAC, 2023a, 2024a).

This should include comprehensive care policies and systems that address gender inequalities and overcome the structural challenges that perpetuate them in Latin America and the Caribbean, limiting the effective exercise of rights, access to economic opportunities and the political and social participation of women. This entails designing and linking care policies with other sectoral policies, while incorporating a gender and care perspective in the design and implementation of sectoral policies, in accordance with the principles of social and gender co-responsibility, universality with progressivity, financial sustainability and territorial and intersectional perspectives (ECLAC, 2025e). Moreover, it is essential to take a coordinated approach to addressing the exclusion, discrimination and historical rights violations faced by certain population groups, such as Indigenous Peoples, migrants and persons with disabilities. To this end, their participation in the decisions that affect them is vital, as is the implementation of the national and international laws and regulations that promote their social and labour inclusion.

Advancing towards comprehensive, high-quality social policies requires not only political will but, above all, a solid foundation of TOPP institutional capabilities to guide, coordinate, implement and sustain change amid uncertainty, fragmentation and disruptions (Salazar-Xirinachs and Boeninger Sempere, 2025). Adopting this approach will make it possible to design, implement and manage public policies that foster the structural transformations the region needs to address the trap of high inequality, low social mobility and weak social cohesion from a medium-term perspective that ensures financial sustainability (Salazar-Xirinachs, 2023; ECLAC, 2024b).

This must be accompanied by progress in the multidimensional measurement of inequality to ensure robustness and guarantee the soundness and accuracy of the diagnoses underpinning the design of comprehensive policies. Equally essential are joint efforts to consolidate quality information for the sustained measurement of inequality in its multiple dimensions. This will make it possible to design, implement and evaluate social policies capable of tackling and reducing the high inequality trap in the region.

N. Overview and summary of chapters

The four chapters of the *Social Panorama of Latin America and the Caribbean, 2025* include analysis of the trap of high inequality, low social mobility and weak social cohesion from different perspectives.

Chapter I focuses first on the analysis of income inequality through trends in and determinants of income distribution in the region. Next, monetary poverty is examined, and the most recent data disaggregated by sources of income and population groups are presented, along with the results of the ECLAC multidimensional poverty index for Latin America, which measures how each dimension contributes to overall poverty. With regard to multidimensional poverty, data disaggregated by area of residence, age and sex are also presented.

Chapter II provides a detailed assessment of education system weaknesses and labour market segmentation. It presents recent advances and proposals for potential inequality indices in the field of education that combine inequalities in access and outcomes in a single indicator, through a bidimensional index of inequality of opportunity in education. It also includes analysis of the intergenerational mobility of educational opportunities, along with a review of the main labour indicators that show the gaps between different population groups and provides a comprehensive overview of existing inequalities. The findings of an exercise estimating the potential impact of increased labour formalization on income inequality are also presented. The chapter concludes with a set of recommended measures and policies aimed at strengthening education and learning systems and addressing inequalities in the labour market.

Chapter III addresses gender inequality as well as inequality, discrimination and human rights violations as cross-cutting factors that affect specific population groups. It begins with an analysis of the four structural challenges of gender inequality that prevent women from fully exercising their human rights and hinder their autonomy and gender equality, particularly the sexual division of labour and the unequal social organization of care, which manifest from an early age, intensify over time and shape academic and employment trajectories. Next, it focuses on the inequality and discrimination experienced by Indigenous Peoples and Afrodescendants, migrants and persons with disabilities in the region, drawing on indicators of educational and labour exclusion and the barriers that hinder the exercise of economic and social rights, including the neglect of Indigenous Peoples' ancestral territories. The chapter ends with a series of policy recommendations for achieving gender equality and equality for other population groups facing discrimination and violence, with the objective of advancing the transformations needed to overcome the trap of high inequality, low social mobility and weak social cohesion.

Chapter IV includes an analysis of the relationship between inequality and the existing limitations in TOPP institutional capabilities, and presents progress and challenges across different dimensions of social institutional frameworks. The chapter also reviews trends in social spending and financial resources as a central dimension for tackling inequality. It concludes with an analysis of the redistributive effect of public transfers, assessing how social spending across different sectors impacts income distribution.

Bibliography

Alvaredo, F., Bourguignon, F., Ferreira, F. and Lustig, N. (2023). Seventy-five years of measuring income inequality in Latin America. *IDB Working Paper Series*. (01521). Inter-American Development Bank. https://doi.org/10.18235/0005211

Amarante, V., Lustig, N. and Vigorito, A. (2023). The challenge of income inequality in Latin America. *CEPAL Review*. (141) (LC/PUB.2023/29-P). Economic Commission for Latin America and the Caribbean.

Arenas de Mesa, A. (2023). Universal, comprehensive, sustainable and resilient social protection to eradicate poverty, reduce inequality and move towards inclusive social development. *CEPAL Review*. (141) (LC/PUB.2023/29-P). Economic Commission for Latin America and the Caribbean.

Bourguignon, F. (2024, 27 June). *Conceptual Debates and Challenges in Measuring Social Inequality* [Presentation]. Fourth Regional Seminar on Social Development "Social Protection and Inequality: Latin America and the Caribbean towards the Second World Summit for Social Development of 2025", Santiago. https://www.cepal.org/sites/default/files/presentations/presentacion_francois_bourguignon.pdf

Economic Commission for Latin America and the Caribbean. (2012). *Structural change for equality: an integrated approach to development* (LC/G.2524(SES.34/3)).

Economic Commission for Latin America and the Caribbean. (2013). *Montevideo Consensus on Population and Development* (LC/L.3697).

Economic Commission for Latin America and the Caribbean. (2014). *Compacts for Equality: Towards a Sustainable Future* (LC/G.2586(SES.35/3)).

Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)).

Economic Commission for Latin America and the Caribbean. (2017). *Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030* (LC/CRM.13/5).

Economic Commission for Latin America and the Caribbean. (2018). *The Inefficiency of Inequality* (LC/SES.37/3-P).

Economic Commission for Latin America and the Caribbean. (2020). *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5).

Economic Commission for Latin America and the Caribbean. (2021). Persons with disabilities and their rights in the COVID-19 pandemic: leaving no one behind. *COVID-19 Reports*.

Economic Commission for Latin America and the Caribbean. (2023a). *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2023b). *Economic Survey of Latin America and the Caribbean, 2023* (LC/PUB.2023/11-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2024a). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*).
Economic Commission for Latin America and the Caribbean. (2024b). *The trap of high inequality and low social mobility in Latin America and the Caribbean: An obstacle for inclusive and sustainable social development.*
Economic Commission for Latin America and the Caribbean. (2024c). *Reducing Inequality and Pursuing Inclusive Social Development in Latin America and the Caribbean: Challenges, Priorities and Key Messages in preparation for the Second World Summit for Social Development* (LC/MDS.6/3).
Economic Commission for Latin America and the Caribbean. (2024d). *Social Panorama of Latin America and the Caribbean, 2024* (LC/PUB.2024/21-P).
Economic Commission for Latin America and the Caribbean. (2024e). *Economic Survey of Latin America and the Caribbean, 2024* (LC/PUB.2024/10-P).
Economic Commission for Latin America and the Caribbean. (2024f). *Panorama of Productive Development Policies in Latin America and the Caribbean, 2024* (LC/PUB.2024/15-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2025a). The road to the 2025 Second World Summit for Social Development: towards a pact for inclusive social development. *ECLAC Special Report*. (1).
Economic Commission for Latin America and the Caribbean. (2025b). *Latin America and the Caribbean 30 Years on from the World Summit for Social Development: Towards a Global Pact for Inclusive Social Development* (LC/CDS.6/3).
Economic Commission for Latin America and the Caribbean. (2025c). *Tlatelolco Commitment: a decade of action to achieve substantive gender equality and the care society*. https://conferenciamujer.cepal.org/16/en/documents/tlatelolco-commitment
Economic Commission for Latin America and the Caribbean. (2025d). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies*. (7) (LC/PUB.2025/3-P).
Economic Commission for Latin America and the Caribbean. (2025e). *The care society: governance, political economy and social dialogue for a transformation with gender equality* (LC/CRM.16/3).
Economic Commission for Latin America and the Caribbean. (2025f). *Preliminary Overview of the Economies of Latin America and the Caribbean, 2024* (LC/PUB.2024/27-P/Rev.1).
Economic Commission for Latin America and the Caribbean and United Nations Entity for Gender Equality and the Empowerment of Women. (2025). *The 2030 Agenda for Sustainable Development and the Regional Gender Agenda in Latin America and the Caribbean: gender indicators up to 2024* (LC/TS.2025/8).
Foster, J. E. and Lokshin, M. M. (2024). Multidimensional and specific inequalities. *Policy Research Working Paper*. (10748). World Bank.
Salazar-Xirinachs, J. M. (2023). Rethinking, reimagining and transforming: the "whats" and the "hows" for moving towards a more productive, inclusive and sustainable development model. *CEPAL Review*. (141) (LC/PUB.2023/29-P). Economic Commission for Latin America and the Caribbean.
Salazar-Xirinachs, J. M. and Boeninger Sempere, A. (2025). *Technical, operational, political and prospective (TOPP) institutional capabilities for managing transformations: underpinnings of a new paradigm* (LC/TS.2025/56).
Salazar-Xirinachs, J. M. and Llinás, M. (2023). Towards transformation of the growth and development strategy for Latin America and the Caribbean: the role of productive development policies. *CEPAL Review*. (141) (LC/PUB.2023/29-P). Economic Commission for Latin America and the Caribbean.
United Nations. (2024). *International Migrant Stock 2024* [Database]. https://www.un.org/development/desa/pd/content/international-migrant-stock.
United Nations. (2025, 5 September). *Doha Political Declaration of the "World Social Summit" under the title "the Second World Summit for Social Development"*.

CHAPTER

I

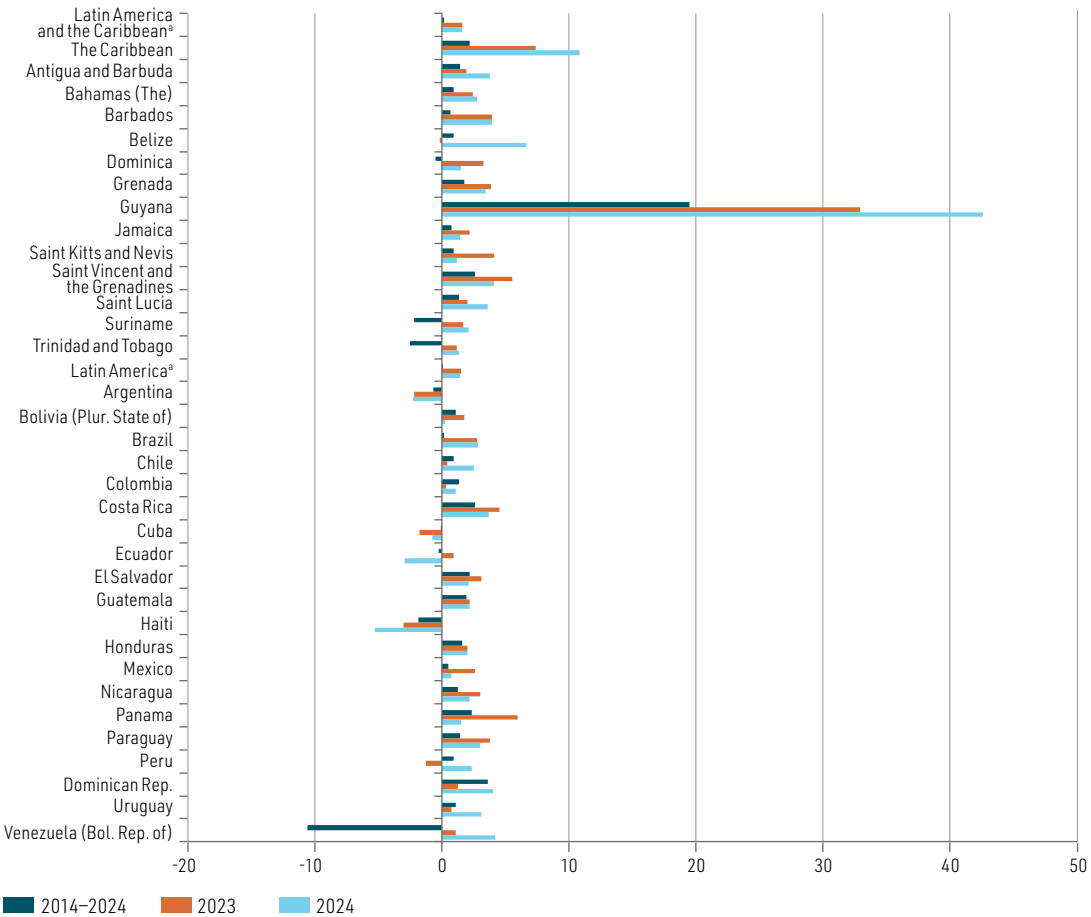
Income inequality and multidimensional poverty

Introduction

For decades, Latin America and the Caribbean has faced persistent structural challenges of high inequality, low social mobility and weak social cohesion. These issues reflect both households' limited capacity to generate sufficient income and the historical concentration of productive assets, as well as labour market segmentation and gaps in access to basic social services. They show that economic growth is not enough on its own; transformation of the structures of distribution in pursuit of more inclusive and sustainable development models is also required.

Amid economic and labour market sluggishness exacerbated by rising trade and geopolitical tensions at the international level, the region's per capita GDP growth in recent years has been modest. Although it has recovered since the major contraction recorded in 2020 (-7.7%), its momentum has slowed significantly: per capita GDP growth was 6.3% in 2021, 3.4% in 2022, 1.6% in 2023 and 1.5% in 2024. Stronger growth in the Caribbean (7.3% in 2023 and 10.8% in 2024) is largely due to oil production in Guyana, which registered rates of 33% in 2023 and 42.6% in 2024. Latin America's rates have been considerably lower at 1.5% in 2023 and 1.4% in 2024 (see figure I.1).

Figure I.1
Latin America and the Caribbean (33 countries): annual change in per capita GDP at constant prices in dollars, 2014–2024, 2023 and 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean. (2025). *Economic Survey of Latin America and the Caribbean, 2025* (LC/PUB.2025/12-P).

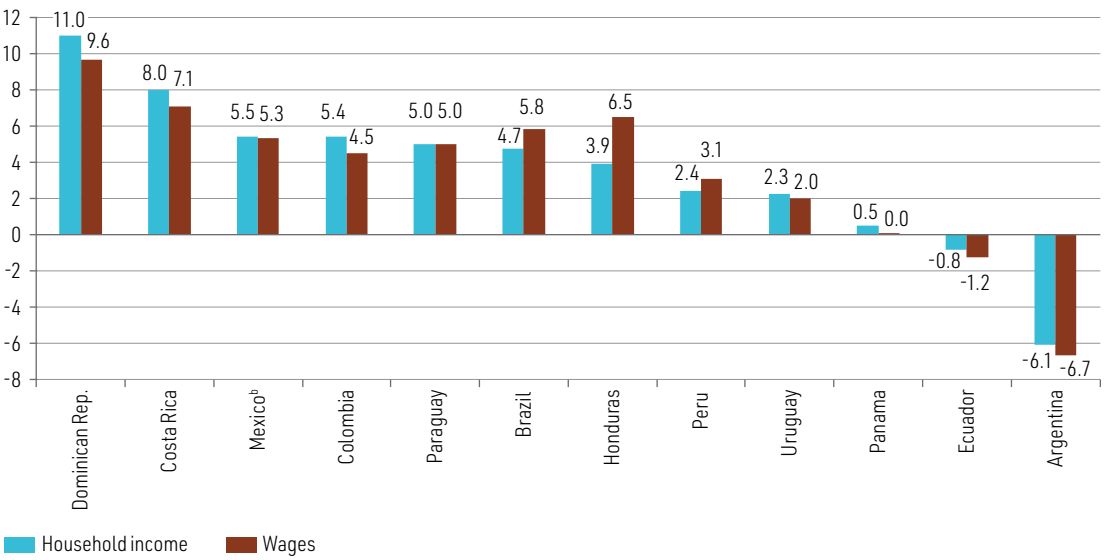
[a] Average annual per capita GDP growth for both Latin America and Latin America and the Caribbean in the period 2014–2024 was 0.1%.

This region-wide slowdown has affected both private consumption and gross fixed capital formation. Private consumption —the main driver of GDP growth— has lost steam on the back of weak job creation, low consumer confidence and high interest rates. Investment, meanwhile, has been hindered by restrictive financial conditions and heightened geopolitical uncertainty (Economic Commission for Latin America and the Caribbean [ECLAC], 2025a).

In the labour market, the number of employed persons in Latin America and the Caribbean increased slowly (1.8%) in 2024, primarily in the manufacturing and financial services sectors. Unemployment continued to fall in 2024, to 5.9%, in a market where an average 46.6% of total employment is informal. Gender gaps in participation, employment and unemployment narrowed slightly in 2024 but remain significant; for example, women's participation rate was 23 percentage points lower than men's (51.8% and 74.9%, respectively). At the same time, real wages continued to climb, driven by inflationary easing and formal job growth (see chapter II for more detailed information) (ECLAC, 2025a).

Figure I.2 shows that real wage growth lifted household income in 9 of the 12 Latin American countries with survey data for 2024. The most notable cases were the Dominican Republic, Costa Rica, Mexico and Paraguay, where significant growth in both wages and household income outpaced inflation by at least 5 percentage points. Ecuador and Argentina, meanwhile, recorded real declines in wages and household income. As discussed later in the chapter, the rise in income in larger countries will help to bring down national and regional poverty rates.

Figure I.2
Latin America (12 countries): annual change in per capita wages and household income, measured in poverty lines, 2024[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Income measured in poverty lines is used as an indirect indicator of real income.
[b] Change between 2022 and 2024.

Inflation continued to moderate in most countries of the region, boosting real income growth. Median variation in the consumer price index at the end of 2024 was 2.9% for Latin America and the Caribbean but differed significantly among the subregions. South America's figure was 5.0%, compared with 2.9% in Central America and Mexico and 2.1% in the Caribbean (ECLAC, 2025a).

Falling inflation was driven primarily by slower growth in food prices. The regional median in this category dropped to 3.5% in December 2024, 2.5 percentage points lower than 2023. Non-food inflation also declined significantly in this period, from 5.1% to 3.0%.

In summary, the regional economy continued its low growth trajectory in 2024 amid a generalized slowdown that affected private consumption and investment alike. In the labour market, employment increased slowly, with high persistence of informality and gender gaps, despite improvements in real wages and household income in most countries. Food prices led a continued cooling trend in domestic inflation, which helped to improve purchasing power in several countries. In the coming years, regional GDP growth is expected to remain low (2.2% in 2025, or 1.4% per capita) in a global context marked by geopolitical tensions, a rise in protectionist measures and a simultaneous deceleration in emerging markets (ECLAC, 2025a).

The present chapter will examine these trends from different perspectives. Following this introduction, which offers an analysis of recent macroeconomic conditions, section A focuses on the slow pace of progress in reducing income inequality, and contributing factors in that regard. Household surveys provide the primary source of data for the analysis, although measurements based on complementary sources are also included. Section B addresses trends in poverty over time, from both income and multidimensional perspectives, with an emphasis on the groups most affected by persistent deprivation. In both cases, decomposition techniques are applied to isolate the roles of different income sources and demographic factors. Lastly, section C presents reflections on public policy challenges and the need to implement comprehensive strategies to make societies more inclusive and sustainable.

A. Slow progress in reducing income inequality

Despite some improvements in the past decade, high income inequality remains a structural problem in the region. Slight decreases in the Gini index in the past 10 years reflect the transitory effects of economic cycles, rather than deep transformations. The results of more exhaustive measurement methods that integrate household surveys and other sources confirm that income concentration is even higher than surveys suggest and that no significant improvements have occurred during this period.

The labour market continues to be a central factor in these results, as wages are the primary source of income for most households. State transfers also played an important role in certain contexts.

1. Recent trends in income distribution

Income inequality is one of the most persistent structural gaps in Latin America and the Caribbean, reflecting not only disparities among individuals in terms of income generation capacity but also the historical concentration of capital and development opportunities in the hands of the few.

Income inequality essentially refers to the difference in magnitude between the income earned by the poorest segments of the population and the income concentrated in the richest. Although some income differentials stemming from education, productivity or work experience are to be expected, the magnitude of inequality in the region is especially high. The region has one of the highest average Gini index scores, second only to the sub-Saharan African countries, and the countries with the highest inequality indices in the world include some from Latin America and the Caribbean (Alvaredo et al., 2023).[1]

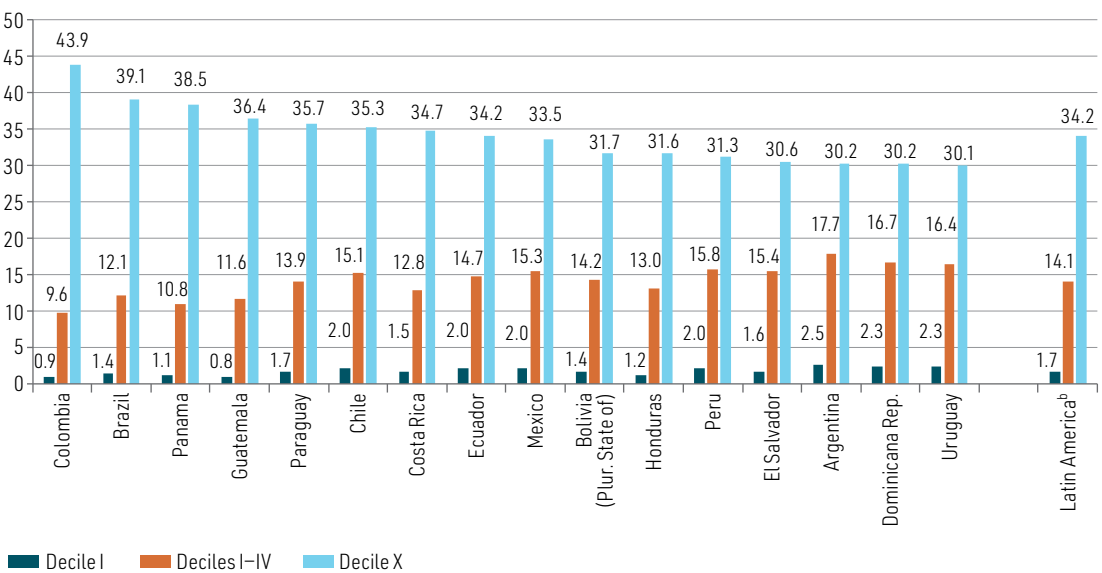
[1] While Latin America and the Caribbean is the most unequal region according to a comparison of average Gini scores, this does not take into account that measuring inequality by income, as is the region's practice, generates higher levels of inequality than measurement by consumption, used in other regions.

The impact of these levels of inequality on economic and social development has been studied extensively. ECLAC has indicated that highly unequal societies tend to leave the productive potential of large swathes of the population untapped, making economies weaker and less innovative (ECLAC, 2018a). The perception of excessive inequality as unjust undermines social cohesion and stability; it reduces economic efficiency by preventing high-potential individuals from accessing investment resources; and it damages political institutions by facilitating elite capture and the promotion of policies that are not in the public interest (Ferreira, 2023). Income inequality is closely linked to the concentration of productive assets, such as land and physical and financial capital, which further limits opportunities for social mobility (ECLAC, 2024).

According to household survey results in Latin America, on average, one third of total national income is concentrated in the top decile, while the bottom decile accounts for less than 2%; in other words, the income of the richest 10% is 20 times that of the poorest 10%. This pattern of extreme concentration is characteristic of a development model built on profound structural inequalities, which are difficult to reduce without more intense and sustained redistribution policies.

While income inequality at the regional level is high, it is more variable at the country level. Colombia's top decile presents the highest concentration of income, at 44%, followed by Brazil and Panama, each with 39%. Even in the countries where it is lowest —Argentina, the Dominican Republic, El Salvador and Uruguay— income concentration in the top decile does not drop below 30%. The share of total income in the bottom decile, in contrast, is very low, ranging from just 0.8% in Guatemala to 2.5% in Argentina (see figure I.3).

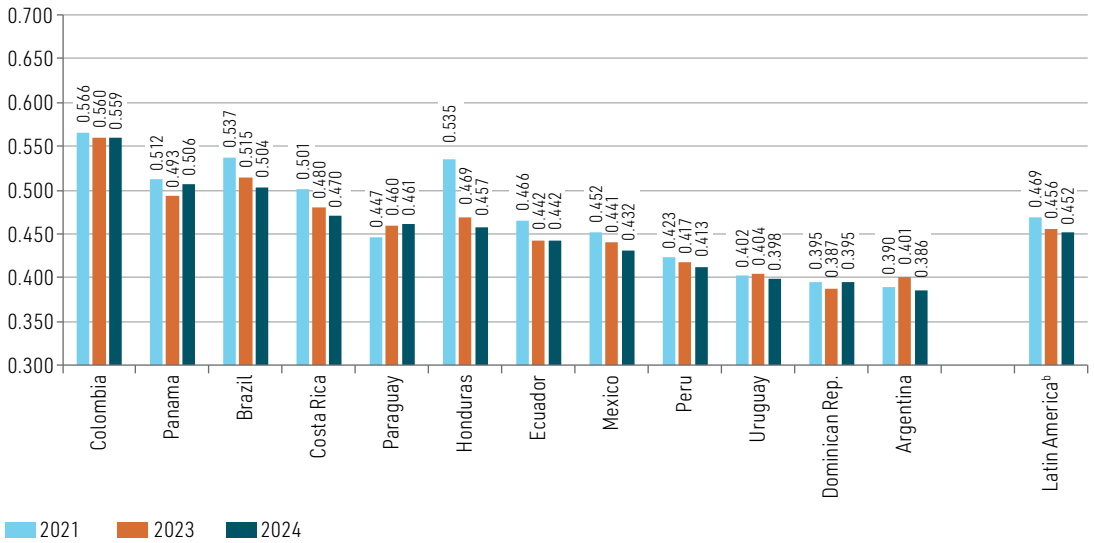
Figure I.3
Latin America (16 countries): income of deciles I, I–IV and X, 2024[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Decile I is represented individually and as part of the bar for deciles I–IV.
[a] Data are from 2023 for El Salvador, Guatemala and the Plurinational State of Bolivia and from 2022 for Chile.
[b] Simple average.

In 2024, the 12 countries presented in figure I.4 had a simple average Gini index score —the most commonly used indicator of inequality— of 0.452, barely lower than 2023 (0.456). The 2024 index scores were down by at least 2% year-on-year in Argentina, Brazil, Costa Rica, Honduras and Mexico, while in the Dominican Republic and Panama, they were up by 2% or more.

Figure I.4
Latin America (12 countries): Gini index, 2021, 2023 and 2024[a]



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] For Mexico, data from 2020 and 2022 are used for years 2021 and 2023, respectively; 2021 data for Paraguay are not strictly comparable to subsequent years.
[b] Simple average.

There has been a slight improvement in income distribution since 2021: the regional average Gini index for the 12 countries analysed fell at an annual rate of 1.3%. In Brazil, Costa Rica and Honduras, the index fell by at least 2% annually. The rest of the countries registered smaller variations, though still negative in most cases.

Taking a longer view, minor declines in the Gini index in recent years have created a slightly more favourable distribution. However, income inequality is a structural problem; year-on-year variations in the index do not necessarily reflect profound transformations, and sometimes, they may be due to idiosyncrasies in the methodology used to measure income in household surveys. Thus, it is appropriate to consider these more recent figures within the broader trends of the past two and a half decades.

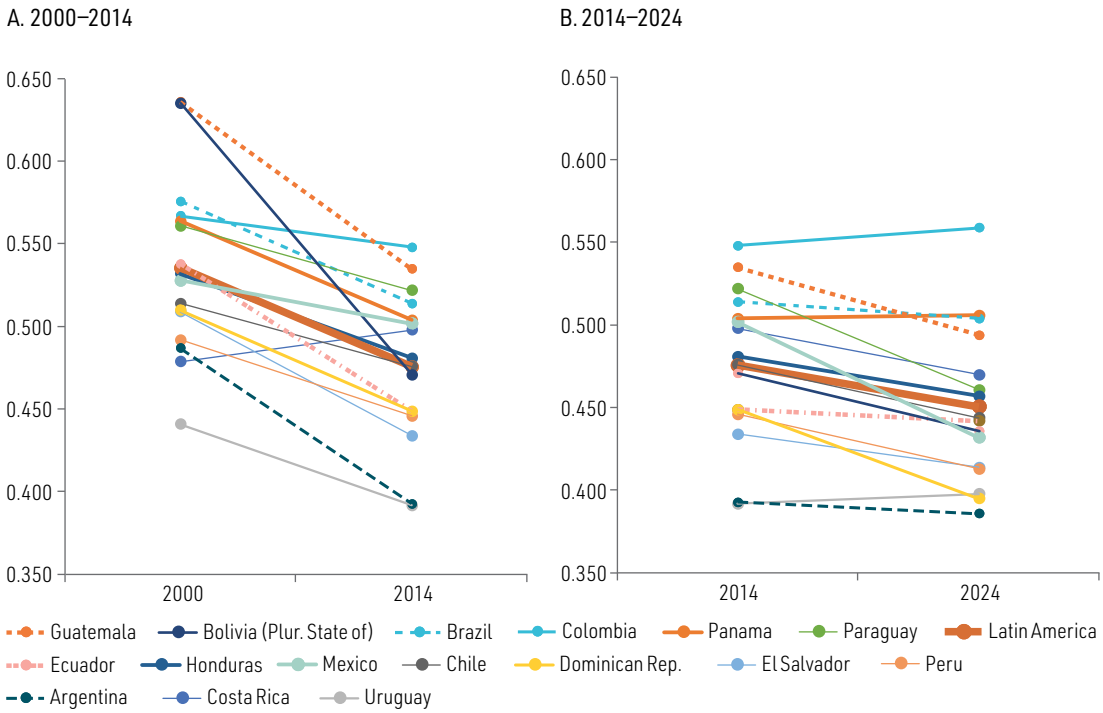
The marked reduction of inequality in the region between the early 2000s and the mid-2010s, with an average annual decline of 0.8% between 2010 and 2014, has been extensively documented. Almost all countries followed this downward trend. Starting in 2014, however, its pace slowed significantly, and inequality actually increased between 2019 and 2020 owing to the coronavirus disease (COVID-19) pandemic and its impact on income. As a result, up to 2021, the Gini index averaged annual declines of just 0.3%, and in several countries it either stalled or climbed. More recent figures show a further reduction in the period 2021–2024.

An analysis of the most recent available data for a selection of 16 countries shows a 0.5% average annual decline in the Gini index since 2014. Mexico, the Dominican Republic and Paraguay all had annual reductions of 1% or more. In 10 of the countries, the index fell by 0.2%–0.8% per year. Only Colombia, Panama and Uruguay had higher index values in 2024 than they did in 2014, although the differentials were minimal (see figure I.5).

Notwithstanding its considerable relevance, inequality measurement faces considerable methodological challenges. Household surveys, the main source of this information, present significant inadequacies in their ability to capture all households' income, in particular in the higher brackets. Methods have been developed to mitigate this bias by integrating survey information with tax records and national accounts data. However, different ways of harmonizing and adjusting the data produce discrepancies in findings,

making it difficult to draw definitive conclusions about inequality levels and trends. In a recent study by Lustig and Vigorito (2025), a review of 22 correction methods in three categories —replacement, reweighting and combined— shows that estimates may vary substantially depending on the method employed. The effects of different assumptions on inequality estimates are illustrated in box I.1.

Figure I.5
Latin America (16 countries): Gini index, by country, 2000–2014 and 2014–2024[a]



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Data correspond to the year nearest to the reference period.

Box I.1
Income inequality scenarios derived from complementary measurements

Income inequality measurement is sensitive to assumptions and information sources. Household surveys are the most widely used source, but they tend to underestimate the income of the richest households, in particular property income generated by physical and financial assets. To overcome these limitations, alternative methodologies use tax records and national accounts to complement survey information. Combining these sources calls for specific assumptions, which can affect estimated levels and trends.

To illustrate an example range of inequality levels, this box presents some simple income correction scenarios using data from Colombia, Ecuador, El Salvador and Mexico, which were selected to reflect different types of results.

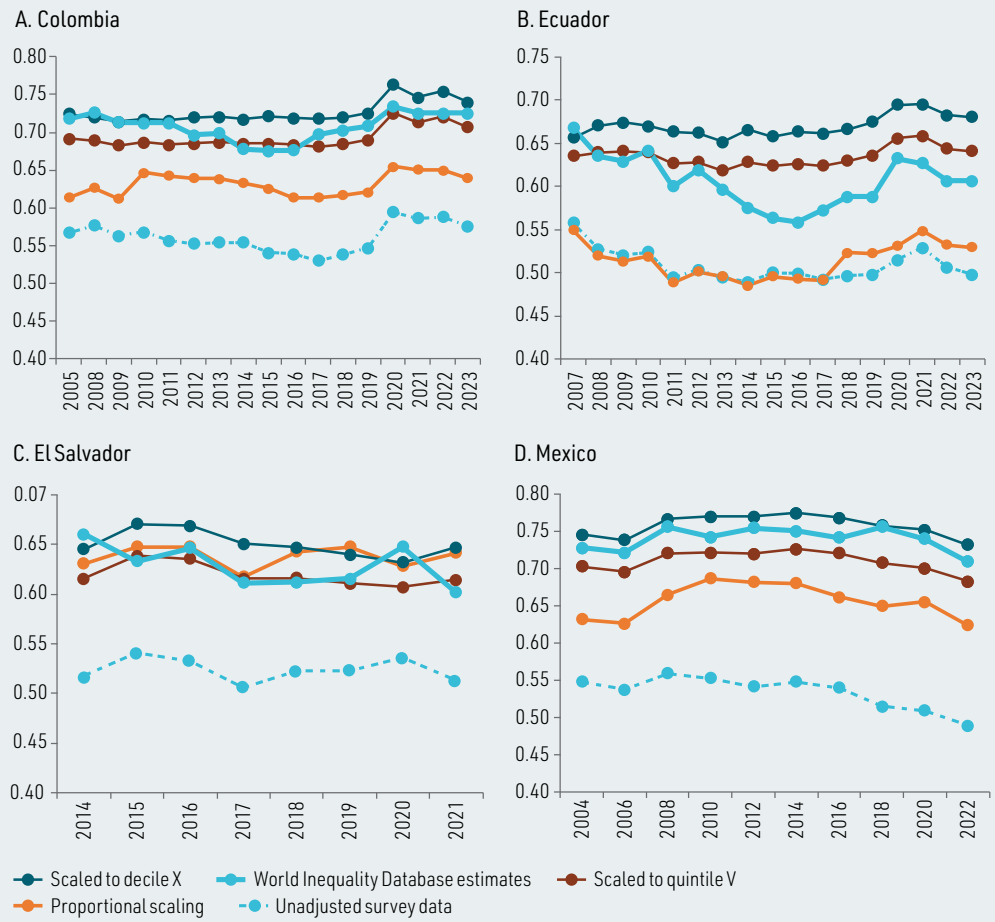
Scenario 1: proportional scaling. Totals for the main sources of income taken from national accounts are used as the reference to proportionally adjust reported income from the household survey. Under this assumption, underreporting is not concentrated in households with more resources; it mainly reflects measurement challenges for each source of income.

Scenarios 2 and 3: concentration of underreporting in higher income households. These scenarios assume that the difference between surveys and national accounts stems from insufficient reporting of income at the upper end of the distribution because the wealthiest households either do not participate in surveys or underreport

their income. In scenario 2, the entirety of the difference is attributed to the fifth quintile, and in scenario 3, the tenth decile. Reference scenarios. These include two additional points of comparison: (i) unadjusted survey data; and (ii) World Inequality Database estimates, cited in this chapter.

Instead of using per capita household income, all these cases use the concept of "per adult equivalent income", whereby income is divided equally among married adults in the household.

Latin America (4 countries): Gini index in different income correction scenarios, 2004–2023



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG) and World Inequality Lab. World Inequality Database. https://wid.world/.

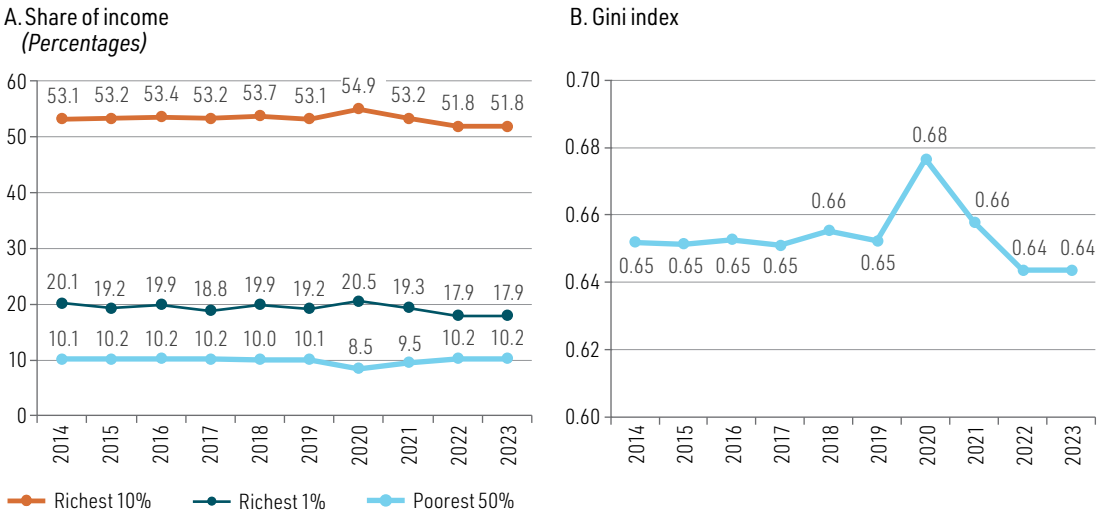
The results of these alternative assumptions tend to show that inequality levels in Latin America are higher than household surveys would suggest and that they depend on the criteria used to reconcile the difference between surveys and national accounts. The inequality trends may or may not match survey data, and this relationship can vary depending on the period analysed. For example, in Mexico, adjusted measurements and surveys show different trends in inequality for most of the series, but both indicate a downturn between 2020 and 2022. The comparison of scenarios shows that no single value of inequality exists and that a range of alternatives should be considered in analysing inequality trends.

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG) and World Inequality Lab. World Inequality Database. https://wid.world/.

The estimates generated by the World Inequality Lab via the distributional national accounts methodology are a useful reference, as they combine information from household surveys, administrative records and national accounts and rely on imputation where data are incomplete. In these estimates, income is measured before tax and transfers and includes pensions and retirement income (see Alvaredo et al., 2025, for a description of the methodology).

The distribution provided by these figures shows higher levels of income inequality and rigidity but a declining trend. An analysis of 16 Latin American countries in the period 2014–2023 shows that, on average, the richest decile held more than 50% of total income, a substantially higher share than that indicated by household survey data in figure I.3.[2] The wealthiest 1% of the population accounted for at least 18% of total income compared with just 10% for the poorest 50%. These wider gaps translated into a considerably higher Gini index for the 16 countries, averaging 0.64 in 2023 (see figure I.6).

Figure I.6
Latin America (16 countries):[a] income shares and Gini index in the adult population, according to adjusted income data, 2014–2023



Source: Economic Commission for Latin America and the Caribbean, on the basis of World Inequality Lab. World Inequality Database. https://wid.world/.

[a] Simple average for Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

With regard to the inequality trend, distributional national accounts data show that the income share of the bottom 50% remained stable at around 10% during the period of analysis, except for a pandemic-era reduction and subsequent rebound. The income share of the top 1% was a bit more volatile, fluctuating between 18.8% and 20.5% before falling to 17.9% in 2022 and 2023. The Gini index backs up the trend: inequality, which was relatively unchanged between 2014 and 2019, worsened in 2020 before improving in 2022 and 2023, with the index falling to 0.64 —scarcely below the 2014 value.

In summary, inequality as measured by household surveys has trended slightly downward, with the Gini index falling by 5.3% between 2014 and 2024 according to an average for 16 countries. The measurement according to complementary models and data sources is less pronounced, showing a reduction in the Gini index of just 1.3% during this period and clearly demonstrating that these small-scale changes are not indicative of structural transformations, although a continuation of this trend could result in more significant progress in the medium term.

[2] These figures refer to the adult population; therefore, they do not allow full comparability with household survey figures, which refer to the total population.

2. Factors affecting income distribution

One way to understand changes in income inequality is to analyse each income source's contribution to total variation. There are multiple sources of household income: labour market access of household members, old-age pensions, State and private transfers, and returns on financial and non-financial assets. As the primary means of securing resources for most households, labour income is particularly important. It can be disaggregated by two factors: the proportion of people in paid employment, and income per employed person. There is also a demographic factor relevant to the analysis: the proportion of adults (aged 18 and older) per household, which takes into account the number of people who effectively participate in income generation and the amount of resources available to all household members (for a technical description of this decomposition method, see box I.2).

Box I.2

Decomposition of changes in poverty and inequality by income sources and demographic variables

The Shapley decomposition methodology is useful for assessing the impact of changes in the different income sources and in household composition on poverty and inequality indicators. It works by calculating the marginal contribution of the change in a specific component, considering all possible combinations of the other components. The main advantage of this process is that it decomposes contributions symmetrically and without residuals, ensuring accuracy of interpretation.

In practice, to estimate contributions to the change in the poverty rate or Gini index between period $t0$ and period $t1$, it is necessary to:

• Express income in real terms.

• Estimate per capita household income (Ypc), using the following equation:

$$Y_{pc} = \frac{n_A}{n}\left[\frac{n_o}{n_A}\left(\frac{1}{n_o}\sum_{i\in A}^{n} y_i^L\right) + \frac{1}{n_A}\sum_{i\in A}^{n} y_i^{NL}\right]$$

where n is household size, n_A is the number of adults, n_o is the number of employed adults, y^L is labour income per employed adult and y^{NL} is non-labour income per adult. Adults are defined as persons aged 18 and older.

The decomposition can be simplified or extended according to the needs of the analysis. For example, using this methodology, it is possible to analyse the proportion of adults in the household without distinguishing by employment status. The term n_o can also be disaggregated into wage-earning adults and self-employed adults, and the same is true for labour income. Non-labour income, meanwhile, can be disaggregated by source, such as old-age pensions and transfers.

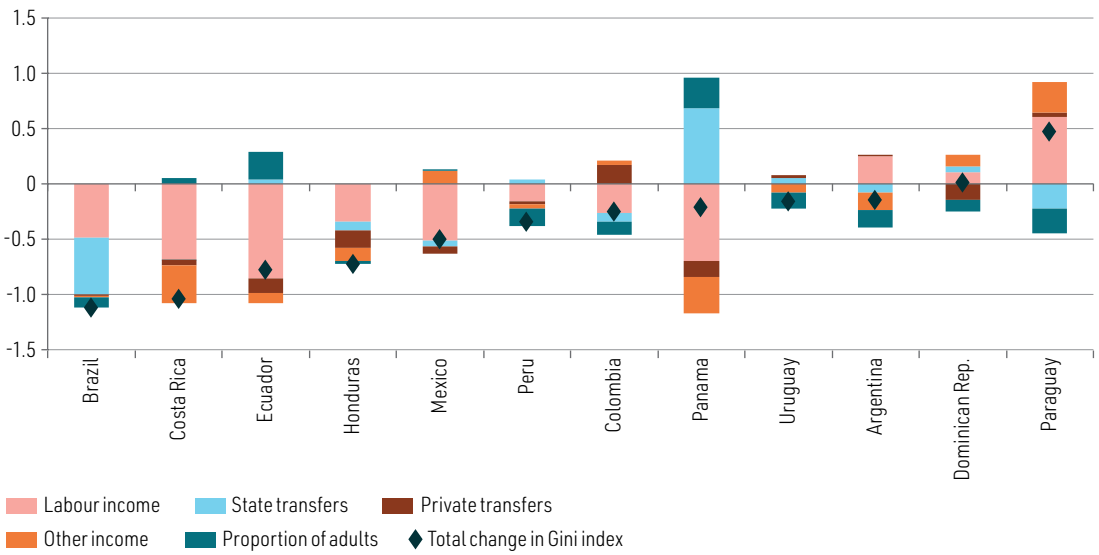
- Replace a component in period $t1$ by the same component in period $t0$ and estimate the impact on the final indicator.
- Repeat the previous step for all possible combinations of income sources.

The Shapley value is obtained by the average of all the estimates of the marginal contribution of a particular source, so that it provides a fair measure of the contribution of the change in each income source (between $t0$ and $t1$) to the total change in poverty or inequality. This is because, in practice, the impact of any one income source or demographic variable may change depending on the other sources present. For example, a fall in wages may have a larger effect on households that do not receive government transfers, and vice versa. By averaging the marginal contributions across all possible scenarios, the Shapley value reflects the relative importance of each income source, considering all possible interactions among them.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Shorrocks, A. F. (2013). Decomposition procedures for distributional analysis: a unified framework based on the Shapley value. *Journal of Economic Inequality*, 1111(1), 99–126. https://doi.org/10.1007/s10888-011-9214-z; and Azevedo, J. P., Inchauste, G. and Sanfelice, V. (2013). Decomposing the recent inequality decline in Latin America. *Policy Research Working Paper* (6715). World Bank.

In the post-pandemic period, five countries reduced their Gini score at a rate of 0.5 percentage points or more per year. The largest of these reductions occurred in Brazil (-1.1 percentage points), where equally weighted labour income (-0.5) and State transfers (-0.5) reflected a combination of improvements in employment and the redistributive effect of public policies (see figure I.7).

Figure I.7
Latin America (12 countries): contribution of changes in each income source and in the proportion of adults to change in the Gini index, 2021–2024[a]
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] The countries are ranked by the annual change in the Gini index over the period.

In the other four countries (Costa Rica, Ecuador, Honduras and Mexico), distributional improvements are primarily attributable to labour income. In Costa Rica and Mexico, the decline in inequality resulted almost exclusively from labour income, although in the former case, this was reinforced by other income sources (including old-age pensions, capital income and imputed rent), while in the latter case, it was partially offset by them. In Ecuador, the proportion of adults per household was a counterweight to increased labour income. The Gini index reduction in Honduras resulted from a combination of components —none especially more prominent than the others— namely labour income, State and private transfers, and other income sources.

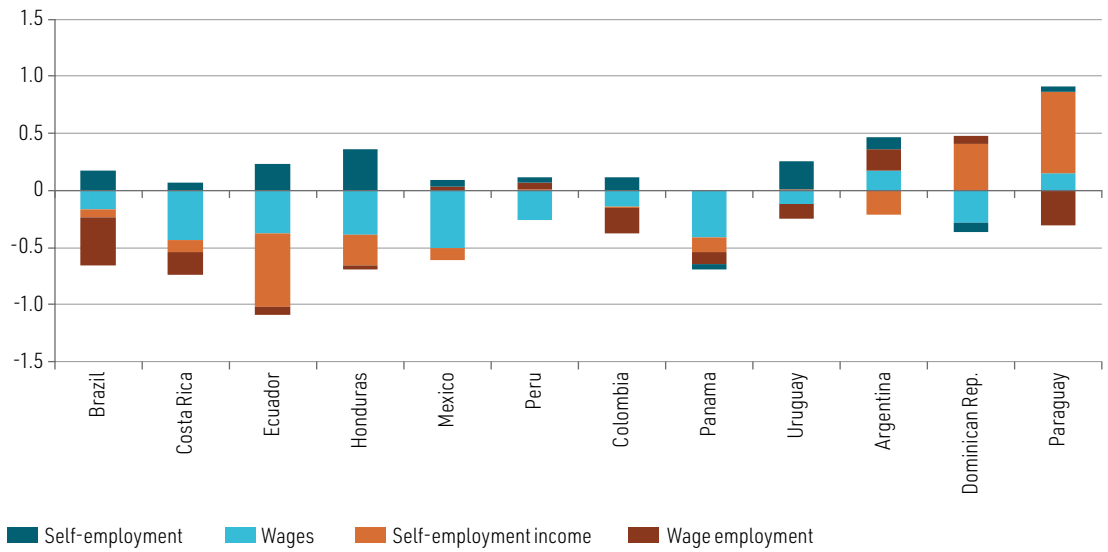
In the remaining countries, the Gini index presented minor variations, with no clearly dominant source. It should be noted that, in most of these cases, even in a relatively short period of time, changes in the proportion of adults per household had a visible effect on this indicator. In Peru and Colombia, moderate declines were largely due to distributional improvements related to labour income and the demographic factor. In Panama, the minor reduction in inequality stemmed from opposing trends: a distributional deterioration due to decreases in State transfers during the pandemic and the demographic factor was offset by increases in labour and other income sources. Meanwhile, Argentina and Uruguay experienced marginal reductions; the Dominican Republic registered no meaningful change; and Paraguay saw inequality increase, driven mainly by labour and, to a lesser extent, other income.

The manner in which labour income affects income inequality among households varies. In an effort to understand this, it is useful to consider four distinct components. Labour income is broken down into two components: income per wage-earner and income per self-employed person. Similarly, the employment rate is broken down into wage employment and self-employment.

These four components have tended not to vary in the same direction, even in countries where labour income contributed to improved income distribution. Nevertheless, the results show that wage employment has contributed to reducing inequality in the region, while self-employment's effects are more modest, and in some cases, regressive.

In the "income per employed person" component, wages had a positive effect on income distribution in almost all countries. This effect was particularly prominent in Mexico (-0.5) and in Costa Rica, Honduras and Panama (-0.4 each). Meanwhile, Argentina and Paraguay (0.2 each) show the opposite pattern: wages tended to increase inequality, which indicates that higher income groups benefited most (see figure I.8).

Figure I.8
Latin America (12 countries): contribution of changes in labour income components to change in the Gini index, 2021–2024[a]
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] The countries are ranked by the annual change in the Gini index over the period. Data for Mexico refer to 2020–2024 and for Honduras to 2019–2024.

The contribution of the self-employment income component was weaker and uneven. In several countries (Brazil, Costa Rica, Mexico, Panama and Honduras), the effect on income distribution was slightly positive but not as strong as the effect of wages. Ecuador is a significant exception, where self-employment income (-0.6) was the main factor in improving income distribution, outweighing wages. In contrast, in the Dominican Republic (0.4) and Paraguay (0.7), this component was a significant contributor to worsening income distribution.

Regarding the employment rate, there is a very clear pattern: wage employment tended to improve income distribution, while self-employment generally had the opposite effect. In Brazil, Colombia and Paraguay, the increase in wage employment was associated with increased income among poorer households. In Honduras and Uruguay, meanwhile, changes in the self-employment rate were linked to increased inequality.[3] Panama is an interesting exception, where both wage employment and self-employment helped to improve income distribution.

[3] In general, this is because the reduction in self-employment was more pronounced in the lower income deciles relative to the higher income deciles.

B. Complementary perspectives on poverty and its multiple dimensions

In Latin America and the Caribbean, monetary poverty and multidimensional poverty measurements show marked convergence. Both indicate a sustained decline in poverty over the past decade, although the COVID-19 pandemic interrupted this trend, causing a temporary setback which was nevertheless overcome in the years that followed. Despite this progress, both measurements show the persistence of structural gaps disproportionately affecting specific groups, such as children and adolescents, women and rural populations.

Monetary poverty measures the insufficiency of resources to cover basic needs, while the multidimensional approach offers a broader view, identifying deprivations in health, education, housing, and employment and pensions, and inequalities associated with care responsibilities. Combining these two approaches not only makes it possible to better characterize poverty but also improves the capacity to design more effective public policy responses.

The eradication of poverty remains one of the most urgent challenges facing Latin America and the Caribbean and a prerequisite for sustainable development progress. Poverty is not one-dimensional: it comprises multiple forms of deprivation that harm well-being, limit capacities and infringe fundamental rights. This chapter presents two complementary approaches to estimating poverty in Latin American countries: one that focuses on income insufficiency, and one that considers a broader set of deprivations in different areas of well-being. The dual approach facilitates a more comprehensive understanding of poverty and offers inputs for designing more effective and inclusive public policies with a view to its reduction.

1. Income poverty

Insufficiency of resources to satisfy basic needs is one of the most evident manifestations of poverty. Accordingly, ECLAC has traditionally measured poverty by income to estimate the incidence of deprivation in the Latin American standard of living. Although this approach has some limitations, in particular where effective access to goods and services does not depend solely on income level, it remains fundamental for assessing material household well-being. It is especially relevant in societies that depend heavily on the market to meet the most basic needs and where many poverty reduction policies are based on cash transfers to lower income households.

ECLAC measures monetary poverty by using resource insufficiency thresholds, or poverty lines, to identify individuals whose per capita household income does not cover the cost of a basic basket of goods and services. This basket considers both food and non-food needs. For a brief description of the methodology, see ECLAC (2018b).

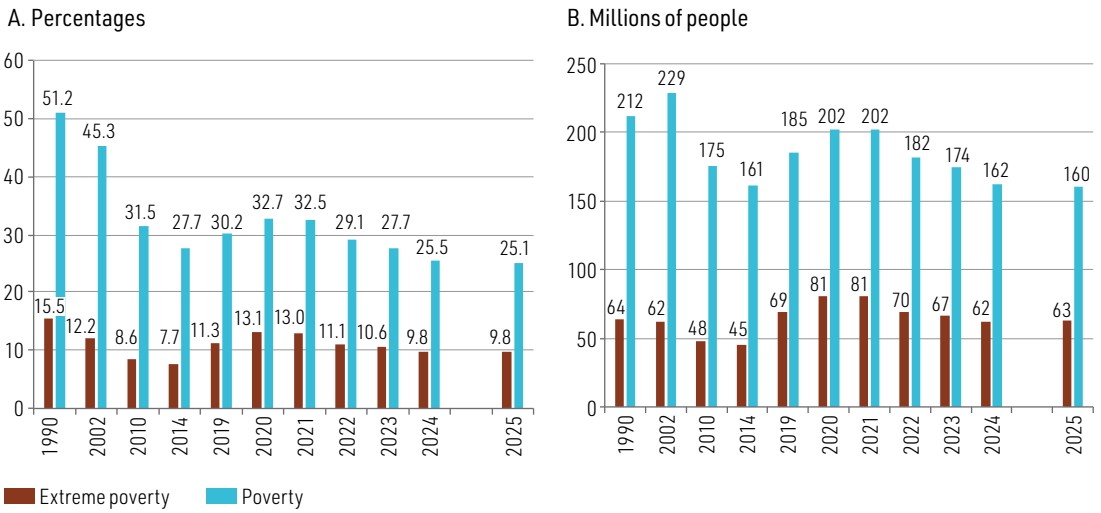
According to this methodology, income poverty affected 25.5% of the Latin American population in 2024, down 2.2 percentage points from the prior year and more than 7 percentage points from the highest point reached during the COVID-19 pandemic, in 2020. These results show that since the initial impact of the pandemic, the proportion of people with insufficient income has followed a moderate downward trend. From a longer-term perspective, poverty incidence in 2024 is the lowest rate of the period for which data are available (see figure I.9A).

The extreme poverty rate, meanwhile, was 9.8% in 2024, 0.8 percentage points lower than the previous year.

It should be noted that extreme poverty has made less progress than total poverty; its current rate is still 2.1 percentage points above the three-decade low recorded in 2014.

In 2024, approximately 162 million people were affected by poverty, and around 62 million by extreme poverty. Despite declines since 2021, both indicators remain above their respective 2014 lows of 161 million and 45 million. Looking back further, unlike with total poverty, the number of people affected by extreme poverty in 2024 was very close to the 1990 figure[4] (see figure I.9B).

Figure I.9
Latin America (18 countries):[a] people in extreme poverty and poverty, 1990–2024 and projections for 2025
(Percentages and millions of people)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average of the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

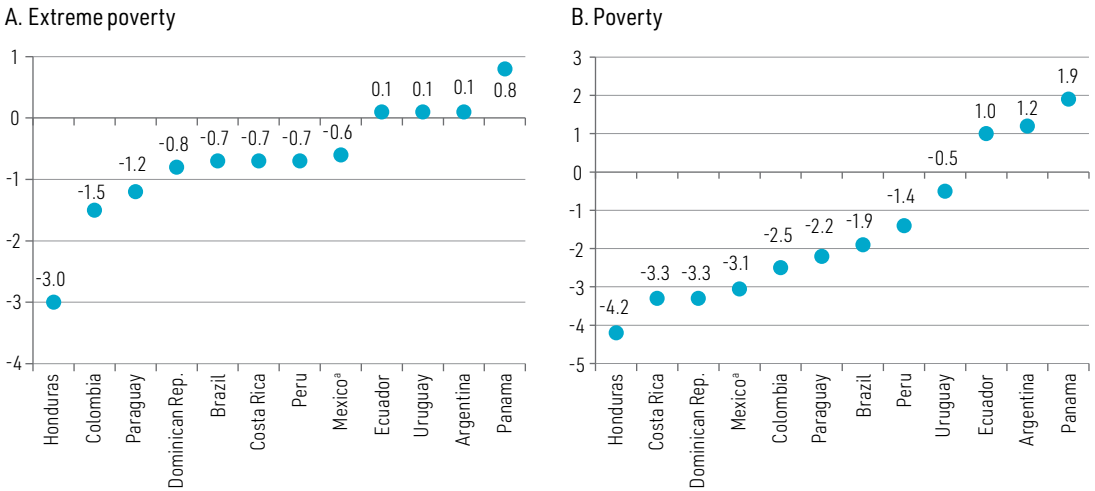
The regional reduction in the population living in poverty in 2024 is explained mainly by Mexico, and to a lesser extent Brazil, which account for 60% and 30% of the decline, respectively. They also accounted for a respective 49% and 31% of the reduction in extreme poverty. Without Mexico and Brazil, the regional poverty rate would have fallen by just 0.8 percentage points, from 35.1% in 2023 to 34.3% in 2024, remaining 1 percentage point above the 2019 figure. Similarly, extreme poverty would have dropped by only 0.4 percentage points, to 1.1 percentage points above the 2019 rate.

In 2025, per capita GDP in Latin America is expected to increase by only 1.4%. On that basis, poverty is projected to decrease by just 0.4 percentage points. No change is projected in the incidence of extreme poverty.

Between 2023 and 2024, several Latin American countries experienced significant reductions in poverty and extreme poverty. Honduras recorded the largest reduction in both indicators (4.2 percentage points in poverty and 3 percentage points in extreme poverty), followed by Costa Rica and the Dominican Republic, where poverty fell by 3.3 percentage points in both countries and extreme poverty fell by 0.7 percentage points and 0.8 percentage points, respectively. Mexico had a reduction of 3.1 percentage points in total poverty and 0.6 percentage points in extreme poverty, while Colombia recorded reductions of 2.5 percentage points and 1.5 percentage points, respectively. In other countries, such as Paraguay, Brazil and Peru, both indicators underwent smaller reductions, which ranged from 2.2 to 1.4 percentage points in poverty and from 1.2 to 0.7 percentage points in extreme poverty (see figure I.10).

[4] Despite the reduction in the extreme poverty rate, the number of people in that situation in 2024 was very close to the number recorded in 1990. This is because the total population increased from around 414.1 million in 1990 to roughly 634.3 million in 2024 (estimates for 18 countries of the region).

Figure I.10
Latin America (12 countries): change in extreme poverty and poverty rates, 2024
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Data for Mexico refer to the annualized change between 2022 and 2024.

Meanwhile, Argentina,[5] Ecuador and Panama recorded increases in both poverty and extreme poverty. Panama had the largest percentage point increases (1.9 in poverty and 0.8 in extreme poverty), followed by Argentina and Ecuador. Uruguay registered a slight decrease of 0.5 percentage points in poverty but a slight increase of 0.1 percentage points in extreme poverty.

Between 2014 and 2024, poverty and extreme poverty rates trended downward in most Latin American countries, and declines in the former were more pronounced than in the latter. Mexico achieved the most significant reductions in poverty (annual average of 2.3 percentage points) and extreme poverty (0.8 percentage points). El Salvador and the Dominican Republic had substantial reductions in poverty (annual average of 1.9 and 1.8 percentage points, respectively) and improvements in extreme poverty (see figure I.11).

Chile, Paraguay and Costa Rica achieved somewhat lower annual poverty reductions of between 0.9 percentage points and 0.5 percentage points in the period 2014–2024. In terms of extreme poverty, Paraguay and Costa Rica recorded percentage point decreases of 0.2 and 0.1 per year, respectively.

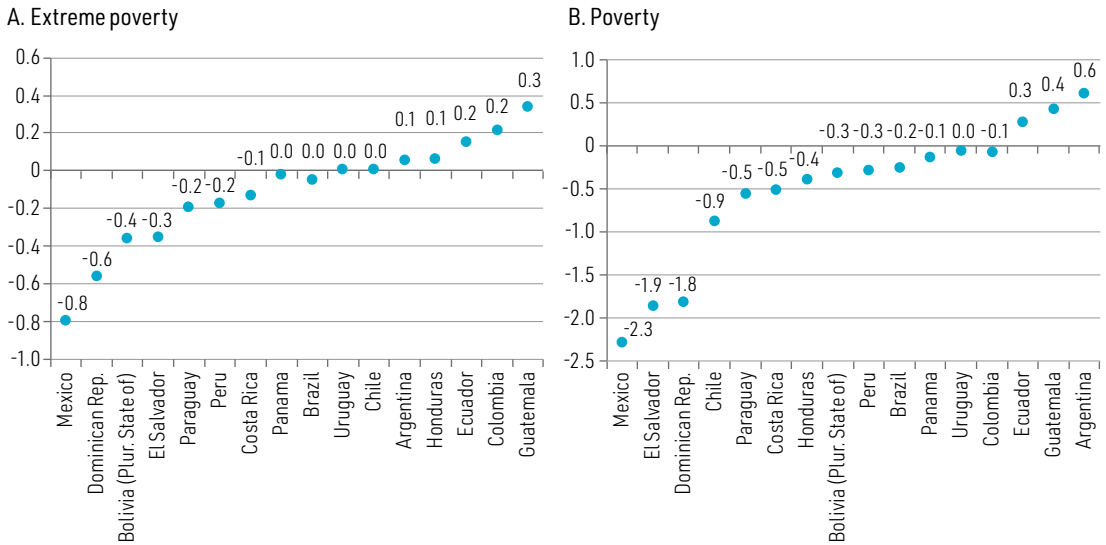
In Ecuador, Guatemala and, in particular, Argentina, poverty and extreme poverty increased between 2014 and 2024, although most of these increases are of a smaller magnitude than the reductions in other countries. This is representative of the intraregional heterogeneity documented over the past 10 years.

The incidence of income poverty varies not only among Latin American countries but among population groups, with certain groups affected disproportionately. As documented in previous editions of the *Social Panorama* (ECLAC, 2022a, 2022b, 2024), factors such as gender, age, Indigenous or Afrodescendent ethnicity and place of residence constitute structural axes of inequality in the region, which interact with one another and exacerbate poverty and exclusion.[6]

[5] In Argentina, the official measurement indicates a year-on-year decrease of 3.6 percentage points in the second half of 2024. The difference compared to ECLAC figures is attributable mainly to the use of different reference periods to update the poverty line for cumulative inflation. While the official measure uses the consumer price index of the month in which the interview is conducted, ECLAC uses the consumer price index of the reference month for the income reported (previous month). This means that when inflation falls, ECLAC price updates reflect higher inflation than those of the National Institute of Statistics and Censuses of Argentina, hence the observed divergence in poverty trends.

[6] For further details on the social inequality matrix in the region, see ECLAC (2016).

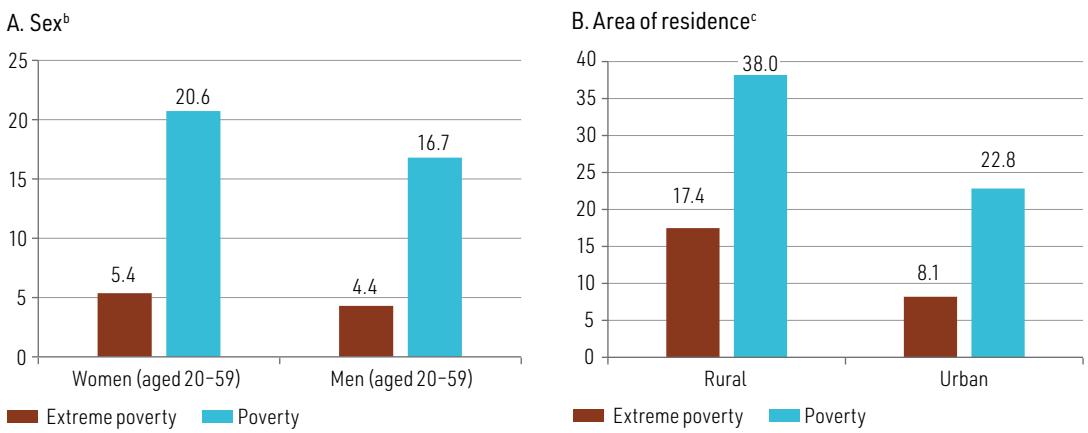
Figure I.11
Latin America (16 countries): annual change in extreme poverty and poverty rates, 2014–2024[a]
(Percentage points)



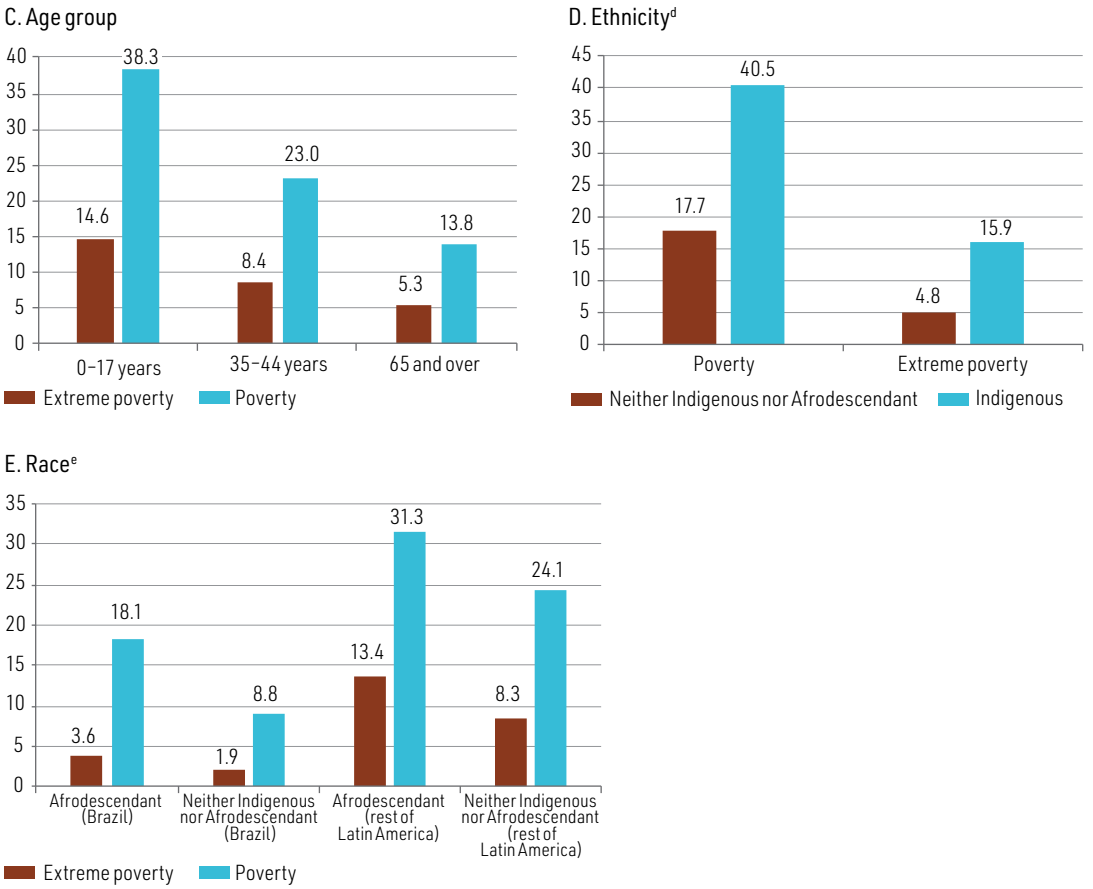
Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] For Chile, the data period is 2013–2022; for El Salvador, Guatemala and the Plurinational State of Bolivia, the period ends in 2023.

Women aged 20–59 are affected by higher incidences of poverty (20.6%) and extreme poverty (5.4%) than men in the same age range (16.7% and 4.4%, respectively), as seen in figure I.12A. This puts the femininity index of both poverty and extreme poverty (calculated by dividing the women's rate by the men's rate and multiplying the quotient by 100) at 123, slightly higher than the 2023 value of 121. The numbers reflect persistent gender inequalities, such as the excessive burden of unpaid care work,[7] occupational segregation and wage gaps, that hinder access to employment opportunities, resources and sufficient income.

Figure I.12
Latin America (18 countries):[a] extreme poverty and poverty, by sex, area of residence, age group, ethnicity and race, 2024
(Percentages)



[7] See section I.B.2 for an analysis of the effect of lack of access to the labour market on individual deprivation, disaggregated by sex.



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[b] The averages exclude the Bolivarian Republic of Venezuela from 2019 onward.
[c] Refers to 16 countries: Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[d] Refers to 10 countries: Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Panama, Peru, Plurinational State of Bolivia and Uruguay.
[e] Rest of Latin America: Colombia, Ecuador, Guatemala, Panama, Peru and Uruguay. Brazil is analysed separately because of the high proportion of Afrodescendants in its total population.

Income poverty is considerably higher in rural areas (38.0%) than in urban areas (22.8%) and the gap is more pronounced for extreme poverty (17.4% in rural areas compared with 8.1% in urban areas) (see figure I.12B). This territorial disparity may reflect greater structural disadvantages in rural areas, such as less access to quality jobs providing sufficient income and less contributory social protection coverage, which create favourable conditions for poverty to persist.

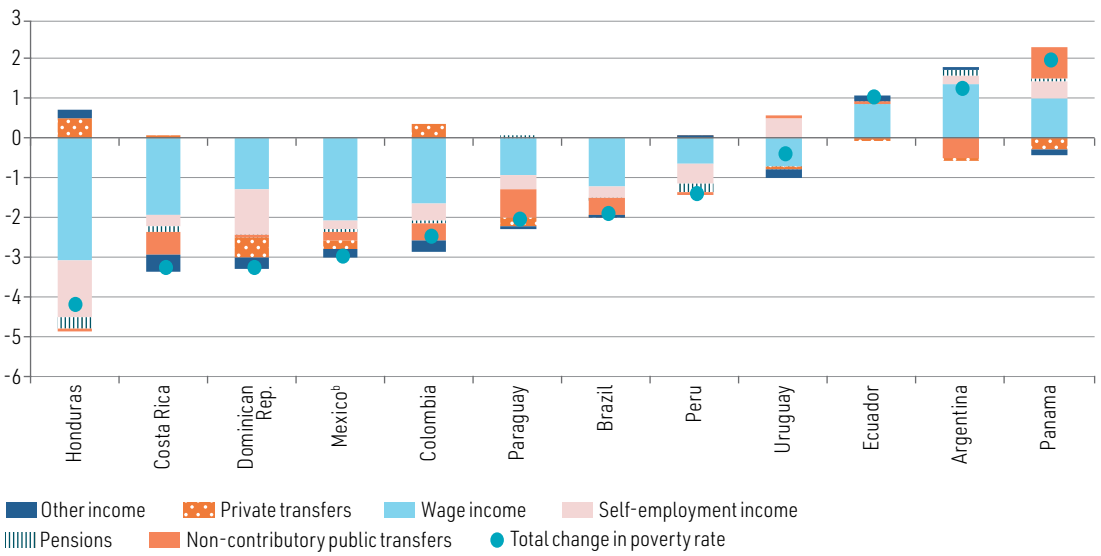
Figure I.12C shows that children and adolescents aged 0–17 have the highest rates of poverty (38.3%) and extreme poverty (14.6%); the population aged 65 and over has the lowest rates (13.8% and 5.3%); and the 35–44 age group falls in between (23% and 8.4%). The low rates in the older age group could have to do with contributory and non-contributory pension system coverage and smaller household size. However, there may be deprivations affecting older persons in other areas of well-being not directly reflected in income. The higher levels of poverty among children and adolescents, meanwhile, point to an early build-up of disadvantages that can set off intergenerational cycles of deprivation. The persistence of inequality in fertility rates should also be considered, as the average number of children per woman in the poorest groups is still higher than the overall average (ECLAC, 2025d).

Ethnicity gaps are even more pronounced. Poverty and extreme poverty among Indigenous Peoples are very high (40.5% and 15.9%), reaching more than double or even triple the rates observed in the non-Indigenous non-Afrodescendent population (see figure I.12D). These gaps show that structural forms of exclusion and discrimination continue to affect the well-being of Indigenous Peoples.

The Afrodescendent population faces higher levels of poverty and extreme poverty than the non-Indigenous non-Afrodescendent population, both in Brazil and in the rest of Latin America (see figure I.12E). The incidence of poverty is significantly higher among Afrodescendants outside Brazil (31.3% for poverty and 13.4% for extreme poverty) than among Brazilians of African descent (18.1% and 3.6%, respectively). However, total poverty gaps between groups are more pronounced in Brazil, in both relative and absolute terms. The poverty rate of Brazilian Afrodescendants is twice the rate of non-Indigenous non-Afrodescendent Brazilians (18.1% compared with 8.8%), while in the rest of the region, the rate of the first group is 1.3 times the rate of the second (31.3% compared with 24.1%). Likewise, the absolute difference between the two groups is greater in Brazil (9.3 percentage points) than in the rest of the region (7.2 percentage points).

ECLAC has also conducted multiple poverty analyses broken down by the different income sources of households in the lowest strata of the distribution (ECLAC, 2022a, 2022b, 2023, 2024). The present iteration examines how changes in these income sources affected changes in poverty levels in the countries of the region between 2023 and 2024 (see figure I.13), using the decomposition technique described in box I.2 (i.e. considering income per person without including the demographic factor).

Figure I.13
Latin America (12 countries): contribution of changes in different income sources to change in poverty, by country, 2024[a]
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] The countries are shown in ascending order of annual change in the poverty rate.
[b] Change between 2022 and 2024.

The results of the exercise show that, in all countries, wages were the source that most affected both positive and negative variations in poverty.[8] This income source played a predominant role in the countries where poverty decreased, especially in those with the sharpest declines. For example, in Honduras, Mexico and Costa Rica (percentage point declines of 3.1, 2.0 and 1.9, respectively), wages

[8] Labour income depends, to a large extent, on labour productivity, as noted in ECLAC (2025e).

accounted for most of the improvement. In Colombia, the Dominican Republic and Brazil (percentage point decreases of 1.6, 1.3 and 1.2, respectively), wage growth was also a notable contributor to poverty reduction, though less so than in the first three countries.

In countries where poverty increased, salaries and wages were again the largest contributor to the change.[9] For example, in Argentina, the contribution of wage employment to the poverty increase (1.4 percentage points) was 3.2 times the total contributions of self-employment, pensions and other income. In Panama, the contribution of wage income to the increase (1.0 percentage points) was greater than self-employment and pensions combined.

In most of the countries, self-employment affected variations in poverty, albeit less than wage employment. In Honduras and the Dominican Republic, which recorded percentage point declines of 1.5 and 1.1, respectively, self-employment was a significant contributor, reinforcing the wage-driven reduction. In Costa Rica, Mexico, Colombia, Paraguay, Brazil and Peru, self-employment helped to reduce poverty, but with contributions of less than 1 percentage point each. In contrast, in Argentina (0.2 percentage points), Panama (0.4 percentage points) and Ecuador (0.1 percentage points), self-employment was associated with increases in poverty, although the effect of wage employment was stronger. Uruguay was the only country where self-employment and wage employment had opposing effects (0.5 percentage points and -0.7 percentage points, respectively).

Non-contributory public transfers played an important role in some countries. They contributed significantly to reducing poverty in Paraguay and Costa Rica, with respective decreases of 0.7 and 0.5 percentage points, while in Argentina (-0.5 percentage points) they helped to prevent a further increase in the incidence of poverty. In contrast, in Ecuador (0.1 percentage points) and, in particular, Panama (0.8 percentage points), the fact that these transfers were insufficient to make up for declines in other sources of income contributed to the rise in poverty.

The impacts of non-contributory pensions and private transfers (including remittances) were more muted and uneven. Pensions, for example, were linked to poverty reductions in Honduras and Peru (-0.3 percentage points in both cases) and to increases in Panama and Argentina (0.1 percentage points each). Private transfers contributed to decreases in the Dominican Republic (-0.5 percentage points) and, to some extent, in Mexico and Paraguay (-0.2 percentage points each). In Colombia and Honduras, meanwhile, these transfers did not help to reduce poverty. Meanwhile, the effect of other income on the total variation in poverty was generally marginal.

In summary, the results confirm that the labour market, in particular changes in salaries and wages, was the most decisive factor affecting both positive and negative changes in monetary poverty in 2024. This finding is in line with previous editions of the *Social Panorama*.[10]

2. Multidimensional poverty

In recent decades, the multidimensional approach has been increasingly incorporated into poverty measurement. This approach is premised on the idea that people's well-being is not determined by income level alone but also depends on access to fundamental rights and capabilities in different areas, such as health, education, housing and work. The international commitment to eradicating poverty in all its forms and dimensions (Sustainable Development Goal 1) has prompted national progress towards more comprehensive metrics. Within this framework, multidimensional poverty indices have become key tools for guiding public policies in the countries of the region.

[9] In the decomposition used, an income source's positive contribution to an increase in poverty does not necessarily amount to an absolute decrease in income from that source. It may also mean that this income grew, on average, but that said growth was concentrated in households above the poverty line or was insufficient to offset declines in other sources for households below the poverty line.

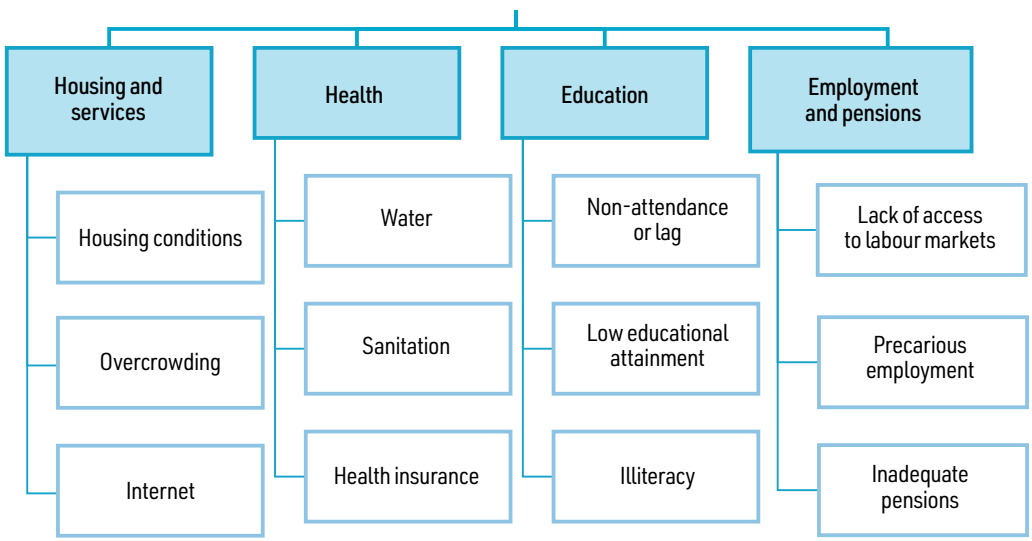
[10] See, for example, ECLAC (2024).

ECLAC pioneered the adoption of the multidimensional approach to measure poverty in Latin America in the early 1980s, through the index of unmet basic needs. In 2025, it built and expanded on this work with the development of the multidimensional poverty index for Latin America (MPI-LA), in collaboration with the United Nations Development Programme. This index was created to respond to two challenges: first, global multidimensional indices, which measure acute poverty, do not adequately capture deprivation in the region's current development context; and second, official national measurements, which are fundamental for monitoring national policies, are not comparable among countries.[11] Thus, MPI-LA, adapted to the reality of the region, enables harmonized and robust monitoring of multidimensional poverty (ECLAC, 2025b).

In this section, MPI-LA is applied to analyse multidimensional poverty incidence, trends and distribution in Latin America for the period 2014–2024, examining the contributions of the different dimensions and deprivations to total poverty. Given that, in contexts of very high inequality, such as Latin America, deprivation tends to be concentrated in certain groups, the analysis explores how multidimensional poverty varies across the income distribution and by area of residence and age group. It also measures individual multidimensional poverty in the adult population (persons aged 20–59), to identify gender gaps and determine which deprivations contribute most to these inequalities.

The index is based on the capabilities and rights approaches and incorporates indicators in four dimensions: housing and services, health, education and employment, and pensions. Each dimension has the same weight and is composed of three equally weighted indicators (see diagram I.1 and table I.A1.4 in the annex). This structure is aimed at promoting balanced public policies that address all dimensions simultaneously. The multidimensional poverty identification threshold is set at 33.3%, which means that a person must be deprived in at least 4 of the 12 indicators —that is, in more than one dimension— to be considered poor. The use of this criterion is in line with most national multidimensional poverty indices in the region (see box I.3).

Diagram I.1
Structure of the multidimensional poverty index for Latin America



Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean. (2025). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies* (7) (LC/PUB.2025/3-P).
Note: A person must be deprived in at least 4 of the 12 indicators (not shaded) –that is, in more than one dimension (shaded)– to be considered poor.

[11] For more details on the methodology of the multidimensional poverty index for Latin America, see ECLAC (2025b). For more on the global multidimensional poverty index used by the Oxford Poverty and Human Development Initiative, see Alkire et al. (2016) and Alkire and Santos (2014). For information on the measurement used by the World Bank, see World Bank (2018, 2022).

Box I.3

Latin America and the Caribbean: national multidimensional poverty indices

In Latin America and the Caribbean, 13 countries have officially adopted a multidimensional poverty index, which they have used to follow up on national development plans and guide the targeting of social programmes. These indices have gained importance in the context of monitoring target 1.2 of the 2030 Agenda for Sustainable Development, which aims to reduce at least by half the proportion of people living in poverty in all its dimensions according to national definitions.

The preparation of national multidimensional poverty indices in the region has involved consultation processes with various public and private sectors and stakeholders, supported by international organizations. This methodology has helped to achieve consensus on the dimensions, indicators, thresholds and weights used in the indices.

Most of the indices have been designed to complement poverty measurement by income. They are generally based on the rights and capabilities approaches and incorporate dimensions and sufficiency criteria that are stricter than those used in global measurements. Almost all national multidimensional poverty indices use the household as the unit of analysis and adopt intermediate cut-off points (k > 1 and less than the total deprivations considered) for the multidimensional poverty line.

Latin America and the Caribbean (13 countries): main characteristics of national multidimensional poverty indices

Country	Start year	Unit of analysis	Dimensions	Weight of dimensions	Multidimensional threshold
Mexico	2008	Person	Income Educational lag Health Social security Housing quality and living space Basic services in the home Food	Equal, except income (well-being)[a]	>=1 non-monetary and income-poor dimension
Colombia	2011	Household	Adult education Children and young people Employment Health Housing and services	Equal	33.3% (> 1 dimension; > 4 deprivations)
Chile	2013	Household	Education Health Employment and social security Housing and environment Networks and social cohesion	Equal, except social support networks and cohesion	22.5% (>= 1 dimension, except social support networks and social cohesion; >= 3 deprivations)
Costa Rica	2015	Household	Education Health Housing Employment Social protection	Equal	20% (>= 1 dimension; >= 4 deprivations)
El Salvador	2015	Household	Education Housing Employment and social security Health, basic services and food security Quality of habitat	Equal	35% (> 1 dimension; >= 7 deprivations)
Ecuador	2016	Household	Education Employment and social security Health, water and food Habitat, housing, environment	Equal	33.3% (> 1 dimension; >= 3 deprivations)
Honduras	2016	Household	Health Education Employment Housing	Equal	25% (>= 1 dimension; >= 3 deprivations)
Dominican Republic	2017	Household	Housing and environment Digital divide and coexistence Education and child care Livelihood and employment Health	Equal	33% (> 1 dimension;
Panama	2017	Household	Housing and services Environment and sanitation Employment Education Health	Equal	30% (> 1 dimension; >= 5 deprivations)

Country	Start year	Unit of analysis	Dimensions	Weight of dimensions	Multidimensional threshold
Guatemala	2019	Household	Food and nutritional security Education Decent employment Housing Basic services	Equal	30% (> 1 dimension;
Paraguay	2021	Household	Employment and social security Housing and services Health and environment Education	Equal	26% (> 1 dimension; >= 4 deprivations)
Belize	2023	Household	Health Education Standard of living Employment	Equal	-
Uruguay	2025	Household	Education Living conditions Basic household services Social protection Employment	Equal	21% (> 1 dimension; >=4 deprivations)

Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean. (2025). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies* (7) (LC/PUB.2025/3-P); National Institute of Statistics of Uruguay. (2025). Documento metodológico: índice de pobreza multidimensional; and Statistical Institute of Belize. (2023). *Multidimensional Poverty in Belize*. https://sib.org.bz/wp-content/uploads/MPI_Infographic_v03.pdf.

[a] Income is cross-referenced with the non-monetary index.

Most national multidimensional poverty indices consider dimensions such as education, housing, basic services, health, employment and social security. A small number of countries have incorporated other dimensions, such as the digital divide or coexistence, networks and social cohesion, and food security. Some indicators are present in almost all the indices, although their classification by dimension varies from country to country: for example, access to water and sanitation is variously included in the housing, basic services and health dimensions, while health insurance is sometimes classified in the health dimension and sometimes in the employment dimension.

In general, the countries have weighted the dimensions and indicators equally. However, as national multidimensional poverty indices may differ in the number of dimensions or indicators per dimension, the same deprivation may be weighted differently depending on the index. Not all national multidimensional poverty indices use the same cut-off points for the multidimensional poverty line, and among those that do, differences in their dimensions, indicators and weighting produce inequivalent scores. Thus, the results of the national multidimensional poverty indices are not strictly comparable.

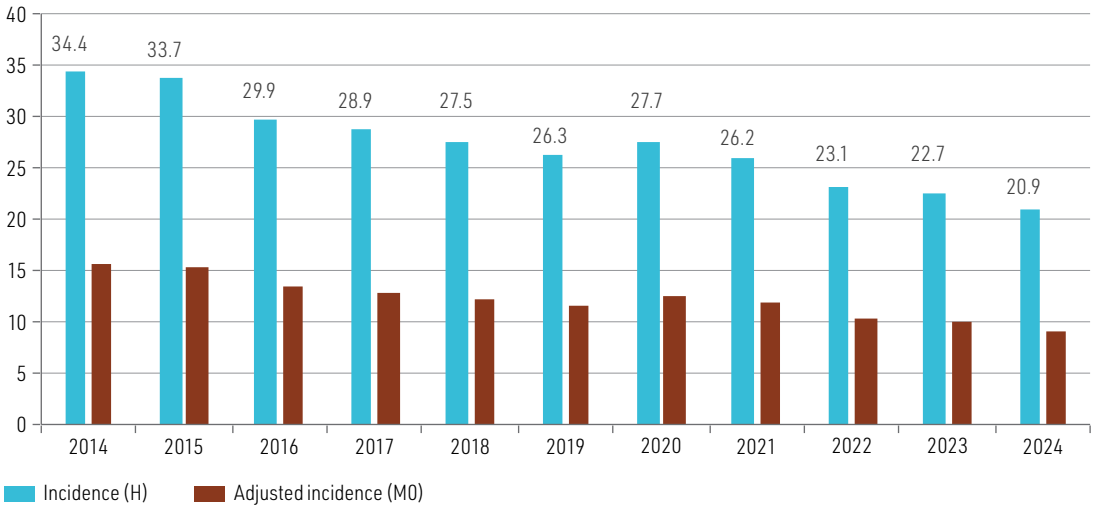
Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean. (2025). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies* (7) (LC/PUB.2025/3-P); National Institute of Statistics of Uruguay. (2025). *Documento metodológico: índice de pobreza multidimensional; and Statistical Institute of Belize*. (2023). *Multidimensional Poverty in Belize*. https://sib.org.bz/wp-content/uploads/MPI_Infographic_v03.pdf.

Index results are expressed in three main indicators: incidence (H), or the percentage of people identified as living in multidimensional poverty; intensity (A), which measures the average deprivation experienced by these people; and adjusted incidence (M0), calculated as the product of the two (M0 = H x A). The adjusted incidence of multidimensional poverty therefore reflects not only the number of people in poverty but also the average intensity of their poverty, which makes it a more complete and sensitive measure of changes in poverty.[12]

MPI-LA shows a marked and sustained decline in multidimensional poverty in the region. Between 2014 and 2024, the incidence of multidimensional poverty fell from 34.4% to 20.9%. This trend was only interrupted in 2020, owing to the effects of the COVID-19 pandemic. By 2021, the downward trend resumed, accelerating in 2022 and moderating in 2023 before regaining momentum in 2024, when multidimensional poverty dropped by 1.8 percentage points (see figure I.14).

[12] For practical purposes, the three indices are presented in a range of values from 0 to 100 (rather than from 0 to 1, as originally defined). For additional details on this methodology, see Alkire and Foster (2011).

Figure I.14
Latin America (15 countries):[a] incidence of multidimensional poverty, 2014–2024
(Percentages and values of the multidimensional poverty index for Latin America)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

The trend in adjusted incidence, which considers both the proportion of people in poverty and the average intensity of their deprivation, follows a similar pattern, namely a consistent decline between 2014 and 2019, an increase in 2020 and a resumption of the downward trajectory in subsequent years (see figure I.14).

The pronounced reduction in poverty between 2014 and 2024 is attributed to the decreased incidence of almost all deprivations included in the index. The most significant annual drop was in lack of Internet access (4 percentage points), followed by insufficient educational attainment among adults (0.8 percentage points), inadequate sanitation (0.8 percentage points) and overcrowding (0.5 percentage points). Other indicators performed less favourably: poor quality employment and water deprivations decreased by only 0.1 percentage points per year, while lack of health insurance increased by an annual average of 0.2 percentage points.

Countries exhibit significant heterogeneity in their levels of multidimensional poverty. Around 2024, the incidence of multidimensional poverty in Guatemala, Honduras and El Salvador was above 50%, compared with less than 6% in Costa Rica, Uruguay and Chile (see figure I.15).

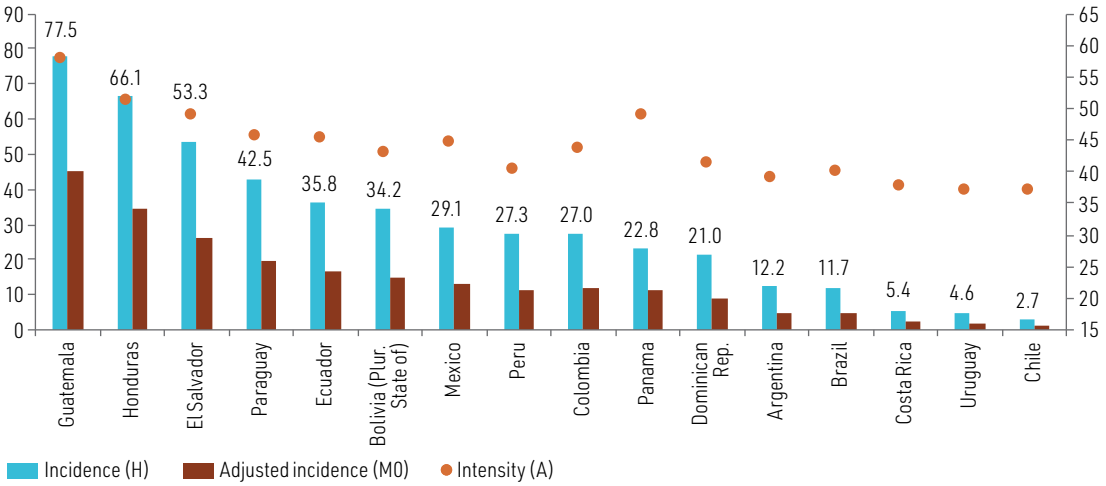
In general, countries with the highest incidence of poverty are also those where the intensity of poverty is greatest. Around 2024, in Guatemala and Honduras, the average number of deprivations for people living in multidimensional poverty was 6.9 and 6.2, respectively; in Chile and Uruguay, the average was 4.5.[13] The only country where intensity is significantly higher than expected given its poverty incidence is Panama. Relative to the rest of the region, Panama's poverty incidence is medium to low, but its poverty intensity is closer to that of high-incidence countries[14] (see figure I.15).

The country ranking by adjusted incidence is very similar to the ranking by unadjusted incidence. From a public policy perspective, this means that the countries most affected by multidimensional poverty, which often have fewer fiscal resources, are faced with the task of designing measures for a larger and more deprived poor population than other countries.

[13] The intensity of poverty in Chile was 37.2%, equivalent to 4.5 deprivations (37.2/8.33=4.5). In Uruguay, the intensity of poverty was 37.3% (37.3/8.33=4.5). In Guatemala and Honduras, poverty intensity was measured at a respective 57.9% (6.9 deprivations) and 51.4% (6.2 deprivations).

[14] The intensity of poverty in Panama is especially high in rural areas (54.7%) compared to urban areas (38.2%). Its rural poverty intensity is the third highest of all the countries considered, while its urban poverty intensity is the fifth lowest.

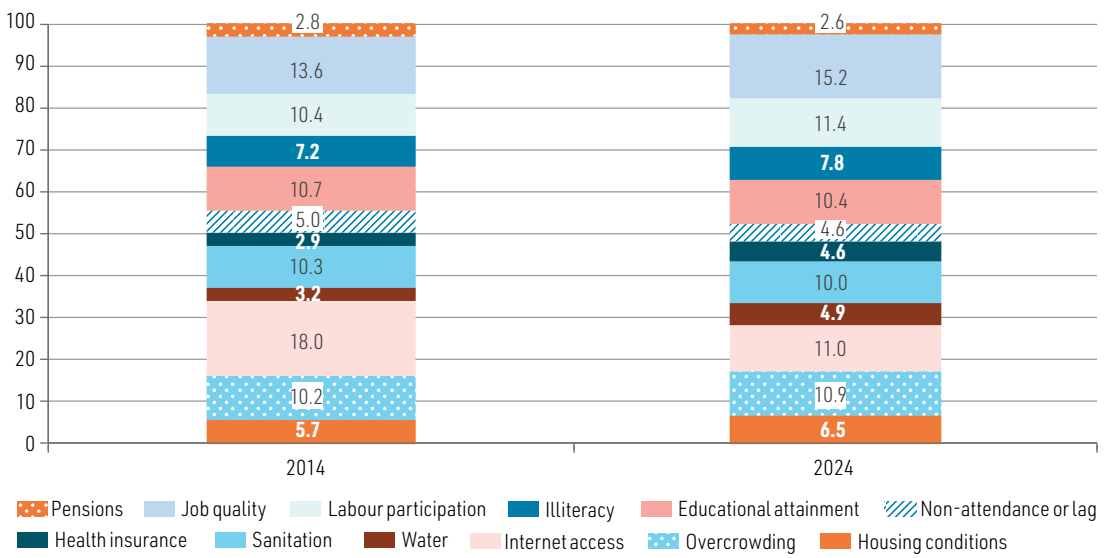
Figure I.15
Latin America (16 countries): incidence, intensity and adjusted incidence of multidimensional poverty, around 2024[a]
(Percentages and values of the multidimensional poverty index for Latin America)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Data refer to 2019 for Brazil, 2022 for Chile and Panama, 2023 for El Salvador, Guatemala, Honduras and the Plurinational State of Bolivia, and 2024 for Argentina, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.

Around 2024, 29.2% of adjusted multidimensional poverty (M0) in the region was due to deprivations in the employment and pensions dimension, particularly in the working-age population. Poor quality employment accounted for 15.2% of total poverty, while lack of labour market access, which especially affects women, accounted for 11.4%. These findings show that many women face persistent inequalities that hinder their access to decent jobs and an overburden of unpaid domestic work, further substantiating the need for public policies to simultaneously transform the organization of care and improve job quality (see figure I.16).

Figure I.16
Latin America (15 countries):[a] relative contributions of dimensions and deprivations to multidimensional poverty, 2014 and 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

The dimension that was the second-largest contributor was housing and services, which accounted for 28.4% of multidimensional poverty in 2024, with lack of Internet access and overcrowding deprivations (11% and 10.9%) representing the largest components. Despite the rapid expansion of Internet access over the past decade, particularly through mobile telephones, deprivation in this indicator still contributed significantly to multidimensional poverty in 2024. These results underscore the need to strengthen connectivity policies for the most vulnerable and the importance of ensuring housing conditions that provide adequate living space.

Between 2014 and 2024, the most-increased contribution to multidimensional poverty came from the health dimension (3.1 percentage points). This was largely attributable to increases of 1.7 percentage points in both lack of health insurance and inadequate access to water. The contribution of the employment and pensions dimension also increased significantly, by 2.4 percentage points. This change reflects the increased contributions of poor quality employment[15] (1.6 percentage points) and lack of access to the labour market (1.0 percentage points).

In contrast, the contribution of the housing and services dimension to total multidimensional poverty declined considerably between 2014 and 2024 (5.5 percentage points). This was the result of the sharp drop in the contribution of Internet access (7 percentage points). There were also increases in the contributions of overcrowding and housing conditions.[16]

During this period, multidimensional poverty was consistently higher in rural populations, children and adolescents, and the poorest income quintiles. These trends indicate that people in specific social categories or territories face structural disadvantages because they belong to these groups, which increase their vulnerability to multidimensional poverty and make it harder for them to get out.

In 2024, multidimensional poverty affected 54.2% of the rural population, compared with 13.8% of the urban population. In other words, people in rural areas are almost four times as likely to experience multidimensional poverty as people in urban areas. In addition, the rural poor tend to face a greater number of simultaneous deprivations than the urban poor, as shown by the adjusted incidence measure in figure I.17. This indicates that closing territorial gaps will require policies that address disadvantages affecting rural areas, including unequal access to social services and labour inclusion opportunities.

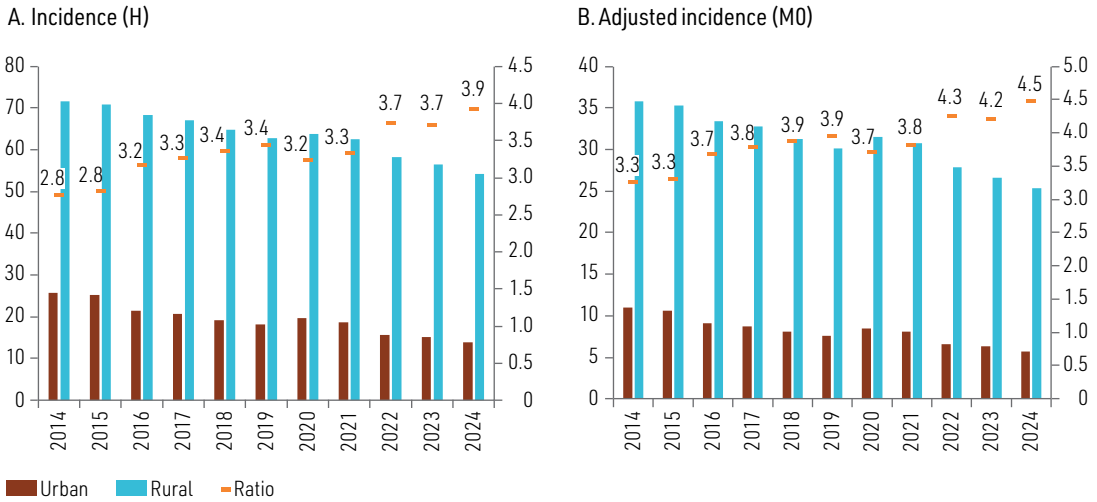
The incidence of multidimensional poverty in rural areas fell from 71.6% to 54.2% between 2014 and 2024, which amounts to a 17.4 percentage point decrease. In urban areas, it decreased from 25.9% in 2014 to 13.8% in 2024 (12.1 percentage points). The rate of decline in urban areas was almost twice the rate in rural areas (relative decrease of 4.7% compared with 2.4%), which enlarged the relative gap by area of residence. In 2014, the incidence of poverty in rural areas was 2.8 times higher than in urban areas, and in 2024, the ratio was 3.9, the highest point reached in the period of analysis (see figure I.17A). The gap also increased according to the adjusted incidence measure shown in figure I.17B.

The incidence of multidimensional poverty was higher in children and adolescents than in the adult population in the period 2014–2024 (see figure I.18A). This gap is also shown by adjusted incidence (see figure I.18B) and tends to align with monetary poverty estimates by age group, although for 2024, poverty among children and adolescents is greater when measured by income than when measured using MPI-LA (see figure I.12).

15 A deprivation may increase its relative contribution to poverty despite a reduction in its incidence.

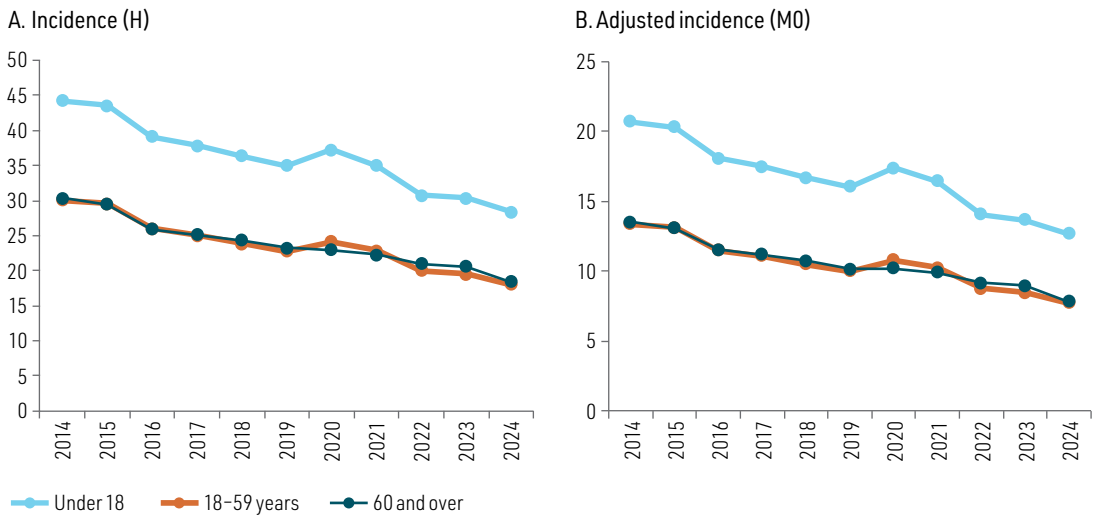
16 Composite indicator that aggregates the use of precarious materials (floor, walls and roof) and energy deprivation (lack of electricity or toxic cooking fuel). In the vast majority of countries, deprivation in this composite indicator is due to toxic fuel. The incidences of the use of precarious materials and lack of electricity are usually very low (see ECLAC, 2025b).

Figure I.17
Latin America (14 countries):[a] multidimensional poverty, by area of residence, 2014–2024
(Percentages and values of the multidimensional poverty index for Latin America)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Figure I.18
Latin America (15 countries):[a] multidimensional poverty, by age group, 2014–2024
(Percentages and values of the multidimensional poverty index for Latin America)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

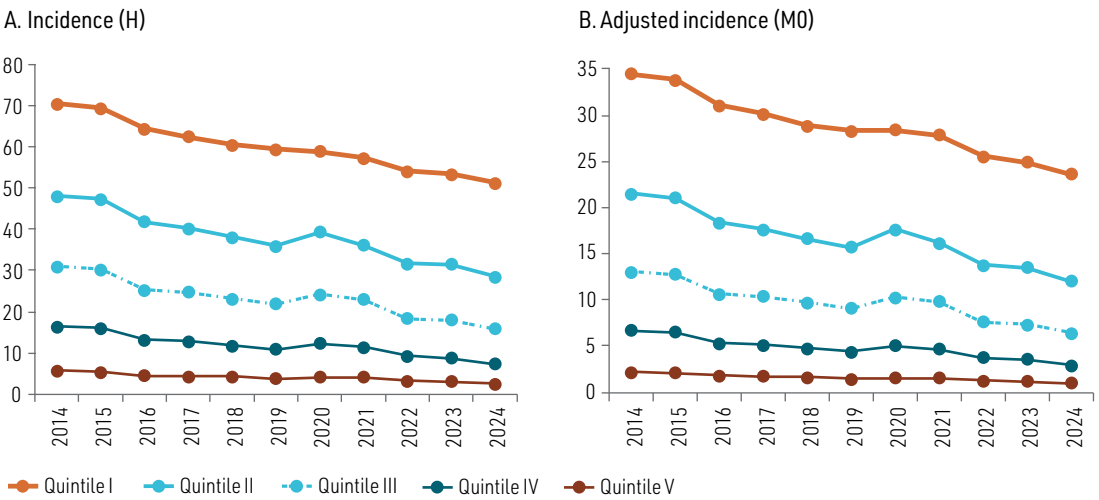
Around 2024, multidimensional poverty incidence was 28.4% in the under-18 age group, 18% in the 18–59 age group and 18.4% in the group aged 60 and over. The analysis of change over time shows a more pronounced decline among children and adolescents than in the other age groups: between 2014 and 2024, poverty fell by 15.8 percentage points in the first group, compared with 12 percentage points in the second and 11.9 percentage points in the third.

According to MPI-LA, children and adolescents were the age group most affected by the pandemic. Between 2019 and 2020, their incidence of multidimensional poverty increased by 2.3 percentage points. The second most affected was the 18–59 age group, with an increase of 1.4 percentage points. The deprivation indicator most closely linked to these increases was school attendance. Labour-related indicators also contributed, although to a lesser extent.[17] Among older persons, in contrast, the headcount index (unadjusted incidence) fell by 0.3 percentage points, which could reflect limitations in available indicators of health deprivation for this group.[18]

The unadjusted headcount index (i.e. incidence, or H) and the intensity-adjusted incidence measure (i.e. adjusted incidence, or M0) for older persons and the population aged 18–59 in the period 2014–2024 produced very similar results, with older persons experiencing marginally higher poverty relative to the other group between 2022 and 2024. These results differ from the monetary poverty estimates that ECLAC typically produces, which tend to show older persons as the age group least affected by poverty (see figure I.12).

There are marked inequalities among income quintiles in the incidence of multidimensional poverty in Latin America (see figure I.19). Throughout the 2014–2024 period, the poorest quintiles consistently had the highest levels, while the fifth quintile (richest 20%) had very low levels.[19] However, the absolute differences between the two quintiles decreased: in 2014, the incidence of multidimensional poverty was 64.9 percentage points higher in the bottom quintile than in the top quintile, compared with a 48.8 percentage point gap in 2024. Adjusted incidence also shows a reduction these absolute differences.

Figure I.19
Latin America (15 countries):[a] multidimensional poverty, by income quintile, 2014–2024
(Percentages and values of the multidimensional poverty index for Latin America)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

17 Between 2019 and 2020, the deprivation indicator for school non-attendance and educational lag increased by 11 percentage points (regional weighted averages). Lack of access to the labour market increased by 2.81 percentage points, and poor quality employment increased by 0.4 percentage points (ECLAC data, on the basis of the Household Survey Data Bank (BADEHOG)). Since the multidimensional poverty index is a household-level measure, the effect of school non-attendance and educational lag extends to the adults in the household.

18 A multidimensional measurement that is comparable at the regional level requires access to the same information across different data sources and time periods, which narrows the set of information that can be used.

19 Incidences of multidimensional poverty in the fifth quintile are very low, but not nil. In this regard, in nine countries of the region, the median per capita income of the fifth quintile (ranging from 3.2 to 5.4 times the monetary poverty line) falls in the middle income bracket, and in one country, it falls in the lower-middle income bracket. This means that, in most Latin American countries, a significant proportion of the fifth quintile does not belong to the upper-middle or high income strata as defined by ECLAC (2019, 2023).

Despite these wide gaps, multidimensional poverty in the three poorest quintiles was significantly reduced between 2014 and 2024. The reduction in incidence was 19.3 percentage points in the first quintile (poorest 20%), 19.6 percentage points in the second and 15.2 percentage points in the third.

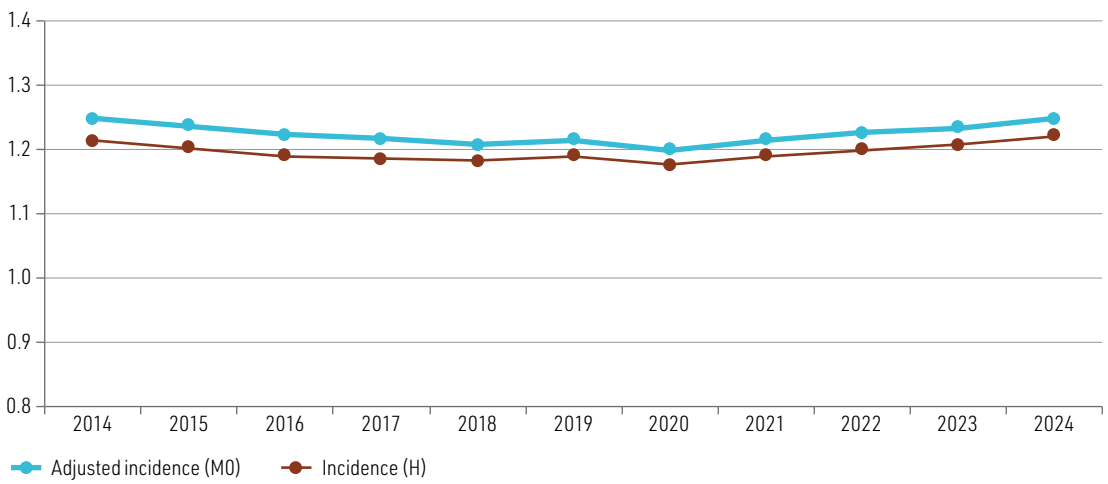
The effect of the pandemic on multidimensional poverty in the poorest quintile was ambiguous: in 2020, the headcount index decreased by 0.5 percentage points, but adjusted incidence increased slightly. However, the second, third and fourth quintiles experienced transitory increases in multidimensional poverty (in ascending order of magnitude) in 2020, as shown in figure I.19, which reflect the impact of the health crisis on the middle and lower-middle strata of the income distribution.

(a) Individual gender gap analysis

One challenge for multidimensional measures of well-being is to capture gender inequalities. In a household-level measure such as MPI-LA, individual deprivations are converted into household deprivations. This masks well-being gaps within households, which affect women in particular (ECLAC, 2025b). To address this issue, the analysis of gender imbalances in the adult population used the MPI-LA indicators but did not convert individual deprivations into household deprivations. In addition, an indicator to reflect lack of own income —a critical issue for women's autonomy— was included in the measurement of precarious employment. This exercise considered the population aged 20–59 to maintain comparability with the feminization of monetary poverty measure that ECLAC normally uses.

Figure I.20 shows gender disparity in individual multidimensional poverty between 2014 and 2024 for the 20–59 age group in 15 Latin American countries, using incidence ratios as an indicator. Throughout the period, the ratios remained consistently above 1, which shows that women are at a persistent disadvantage compared to men when it comes to individual multidimensional deprivation. This analysis produced an unadjusted incidence ratio of 1.2 for 2024, which matches the ratio produced by the monetary poverty index for the same age group and year (see figure I.12).

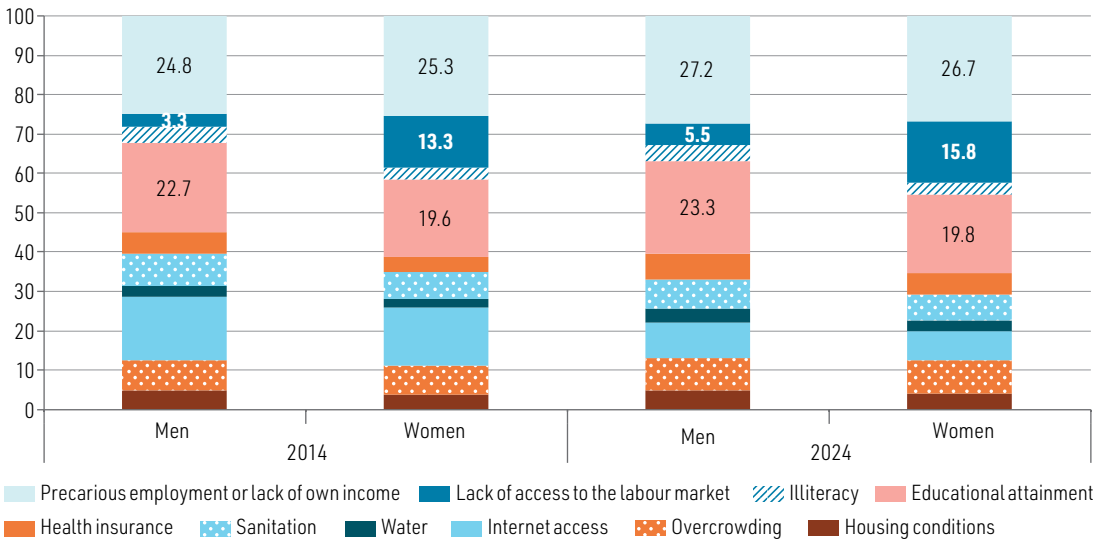
Figure I.20
Latin America (15 countries):[a] gender disparity in individual multidimensional poverty, population aged 20–59 years, 2014–2024
(Incidence ratios)[b]



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[b] Relationship between women's incidence of individual multidimensional deprivation and men's. A value above 1 indicates that women are more deprived than men; a value below 1 indicates that they are less deprived.

There are differences between the individual multidimensional poverty profiles of women and those of men in the working-age population in Latin America. In 2024, deprivation due to lack of access to the labour market and precarious employment or lack of own income accounted for 42.5% of women's multidimensional poverty, compared with 32.7% for men. The lack of labour market access is largely responsible for the gap, with a contribution almost three times greater in women (15.8%) than in men (5.5%). Meanwhile, deprivation in educational attainment has a higher contribution in men (23.3%) than in women (19.8%) (see figure I.21).

Figure I.21
Latin America (15 countries):[a] relative contributions of deprivations to individual multidimensional poverty, by gender, 2014 and 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

The high contribution of lack of access to the labour market among women is largely due to the structural obstacle to equality, represented by the sexual division of labour and the unfair social organization of care (ECLAC, 2017), which places an excessive burden of unpaid domestic and care work on women. This obstacle points to a structural flaw in the social distribution of care and in the capacity of the labour market to incorporate women. Despite their educational attainment levels, women continue to face significant barriers to autonomy. Reducing gender gaps requires progress towards comprehensive care policies and systems, recognizing, reducing and redistributing unpaid work, and transforming labour systems to establish the necessary conditions for reconciling paid work with care responsibilities (ECLAC, 2025c) (see chapter III for more details).

C. Final reflections

The analysis shows that income inequality in Latin America continues to be a major structural problem, despite slight improvements in recent years. The Gini index has trended down in several countries, but this reduction has been modest in scale and does not reflect meaningful changes in patterns of

wealth concentration. The marked disparity between the richest and poorest deciles shows that the current development model continues to perpetuate historical gaps, which limit economic growth, social cohesion and progress towards inclusive social development.

Likewise, the analysis by income source shows that the labour market has a central role in shaping inequality. Improvements in income distribution, while positive, are mainly attributable to labour and longer-term demographic trends rather than redistribution policies. In four of the five countries that reduced inequality the most between 2021 and 2024, changes in labour market distribution accounted for most of the progress, and the increased proportion of adults per household played a part in narrowing per capita income gaps. This indicates that the strengthening of wages has been key to improving distribution, unlike self-employment income, which has had more muted or even regressive effects. The importance of labour inclusion in reducing inequality is explored in greater detail in chapter II.

The comparison of household surveys to methodologies that integrate tax records and national accounts shows that inequality is probably higher than official figures reflect, which suggests that there is still ample room for public policy to play a more decisive role in reducing inequality. It is therefore essential to make progress in the accuracy of measurements and the design of comprehensive and sustained policies that tackle the root causes of income and wealth concentration. Without structural transformations in asset distribution, employment quality and access to opportunities, it will be difficult for the region to overcome one of its main obstacles to inclusive and sustainable social development.

The poverty analysis shows a clear convergence between the monetary and multidimensional approaches. Both income poverty and multidimensional poverty exhibited a downward trend over the past decade, a temporary upturn during the pandemic, and a sustained recovery in the years since. However, both measures also reveal the persistence of structural gaps causing disproportionate poverty in certain groups, such as children and adolescents, rural populations and women.

This chapter has shown how the multidimensional approach complements the monetary approach to poverty measurement. While the monetary measurement shows the insufficiency of resources to satisfy basic needs, MPI-LA reveals deprivations not fully reflected in income, such as limited access to health, education and housing services, labour market exclusion due to care obligations, poor quality employment and lack of social protection. Combined, these two measurements not only provide a more complete characterization of poverty but also strengthen the capacity to mount more targeted public policy responses to its different forms.

The challenges in this area are considerable. Significantly reducing poverty will require sustaining the pace of progress of the past decade, in a regional landscape characterized by low economic growth, deep inequalities and growing social tensions. It will also require expanding the coverage and sufficiency of social protection entitlements, providing access to decent jobs, closing territorial gaps and ensuring access to health, education, housing and care services. At the same time, national statistical systems need to be strengthened to ensure the continuous measurement of multidimensional poverty in all Latin American countries. Only a firm commitment to comprehensive and coordinated policies will enable regional progress towards eradicating poverty and reducing inequality in all its dimensions and forms, ensuring that improvements are sustainable rather than cyclical.

Bibliography

Alkire, S. and Foster, J. (2011). Counting and multidimensional poverty measurement. *Journal of Public Economics*, *95*(7-8), 476–487. https://doi.org/10.1016/j.jpubeco.2010.11.006

Alkire, S. and Santos, M. E. (2014). Measuring acute poverty in the developing world: robustness and scope of the Multidimensional Poverty Index. *World Development, 59*, 251–274. https://doi.org/10.1016/j.worlddev.2014.01.026

Alkire, S., Conconi, A., Robles, G., Roche, J. M., Santos, M. E., Seth, S. and Vaz, A. (2016). The Global Multidimensional Poverty Index (MPI): 5-year methodological note. *OPHI Briefing* (38). Oxford Poverty and Human Development Initiative (OPHI). https://ophi.org.uk/publications/MN38-B38

Alvaredo, F., Bourguignon, F., Ferreira, F. and Lustig, N. (2023). Seventy-five years of measuring income inequality in Latin America. *IDB Working Paper Series* (IDB-WP-01521). Inter-American Development Bank. https://doi.org/10.18235/0005211

Alvaredo, F., De Rosa, M., Flores, I. and Morgan, M. (2025). Medición de la desigualdad mediante la integración de fuentes de datos. *Project Documents* (LC/TS.2024/122). Economic Commission for Latin America and the Caribbean.

Azevedo, J. P., Inchauste, G. and Sanfelice, V. (2013). Decomposing the recent inequality decline in Latin America. *Policy Research Working Paper* (6715). World Bank.

Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)).

Economic Commission for Latin America and the Caribbean. (2017). *Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030* (LC/CRM.13/5).

Economic Commission for Latin America and the Caribbean. (2018a). *The Inefficiency of Inequality* (LC/SES.37/3-P).

Economic Commission for Latin America and the Caribbean. (2018b). Income poverty measurement: updated methodology and results. *ECLAC Methodologies* (2) (LC/PUB.2018/22-P).

Economic Commission for Latin America and the Caribbean. (2019). *Social Panorama of Latin America, 2019* (LC/PUB.2019/22-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2022a). *Social Panorama of Latin America and the Caribbean, 2022* (LC/PUB.2022/15-P).

Economic Commission for Latin America and the Caribbean. (2022b). *Social Panorama of Latin America, 2021* (LC/PUB.2021/17-P).

Economic Commission for Latin America and the Caribbean. (2023). *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2024). *Social Panorama of Latin America and the Caribbean, 2024* (LC/PUB.2024/21-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2025a). *Economic Survey of Latin America and the Caribbean, 2025* (LC/PUB.2025/12-P).

Economic Commission for Latin America and the Caribbean. (2025b). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies* (7) (LC/PUB.2025/3-P).

Economic Commission for Latin America and the Caribbean (2025c). *The care society: governance, political economy and social dialogue for a transformation with gender equality* (LC/CRM.16/3).

Economic Commission for Latin America and the Caribbean. (2025d). *Demographic Observatory, 2025*.

Economic Commission for Latin America and the Caribbean. (2025e). *Panorama de las Políticas de Desarrollo Productivo en América Latina y el Caribe, 2025: ¿cómo salir de la trampa de baja capacidad para crecer?* (LC/PUB.2025/14-P).

Ferreira, F. H. G. (2023). Is there a 'new consensus' on inequality? *Working Paper* (101). International Inequalities Institute, London School of Economics and Political Science.

Lustig, N. and Vigorito, A. (2025). *Including the rich in income inequality measures: an assessment of correction approaches*. Society for the Study of Economic Inequality.

National Institute of Statistics of Uruguay. (2025). *Documento metodológico: índice de pobreza multidimensional*.

Shorrocks, A. F. (2013). Decomposition procedures for distributional analysis: a unified framework based on the Shapley value. *Journal of Economic Inequality, 11*(1), 99–126. https://doi.org/10.1007/s10888-011-9214-z

Statistical Institute of Belize. (2023). *Multidimensional Poverty in Belize*. https://sib.org.bz/wp-content/uploads/MPI_Infographic_v03.pdf

World Bank. (2018). *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*. http://documents.worldbank.org/curated/en/104451542202552048

World Bank. (2022). *Poverty and Shared Prosperity 2022: Correcting Course*. https://hdl.handle.net/10986/37739

Annex I.A1

Table I.A1.1
Latin America (16 countries): indicators of personal income distribution, 2014–2024
(Units for each indicator)

Country	Year	Gini index[a]			Theil index[b]	Atkinson index
			Confidence interval			
			Lower limit	Upper limit		(e=1.0)[b]
Argentina[c]	2014	0.393	0.390	0.396	0.269	0.227
	2019	0.404	0.401	0.407	0.294	0.241
	2021	0.390	0.382	0.399	0.265	0.224
	2023	0.401	0.397	0.405	0.294	0.234
	2024	0.386	0.382	0.389	0.269	0.241
Bolivia (Plurinational State of)	2014	0.471	0.459	0.483	0.397	0.348
	2019	0.430	0.418	0.442	0.326	0.288
	2021	0.417	0.405	0.430	0.304	0.274
	2023	0.436	0.428	0.445	0.329	0.295
Brazil	2014[d]	0.514	0.508	0.520	0.524	0.370
	2019	0.538	0.530	0.546	0.574	0.403
	2021	0.537	0.530	0.544	0.555	0.395
	2023	0.515	0.508	0.521	0.516	0.364
	2024	0.504	0.498	0.510	0.492	0.351
Chile	2015	0.462	0.454	0.471	0.424	0.303
	2017	0.462	0.452	0.472	0.427	0.303
	2020	0.488	0.479	0.497	0.443	0.336
	2022	0.444	0.439	0.451	0.375	0.285
Colombia	2014	0.548	0.545	0.551	0.587	0.426
	2019	0.539	0.537	0.541	0.563	0.417
	2021	0.566	0.564	0.568	0.638	0.447
	2023[e]	0.560	0.558	0.563	0.615	0.439
	2024[e]	0.559	0.557	0.561	0.614	0.439
Costa Rica	2014	0.498	0.492	0.504	0.440	0.356
	2019	0.495	0.486	0.504	0.433	0.348
	2021	0.501	0.489	0.513	0.440	0.352
	2023	0.480	0.471	0.488	0.407	0.332
	2024	0.470	0.461	0.479	0.382	0.320
Dominican Republic	2014[i]	0.449	0.431	0.467	0.352	0.293
	2019	0.433	0.413	0.452	0.344	0.262
	2021	0.395	0.385	0.405	0.279	0.228
	2023	0.387	0.377	0.397	0.267	0.225
	2024	0.395	0.381	0.409	0.280	0.232
Ecuador	2014	0.449	0.445	0.453	0.389	0.288
	2019	0.456	0.445	0.467	0.385	0.297
	2021[f]	0.466	0.457	0.475	0.443	0.307
	2023[f]	0.442	0.435	0.450	0.368	0.286
	2024[f]	0.442	0.435	0.450	0.369	0.284

Country	Year	Gini index[a]			Theil index[b]	Atkinson index
			Confidence interval			
			Lower limit	Upper limit		(e=1.0)[b]
El Salvador	2014	0.434	0.429	0.439	0.343	0.274
	2019	0.406	0.401	0.411	0.297	0.244
	2021	0.406	0.403	0.409	0.283	0.262
	2023	0.414	0.412	0.417	0.303	0.270
Guatemala	2014	0.535	0.527	0.543	0.582	0.392
	2023	0.494	0.488	0.501	0.417	0.348
Honduras	2014	0.481	0.475	0.487	0.428	0.325
	2019	0.494	0.482	0.505	0.417	0.342
	2021	0.535	0.526	0.544	0.497	0.407
	2023	0.470	0.464	0.475	0.375	0.329
	2024	0.461	0.455	0.467	0.358	0.323
Mexico	2014[g]	0.502	0.491	0.513	0.503	0.355
	2018	0.464	0.456	0.472	0.441	0.311
	2020	0.452	0.445	0.459	0.398	0.296
	2022	0.441	0.434	0.447	0.385	0.283
	2024	0.432	0.424	0.439	0.350	0.271
Panama	2014	0.503	0.498	0.509	0.459	0.369
	2019	0.506	0.499	0.512	0.462	0.374
	2021	0.515	0.507	0.522	0.493	0.378
	2023	0.495	0.484	0.506	0.444	0.363
	2024	0.506	0.495	0.517	0.473	0.374
Paraguay	2014	0.522	0.509	0.535	0.542	0.372
	2019	0.473	0.465	0.481	0.408	0.318
	2021	0.447	0.442	0.451	0.367	0.290
	2023[h]	0.460	0.456	0.464	0.397	0.307
	2024[h]	0.461	0.452	0.469	0.421	0.311
Peru	2014	0.446	0.437	0.455	0.362	0.302
	2019	0.429	0.421	0.437	0.331	0.278
	2021	0.423	0.415	0.431	0.326	0.270
	2023	0.417	0.410	0.424	0.313	0.264
	2024	0.413	0.405	0.420	0.309	0.257
Uruguay	2014	0.392	0.390	0.394	0.271	0.229
	2019	0.392	0.388	0.395	0.270	0.226
	2021	0.402	0.397	0.408	0.289	0.236
	2023	0.404	0.400	0.407	0.291	0.238
	2024	0.398	0.395	0.401	0.278	0.233

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Indicators calculated on the basis of the per capita income distribution of the country as a whole.
[a] Includes people with income equal to 0.
[b] The calculation excludes values close to 0 and the three highest per capita incomes (to mitigate the effect of extreme values).
[c] Urban total.
[d] Figures for 2014 are based on the National Household Survey (PNAD) and are not comparable with later years' figures, which are based on the Continuous National Household Survey (PNAD Continua).
[e] Figures for 2023 and 2024 are from a new series based on the sample frame of the 2018 National Population and Housing Census and are not comparable with the previous years' figures.
[f] Figures for 2021 onward are for the full year (earlier figures are for December).
[g] Figures for 2014 are not comparable with those of later years, which are based on a new series of the National Household Income and Expenditure Survey (ENIGH).
[h] Figures for 2023 onward are for the full year (earlier figures are for the fourth quarter).
[i] Figures for 2014 are based on the National Labour Force Survey (ENFT) and are not comparable with those of later years, which are based on the Continuous National Labour Force Survey (ENCFT).

Table I.A1.2
Latin America (16 countries): extreme poverty and poverty rates, according to ECLAC estimates and official national figures, 2022–2024
(Percentages)

	ECLAC estimates					
	Poverty			Extreme poverty		
	2022	2023	2024	2022	2023	2024
Argentina[a]	29.9	30.0	31.2	3.7	3.9	4.0
Bolivia (Plurinational State of)	33.3	31.0	...	13.9	11.7	...
Brazil[b]	19.5	16.1	14.2	5.3	3.6	2.9
Chile	8.0	...	...	2.1	...	...
Colombia	34.5	34.3	31.8	16.8	17.3	15.8
Costa Rica	16.6	15.9	12.6	3.3	3.5	2.8
Dominican Republic	20.4	18.2	14.9	5.1	4.9	4.1
Ecuador[c]	25.7	25.3	26.3	6.9	7.4	7.5
El Salvador	29.8	27.9	...	8.7	8.6	...
Guatemala	...	54.5	...	...	18.5	...
Honduras	58.8	55.8	51.6	27.1	22.9	19.9
Mexico	28.6	...	22.5	6.2	...	5.0
Panama	14.3	14.3	16.2	6.5	6.5	7.3
Paraguay	22.4	19.1	16.9	8.5	7.0	5.8
Peru	17.2	18.2	16.8	3.3	4.2	3.5
Uruguay	4.3	4.5	4.0	0.3	0.2	0.3
	Official country estimates					
	Poverty			Extreme poverty		
	2022	2023	2024	2022	2023	2024
Argentina[a]	39.2	41.7	38.1	8.1	11.9	8.2
Bolivia (Plurinational State of)	37.7	36.5	...	12.5	11.9	...
Brazil[b]	31.6	27.4	...	5.9	4.4	...
Chile	6.5	...	...	2.0	...	...
Colombia	36.6	34.6	31.8	13.8	12.6	11.7
Costa Rica	23.0	21.8	18.0	6.4	6.3	4.8
Dominicana Republic	27.7	23.0	19.0	3.8	3.2	2.4
Ecuador[c]	25.2	26.0	28.0	8.2	9.8	12.7
El Salvador[d]	26.6	27.2	...	8.6	8.8	...
Guatemala	...	56.0	...	...	16.2	...
Honduras[d]	...	64.1	62.9	...	41.5	40.1
Mexico[e]	43.5	...	35.4	12.1	...	9.3
Panama	22.2	21.7	...	9.4	9.6	...
Paraguay	25.0	22.3	20.1	5.8	4.7	4.1
Peru	27.5	29.0	27.6	5.0	5.7	5.5
Uruguay	20.1	19.7	17.3	1.7	1.9	1.5

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG) and official figures.
Note: The countries included are those for which ECLAC poverty estimates are available from 2021 onward.
[a] Data refer to urban areas.
[b] Brazil does not have an official poverty estimate. The figures used are estimates by the Brazilian Institute of Geography and Statistics, based on the World Bank poverty lines of US$ 2.15 and US$ 6.85 a day at 2017 purchasing power parity.
[c] The ECLAC measure uses the cumulative annual sample. The official figures are based on the sample for December each year.
[d] Official national measure reported as percentages of households.
[e] Refers to figures on "population below the minimum welfare line", interpreted here as extreme poverty, and "population below the welfare line", used as a benchmark for total poverty.

Table I.A1.3
Latin America (16 countries): extreme poverty and poverty indicators, 2014–2024
(Units of the respective indices)

Country	Year	Extreme poverty					Poverty[a]				
		Incidence			Gap	Squared poverty gap	Incidence			Gap	Squared poverty gap
		Average	Confidence interval				Average	Confidence interval			
			Lower limit	Upper limit				Lower limit	Upper limit		
Argentina[b]	2014	3.4	3.3	3.6	1.6	1.1	25.0	24.7	25.4	7.3	3.5
	2019	3.9	3.8	4.1	1.6	1.1	26.0	25.6	26.4	8.0	4.0
	2021	3.9	3.5	4.2	1.9	1.4	28.2	27.6	28.8	8.6	4.3
	2023	3.9	3.6	4.1	1.4	0.9	30.0	29.5	30.5	8.8	4.0
	2024	4.0	3.8	4.2	1.7	1.1	31.2	30.7	31.7	9.1	4.2
Bolivia (Plurinational State of)	2014	14.8	13.1	16.6	6.5	4.0	33.6	31.6	35.6	13.9	8.1
	2019	11.9	10.5	13.4	4.6	2.6	30.9	29.3	32.5	11.2	6.0
	2021	9.9	8.5	11.4	3.9	2.2	29.3	27.4	31.2	10.3	5.3
	2023	11.7	10.6	12.7	4.7	2.6	31.0	29.6	32.3	11.3	6.1
Brazil	2014[c]	3.3	3.2	3.5	1.4	1.0	16.5	16.1	16.8	5.5	2.9
	2019	5.8	5.5	6.0	2.7	1.9	20.2	19.8	20.6	7.8	4.6
	2021	8.3	8.0	8.6	4.0	2.9	24.3	23.8	24.8	9.9	6.1
	2023	3.6	3.4	3.7	1.8	1.4	16.1	15.7	16.5	5.6	3.1
	2024	2.9	2.7	3.0	1.5	1.2	14.1	13.8	14.5	4.7	2.6
Chile	2015	1.7	1.5	1.8	0.7	0.5	13.2	12.7	13.7	3.7	1.7
	2017	1.4	1.3	1.6	0.8	0.6	10.7	10.2	11.2	3.0	1.5
	2020	4.5	4.2	4.7	2.8	2.3	13.9	13.4	14.4	5.8	3.8
	2022	2.1	1.9	2.2	1.2	1.0	8.0	7.7	8.3	2.8	1.7
Colombia	2014	13.6	13.5	13.7	5.6	3.3	32.2	32.0	32.4	13.5	7.9
	2019	15.1	15.0	15.3	6.4	3.9	33.2	33.0	33.4	14.3	8.5
	2021	16.8	16.6	16.9	7.0	4.2	37.1	36.9	37.3	15.7	9.2
	2023[d]	17.2	17.1	17.4	7.0	4.3	34.2	34.0	34.4	14.3	8.3
	2024[d]	15.8	15.6	15.9	6.5	3.9	31.7	31.6	31.9	13.3	7.8
Costa Rica	2014	4.1	3.9	4.3	1.9	1.2	17.5	17.1	17.9	6.4	3.5
	2019	3.3	2.9	3.8	1.3	0.8	16.4	15.5	17.4	5.6	2.9
	2021	3.7	3.2	4.2	1.5	0.9	17.2	16.2	18.2	5.9	3.1
	2023	3.5	3.0	4.1	1.2	0.7	15.9	14.9	16.9	5.3	2.6
	2024	2.8	2.4	3.2	1.0	0.6	12.6	11.7	13.4	4.2	2.1
Dominican Republic	2014[e]	9.7	8.7	10.7	2.8	1.3	32.9	31.0	34.9	11.5	5.6
	2019	3.9	3.5	4.4	1.0	0.5	19.0	17.9	20.1	5.4	2.3
	2021	5.2	4.7	5.7	1.4	0.6	22.5	21.4	23.5	6.4	2.7
	2023	4.9	4.4	5.4	1.4	0.6	18.2	17.1	19.2	5.3	2.4
	2024	4.1	3.6	4.6	1.1	0.5	14.9	13.9	15.9	4.3	1.9
Ecuador	2014	5.9	5.8	6.1	1.7	0.8	23.4	23.0	23.8	7.0	3.1
	2019	7.6	6.2	9.0	2.1	1.0	25.7	23.5	27.9	8.1	3.7
	2021[f]	7.6	6.9	8.2	2.0	0.9	28.5	27.5	29.6	8.7	3.9
	2023[f]	7.4	6.4	8.3	2.1	0.9	25.3	24.1	26.6	7.8	3.5
	2024[f]	7.5	6.6	8.4	2.0	0.8	26.3	24.9	27.8	7.9	3.5

Country	Year	Extreme poverty					Poverty[a]				
		Incidence			Gap	Squared poverty gap	Incidence			Gap	Squared poverty gap
		Average	Confidence interval				Average	Confidence interval			
			Lower limit	Upper limit				Lower limit	Upper limit		
El Salvador	2014	11.7	11.4	12.0	3.3	1.3	44.5	44.0	45.0	16.4	8.1
	2019	5.6	5.5	5.8	1.4	0.6	30.4	29.9	30.9	9.6	4.3
	2021	8.4	8.1	8.7	3.6	2.3	30.3	29.9	30.8	11.4	6.3
	2023	8.6	8.3	8.9	3.4	2.1	27.9	27.4	28.4	10.1	5.6
Guatemala	2014	15.4	14.9	15.8	5.2	2.7	50.5	49.9	51.1	22.4	12.9
	2023	18.5	18.0	18.9	8.8	6.2	54.5	53.9	55.0	25.8	16.3
Honduras	2014	19.1	18.6	19.6	5.5	2.5	55.2	54.5	56.0	22.8	12.3
	2019	19.9	19.4	20.5	7.0	4.0	52.1	51.4	52.8	23.6	13.8
	2021	34.3	33.6	35.0	17.0	11.8	67.7	67.0	68.4	36.6	25.0
	2023	22.9	22.3	23.5	9.1	5.6	55.7	55.0	56.5	25.3	15.2
	2024	19.8	19.2	20.3	8.2	5.1	51.4	50.7	52.1	23.0	13.8
Mexico	2014[g]	12.9	12.4	13.5	4.2	2.0	45.1	44.3	45.9	17.6	9.3
	2018	7.7	7.2	8.2	2.2	1.0	35.5	34.8	36.2	11.8	5.6
	2020	9.2	8.8	9.7	2.7	1.3	37.4	36.7	38.0	12.9	6.3
	2022	6.2	5.8	6.5	1.7	0.8	28.6	27.9	29.2	8.9	4.1
	2024	5.0	4.6	5.3	1.4	0.6	22.5	21.9	23.1	6.8	3.0
Panama	2014	7.3	7.0	7.6	2.6	1.3	17.1	16.7	17.5	6.4	3.4
	2019	6.3	6.0	6.5	2.2	1.1	13.4	13.0	13.8	5.2	2.8
	2021	5.4	5.2	5.7	1.8	0.9	14.2	13.8	14.6	5.0	2.5
	2023	6.9	6.0	7.8	2.5	1.3	15.0	13.8	16.3	5.8	3.1
	2024	7.4	6.2	8.6	2.3	1.1	16.5	14.9	18.1	6.0	3.1
Paraguay	2014	7.7	7.2	8.1	2.4	1.2	22.2	21.6	22.9	8.2	4.1
	2019	6.1	5.8	6.5	1.5	0.6	19.4	18.8	20.0	6.4	3.0
	2021	6.0	5.6	6.4	1.5	0.7	20.8	20.1	21.5	6.5	2.9
	2023[h]	7.0	6.7	7.2	2.1	1.1	19.0	18.7	19.4	6.6	3.3
	2024[h]	5.8	5.6	5.9	1.8	0.9	16.9	16.6	17.2	5.6	2.7
Peru	2014	5.1	4.8	5.5	1.5	0.6	19.4	18.7	20.2	6.4	3.1
	2019	3.0	2.8	3.3	0.8	0.4	15.4	14.7	16.1	4.6	2.0
	2021	3.9	3.5	4.3	1.2	0.6	18.6	17.8	19.4	5.6	2.6
	2023	4.2	3.9	4.6	1.2	0.6	18.2	17.5	19.0	5.6	2.6
	2024	3.5	3.1	3.8	1.0	0.5	16.8	16.1	17.5	5.0	2.2
Uruguay	2014	0.2	0.2	0.2	0.1	0.0	4.5	4.4	4.6	0.9	0.3
	2019	0.1	0.1	0.2	0.1	0.0	3.0	2.7	3.2	0.6	0.2
	2021	0.1	0.1	0.2	0.1	0.1	4.8	4.5	5.1	0.9	0.3
	2023	0.2	0.1	0.2	0.1	0.1	4.5	4.2	4.7	0.8	0.3
	2024	0.3	0.2	0.3	0.1	0.1	4.0	3.8	4.2	0.9	0.3

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Includes individuals living in extreme poverty.
[b] Urban total.
[c] The figure for 2014 is based on the National Household Survey (PNAD) and is not comparable with later years' figures, which are based on the Continuous National Household Survey (PNAD Continua).
[d] Figures for 2023 and 2024 are from a new series based on the sample frame of the 2018 National Population and Housing Census and are not comparable with the previous years' figures.
[e] Figures for 2014 are based on the National Labour Force Survey (ENFT) and are not comparable with those of later years, which are based on the Continuous National Labour Force Survey (ENCFT).
[f] Figures for 2021 onward are for the full year (earlier figures are for December).
[g] Figures for 2014 are not comparable with those of later years, which are based on a new series of the National Household Income and Expenditure Survey (ENIGH).
[h] Figures for 2023 onward are for the full year (earlier figures are for the fourth quarter).

Table I.A1.4
Structure and definition of indicators of the multidimensional poverty index for Latin America

Dimension	Indicator	Insufficiency	Weight
Housing	Housing conditions	Individuals in households where at least one of the following conditions are present: - Roof, walls or floors made of irrecoverable or untreated materials - No access to electrical grid - Use of toxic cooking fuel (wood, charcoal, waste or kerosene)	1/12
	Overcrowding	Thresholds based on the ratio of people to rooms,[a] disaggregated by age and sex: - Head of household with partner or spouse: > 2 persons per room - Person aged 18 or over without partner: > 1 person per room - Persons aged 12–17, same sex: > 2 persons per room - Persons aged 12–17, different sex: > 1 person per room - Minors under the age of 12: > 2 persons per room	1/12
	Internet	No Internet access in the home (fixed or mobile)	1/12
Health	Water	Urban area: (a) public grid off the property, (b) wells that are unprotected or without a motor pump, (c) mobile source, (d) rainwater, (e) surface water Rural area: (a) surface water, (b) rainwater, (c) mobile source, (d) unprotected well, (e) well water with cesspit[b]	1/12
	Sanitation	Urban area: (a) waste pipes not connected sewerage system or septic tank, (b) bathroom shared with another household, (c) no toilet Rural area: (a) no toilet, (b) bathroom shared with another household, (c) cesspit, (d) untreated latrines, (e) waste discharged untreated to surface, river or sea	1/12
	Health insurance	No household member is covered by health insurance[c]	1/12
Education	School non-attendance or educational lag	At least one household member aged 4–17 either not attending school or lagging behind	1/12
	Low educational attainment	No adult in household has completed the level of education corresponding to their age, namely: - 18 and 19 years old: did not complete secondary education and does not attend school - 20–29 years old: did not complete secondary education - 30–34 years old: one year short of completing secondary - 35–39 years old: two years short of completing secondary - 40–44 years old: three years short of completing secondary - 45–49 years old: four years short of completing secondary - 50–54 years old: primary education + one year of secondary not completed - 55–59 years old: primary education not completed - 60 and over: four years of primary not completed	1/12
	Illiteracy	At least one household member aged 10 or older does not know how to read or write	1/12
Employment and pensions	Lack of access to the labour market	At least one household member aged 18–64 is in any of the following situations: - Unemployed - Not in labour market because of domestic work[d]	1/12
	Precarious employment	All employed household members are in at least one of the following situations: - Not contributing to a pension system - Earning a wage below the ECLAC-established monetary poverty line - Unpaid family worker	1/12
	Inadequate pension	At least one household member aged 65 and over in any of the following situations: - Receiving neither a contributory nor a non-contributory pension - Receiving a pension below the ECLAC-established monetary poverty line	1/12

Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean. (2025). Índice de pobreza multidimensional para América Latina. *ECLAC Methodologies* (7) (LC/PUB.2025/3-P).

[a] Includes bedrooms and multipurpose rooms; does not include kitchen.

[b] In urban areas, when it is not known whether the well is protected or not, the household is deprived. In rural areas, when it is not known if the well is protected or if there is a cesspit, the household is not deprived.

[c] Information on access to health insurance for the entire population was available in 15 of 17 countries. In Honduras, for this indicator, only information on employed persons is collected; deprivation/non-deprivation for the rest of the household members was therefore imputed. In Brazil, information on access to healthcare is not collected, and none of the other survey questions allows an approximation of this indicator.

[d] This is considered deprivation in households with at least one member under age 18 or over age 70. Although it is possible that a household member outside this age range may be dependent and require care, household surveys are not able to identify such a situation in a systematic or harmonized manner.

Table I.A1.5
Latin America (16 countries): multidimensional poverty indicators, 2014–2024
(Units of the respective indices)

Country	Year	Incidence			Intensity	Adjusted incidence
		Average	Confidence interval			
			Lower limit	Upper limit		
Argentina[a]	2014	23.2	22.8	23.6	0.42	0.10
	2019	15.8	15.3	16.3	0.40	0.06
	2021	12.3	11.7	12.9	0.40	0.05
	2023	12.6	12.0	13.2	0.38	0.05
	2024	12.2	11.6	12.7	0.39	0.05
Bolivia (Plurinational State of)	2014	67.4	65.5	69.3	0.49	0.33
	2019	51.0	48.9	53.2	0.46	0.23
	2021	47.5	45.4	49.6	0.46	0.22
	2023	34.2	32.6	35.7	0.43	0.15
Brazil	2014[b]	22.7	22.2	23.1	0.41	0.09
	2019	11.7	11.4	12.0	0.40	0.05
Chile	2015	7.9	7.5	8.2	0.39	0.03
	2017	6.6	6.3	7.0	0.39	0.03
	2020	5.6	5.3	5.9	0.39	0.02
	2022	2.8	2.6	.3.0	0.37	0.01
Colombia	2014	39.8	39.6	40.0	0.46	0.18
	2019	35.3	35.1	35.5	0.45	0.16
	2021	37.2	37.0	37.4	0.45	0.17
	2023[c]	28.4	28.2	28.6	0.44	0.13
	2024[c]	27.0	26.9	27.2	0.44	0.12
Costa Rica	2014	15.9	15.5	16.4	0.40	0.06
	2019	9.0	8.2	9.7	0.39	0.03
	2021	10.2	9.3	11.0	0.40	0.04
	2023	7.9	7.1	8.7	0.38	0.03
	2024	5.4	4.7	6.0	0.38	0.02
Dominican Republic	2014[d]	37.9	35.8	40.0	0.44	0.17
	2019	26.9	25.5	28.2	0.42	0.11
	2021	32.6	31.2	33.9	0.43	0.14
	2023	22.5	21.2	23.7	0.42	0.09
	2024	21.0	19.8	22.3	0.41	0.09
Ecuador	2014	44.8	44.3	45.2	0.47	0.21
	2019	42.3	40.1	44.5	0.46	0.20
	2021[e]	41.0	39.6	42.3	0.48	0.20
	2023[e]	37.0	35.5	38.6	0.45	0.16
	2024[e]	35.8	33.5	38.1	0.45	0.16
El Salvador	2014	65.2	64.7	65.8	0.55	0.36
	2019	60.8	60.2	61.4	0.52	0.31
	2021	62.1	61.5	62.6	0.53	0.33
	2023	53.3	52.8	53.9	0.49	0.26
Guatemala	2014	83.8	83.3	84.2	0.62	0.52
	2023	77.5	76.9	78.1	0.58	0.45

Country	Year	Incidence			Intensity	Adjusted incidence
		Average	Confidence interval			
			Lower limit	Upper limit		
Honduras	2014	75.1	74.5	75.8	0.57	0.43
	2019	71.7	70.9	72.4	0.55	0.39
	2023	66.1	65.3	66.8	0.51	0.34
Mexico	2014[f]	47.0	46.2	47.8	0.46	0.22
	2018	40.9	40.2	41.6	0.45	0.18
	2020	41.0	40.4	41.7	0.47	0.19
	2022	35.5	34.9	36.1	0.46	0.16
	2024	29.1	28.5	29.7	0.45	0.13
Panama	2014	34.7	34.2	35.2	0.51	0.18
	2019	25.5	25.1	26.0	0.50	0.13
	2021	24.5	24.0	25.0	0.49	0.12
Paraguay	2014	60.4	59.6	61.2	0.52	0.31
	2019	55.1	54.2	56.0	0.50	0.27
	2021	54.1	53.3	54.9	0.51	0.28
	2023[g]	44.7	44.1	45.2	0.46	0.21
	2024[g]	42.5	41.9	43.0	0.46	0.19
Peru	2014	49.2	48.1	50.3	0.46	0.23
	2019	38.7	37.6	39.7	0.44	0.17
	2021	36.8	35.7	37.9	0.45	0.17
	2023	28.6	27.6	29.6	0.41	0.12
	2024	27.3	26.3	28.3	0.40	0.11
Uruguay	2014	10.3	10.2	10.5	0.39	0.04
	2019	7.4	7.0	7.8	0.38	0.03
	2021	9.5	9.1	9.8	0.38	0.04
	2023	5.4	5.2	5.7	0.37	0.02
	2024	4.6	4.4	4.8	0.37	0.02

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Urban total.
[b] The figure for 2014 is based on the National Household Survey (PNAD) and is not comparable with later years' figures, which are based on the Continuous National Household Survey (PNAD Continua).
[c] Figures for 2023 and 2024 are from a new series based on the sample frame of the 2018 National Population and Housing Census and are not comparable with the previous years' figures.
[d] Data for 2014 are based on the National Labour Force Survey (ENFT) and are not comparable with those of later years, which are based on the Continuous National Labour Force Survey (ENCFT).
[e] Figures for 2021 onward are for the full year (earlier figures are for December).
[f] Figures for 2014 are not comparable with those of later years, which are based on a new series of the National Household Income and Expenditure Survey (ENIGH).
[g] Figures for 2023 onward are for the full year (earlier figures are for the fourth quarter).

CHAPTER

II

Educational and employment inequalities as obstacles to progress towards inclusive social development

Introduction

High inequality is one of the main challenges in Latin America and the Caribbean, since it has the potential to strain social covenants to the point of breakdown and acts as an obstacle to more productive, inclusive and sustainable economic growth (Economic Commission for Latin America and the Caribbean [ECLAC], 2024a). It can also affect social and political stability in both developed and developing countries (Ostry et al., 2014). Thus, high inequality, alongside low upward social mobility and weak social cohesion, is a trap that hinders inclusive social development (ECLAC 2024a).

High inequality and low intergenerational social mobility have been graphically represented by the "Great Gatsby curve" (Corak, 2013), which suggests that people's ability to progress through their own efforts is lessened in unequal societies, perpetuating the unequal distribution of opportunities, since merit is overshadowed by inherited advantages or disadvantages. "Inherited inequalities" militate against the creation of cohesive societies and countries' democratic and social stability.

To move towards inclusive social development and a more productive, inclusive and sustainable future, it is essential to tackle and overcome the trap of high inequality and low social mobility and cohesion in which the region is caught. For this, it is essential to acknowledge inequality and consolidate high-quality information that can be used to measure it in its multiple dimensions on a regular basis over time. Implementing quality social policies without measurement criteria for ascertaining the form and scale of social inequality is like setting out on a journey without a map. As the Economic Commission for Latin America and the Caribbean (ECLAC) has emphasized, addressing inequality in the region requires a multidimensional approach that takes into account not only income disparities but gaps in multiple dimensions, or areas of action and rights, that affect the well-being of individuals (ECLAC, 2016, 2024d) and population groups facing particular exclusion and rights violations, such as women, Indigenous Peoples, persons of African descent, migrant persons and persons with disabilities (see chapter III).

According to ECLAC, high inequality and low social mobility and cohesion in the countries of the region can be explained by six main factors: (i) low growth and marked heterogeneity in the productivity of sectors, enterprises and subnational territories, resulting in sluggish, segmented labour markets with high levels of informality and large earnings gaps; (ii) regressive tax systems; (iii) the inability of social policy and social protection measures to mitigate the effects of the inequality that arises in the productive sphere; (iv) serious weaknesses in education systems; (v) gender inequality; and (vi) high levels of inequality and spatial segregation in urban areas, where 80% of the region's population live (ECLAC, 2024a). This chapter addresses two of these specific dimensions: (i) the weakness of education systems and (ii) labour market segmentation and informality.

In a context of unequal access to educational opportunities, the relationship between education and employment tends to perpetuate and entrench social inequalities and reinforce the intergenerational transmission of these gaps. When education is stratified by socioeconomic status and family educational level, educational inequalities widen and feed through into those that arise in the labour market, blocking access to decent jobs and well-being. In contexts where there are high levels of labour informality and inequality, with the kind of large deficits in social protection systems that characterize the region, the most vulnerable groups often have to confront uncertainty and risks with the scanty resources at their disposal, which compromises their present and future well-being. The importance of the role played by labour markets in combating inequality and promoting labour and social inclusion has been widely recognized (ECLAC, 2023b).

To escape the trap of high inequality and low social mobility and cohesion, it is necessary to adopt a comprehensive public policy approach that can deal with its multiple causes simultaneously. This chapter sets out to identify, expose and measure inequality in education and employment, with the aim of orienting the comprehensive strategies that need to be implemented to reduce it, while also addressing the other dimensions that give rise to inequality.

The chapter is divided into three sections after this introduction. The first examines two measures of educational inequality that combine coverage gaps and learning outcomes in a single indicator. This type of analysis allows educational progress to be tracked not just through averages over time and across education levels, but in greater depth, with a view to the design of comprehensive strategies to address inequality. This first section also presents an analysis of intergenerational educational mobility in recent decades. The second section analyses the main employment indicators that reveal gaps between different population groups and provides an overview of labour market inequalities, after which an exercise is carried out to estimate the impact an increase in labour formalization could have on earnings, income inequality and poverty reduction. The last section presents a brief summary and then, from an all-round perspective, formulates some recommendations for reducing inequality and promoting social mobility based on the educational and employment dimensions.

A. Educational inequality and intergenerational social mobility

Despite progress in recent decades, Latin America and the Caribbean is going through an educational crisis characterized by deep inequalities. This section proposes some methodological innovations for measuring educational inequality and shows that analyses of inequality in educational outcomes result in considerable underestimates because they exclude those outside the school system. Moreover, although the expansion of coverage in recent decades has helped to promote intergenerational educational mobility, there are still barriers that limit opportunities for the most disadvantaged segments of the population, especially in higher education access. These findings confirm the need to implement comprehensive public policies designed not only to expand educational coverage but also to provide access to equitable learning conditions.

According to ECLAC, the weakness of education and vocational training systems in Latin America and the Caribbean is one of the 10 major structural gaps in the region and an area where transformation and change are essential if there is to be progress towards more productive, inclusive and sustainable development (ECLAC, 2024a). While education is a core right for personal development and social mobility, it can also become a mechanism for perpetuating inequality when teaching and learning processes and the returns on education in the labour market reflect and reinforce social inequalities (ECLAC, 2024a).

The region faces a twofold educational challenge in coverage and learning outcomes. Despite progress in recent decades with compulsory education coverage, progression and completion, there is still an inclusion deficit and a learning crisis. Latin America and the Caribbean is a highly unequal region, and educational opportunities are largely shaped by the axes of the social inequality matrix, including students' place of residence, the socioeconomic status of their households, gender, ethnicity or race, migration status and disability status (ECLAC, 2022). These inequalities are particularly evident in completion rates for full compulsory education: as of 2023, 28% of youth aged 20 to 24 in 16 Latin American countries had not completed upper secondary education, with a gap of more than 37 percentage points between students from households in the richest income quintile and those with the lowest incomes.[1]

[1] Information from the Household Survey Data Bank (BADEHOG). Weighted average of Argentina (2023), Brazil (2023), Chile (2022), Colombia (2023), Costa Rica (2023), the Dominican Republic (2023), Ecuador (2023), El Salvador (2023), Guatemala (2023), Honduras (2023), Mexico (2022), Panama (2023), Paraguay (2023), Peru (2023), the Plurinational State of Bolivia (2021) and Uruguay (2023).

Completion of secondary education is a minimum requirement for enhancing people's future employment prospects and increasing their chances of breaking the intergenerational cycle of poverty. By itself, however, it is not enough: the quality of learning, the way it relates to the challenges of a world undergoing ever-greater transformations and what this means for the transition to the labour market are also critical.

Standardized international assessment tests provide a measure of learning outcomes for basic cognitive skills, which are the foundation for ongoing education throughout the life cycle.[2] These tests were revealing worrying signs of stagnation even before the coronavirus disease (COVID-19) pandemic. The results of the 2022 Programme for International Student Assessment (PISA) test, conducted by the Organisation for Economic Co-operation and Development (OECD), revealed low levels of learning attainment among students in the region and brought to light the negative impact of the pandemic on academic performance.[3]

1. The region is going through a learning crisis characterized by poor performance and inequality

With data from 14 countries of the region, the results of the 2022 PISA test indicate that 71.2% of students do not attain basic skills in mathematics, compared to 28.5% of their OECD peers. In the case of reading, this proportion is 50.7%, compared to 21.8% in OECD, while for science the figures are 54.3% and 20.8%, respectively. All countries of the region perform better on reading than on mathematics. The best results are in Chile and Uruguay. Socioeconomic inequality in results is marked: 86.7% of students in the lowest socioeconomic and cultural quartile do not achieve basic proficiency in mathematics, compared to 47.3% of those in the highest quartile.[4]

Girls complete more years of education than boys on average in most countries of the region. However, significant gender gaps in educational outcomes persist. According to the 2022 PISA test, girls tend to perform better on reading but worse on mathematics than boys (except in Jamaica, where boys have greater learning deficits than girls in all subjects). In the OECD countries, gender gaps in reading and mathematics are smaller (see figure II.1). These marked performance differences in the region influence students' future educational and career paths and perpetuate gender gaps in the workplace (see chapter III).

Another key aspect of educational underachievement and inequality in Latin America and the Caribbean is the high level of socioeconomic segregation in schools. Attending a private or State school makes a great difference to learning outcomes, and there is marked segregation of students according to their parents' socioeconomic background (Fernández et al., 2025). On average, 77% of students who took the PISA 2022 test and attended public educational institutions did not reach the minimum standard required to be considered competent in mathematics, a proportion that fell to 46% among students attending private institutions. For OECD, the averages were 31% and 24%, respectively. In other words, while the gap in the region was more than 30 percentage points, in the OECD countries it was less than 10 percentage points (see figure II.2).

---

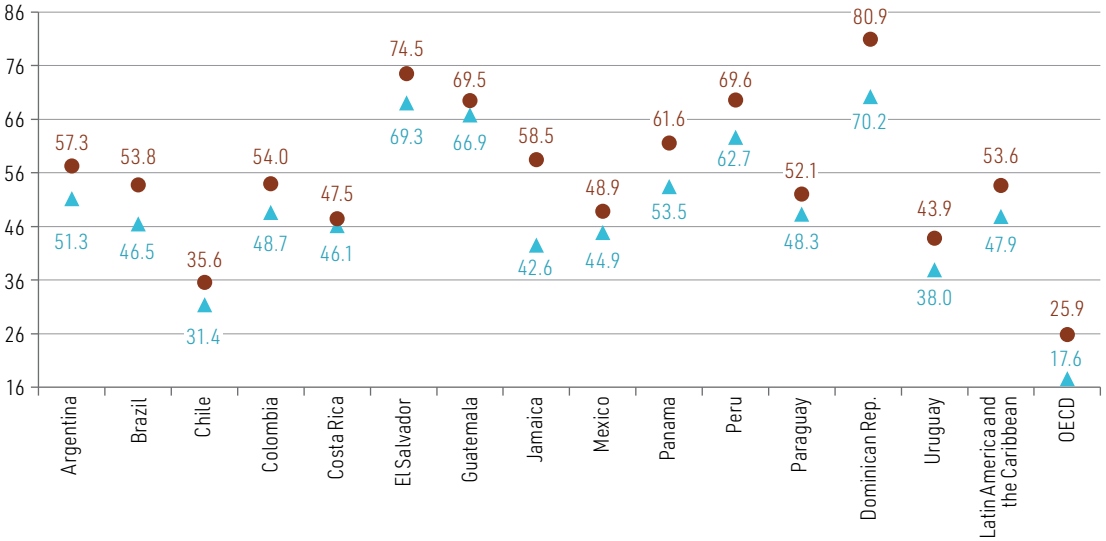
2 It is important to bear in mind that this type of measurement has limitations when it comes to assessing educational quality overall and learning in all its diversity, and may introduce underlying biases that can reinforce gender differences by territory and between population groups.

3 The PISA test, conducted by OECD every three years, assesses how education systems prepare 15-year-old students to apply their knowledge and skills in real-life situations. The assessment covers three main areas, namely reading, science and mathematics, with a particular emphasis on one of these areas in each cycle. In 2012 and 2022, the main focus of the test was mathematics.

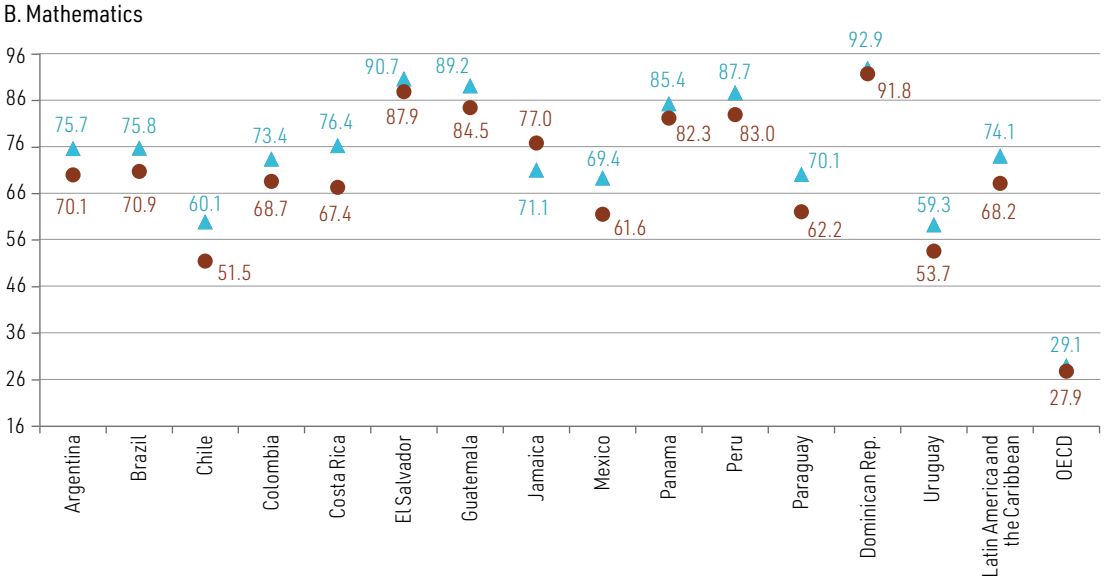
4 All the figures in this paragraph were calculated by ECLAC and are weighted averages for the 14 countries in Latin America and the Caribbean that participated in the 2022 PISA test and the 33 OECD countries (Latin American members having been excluded).

Figure II.1
Latin America and the Caribbean (14 countries) and Organisation for Economic Co-operation and Development (OECD) (33 countries):[a] students with low academic performance in the PISA 2022 test,[b] by subject, sex and country
(Percentages)

A. Reading



B. Mathematics

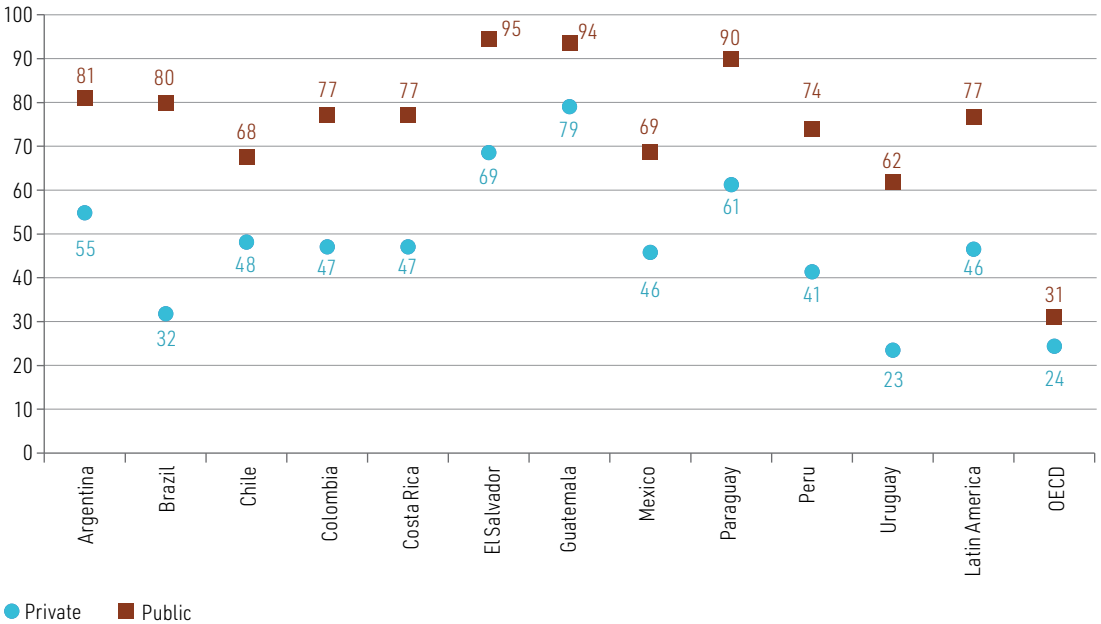


Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing.

[a] Weighted averages. The OECD countries included are Australia, Austria, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, the Kingdom of the Netherlands, Latvia, Lithuania, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States.

[b] Those scoring below level 2 on the test, which means that they have not reached the minimum standard to be considered competent.

Figure II.2
Latin America (11 countries) and Organisation for Economic Co-operation and Development (OECD) (29 countries):[a] students with low academic performance in mathematics in the PISA 2022 test,[b] by type of educational institution and country
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing.

[a] Weighted averages. The OECD countries included are Australia, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Japan, the Kingdom of the Netherlands, Latvia, Lithuania, New Zealand, Poland, Portugal, the Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States. Information on the Dominican Republic, Jamaica, Panama and the OECD countries not mentioned in this note is not included because they do not have sufficient representation of each type of educational institution.

[b] Those scoring below level 2 on the test, which means that they have not reached the minimum standard to be considered competent.

Levels of underperformance in learning outcomes in Latin America are troubling: not only are they still high, but in a number of countries they have actually increased. According to ECLAC (2025a), in 5 of the 10 Latin American countries that have participated in at least three editions of the PISA test, the proportion of students reaching the minimum standard in mathematics has decreased by more than 15% since the first assessment. This trend can be attributed in part to the negative impact of the COVID-19 pandemic on learning processes.

Figure II.3 shows trends in the countries that will be analysed in greater depth in section II.A.2. Of the countries for which information is available, only in Colombia and Peru have average results for mathematical skills among 15-year-old students improved over the last decade. In Peru, there has also been a reduction of more than 17 points in the results gap between the highest and lowest socioeconomic levels, mainly owing to the increase in the average score of students in the most disadvantaged quartile (although both groups of students have improved their results). In Colombia, the results gap has widened because students in the highest socioeconomic quartile have increased their score by more than those in the lowest quartile.

Figure II.3
Latin America (8 countries): average scores in the PISA mathematics test and score gaps between the top and bottom economic, social and cultural quartiles, 2012 and 2022

Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing.
[a] In the case of Costa Rica, the results of the 2012 and 2018 PISA tests are presented.

This information highlights the educational quality deficit in the Latin American countries, which is also characterized by multidimensional inequality (see box II.1 for the situation in the Caribbean). The fact that in some countries a large proportion of 15-year-old youth do not attend school and are therefore not represented in the assessment makes the situation even more critical.

Box II.1
The persistence of educational inequalities in the Caribbean

The Caribbean has made significant progress with educational coverage, reflected in virtually universal enrolment at the primary level. In 2022, people aged 25 and over had an average of 9.6 years of schooling, which is higher than the Latin American average of 8.9 (Organisation for Economic Co-operation and Development and Inter-American Development Bank [OECD and IDB], 2024). However, profound inequalities persist throughout the educational cycle, intensifying as students move from primary to secondary and tertiary education (United Nations Children's Fund [UNICEF], 2023; Arias-Ortiz et al. 2024).

As of the early 2020s, 66.7% of youth in the Caribbean had completed upper secondary education, a proportion similar to that in Latin America, although with marked differences between countries (OECD and IDB, 2024). In contrast, access to tertiary education remains limited, with enrolment rates of around 34%, compared to 54% in Latin America (World Bank, 2025a), and wide gender gaps that mainly affect males (Abdulkadri et al. 2022), while vulnerable groups are significantly disadvantaged (Arias-Ortiz et al. 2024).[a]

This is compounded by persistent learning challenges. Recent results of the Caribbean Secondary Education Certificate, administered by the Caribbean Examinations Council, show that an average of only 65% of students in Barbados, Jamaica and Trinidad and Tobago who complete secondary education are qualified to continue on to tertiary education (Arias-Ortiz et al., 2024). In 2024, only 4.9% of students who took this exam passed 5 or more of a total of 33 subjects assessed (World Bank, 2025b). According to the Caribbean Community (2018), the exam does not match most students' profiles because it is designed primarily for academic high achievers, which contributes to the reproduction of structural inequalities in educational attainment.

Educational inequalities in the Caribbean are also associated with students' place of residence and school infrastructure conditions. In countries such as Jamaica and Trinidad and Tobago, students from communities with higher rates of violence have lower attendance rates and poor academic performance (Economic Commission for Latin America and the Caribbean, 2018). In many communities, furthermore, a lack of teaching materials and shortcomings in school facilities, aggravated by the extreme weather events characteristic of the region, act as an obstacle to effective, contextualized teaching that is sensitive to the realities of the student body (Education International, 2016; Organisation of Eastern Caribbean States, 2012).

Despite progress with primary education access and an overall increase in years of schooling, the education system in the Caribbean is still faced with structural challenges that limit the equitable development of its population's potential.

Source: Abdulkadri, A., John-Aloye, S., Mkrtchyan, I., Gonzales, C., Johnson, S. and Floyd, S. (2022). Addressing gender disparities in education and employment: a necessary step for achieving sustainable development in the Caribbean. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean* (109) (LC/TS.2022/114-LC/CAR/TS.2022/3). Economic Commission for Latin America and the Caribbean; Arias Ortiz, E., Beuermann, D., Hobbs, C., Piras, C. and Thailinger, A. (2024, 28 March). *Gender gaps in education in the Caribbean: are girls doing better than boys?* IDB Improving Lives [Blog]. Inter-American Development Bank. https://blogs.iadb.org/caribbean-dev-trends/en/gender-gaps-in-education-in-the-caribbean-are-girls-doing-better-than-boys/; World Bank. (2025a). *School enrollment, tertiary (% gross)*. https://data.worldbank.org/indicator/SE.TER.ENRR; World Bank. (2025b). *Education Transformation: Addressing the Learning and Skills Crisis in the Caribbean*. http://worldbank.org/en/events/2025/02/07/education-transformation-addressing-the-learning-and-skills-crisis-in-the-caribbean; Burunciuc, L. (2025, 21 January). *The Caribbean's education system: what do declining pass rates reveal?* World Bank Blogs. World Bank. http://blogs.worldbank.org/en/latinamerica/the-caribbean-s-education-system--what-do-declining-pass-rates-r#:~:text=The%20implications%20of%20this%20crisis,in%20today's%20knowledge-based%20economy; Caribbean Community. (2018). *CARICOM Human Resource Development 2030 Strategy: Unlocking Caribbean Human Potential*; Economic Commission for Latin America and the Caribbean. (2018). *The Caribbean Outlook, 2018* (LC/SES.37/14/Rev.1); Education International. (2016, 15 December). *Caribbean teachers expose failing school infrastructure*. https://www.ei-ie.org/en/item/20447:caribbean-teachers-expose-failing-school-infrastructure; Organisation for Economic Co-operation and Development and Inter-American Development Bank. (2024). *Caribbean Development Dynamics 2025*. OECD Publishing. https://doi.org/10.1787/a8e79405-en; Organisation of Eastern Caribbean States. (2012). *OECS Education Sector Strategy 2012 to 2021*; United Nations Educational, Scientific and Cultural Organization. (2020). *Global education monitoring report, 2020. Inclusion and education: all means all*; United Nations Children's Fund. (2023). *Country Office Annual Report 2023: Eastern Caribbean Area*.

[a] Simple average of 19 Latin American countries (the Plurinational State of Bolivia is not included) and 13 Caribbean countries (data from the latest year available).

2. Towards a method of measuring educational inequality

According to ECLAC, tackling inequality in the region requires comprehensive approaches that address multiple dimensions with a view to achieving a fairer allocation of both resources and opportunities (ECLAC, 2024d). A first step is to improve the measurement of its multiple dimensions, besides income. This section proposes methodologies for measuring educational inequality that incorporate the region's twofold challenge with coverage and learning outcomes. These indices can be used to track educational progress over time in a way that takes in more than just averages, and to identify countries and comprehensive policy strategies that have been effective in reducing inequality.

(a) The access-adjusted index of inequality of opportunity in education

The first methodological exercise aims to correct the measurement of inequality of educational outcomes in the PISA test, adjusting for two types of error: (i) a sampling problem associated with exclusions from the sampling frame of the Programme for International Student Assessment, within schools or on the ground;[5] and (ii) an exclusion bias associated with the elevated school dropout

[5] Exclusions on the ground include those resulting from geographical inaccessibility, as in the case of students living in remote areas, while exclusions within schools include cases such as students with disabilities or those taking courses in a language for which no educational materials exist (Organisation for Economic Co-operation and Development [OECD], 2012).

rates observed in the region for the population aged around 15. This methodology is based on a study by Ferreira and Gignoux (2014), who proposed an access-adjusted index of inequality of opportunity in education.[6]

The PISA measurement is based on a sample of 15-year-olds who attend an educational establishment and are no more than two years behind their peer group. The population of 15-year-olds not represented in the PISA test was estimated from household surveys, and the sample was adjusted using a reweighting procedure that assigned the PISA test students the weight necessary for them to also represent the unobserved population with similar sociodemographic characteristics (sex, mother's educational level and father's occupation).[7] This reweighting was carried out differently for the sampling problem and the exclusion bias. In the case of the population of 15-year-olds who were enrolled in school and less than two years behind their peer group but were not included in the PISA sample (sampling problem), the expected performance was represented by the average score of students with similar characteristics. In the case of students who were more than two years behind and 15-year-olds who were outside the school system (exclusion bias), it was assumed that performance would be equivalent to the lowest score observed among test-taking students with similar characteristics.[8]

Figure II.4 presents the results of the access-adjusted index of inequality of opportunity in education, calculated as the standard deviation of the 2022 PISA mathematics test score distribution. The results show that when those who are outside the school system (or more than two years behind) are not considered (unadjusted results), inequality in educational outcomes is significantly underestimated. The countries of the region that participated in this assessment scored an average of 382 points on the mathematics test, with a standard deviation of 75.1 points (i.e. a dispersion of approximately 75 points from the mean score).[9] When the results are adjusted for access, inequality increases by 7 points (almost 10%), while the average score drops to 360 points.

The analysis by country shows that countries with higher levels of educational exclusion in secondary education tend to exhibit greater increases in the index of inequality of opportunity in education when the adjustment is applied. The most illustrative case is Guatemala, whose index value increases from 68.7 to 106.2 points. This rise can be partly explained by the high proportion of lowest results reweighted to include the 15-year-old population not covered by the PISA test, which is associated, among other factors, with the fact that compulsory education lasts only until around the age of 15, that is, until the end of lower secondary education (first secondary education cycle), making nine years of compulsory education.

Using the standard deviation of PISA test scores in each country, this methodology is a simple calculation that directly captures the dispersion of academic attainment in the sample, without the need for complex modelling. Adjusting for access provides a fuller picture of the learning inequality and educational deficits affecting the overall population of 15-year-olds in each country, and allows progress to be monitored over time.

---

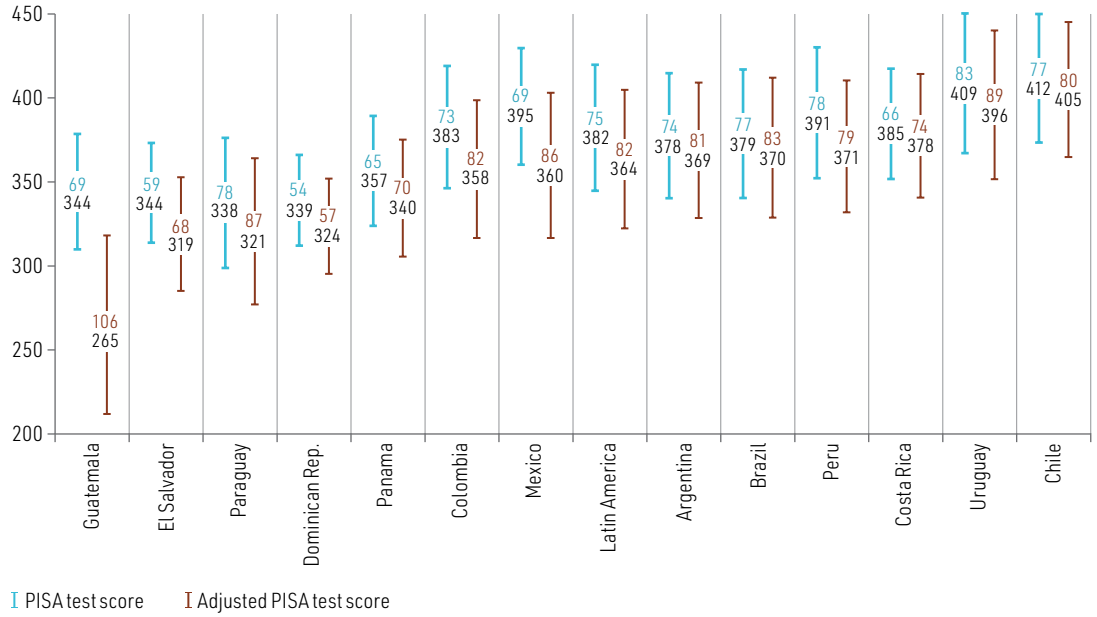
6 In expanding the PISA sample, Ferreira and Gignoux (2014) do not differentiate between sampling problems and exclusion bias, but rather assume that both together form a sample selection bias, to which they apply the correction. In the exercise carried out in this section, conversely, the two phenomena are differentiated, on the assumption that the average performance of the two groups of youth (those not captured because of sampling problems and those not included because of exclusion bias) will be different.

7 These sociodemographic variables were used to replicate the methodology of Ferreira and Gignoux (2014). When data on the father's education or employment are not available, information on the mother is used, and vice versa. The household head and his or her spouse are assumed to be the student's parents.

8 According to the information available in BADEHOG, 87.7% of 15-year-olds attend seventh grade or above, 2.5% are studying but are more than two years behind their peer group, and 9.8% are outside school.

9 The PISA test scoring scale, centred on a mean of 500 and a standard deviation of 100 and based on a reference year for each domain, is subdivided into six levels of attainment. These levels, with cut-offs every 60 points or so, progressively describe the complexity of the tasks that students are able to solve. Students are deemed to attain a certain level if they have at least a 50% chance of correctly carrying out the tasks characterizing that level. To attain the minimum level for mathematical competence, students would need to score about 420 points (level 2). A gap of 75 points represents a difference of more than one attainment level (OECD, 2023).

Figure II.4
Latin America (13 countries): access-adjusted index of inequality of opportunity in education, average scores and standard deviations (with and without adjustment for access) of scores in the PISA 2022 mathematics test, by country



Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing; data from Household Survey Data Bank (BADEHOG); and methodology proposed by Ferreira, F. H. G. and Gignoux, J. (2014). The measurement of educational inequality: achievement and opportunity. *The World Bank Economic Review, 28*(2), 210-246. https://hdl.handle.net/10986/23539.
Note: The coloured numbers are standard deviations and the black numbers are average scores in the mathematics test. The Latin America figures are weighted averages.

(b) The bidimensional index of inequality of opportunity in education

A second measure of inequality in education deals with educational opportunity in two dimensions, coverage and outcomes. Inequality of opportunity refers to gaps in educational attainment that are due to circumstances unrelated to individual effort or merit. A high level of inequality of opportunity indicates that education systems are failing to adequately compensate for differences in students' backgrounds.

The study of educational inequality has usually focused on analysing access or learning gaps. In the exercise presented here, based on the methodologies proposed by Ferreira and Gignoux (2014) and Gamboa and Waltenberg (2015), the coverage and quality dimensions are combined into a single index. Coverage and quality are complementary and closely interrelated achievements that determine the extent to which education systems in the region function as equalizing mechanisms in their respective societies.

The bidimensional index of inequality of opportunity in education is constructed from different rounds of the PISA test and takes values between 0 and 1. Higher values indicate greater levels of inequality. This index is obtained by multiplying two components: an index of inequality of opportunity for coverage, measured as the percentage of 15-year-olds who do not attend an educational establishment or who are more than two years behind their peers, and an index of inequality of opportunity for outcomes, which estimates the portion of learning inequality attributable to predetermined factors over which the student has no control (see box II.2 for the methodological details).

Box II.2

Methodology for constructing the bidimensional index of inequality of opportunity in education

The bidimensional index of inequality of opportunity in education is a composite indicator developed by Gamboa and Waltenberg (2015) that covers inequality of opportunity in access and learning outcomes simultaneously. To measure inequality of opportunity for access, it uses the coverage rate of 15-year-old students who are enrolled in school and are less than two years behind their peers, available in the reports on the PISA test results, while to measure inequality of opportunity for learning outcomes, it takes the indicator proposed by Ferreira and Gignoux (2014), defined by the expression IO_{FG}.

This latter indicator seeks to capture the portion of the variance in PISA test scores that can be attributed to circumstances beyond students' control, such as their parents' educational level, family income or socioeconomic background. IO_{FG} takes the value 0 when there is total equality of opportunity and 1 when there is total inequality of opportunity. When the inequality of opportunity for learning outcomes explained by these exogenous circumstances is high, this means that the education system is reproducing or even widening differences of origin.

IO_{FG} is calculated in two successive stages.

In the first stage, a regression is estimated by the ordinary least squares (OLS) method:

$$y_i = C_i \beta + \varepsilon_i$$

where y_i is the score in the PISA mathematics tests and C_i is the vector of exogenous circumstances. This vector includes variables from the PISA sample that reflect students' socioeconomic status, the cultural capital of their households, the occupation and education of their parents, the students' gender and immigration status, and characteristics of the school attended.

In the second stage, the R^2 for this regression, which is the IO_{FG} indicator, is calculated.

$$IO_{FG} = \frac{Var(C_i \hat{\beta})}{Var(y_i)}$$

It is important to note that R^2 is a lower bound to actual inequality of opportunity. The estimator provides a conservative measure of inequality because it captures only the portion of variance in attainment that is explained by the observed circumstances included in the model. If other important omitted variables were incorporated, the value of R^2 could increase.

To calculate the bidimensional index of inequality of opportunity in education, both dimensions are combined multiplicatively in a composite index with a range from 0 (total equality) to 1 (total inequality). For this, use is made of a Cobb-Douglas production function specification that allows differentiated weights to be assigned according to the relative importance of each dimension and also satisfies two desirable properties: monotonicity, which guarantees that any improvement in one dimension increases the value of the index, and convexity, which favours those countries that achieve simultaneous progress in both dimensions.

Thus, the bidimensional index of inequality of opportunity in education is constructed as follows:

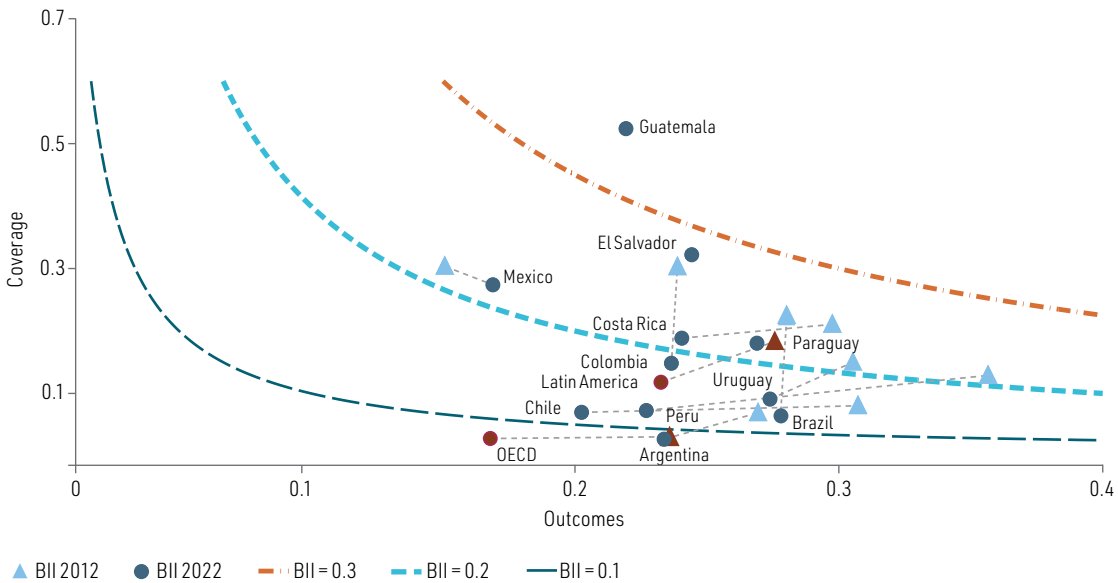
$$BII = (1-p)^a \cdot (IO_{FG})^b$$

where $(1 - p)$ represents inequality of opportunity for access and IO_{FG} inequality of opportunity for learning outcomes. The parameters a and b indicate the relative importance of each component and meet the condition $a + b = 1$.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Ferreira, F. H. G. and Gignoux, J. (2014). The measurement of educational inequality: Achievement and opportunity. *The World Bank Economic Review*, 28(2), 210–246. https://hdl.handle.net/10986/23539; Gamboa, L. F. and Waltenberg, F. D. (2015). Measuring inequality of opportunity in education by combining information on coverage and achievement in PISA. *Educational Assessment*, *20*(4), 320–337. https://doi.org/10.1080/10627197.2015.1093926.

Figure II.5 shows the values of the bidimensional index of inequality of opportunity in education for the 11 countries of the region that participated in the 2022 PISA test and for which sufficient information is available to construct the index. The vertical axis represents the index for coverage and the horizontal axis the index for learning outcomes. The two dimensions are combined, equally weighted, in the bidimensional index of inequality of opportunity in education. Thus, different combinations of coverage and outcomes can result in the same level of bidimensional inequality. To illustrate this point and facilitate comparison between countries, figure II.5 includes three iso-opportunity curves. These curves are defined as the set of combinations of coverage values and learning outcome values that are equivalent to the same value on the composite bidimensional index of inequality of opportunity in education. For most of the countries of the region (the exceptions are El Salvador, Guatemala and Paraguay, which did not participate in previous rounds), two observations are plotted: one represents the index value with data from the 2022 PISA test[10] and the other, in a lighter colour, represents the index value with data from 2012.

Figure II.5
Latin America (11 countries) and Organisation for Economic Co-operation and Development (OECD) (24 countries): bidimensional index of inequality of opportunity in education (BII), 2012 and 2022



Source: Economic Commission for Latin America and the Caribbean, on the basis of Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results*. OECD Publishing.

Note: Data for 2012 and 2022 are available for Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and the 24 OECD countries included: Australia, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, the Kingdom of the Netherlands, New Zealand, Poland, Portugal, the Republic of Korea, Slovakia, Slovenia, Spain, Switzerland, Türkiye and the United Kingdom. In the case of Costa Rica, data from the 2012 and 2018 rounds were used. El Salvador, Guatemala and Paraguay only present data from the 2022 round and are not included in the calculation of the Latin American average. The three dashed lines represent iso-opportunity curves (each curve represents combinations of coverage and learning outcome values that yield the same index value), calculated with the parameters $a = b = 0.5$ of the bidimensional index of inequality of opportunity in education, at levels 0.1, 0.2 and 0.3. The figures for Latin America and OECD are simple averages.

[10] Owing to limitations in the availability of variables for the predetermined circumstances of Costa Rican students carrying out the PISA 2022 test, data from the PISA 2018 test were taken as the latest for the country.

Figure II.5 shows clear heterogeneity among Latin American countries when it comes to inequality of educational opportunity. If inequality of coverage alone is analysed, Argentina is a positive outlier, with levels close to the OECD average (97% of 15-year-olds enrolled in school and less than two years behind their peer group), followed by Brazil, Chile and Peru (93%). When only inequality of outcomes is considered, on the other hand, Mexico performs best, with levels similar to the OECD average. However, Mexico has a considerably lower average mathematics score in the 2022 PISA test than the OECD countries.

When inequality of educational opportunity is analysed by looking at coverage and outcomes together, Argentina, Chile and Peru are found to have the lowest levels of bidimensional inequality among the countries of the region for which information is available. Within this group, Chile is the country with the least inequality of opportunity in learning outcomes and the highest average score in the PISA 2022 mathematics test. In contrast, Guatemala and El Salvador are the countries with the highest levels of bidimensional educational inequality, mainly because of the great coverage challenges they still face, exacerbated by gaps in learning outcomes.

Over the last decade, levels of inequality in educational opportunity have decreased in all the countries of the region for which information is available except Mexico, where there has been a slight increase. The countries that have experienced the greatest percentage decreases in the bidimensional index of inequality of opportunity in education include Argentina, Brazil and Peru (around 40%). While the decrease in bidimensional educational inequality in Brazil is mainly explained by a lessening of coverage differences, the decrease in the index in Argentina and Peru reflects progress in both dimensions. Peru stands out as the country with the largest improvement in the index of inequality of opportunity in learning outcomes, in both absolute and relative terms. This is consistent with the information presented in figure II.3. The improvement has come about because the average score of students in the most disadvantaged quartile has increased by more than twice as much as that of students in the most privileged quartile.

Conversely, although Chile presents the second-largest improvement in the index of inequality of opportunity in learning outcomes, this does not necessarily reflect an equitable improvement in the system. The data suggest that the reduction could be due to a particularly large decline in the performance of more advantaged students, such as boys or those with higher economic, social and cultural status (see figure II.3), rather than to any significant progress among the most disadvantaged groups. This should sound a major warning: lesser inequality of outcomes does not always point to an absolute improvement in the education system. If convergence between groups is due to a decline in the performance of students from households at the higher socioeconomic levels, unaccompanied by substantial improvements in the learning of those facing greater barriers, the indicator may mask overall declines in educational quality. Thus, it is essential to interpret changes in educational inequality in light of the different groups' attainments and their trajectory over time.

Lastly, in figure II.5, it is important to note that the OECD result for 2022 is closer to the origin (with lower levels of inequality in both dimensions) than that of Latin America, as it simultaneously presents lesser inequality of coverage and of learning outcomes. This is reflected in the fact that the average value of the bidimensional index of inequality of opportunity in education is more than twice as high in the Latin American countries as in the OECD countries.

The exercise conducted makes a significant contribution to the analysis of the twofold challenge of educational inclusion and quality in the region by providing an integrated measure of these two vital dimensions. This approach provides a more comprehensive understanding of the structural inequalities faced and reproduced by the region's education systems. Having tools such as the bidimensional index of inequality of opportunity in education to supplement other measures of educational attainment is essential to guide public policies for inequality reduction in the region by bringing out the factors that most determine inequality of educational opportunity.

3. Intergenerational educational mobility in Latin America

The trap of high inequality and low social mobility and cohesion that is reproduced in the region's education systems limits the potential for progress through individual effort and creates obstacles to intergenerational social mobility. Although the right to education is a cornerstone of personal development and inequality reduction, it often becomes a mechanism that reproduces the different social strata owing, most particularly, to differences in access to cultural capital and educational credentials or academic degrees with high social value (Martínez et al., 2022). For example, according to the human capital approach (Becker, 1994), parents with higher levels of education can provide their children with a more effective learning environment, while according to Bourdieu and Passeron's (1977) theory of cultural reproduction, parents with higher levels of education pass on academic skills and competences that facilitate their children's access to higher education, thereby contributing to the reproduction of intergenerational inequality.

Trends in intergenerational educational mobility and associated factors will now be analysed, using data from household surveys in 16 countries of the region. A subset of youth aged 25 to 29 who still live with at least one of their parents (approximately 42% of people in this age group as of 2023) is identified, and their educational level is compared with that of the previous generation. Although this methodological strategy provides an approach to the analysis of educational mobility, it is important to bear in mind that restricting the study population may lead to overestimation of upward educational mobility, as youth living in separate households are less likely to have opportunities for such mobility (see box II.3).

Box II.3

Analysis of intergenerational educational mobility: case selection and application of the uniform difference (UNIDIFF) model

Household surveys permit only a partial examination of intergenerational educational mobility among youth in Latin America, because they do not use panel designs to record individuals' trajectories and do not ask about the educational level attained by respondents' parents. However, they do record the relationship between household members and household heads, making it possible to identify children and stepchildren living with these. Youth aged 25 to 29 were considered for this analysis, given that they have had at least seven years to complete some form of post-secondary education. We constructed the data set for estimating intergenerational educational mobility with information on these youth and those identified as their parents (the household head and his or her spouse). In each case, the highest level of education attained by either adult was taken as the benchmark.

On average, 41.6% of youth in this age group lived with at least one parent around 2023, with those belonging to higher-income households being overrepresented. This could imply a bias in the analysis of educational mobility, as young people with higher incomes are also the ones who have completed the most years of education.

In addition to the descriptive analysis, a more general assessment of intergenerational mobility in education was carried out using the uniform difference (UNIDIFF) model, a statistical tool formally presented by Erikson and Goldthorpe (1992) and employed in the study of intergenerational mobility from the perspective of education, occupation and social class. In this model, the educational level of parents is cross-referenced with that of their children and disaggregated into different groups (by year, income quintile and country). The objective is to determine whether the strength of this relationship varies between groups and, if so, by how much relative to a baseline situation. In the estimates carried out for this chapter, the baseline was always the first group analysed (i.e. the first year, the first income quintile or the first group of countries, sorted by levels of inequality or other variables), as shown in the table.

Latin America (16 countries):[a] results of applying the uniform difference (UNIDIFF) model to intergenerational educational mobility between parents and children aged 25 to 29, around 2002, 2014 and 2023

Variable		Coefficients[b]		L^2	df	Dissimilarity index	Cramer's V
		Capa	Phi				
Year[c]	2002	1.000	0.715	106 790	48	1.5%	0.281
	2014	0.962	0.662				0.266
	2023	0.945	0.639				0.249
Income quintiles in 2023[d]	Quintile I	1.000	0.611	95 037	96	2.5%	0.205
	Quintile II	0.884	0.478				0.194
	Quintile III	0.818	0.409				0.186
	Quintile IV	0.775	0.368				0.170
	Quintile V	0.861	0.453				0.187
Country groups by inequality level[e]	Group 1	1.000	0.510	150 559	48	2.9%	0.222
	Group 2	1.475	1.109				0.272
	Group 3	1.396	0.994				0.279

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Exponentially increased coefficients. All are statistically significant ($p < 0.0001$), largely because of the size of the samples.
[c] Surveys from the respective years are used, with the following exceptions: the 2002 data are from 2001 for Brazil, Honduras, Peru and the Plurinational State of Bolivia, while those for Chile and Ecuador are from 2003; the 2014 data are from 2013 for Chile; and the 2023 data are from 2021 for the Plurinational State of Bolivia, while those for Brazil, Chile and Mexico are from 2022.
[d] Guatemala is not included because the samples are too small, in particular when it comes to representing certain educational levels among parents at different socioeconomic levels.
[e] Countries grouped by Gini coefficient values as of around 2023. Group 1 (Gini coefficient < 0.420): Argentina, the Dominican Republic, El Salvador, Peru, the Plurinational State of Bolivia and Uruguay; Group 2 (0.420 < Gini coefficient < 0.475): Chile, Ecuador, Honduras, Mexico and Paraguay; Group 3 (Gini coefficient > 0.475): Brazil, Colombia, Costa Rica and Panama.

The model specification is as follows:

$$log(F_{ijk}) = \mu + \lambda_i^O + \lambda_j^D + \lambda_k^K + \lambda_{ik}^{OK} + \lambda_{jk}^{DK} + \beta_k \phi_{ij}$$

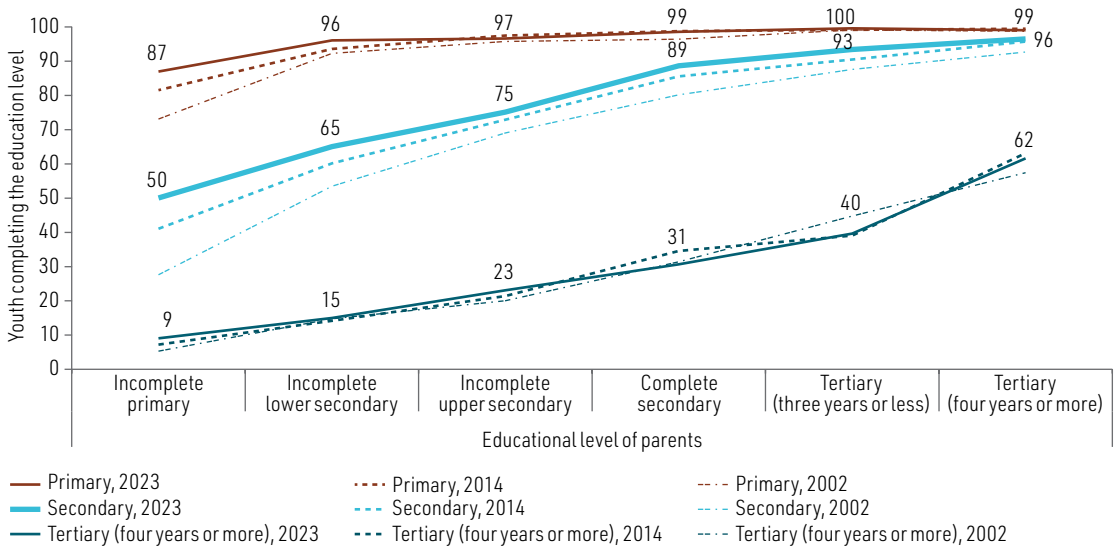
where μ is the global intercept (constant term); λ_i^o is the main effect of origin (parents' educational level); λ_j^D is the main effect of destination (children's educational level); λ_k^K is the main effect of the layer (i.e. the category of the control variable—years, income quintiles, or groups of countries); λ_{ik}^{OK} is the interaction between origin and layer, capturing changes in the distribution of origins across layers; λ_{jk}^{DK} is the interaction between destination and layer, capturing changes in the distribution of destinations across layers; ϕ_{ij} are the association parameters that describe the structure of the relationship between origin and destination, common to all layers; and β_k is the layer coefficient (the UNIDIFF parameter), which scales the intensity of the association ϕ_{ij} in layer k. By convention, $\beta_k = 1$ for the reference layer. The layer coefficients (β_k) indicate variation in the overall strength of the association between origin and destination across layers. If $\beta_k < 1$, the association is weaker, implying greater relative mobility. The phi coefficients (ϕ_{ij}) describe the structure of local associations between origin and destination categories, which is constant across layers, while their overall intensity is modulated by β_k. Smaller phi coefficients reflect a lower intensity of association between origin categories in each mobility table (or layer).

Owing to the complexity of the data and the size of the population analysed, the model achieves a partial overall fit. This means that the relationship between the educational levels of parents and their children does not behave in the same way in all the groups compared. Even so, the model reveals general trends that indicate whether educational opportunities are becoming more equitable or not over time or from one context to another.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Erikson, R. and Goldthorpe, J. H. (1992). *The Constant Flux: A Study of Class Mobility in Industrial Societies*. Clarendon Press.

Over the past two decades, the chances of completing primary education have increased considerably for youth who are still living with at least one of their parents.[11] Whereas 27% did not complete this level in 2002 or thereabouts, the proportion fell to 18% in 2014 and 13% in 2023 (see figure II.6). At the same time, although there have been improvements in secondary education completion rates, there is still a strong correlation between the education of children and the educational level attained by their parents: 89% of youth with at least one parent who had completed secondary education managed to complete that level themselves, with the proportion dropping to 50% when the parents had not finished primary school. These attainment levels have improved since 2002, however, especially among youth whose parents have lower levels of education, apparently indicating a shift towards upward educational mobility in the region.

Figure II.6
Latin America (16 countries):[a] proportion of youth aged 25 to 29 who still live with one or both parents and have completed different levels of education, by mother's or father's highest completed educational level, around 2002, 2014 and 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Simple averages of the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. The information is for 2002, 2014 and 2023 everywhere except Brazil (2001 and 2022), Chile (2003, 2013 and 2022), Ecuador (2003), Guatemala (2000), Honduras (2001), Mexico (2022), Peru (2001) and the Plurinational State of Bolivia (2001 and 2021).

These data contrast with those for educational attainment at the higher level (four years of tertiary education or more). While 62% of youth whose parents (or one of them) had completed tertiary education also reached this level, the proportion fell to 31% when both parents had only completed secondary education and to just 9% when they had not completed primary education. This reveals that educational mobility at the higher level continues to depend heavily on the educational level attained by parents, with no major change in the last two decades (see figure II.6), confirming the inherited nature of inequalities in the region—a pattern that it is essential to break.

The results of the analysis of educational mobility using the uniform difference (UNIDIFF) model (see box II.3 for the methodological details) show a positive trend: over the last 20 years, there appears to have been a general downward trend in the influence of parents' educational level on that of their

[11] For the estimation, we take the highest of the mother's or father's educational level, if both live in the household with the student, or the educational level of the parent with whom the student lives.

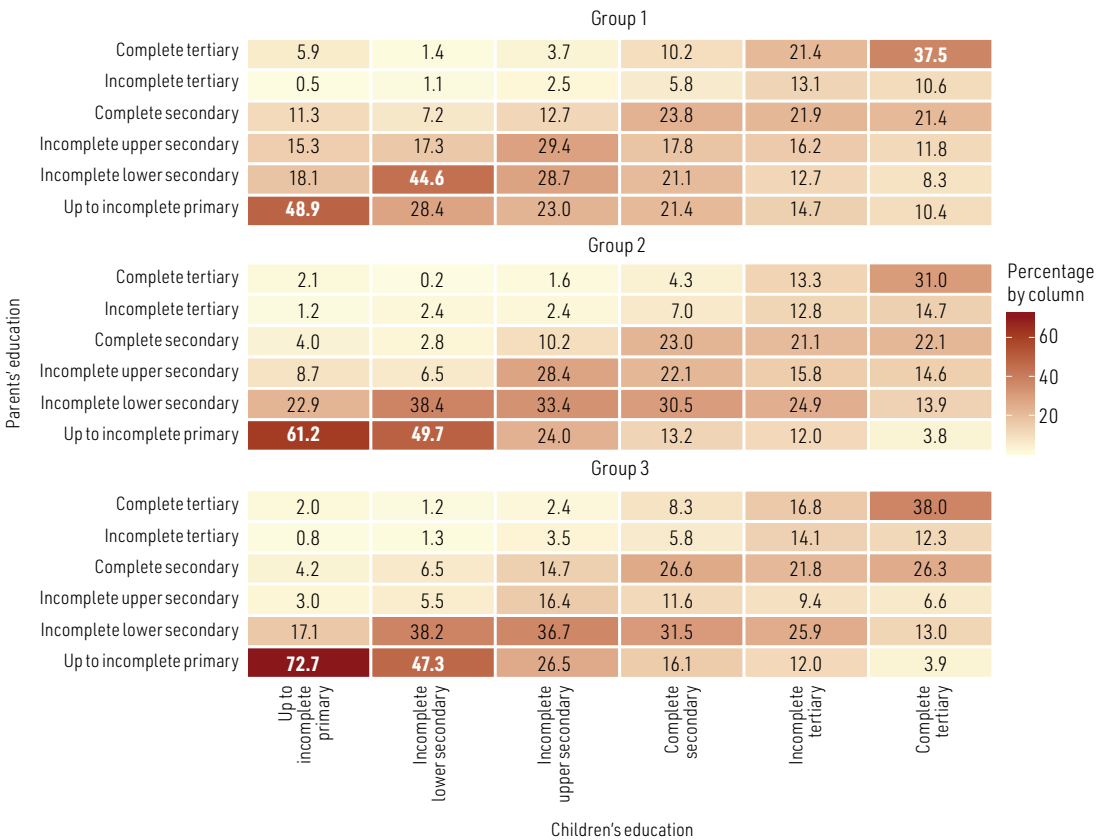
children, reflecting an increase in intergenerational educational mobility. Some 57% of youth exceed their parents' educational level, and when those whose parents attained university level and who do so themselves are included, the proportion increases from 64% in 2022 to 68% in 2023. However, there has also been an increase in the proportion of youth attaining lower levels of education than their parents, which rose from 10.1% to 12.8% over the same period.

The results suggest that the strongest association between the educational level of the lowest-income youth (first quintile) and their parents' is at secondary level. In the highest-income (fifth) quintile, by contrast, the association is most pronounced at tertiary level. However, it is important to bear in mind that the differences in educational mobility observed between the top and bottom socioeconomic groups are closely linked to the marked inequalities in their parents' educational profiles. These initial gaps in family educational capital strongly influence opportunities for intergenerational mobility.

The information also suggests a positive association between levels of income distribution inequality and rigidity in intergenerational educational mobility, meaning that the greater the inequality, the lower the degree of educational mobility. Infographic II.1 shows that, in the group of countries with the highest income inequality, the children of parents with lower levels of education have little prospect of surpassing their parents' educational level.

Infographic II.1

Latin America (15 countries):[a] distribution of youth aged 25 to 29 by educational attainment, parents' educational level and income inequality country grouping, around 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Countries grouped by Gini coefficients observed around 2023. Group 1 (Gini coefficient < 0.420): Argentina, the Dominican Republic, El Salvador, Peru, the Plurinational State of Bolivia and Uruguay; Group 2 (0.420 < Gini coefficient < 0.475): Chile, Ecuador, Honduras, Mexico and Paraguay; Group 3 (Gini coefficient > 0.475): Brazil, Colombia, Costa Rica and Panama.

In summary, the measures adopted in the countries of the region to expand educational coverage since the 1990s have facilitated intergenerational educational mobility, leading to major improvements in the educational profiles of successive generations. This process is perhaps easier in societies with less income inequality. However, it has also been observed that these very advances in educational access and completion tend in the long run to reduce upward educational mobility associated with the mass expansion of intermediate and higher education credentials (see section II.B). Lastly, it should be noted that the weaker educational profiles of youth not living with their families of origin suggest that for a majority of young Latin Americans (58%), rigidity and low educational mobility remain a reality.

In addition to the characteristics and educational (and income) levels of parents, the specialized literature highlights other factors that are important for upward educational mobility and for reducing the "inheritability" of educational opportunities. Certain contextual factors, such as public expenditure on education, are identified as lessening the importance of household income for children's educational success (Lee y Lee, 2019). Similarly, the relationship between family background and educational attainment appears to weaken as the length of the school year increases; education systems that do not track students into distinct pathways at very early ages (e.g. technical and academic streams) help reduce intergenerational transmission (Burger, 2016); residence in urban areas and in neighbourhoods with better living conditions is likewise conducive to mobility (Wu and Treiman, 2007; Wilson, 1987; Chetty and Hendren, 2018); and support and high expectations from close social networks (Lekfuangfu and Odermatt, 2022) and greater access to quality early childhood education (Barnett and Belfield, 2006) reduce the strength of the association between parental characteristics and children's educational outcomes.

This drives home the need to adopt comprehensive public policies that can not only continue to increase educational coverage and completion rates, but also yield high-quality educational trajectories and develop the skills needed to meet the demands of today's world. Section C of this chapter presents some policy proposals aimed at addressing the factors underlying educational inequality. Planning, designing and implementing such educational policies requires increased public investment under conditions of financial sustainability. At present, per-student investment is more than four times as high in the OECD countries as in those of Latin America and the Caribbean (Huepe, 2024a). Even after controlling for per capita GDP, OECD invests an average of 40% more per student at each level of education.[12] This gap reflects differences not only in the relative size of economies, but in the political priority accorded to education. Greater and better investment in education should be understood not as a consequence of development, but as an indispensable condition for achieving it. Only through a sustained commitment to educational inclusion and quality will it be possible to reduce structural inequalities and ensure that new generations are equipped with the tools they need to fully exercise citizenship in the contemporary world.

[12] Specifically, per-student investment in OECD is 40% higher at the pre-primary level, 41% higher in primary education, 43% higher in secondary education and 28% higher in tertiary education than in Latin America and the Caribbean. These figures are based on the most recent data available since 2021 from the UNESCO Institute for Statistics database.

B. Labour market inclusion as the key to reducing inequality

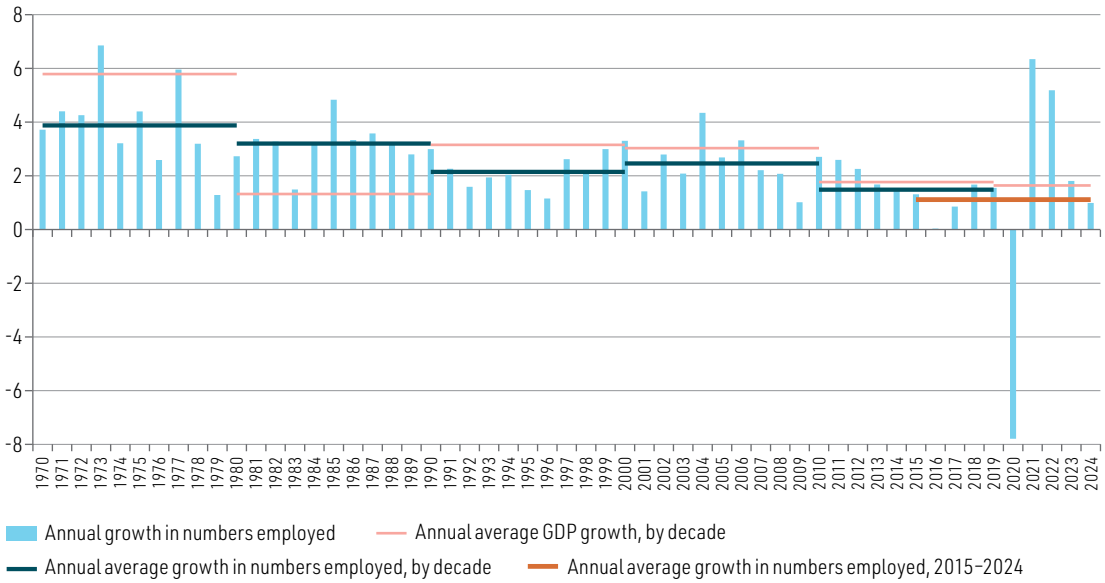
Inequality in Latin America has deep roots, and one result is an informal, segmented and low-productivity labour market. Although the region has made significant strides in education, these have not translated into full equality of labour market opportunities, in part because most countries are caught in a trap of low growth capacity that also limits their ability to generate formal, high-quality employment. Barriers to both the creation of and access to quality jobs persist and disproportionately affect women, youth and historically excluded groups. Promoting labour market inclusion is therefore essential to reverse this pattern. In particular, the formalization of employment is a concrete option for reducing inequality, and one with strong redistributive effects. This is evidenced by the results of a methodological innovation presented in this section, which estimates the impact of labour formalization in reducing poverty and inequality by simulating its effects in selected sectors. For formalization to be effective, it must be accompanied by active employment, training, productive development and social protection policies.

The low economic growth, undynamic labour markets and heterogeneous productivity that characterize Latin America and the Caribbean are among the factors explaining the region's high inequality and low social mobility and cohesion (ECLAC, 2024a, 2024b). Labour market inequality is one of the main manifestations of exclusion in the region. Access to quality employment is conditioned by factors such as gender, place of residence, ethnic background, disability status, migration status and educational attainment, which restricts social mobility and reproduces structural gaps. In this context, labour market inclusion, understood as the objective of ensuring that all individuals in the labour force can access decent jobs that provide adequate levels of pay and social protection coverage (ECLAC, 2023b), emerges as a major tool for addressing inequality and advancing toward inclusive social development.

Over the course of the twenty-first century, the region's economic and social outcomes have been uneven and have had a direct impact on the world of work. During the period 2000–2013, average economic growth was slightly above 3%, which resulted in significant reductions in poverty (15.7 percentage points) and informality (from 52% to 47% between 2005 and 2015) (Salazar-Xirinachs and Chacaltana, 2018). However, this performance was insufficient to bring about a structural transformation of the labour market or remove its inequalities. Over the past 10 years, average annual economic growth has been just 1.2% (ECLAC, 2025b), and poverty reduction has virtually stalled, with a decline of just 0.4 percentage points, which reflects the fragility of previous gains and the persistence of an exclusionary development model (ECLAC, 2024a). This stagnation has disproportionately affected the most vulnerable groups and has deepened inequalities in access to formal and quality employment. Labour market segmentation, informality and the concentration of employment in low-productivity sectors all perpetuate inequality and prevent paid work from acting as a genuine mechanism for inclusion and social mobility.

Figure II.7 shows the rate of growth in the number of employed persons between 1970 and 2024. As can be observed, the trajectory of economic growth has had its direct counterpart in labour market outcomes. The past decade (2014–2024), a time of economic stagnation, has seen the lowest rate of employment growth since the 1950s. Projections for 2025 indicate that this trend is likely to continue (ECLAC, 2024b), which could further widen existing gaps unless active inclusion policies are implemented alongside productive development policies to accelerate growth and economic transformation.

Figure II.7
Latin America and the Caribbean (21 countries):[a] rates of growth in numbers employed and in GDP, 1970–2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures from the University of Groningen; data from the International Labour Organization; and estimates for 2023 and 2024 from Economic Commission for Latin America and the Caribbean. (2024). *Preliminary Overview of the Economies of Latin America and the Caribbean, 2024* (LC/PUB.2024/27-P/Rev.1).

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

The labour market in Latin America and the Caribbean is characterized by a profoundly unequal structure. In 2024, the labour informality rate was 46.6% (ECLAC, 2025b), meaning that nearly half of all those employed lacked statutory coverage and effective access to social protection. This situation not only reflects structural gaps but also perpetuates them: those carrying out informal work tend to do so under conditions of heightened social vulnerability and with severe constraints on their prospects of sustained improvement.

While integration into the labour market is necessary for progress with poverty eradication and the reduction of inequality, it is not sufficient in itself to ensure sustained improvements in living conditions. There is thus a need to expand and strengthen opportunities for labour inclusion in the region. Prioritizing decent, full and productive employment as the core of the inequality reduction strategy is the key to progress towards inclusive social development (ECLAC, 2023b).

1. Labour market participation: inclusion gaps and progress

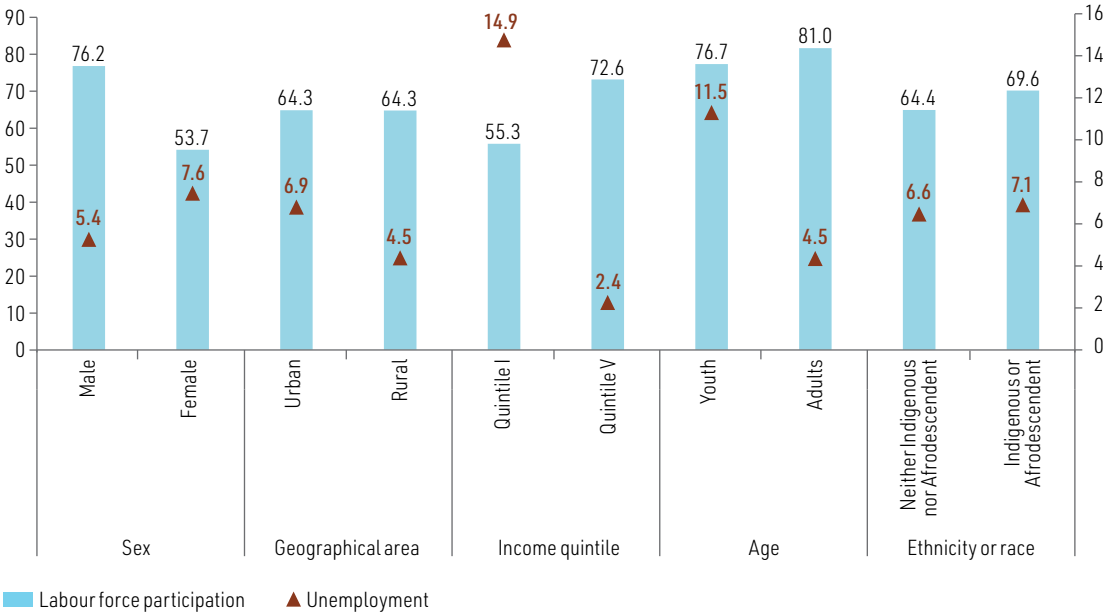
At present, the labour force represents 62.8% of the working-age population, and 94% of this group is employed, giving a regional unemployment rate of 6% (CEPAL, 2025b). Although most labour market indicators have returned to their pre-COVID-19 pandemic levels, some structural challenges persist. In addition to high levels of informality, ECLAC data indicate that women's labour force participation has stalled at around 50% since 2010 and that employment conditions are still marked by inequalities reflecting poor employment conditions and labour market segmentation.

Figure II.8 presents labour market participation and unemployment rates along different axes of the social inequality matrix: sex, area of residence, income level, age, and ethnic or racial status. The widest participation gaps are observed for women and for individuals living in households in the lowest income quintile. According to ECLAC estimates, although women's labour force participation increased by almost 15 percentage points between 1990 and 2013, it rose by only 0.4 percentage points between 2013 and 2025 and remains considerably lower than the rate for men. Women face structural barriers to entry into paid employment, including a disproportionate burden of unpaid work, occupational segmentation and wage discrimination, and experience higher levels of informality and underemployment than men. An inadequate supply of care services and the persistence of gender stereotypes constrain their participation and access to quality jobs and perpetuate gaps in income and social protection (ECLAC, 2023a) (see chapter III for further details). In addition, there is a 17 percentage point difference between the top and bottom of the income distribution, with significantly higher participation among those in the richest quintile. Differences by age and ethnicity, while present, are less pronounced.

Figure II.8

Latin America (13 countries):[a] labour market participation and unemployment rates, by axis of the social inequality matrix, 2023[b]

(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Simple averages. The "youth" category includes individuals aged 15–29 who are not attending an educational institution, and the "adults" category includes all individuals aged 30–59.

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. The data disaggregated by geographical area exclude Argentina, and the data disaggregated by ethnicity or race exclude Argentina, Costa Rica the Dominican Republic, El Salvador and Paraguay.

[b] The data are from 2021 for the Plurinational State of Bolivia and from 2022 for Chile and Mexico.

With regard to unemployment, disparities are encountered in all the groups analysed. Women not only participate in the labour market to a lesser extent than men, but also experience higher unemployment rates. In addition, unemployment disproportionately affects youth (some 20% of whom are neither in education nor in paid employment),[13] residents of urban areas and those

[13] See CEPALSTAT database https://statistics.cepal.org/portal/cepalstat/dashboard.html?lang=en.

identifying as Indigenous or Afrodescendent. Nevertheless, the greatest inequality is observed when the extremes of the income distribution are compared: the unemployment rate is more than six times as high in the first quintile as in the fifth quintile.

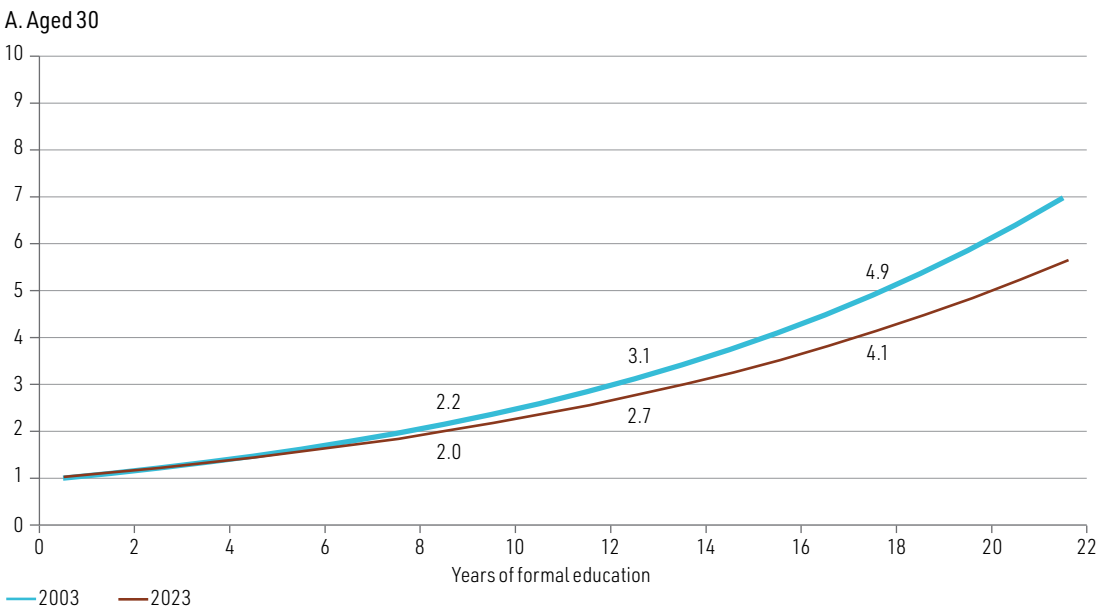
Although higher educational attainment should translate into greater labour force participation, lower unemployment, higher wages and improved access to decent work, these gains are not distributed equitably across the population, particularly among historically excluded groups. Chapter III examines these and other gaps by population group in greater depth.

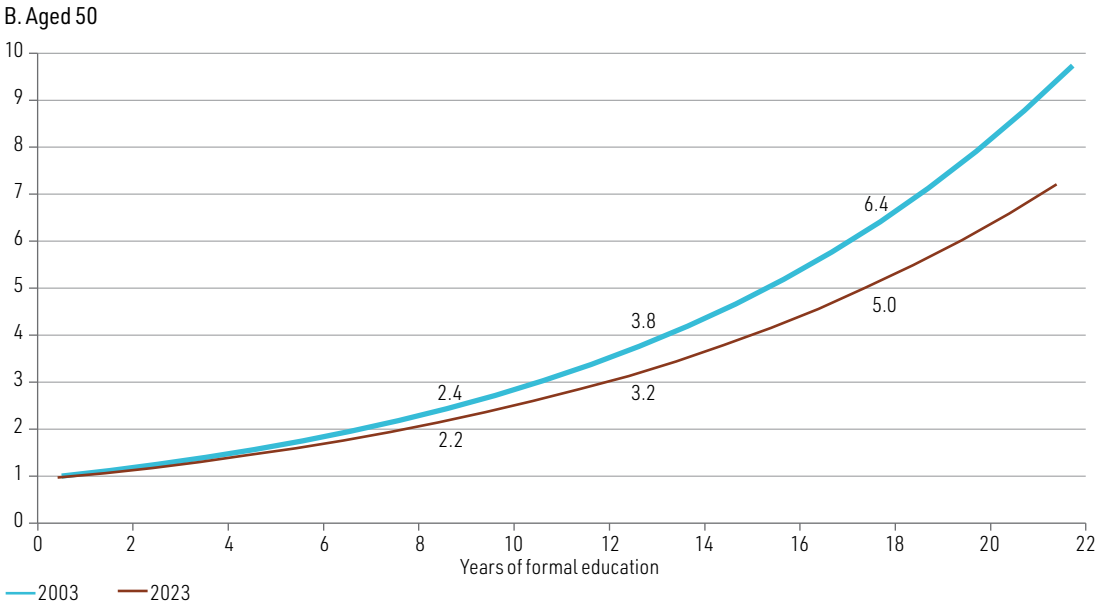
2. The returns on education and labour market inclusion

As noted in section A of this chapter, remarkable progress has been made in expanding educational coverage over recent decades. The working-age population of Latin America now has the highest average level of educational attainment in its history. In 2003, 62% of employed persons aged 20 to 59 had not completed secondary education; by 2023, the proportion had fallen to 41%. Meanwhile, the proportion of employed persons who had completed at least one year of tertiary education increased from 20% to 32%. This transformed educational profile represents an opportunity to expand access to higher-quality employment and to increase the countries' productivity. However, as was seen earlier, improvements in educational attainment have been uneven and do not always translate into stable or satisfactory employment trajectories, particularly in contexts characterized by low economic growth rates, high levels of labour informality and persistent inequalities.

Despite the structural obstacles to accessing quality employment, studying more is still profitable. Drawing on analyses conducted by ECLAC (2002, 2011, 2018), figure II.9 presents estimates of expected wage growth as a function of years of education for individuals aged 30 and 50.

Figure II.9
Latin America (13 countries):[a] ratios between the expected earnings of someone with formal education and those of someone without formal education, per additional year of study, 2003 and 2023[b]
(Multiples)





Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Calculated from simple average incomes in constant 2018 dollars by country. The estimates are obtained by computing the ratio between the expected earnings of a 30- or 50-year-old individual with a given number of years' schooling and the expected earnings of an individual of the same age with no formal education. To this end, a Mincer equation is estimated for each country to explain the logarithm of earnings (Mincer, J. A. (1974), *Schooling, Experience, and Earnings*, National Bureau of Economic Research). The analysis considers wage and own-account workers aged 20 to 59 who receive labour income and work 20 hours or more per week.

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

[b] The 2003 data are from 2002 for Mexico and the Plurinational State of Bolivia, while the 2023 data are from 2021 for the Plurinational State of Bolivia and 2022 for Chile and Mexico.

Taking the average of 13 countries in the region, in 2003 the expected income of an employed 30-year-old with 8 years of schooling was 2.2 times as great as that of someone with no formal education. The ratio increased to 3.1 with 12 years of education and to 4.9 with 17 years. The figures were slightly lower in 2023, but the relationship was still clear: expected income was twice as high for individuals with 8 years of education, 2.7 times for those with 12 years and 4.1 times for those with 17 years. A similar pattern is observed among 50-year-olds. In 2003, someone with 8 years of schooling could be expected to earn 2.4 times as much as someone with no formal education, while with 12 and 17 years of education, the ratios were 3.8 and 6.4, respectively. In 2023, the figures were 2.2, 3.2 and 5.0, respectively.

While the economic returns to education may have declined slightly over the past two decades, the data confirm that continued study still makes a significant difference in labour income and in access to opportunities for full civic participation in today's increasingly complex societies. This decline in the marginal return to each additional year of education is partly to be expected, given the sustained expansion of educational coverage in the region discussed in the previous section. Nevertheless, it represents a relative devaluation driven by multiple factors, including the level of education attained, the type of skills acquired, and the qualifications required for the jobs available (Araki and Kariya, 2022; Castro et al., 2022).

Progress with education and the improvements observed in employment have not been sufficient to significantly reduce labour informality, ensure access to decent work or close long-standing inclusion gaps. For example, although women display higher rates of educational attainment, their labour force participation remains considerably lower than men's. Similarly, despite attaining higher levels

of education than previous generations, youth face higher rates of unemployment and informality. This points to the persistence of structural barriers preventing certain groups from achieving full inclusion in the world of work.

With the highest average educational attainment in its history, the region now faces the challenge of translating this achievement into reduced inequality. To capitalize on the gains made since the 1990s, it is essential to conjoin educational progress with a more dynamic labour market that generates formal, protected and high-quality employment.

3. Reducing informality as a condition for labour inclusion and the lessening of inequality

While there needs to be further progress in expanding educational opportunities and social protection, alongside a wide variety of institutional interventions that include administrative simplification, reductions in the costs of formal employment, simplified tax regimes and other economic incentives, and workplace inspection and enforcement, a key factor in reducing informality is a context of relatively high and sustained economic growth. The evidence from case studies across several countries is that, during the period from 2003 to 2013, the impact of economic growth and changes in the economic structure on formalization processes outweighed that of specific institutional interventions. However, the strongest results are observed in instances where relatively high and sustained economic growth and rapid structural transformation have been combined with integrated institutional and policy interventions (Salazar-Xirinachs and Chacaltana, 2018).

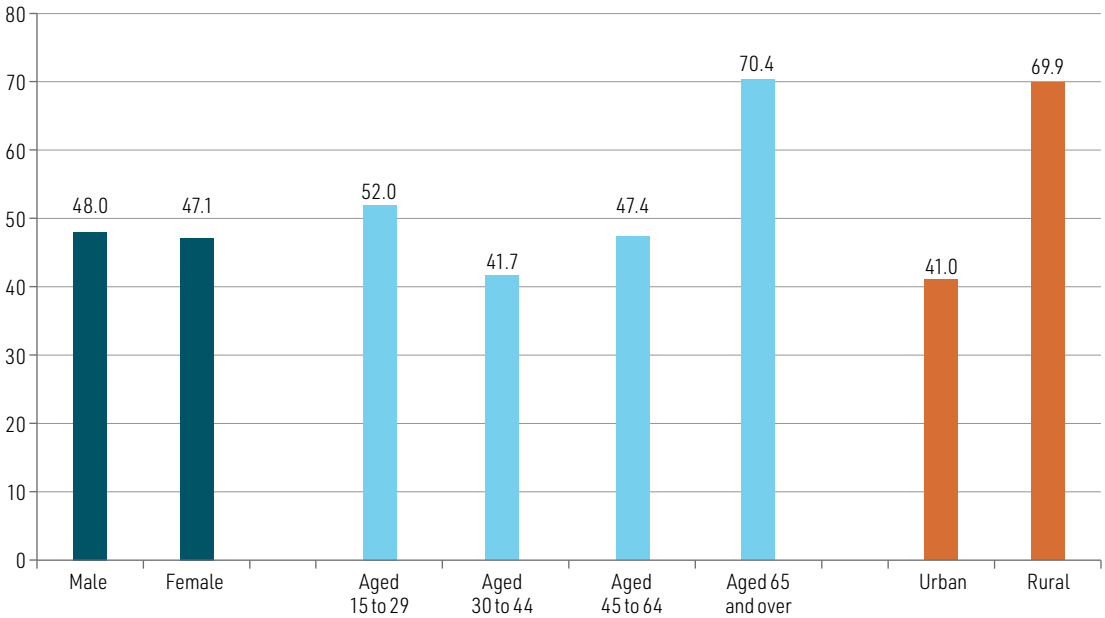
Labour formalization is a cornerstone of decent work (International Labour Organization [ILO], 2015, 2024). Formal employment ensures compliance with fundamental labour rights, including minimum wages, regulated working hours, protection in the event of occupational accidents and access to paid leave and social protection systems (Espejo, 2022). These systems contribute directly to poverty eradication and the reduction of inequalities by providing a set of mechanisms to guarantee incomes sufficient to ensure minimum standards of well-being throughout the life cycle (ECLAC, 2024a).

Socially excluded groups face higher barriers to entry in the labour market and, once in work, encounter greater obstacles when they try to access decent and protected jobs. While direct causal links between informality and inequality are hard to establish, various studies have found a positive and statistically significant correlation between the two. In particular, Amarante and Arim (2023) show that this relationship varies with three factors: wage inequality between the formal and informal sectors, inequality within each sector and the relative size of the informal economy in each country.

Figure II.10 depicts aggregate informality in 11 countries of the region. Although informality affects both men and women, its incidence varies by age, geographical area and educational attainment. In particular, 52% of youth (aged up to 29) are employed informally, with the share declining to 41.7% among the 30 to 44 age group and then rising again to 47.4% in the 45 to 64 age group and 70.4% among older persons. This means that informality becomes more prevalent at older ages. Differences between urban and rural areas are also pronounced: 69.9% of rural workers are employed informally, meaning that rural labour markets are predominantly informal.

Labour informality is also unevenly distributed across educational levels: 45% of informal workers worldwide have not completed primary education or have completed only that level of schooling (Organisation for Economic Co-operation and Development [OECD], 2024). This stands in contrast to the overall rise in educational attainment and points to persistent segmentation. In general, despite heterogeneity between countries, the share of people with tertiary education in informal employment remains relatively small.

Figure II.10
Latin America (11 countries):[a] informal employment rates,[b] by sex, age group and geographical area, around 2024[c]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the processing of employment surveys conducted in the region.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru and the Plurinational State of Bolivia.
[b] Weighted averages.
[c] Data are from 2023 for the Dominican Republic and Peru.

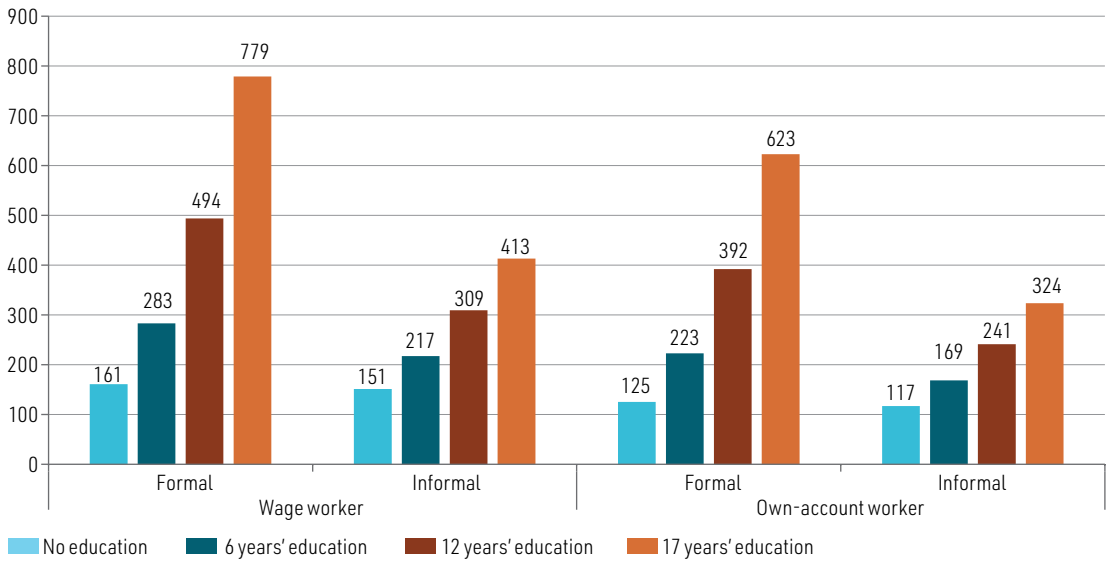
Labour formalization is also associated with higher earnings, partly because workers in formal employment cannot be paid less than the statutory minimum wage in each country. On average, and across all levels of educational attainment, formally employed workers earn higher wages than those in informal employment (see figure II.10). This gap widens with the number of years of education, indicating that formal employment not only provides protection but also allows workers' skills and qualifications to be put to more productive use.

Figure II.11 presents expected earnings for a 40-year-old woman by employment type (wage or own-account work), formality status and educational attainment.[14] Overall, average earnings are higher in the formal sector than in the informal sector, and the gap increases with years of education. This indicates that education and formalization interact in a complementary manner, reinforcing both labour inclusion and opportunities for economic mobility.

Among wage-earning women, the largest gap is between those with 17 or more years of education, whose average earnings in the formal sector are nearly double those of their counterparts in informal employment. A similar pattern emerges among women own-account workers: at lower levels of education, the income difference between formal and informal work is relatively small, but it widens substantially at higher educational levels, where earnings in the formal sector are almost twice as high.

[14] The estimation results are presented for a woman for illustrative purposes; the trends for a man of the same age are similar. The age of 40 was chosen because it allows individuals who have completed education at all levels to be included, but the observed trends hold across all age groups.

Figure II.11
Latin America (13 countries):[a] expected earnings of a 40-year-old woman, by employment type and years of education, 2023[b]
(Current 2018 dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Simple average incomes in constant 2018 dollars by country. The estimates are obtained by calculating the ratio between an individual's expected earnings and certain covariates in each country, to explain the logarithm of the regression. A Mincer equation is estimated for this purpose (Mincer, J. A. (1974), *Schooling, Experience, and Earnings*, National Bureau of Economic Research). The estimation considers the incomes of wage and own-account workers aged 20 to 59 who receive labour income and work 20 hours per week or more. The chart shows the expected income of a 40-year-old woman working 40 hours per week and living in an urban area, by employment type and years of education.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data are from 2021 for the Plurinational State of Bolivia and from 2022 for Chile and Mexico.

Lastly, women wage earners in the formal sector exhibit the highest average incomes of all the combinations analysed. While among women with no formal education those in informal wage employment earn more than formal sector own-account workers, this relationship reverses from six years of schooling onward.

Creating more jobs is not enough by itself for employment to play a redistributive and welfare-enhancing role; there is also a need to improve job quality and create the conditions for genuine labour inclusion. In these circumstances, accelerating the creation of formal employment and promoting the formalization of informal work are indispensable in the effort to reduce inequality and reinforce the role of employment as an engine of inclusive social development.

4. The potential of formalization as a tool for reducing poverty and inequality

One way of assessing the potential impact of labour formalization on population welfare is to estimate how the labour incomes of individuals currently in informal employment would change if they were formalized. This exercise, which uses a partial equilibrium model, makes it possible to evaluate not only the individual benefits of formalization but also its potential aggregate effects on poverty and inequality.[15]

[15] The simulations do not take account of other labour market adjustments associated with formalization and increases in gross and net incomes; that is, they do not employ a general equilibrium model.

Information from household surveys in 13 countries of the region (Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay) was used to carry out this analysis, serving to classify workers by whether their main job was formal or informal. On the basis of this information, the labour incomes of different groups of informal workers were estimated in the light of characteristics such as educational attainment, hours worked, sex and geographical area of residence, setting out from observations of the earnings patterns of formal workers with the same characteristics (see box II.4).

Box II.4

Using supervised learning models to estimate the effects of employment formalization on labour income, poverty and inequality

To assess the potential effects of worker formalization on poverty reduction and income distribution inequality, the labour incomes that informal workers would receive upon transitioning to formal employment were estimated via an analysis of the income patterns of formal sector workers (both wage earners and the self-employed). These simulations were carried out using household survey data from the countries, with supervised machine learning methodologies implemented in Python through the PyCaret library (version 3.4.0).

The general expression to be modelled was as follows:

$$ln(yemp) \sim yearsedu + hours + exper + sex + area + firmsize + employee + contrib + sec + tert$$

where $ln(yemp)$ denotes the natural logarithm of monthly labour income. The independent variables include the respondent's years of education, usual weekly hours worked, labour market experience, sex, area of residence (urban or rural), the size of the firm worked in (up to five workers or larger), employment status (employee or self-employed), pension system contributions, and whether the economic activity belongs to the secondary (manufacturing) or tertiary (services) sector.

For all countries, the full sample of either wage earners or self-employed workers with formal jobs and positive labour income was selected. The sample was then split into 80% of observations for training and 20% for testing. In addition, 10 folds of the training sample were selected to perform cross-validation. The main evaluation metric was the coefficient of determination (R^2).

Following preselection of the three best-performing models, hyperparameter optimization was carried out, and the best model was selected on the basis of the metric indicated. Its performance in the test sample was then assessed, with the results reported in the table. The predominant model was the CatBoost Regressor, which is optimized for handling categorical variables, while in one case the Random Forest model was chosen.

Once the final model for each country had been obtained, the sample of informal wage employees and informal self-employed workers was selected, and the model was applied to predict the labour income they would earn in view of their individual characteristics if they were formal workers. It was established that, if the estimated income was lower than the reported income, the latter was retained.

The samples were subsequently unified and, in the case of the households of the informal workers for whom a formal income was simulated, per capita income was recalculated to estimate the effects on monetary poverty and per capita income concentration.

Models selected to predict formal labour incomes

Country	Year	Model selected	Main evaluation metric: R^2		Test sample	Importance of the variable									
			Training	Testing		Years of education	Weekly hours worked	Experience	Sex	Wage employee	Contributes to pension system	Firm size	Geographical area	Secondary sector	Tertiary sector
						(Percentages)									
Argentina[a b]	2023	CatBoost Regressor	0.291	0.260	4 707	24	26	16	10	7	...	12	...	1	2
Bolivia (Plurinational State of)	2021	CatBoost Regressor	0.378	0.357	677	42	8	28	5	5	4	3	2	3	0
Brazil	2022	CatBoost Regressor	0.453	0.446	17 097	35	17	17	14	4	1	7	2	1	1
Chile	2022	CatBoost Regressor	0.399	0.395	11 486	38	20	14	11	2	4	6	1	2	1
Colombia	2023	CatBoost Regressor	0.577	0.572	30 336	45	12	9	6	8	9	3	6	0	1
Costa Rica	2023	CatBoost Regressor	0.515	0.527	1 469	60	10	15	5	1	0	4	1	1	2
Dominican Republic[b]	2023	Random Forest Regressor	0.478	0.466	2 668	37	22	25	4	1	...	4	3	2	2
Ecuador[c]	2023	CatBoost Regressor	0.336	0.328	12 088	31	25	12	7	4	2	13	1	1	2
El Salvador	2023	CatBoost Regressor	0.250	0.245	1 483	33	9	13	4	16	8	10	1	1	4
Mexico	2022	CatBoost Regressor	0.342	0.341	13 194	31	17	19	11	5	9	4	1	1	1
Paraguay	2023	CatBoost Regressor	0.261	0.262	1 583	35	8	17	6	2	14	2	3	4	9
Peru	2023	CatBoost Regressor	0.366	0.339	2 419	32	14	12	10	4	16	8	1	4	0
Uruguay	2023	CatBoost Regressor	0.497	0.523	3 764	34	25	17	9	3	2	7	0	2	1

Source: Economic Commission for Latin America and the Caribbean, on the basis of the PyCaret library (version 3.4.0) in Python.
[a] Urban areas.
[b] The indicator of contributions to or affiliation with a pension system is not included, as it applies only to wage earners.
[c] The contributions indicator denotes affiliation with a pension system.

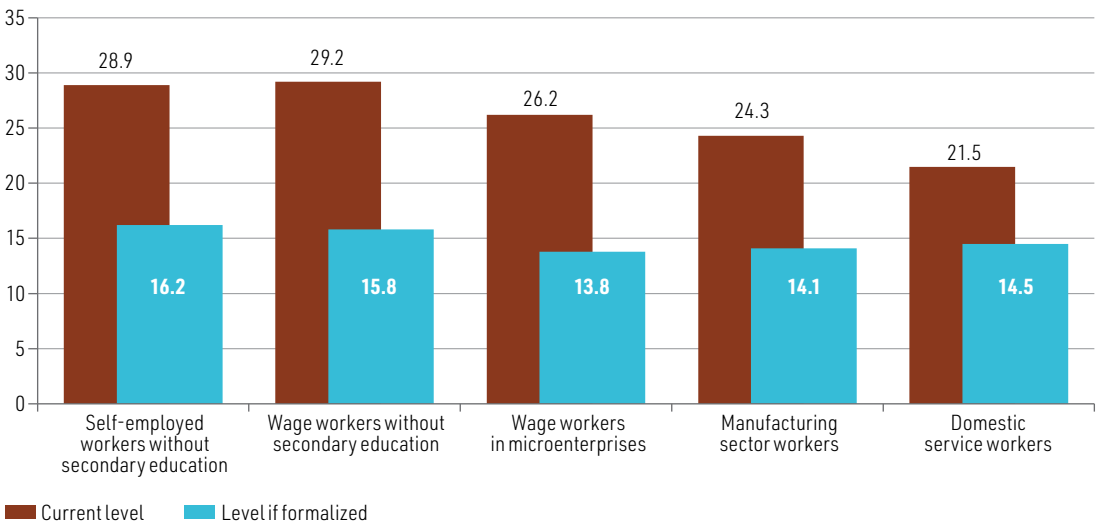
Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG) and the PyCaret library (version 3.4.0) in Python.

On the assumption that all other conditions remain unchanged, the simulation results serve to estimate the potential impact of a policy of formalizing all informal workers (about 120.4 million people) on poverty and income inequality in the countries analysed. Scenarios focusing on the formalization of specific categories of workers were also estimated to gauge the effects of prioritizing policies targeted on groups of people in occupations with poorer employment conditions. Figure II.12 illustrates the effects of these simulations on labour income, poverty reduction and income inequality.

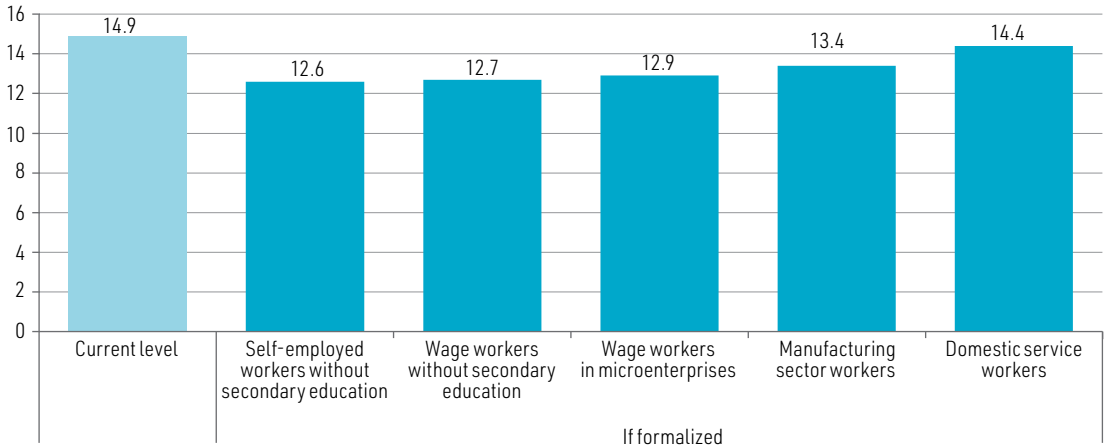
Figure II.12
Latin America (13 countries):[a] effects of formalizing specific categories of informal workers on earnings, poverty reduction and labour market inequality, around 2023
(2018 dollars, percentages and Gini values)

A. Change in labour incomes in each category
(2018 dollars)

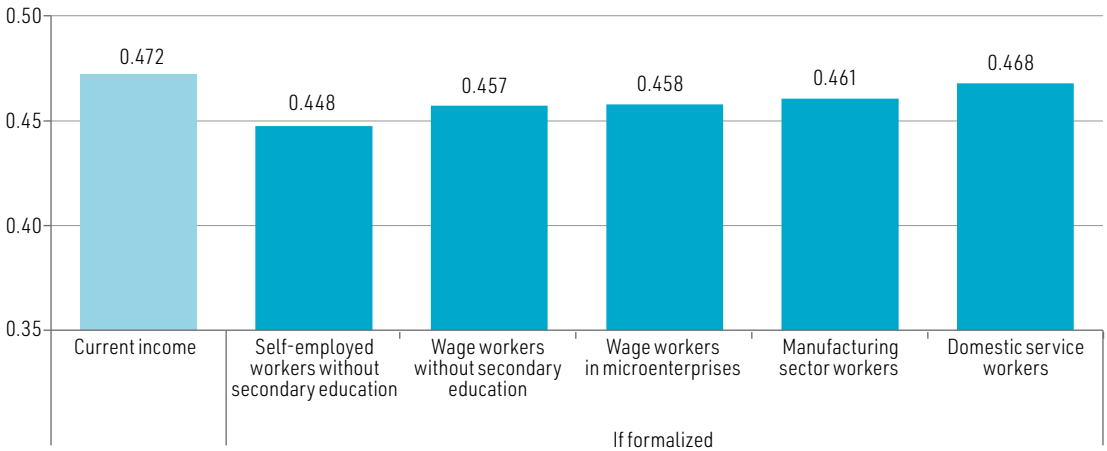
B. Change in poverty level in each category
(Percentages)



C. Change in poverty level for all workers
(Percentages)



D. Change in the Gini coefficient of labour income
(Index values)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Figures for labour income and poverty levels among the employed population are weighted averages of the country figures. Gini coefficient values are simple averages of the country values.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Prioritizing formalization in the household domestic service sector, which is predominantly female and represents 3.2% of total employment and 6.6% of informal workers in the 13 countries analysed, would raise the average labour income of these workers by 23% (from US$ 223 to US$ 274 at 2018 prices) and reduce their poverty rate from 21.5% to 14.5%. At the aggregate level, the average income would increase by 0.5%, poverty among the employed population as a whole would decline to 14.4% and earnings concentration would fall by 1%.

Again, if measures were adopted to formalize all workers in the manufacturing sector (those employed informally in the sector account for 9.9% of total employment and some 21% of informal workers), their average income would increase by 28% from US$ 294 to US$ 377 per month and their poverty rate would decrease from 24.3% to 14.1%. The average labour income of all workers would rise by 1.7%, poverty among the employed population overall would fall to 13.4% and the Gini coefficient of labour income would decrease by 2%.

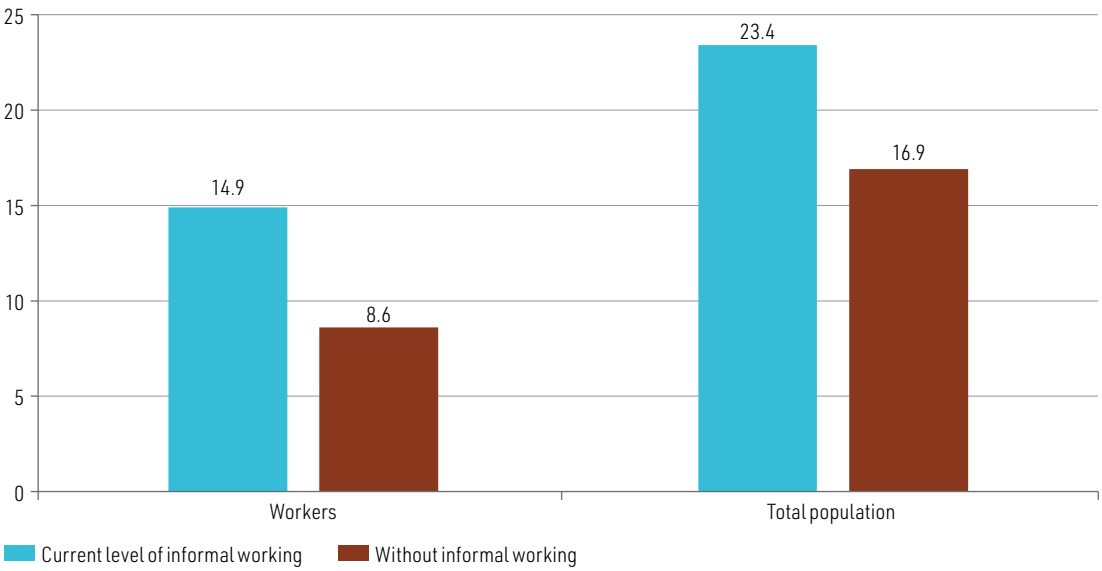
Similarly, if measures were taken to formalize wage earners in microenterprises, who account for 10.9% of total employment and 22.5% of all informal workers, their average wage would increase by 33% from US$ 246 to US$ 327 per month and their poverty rate would fall from 26.2% to 13.8%. This would reduce overall poverty among workers to 14.9% and lower the labour income Gini coefficient by 3%, while total labour income would increase by 1.8%.

If formalization policies were targeted at workers with low levels of qualifications (up to incomplete secondary education), the average income of wage earners in this group (24.9% of informal workers) would increase by 31% from US$ 236 to US$ 309 and their poverty rate would fall from 29.2% to 15.8%. At the aggregate level, total labour income would rise by 1.8%, poverty among all employed workers would decline to 12.7% and the labour income Gini coefficient would decrease by 3%. If the focus were instead placed on informal self-employed workers (25.3% of informal workers), their average income would increase by 39% from US$ 222 to US$ 309 and their poverty rate would decline from 28.9% to 16.2%. Total labour income across the entire labour market would increase by 2.2%. As a result, overall worker poverty would fall to 12.6% and the labour income Gini coefficient would decrease by 5%.

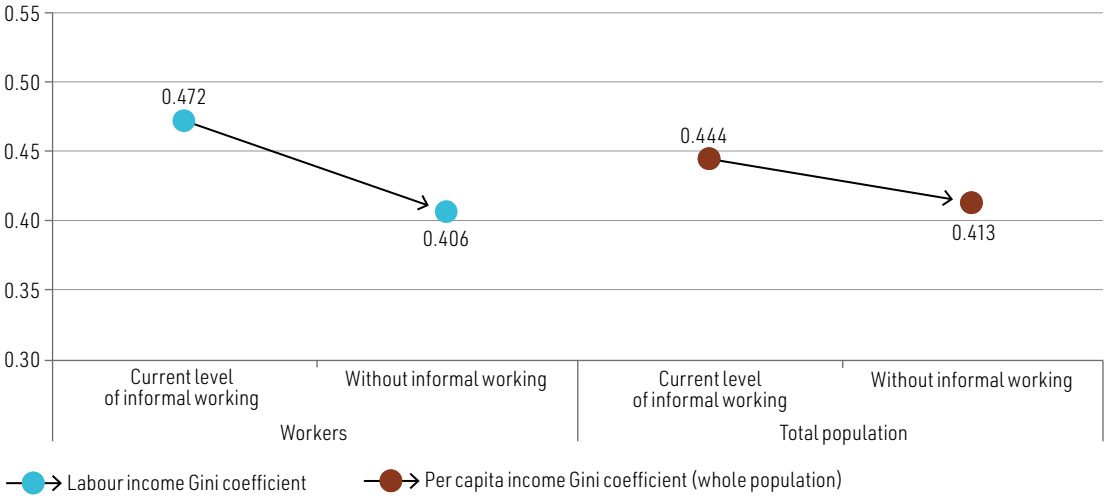
Lastly, if all informal workers were formalized, their average monthly labour income would rise from US$ 268 to US$ 347, an increase of 29%. Poverty in this group would fall from 24.3% to 12.1%. At the aggregate level, average income across all workers would increase from US$ 482 to US$ 520 and poverty among the employed population would decline from 14.9% to 8.6% (see figure II.13A). Changes in the labour incomes of workers currently in the informal sector would reduce the level of inequality in the distribution of all labour income by about 14% (from 0.472 to 0.406), although the impact on the distribution of per capita income in the overall population would be somewhat smaller, with a reduction of just over 7% (see figure II.13B).

Figure II.13
Latin America (13 countries):[a] effects of formalizing informal workers on poverty and inequality reduction, around 2023
(Percentages and Gini coefficients)

A. Incidence of poverty among those in work and the total population



B. Gini coefficient of labour income concentration



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Figures are weighted averages of the countries, except the Gini coefficient values, which are simple averages.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

The increase in labour incomes among informal workers as a whole would translate into an approximately 7.8% rise in the total mass of labour income. Given that labour income accounts for around 47.5% of regional GDP (ECLAC, 2019), and assuming an average annual economic growth rate of 2%, a gradual increase in this income mass over a five-year period would be sufficient to maintain the current GDP share of labour income.

In all scenarios where labour formalization policies benefit only part of the employed workforce, the reduction in poverty for the total population ranges between 0.5 and 2.3 percentage points, while the decline in per capita income concentration varies between 0.4% and 3.2%. This suggests that, if the objectives of formalization policies are to improve overall population welfare and reduce income concentration, they need to be as ambitious as possible in identifying target populations, to include categories with a large number of workers. Although programmes focused on specific categories of informal workers have a limited impact on aggregate poverty and inequality, they generate very large improvements in the living conditions of these workers themselves and their families by substantially increasing their consumption capacity, which also contributes to economic growth, in addition to the potential effects on tax revenues and the financing of contributory social protection systems. To enhance their effectiveness, these initiatives should be coordinated with active labour market, training, productive development and social protection policies.

C. Summary and recommendations for reducing inequality in education and employment

The pursuit of quality education and formal job creation is a fundamental challenge in the effort to tackle the development crisis affecting Latin America and the Caribbean and escape from the trap of high inequality and low social mobility and cohesion. Where education is concerned, what is proposed is that the remaining coverage challenges and the learning crisis should be addressed in tandem. To this end, it is important for there to be progress with early childhood education and secondary school completion, with an emphasis on the inclusion of disadvantaged populations.

At the same time, actions are proposed to strengthen the development of cognitive, socio-emotional and digital skills with a view to improving educational outcomes for all. In the productive and labour sphere, a comprehensive strategy is needed to boost critical sectors with high employment potential and place formalization at the centre of labour policies, among other factors, given its high redistributive capacity. For this strategy to be effective, it is essential to create linkages between active employment policies and training, productive development and social protection policies. These measures require political will to ensure the financial sustainability of investments and consolidate education and labour inclusion policies as drivers of inclusive social development.

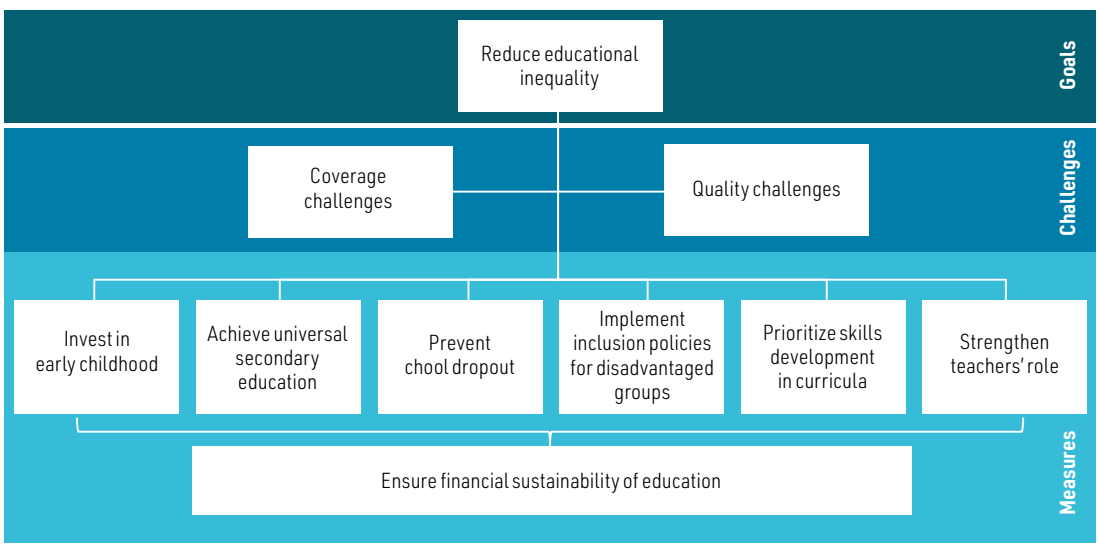
Latin America and the Caribbean faces a structurally adverse global and regional context when it comes to advancing towards inclusive social development, owing to the relative weakness and high levels of uncertainty characterizing the world economy. Despite significant progress in expanding educational coverage and employment, the region is still caught in the three interrelated traps of low growth capacity, high inequality and low social mobility and cohesion, and limited institutional and governance capacities (ECLAC, 2024a). The challenge lies not only in simultaneously expanding educational coverage and creating more jobs, but also in ensuring their quality and sustainability.

Persistent inequality in educational and labour trajectories has combined with high levels of informality and productive segmentation and weak economic growth to shape an exclusionary labour market. Some comprehensive strategies to reduce inequality through education and labour inclusion policies will now be recommended.

1. Recommendations for education policies to reduce inequality

As noted in section A of this chapter, simultaneous progress is needed with the reduction of inequalities in both educational coverage and learning outcomes to strengthen the role of education in intergenerational social mobility. For this, it is essential to pursue strategies for expanding school coverage and improving retention, with particular emphasis on early childhood education and the completion of secondary education. At the same time, it is important to focus on strategies that strengthen the development of basic cognitive, socio-emotional and digital skills, to address the learning crisis in the region (see diagram II.1).

Diagram II.1
Strategies to reduce educational inequality



Source: Economic Commission for Latin America and the Caribbean.

The foundations of educational inequality begin to be laid in the earliest years of life. Consequently, investing in early childhood education is a priority. Given its impact on reducing school dropout and grade repetition rates, as well as on learning outcomes at subsequent levels, efforts to reduce educational inequality must involve progress towards the universalization of pre-primary education, so that it offers quality care and education strategies in the region. To this end, among other actions, it is necessary to ensure that teacher training at this level is sound and relevant and to conjoin comprehensive early childhood policies with actions coordinated between the education sector and social protection systems, including public policies in areas such as health and nutrition, social protection and care services (Santos Garcia, 2024; Concha-Díaz et al., 2019; ECLAC, 2025c).

Again, since secondary education is the minimum level required for social and labour inclusion, it is necessary to ensure the universalization of both access to and completion of this level. ECLAC (2024c) proposes the implementation of policies to reduce school dropout rates, particularly in transitions between educational levels (these being turning points at which many students break off their studies), identifies various measures implemented in countries across the region and calls for these actions to be linked up as part of an integrated approach to addressing the school dropout problem. Early warning systems aim to collect information on a range of individual, family, institutional and contextual indicators associated with the risk of dropping out, so that decisions can be made promptly to forestall it (Perusia and Cardini, 2021).

In addition, ECLAC (2024c) proposes that early warning systems be linked to programmes to strengthen students' educational trajectories (Valenzuela and Yáñez, 2022). These include initiatives targeted at students with learning difficulties, such as tutoring programmes, additional hours of academic support or greater flexibility in course completion (Acosta, 2022), together with initiatives focused on supporting students at risk of dropping out because of early parenthood (ECLAC, 2022, 2024c).

Also recommended is the implementation of social inclusion policies aimed at addressing the structural inequalities that affect specific population groups (see chapter III for further details). A particular recommendation is to address gender gaps in educational outcomes, especially in science, technology, engineering and mathematics (STEM) subjects, and to mainstream a gender perspective across education policies. Likewise, with a view to reducing educational gaps by ethnicity or race, the evidence shows that bilingual education formats have had positive effects on school access, attendance and completion (Corbetta et al., 2018) and that, in some countries, scholarships specifically targeted at Afrodescendent students and those belonging to Indigenous Peoples have been effective in reducing gaps in years of schooling and learning outcomes (Lucas et al., 2025; National Council for the Evaluation of Social Development Policy [CONEVAL], 2024; Holz et al., 2022).

Since not all students in a given grade have the same level of knowledge and capabilities, reducing learning gaps also requires policies focused on teaching at the appropriate level. Digital education and, in particular, hybrid education (which combines online and in-person components) make it possible to personalize and enhance learning through a student-centred approach, by enabling learners to progress at their own pace and in accordance with their own needs. They also help reduce school dropout rates by fostering more flexible educational processes that better match the interests, motivations and contexts of children, adolescents and youth, including those with disabilities or living in remote areas (Huepe et al., 2023). Nevertheless, for the integration of technologies into education to be a viable option, it is necessary to promote continuous teacher training and to ensure that both education systems and communities have access to high-quality Internet connectivity and appropriate devices for making use of it (Huepe et al., 2023; Palma, 2024).

At the same time, curriculum prioritization is also essential for improving learning outcomes, as it allows a smaller volume of content to be studied in greater depth, fostering understanding and the construction of meaningful learning. In this context, strengthening the focus of education on the development of cognitive, socio-emotional and digital competences is crucial for reducing inequality and for instilling the knowledge, skills and core values needed to live in an increasingly uncertain and rapidly changing world.

Another policy that has shown positive effects in reducing learning inequality is the extension of the school day. A number of studies have demonstrated that a greater number of weekly class hours is positively associated with educational quality, particularly in contexts of higher vulnerability (OECD, 2011; Claus, 2020), as it helps compensate for the disadvantages faced by students who lack educational support outside the school environment. However, it is important to note that, for these effects to materialize, extension of the school day must be accompanied by a broader transformation of education systems. Consequently, this policy requires major financial resources, not only for implementation but for long-term sustainability. Depending on the context and the fiscal space available for education in each country, gradual implementation is recommended, with priority given initially to the most vulnerable areas and population groups.

Lastly, it is essential to recognize that teachers are central actors in teaching and learning processes and to invest in both their initial and their ongoing training, as well as to provide appropriate working conditions. These are enabling conditions for the success of any policy aimed at reducing educational inequality. There are teacher shortages in several countries of the region, making it necessary to invest in strategies to attract and retain competitive professionals. To this end, it is important to establish teaching career pathways that provide stability, encourage teachers to stay in the classroom and facilitate continuous professional development.

In summary, if they are to contribute to inclusive social development in Latin America and the Caribbean, education policies must simultaneously focus on reducing coverage gaps and inequalities in learning outcomes through comprehensive and context-specific interventions that prioritize the most vulnerable populations. This commitment requires political will and a sustainability-oriented vision that places education at the centre of the region's development strategy and makes education policies financially sustainable by ensuring efficient management of the distribution and use of resources (ECLAC et al., 2025).

2. Labour inclusion as an inequality reduction strategy

The passage from education to the world of work is a fundamental milestone in people's life cycles and a major contributor to processes of emancipation and the development of autonomy. Transitions are diverse and non-linear; they are shaped by opportunities for lifelong learning, involve entries into and exits from the labour market and are influenced by family circumstances and care responsibilities, among other factors. In Latin America and the Caribbean, they are characterized by structural inequalities associated with gender, ethnicity or race, place of residence, and other factors, which intersect, reinforce one another and accumulate over the life cycle.

The region's low capacity for growth over the past decade has curtailed job creation, particularly in the formal sector. This situation makes it difficult for people, and particularly the youngest, to find stable, well-paid jobs. Moreover, employment creation has been concentrated in low-productivity sectors, such as commerce and services, where informal employment predominates. Labour inclusion policies would be more effective in contexts of high and sustained economic growth. For this reason, ECLAC always emphasizes the importance of pursuing productive development policies (ECLAC, 2024e).

The analysis shows that labour inclusion is a fundamental strategy for reducing inequality in Latin America and the Caribbean. Achieving it requires the adoption of a combination of policies that simultaneously address employment formalization, productive transformation, institutional strengthening and the reduction of structural gaps associated with gender, ethnicity, age, migration status and disability. These policies must be conjoined with social protection, training, employment services and care economy measures to ensure that everyone can access a quality job. Diagram II.2 summarizes the main strategies and policies for reducing labour inequality, including both the proposals set out in this document and the dimensions examined previously.

Diagram II.2
Labour strategies and policies for reducing inequality

Source: Economic Commission for Latin America and the Caribbean, on the basis of Espejo, A., Trujillo-Salazar, L., Figueroa, N., Caillaux, E. and Robles, C. (2023). Políticas activas de mercado de trabajo en América Latina y el Caribe: desafíos para la inclusión laboral con protección social. *Project Documents* (LC/TS.2023/192). Economic Commission for Latin America and the Caribbean; and Huepe, M. (Ed.). (2024). Estudio prospectivo del empleo juvenil en América Latina: la educación y la formación para el trabajo como eje clave. *Project Documents* (LC/TS.2024/80). Economic Commission for Latin America and the Caribbean.

The implementation of an integrated strategy to place formalization at the centre of labour inclusion policies is proposed as a key approach for reducing inequality in the world of work. Labour formalization, via both the creation of new formal jobs and the formalization of existing informal ones, should not be understood solely as a regulatory or fiscal imperative, but as an essential condition for improving people's incomes, enabling them to exercise their rights and strengthening the sustainability of social protection systems. Informality cannot be addressed without considering the structural causes that generate it, including low capacity for growth, a highly heterogeneous production structure and weak State capacities for regulation and enforcement.

Reversing this situation calls for a combination of policies designed to transform the production structure, facilitate the formalization of employment and expand the coverage of social protection systems. They include, in particular, incentives for the formalization of economic units in the form of progressive tax systems, perhaps along the lines of mechanisms such as Argentina's simplified tax regime (*monotributo*) that serve to integrate tax obligations and social security contributions into a single simplified payment, tailored to low-productivity workers and microentrepreneurs (Amarante, in press). These strategies must be conjoined with productive development policies aimed at promoting the growth of strategic sectors that can drive economic growth and generate quality employment[16] and at improving the productivity of informal firms that have the potential to grow and thus afford the costs of formalization (ECLAC, 2024e). Other productive linkage initiatives that connect informal enterprises' projects and actions also need to be pursued. In particular, technological initiatives, including those aimed at improving management practices, are important to increase the productivity of these firms. This should be accompanied by strategies for closing skills gaps that align education and employment with the demands of the productive sector.

At the same time, linkage between employment and social protection policies is essential for the transition from labour market participation to effective labour inclusion. Comparative experience shows that public employment services play a strategic role in this transition, provided they have sufficient territorial coverage and effective intermediation capacity and are coordinated with the demands of production sectors (Espejo et al. 2023). There is also a need to design comprehensive

[16] See ECLAC (2024e) for a list of driving sectors proposed by ECLAC as a benchmark for the countries when establishing production priorities as part of their own productive development policies.

programmes for the transition from informal to formal employment that combine job training, access to financial services, technical assistance and income protection coverage to support the transition.

To overcome structural inequalities, an intersectional perspective needs to be incorporated into the design and implementation of employment policies. This includes affirmative action measures; gender-responsive programmes for young people who are neither in education nor in paid employment; strategies to promote co-responsibility for care; and measures to ensure effective labour market inclusion, particularly for members of Indigenous Peoples, persons of African descent, migrants and those with disabilities.

Institutional strengthening is another dimension to be considered. The effective implementation of formalization policies largely depends on the existence of appropriate regulatory frameworks and robust State institutional capacities. In particular, labour inspection and enforcement mechanisms need to be modernized and expanded. Oversight bodies, such as labour inspectorates, can make use of information technologies, targeted inspection approaches and a territorial presence to respond to the new realities of the world of work. In addition, there is an urgent need to update regulations so that they recognize the new forms of employment, such as platform work, which have emerged from digitalization and tend to operate within frameworks of disguised informality.

The simulation exercises presented in this chapter tellingly illustrate the transformative potential of a determined formalization agenda. Across different scenarios in which informal workers gain access to formal employment, average incomes for these groups increase and the incidence of poverty is significantly reduced.

Progress towards labour formalization is viable from both an economic and a social perspective, and it can create strategic value as a driver of inclusive social development. In a context of low growth capacity, high inequality and low social mobility and cohesion compounded by weak institutional capabilities and ineffective governance, labour inclusion is one of the most comprehensive and effective responses, with the potential to reduce poverty, create structural conditions for lowering inequality and drive progress towards greater social mobility and cohesion.

Bibliography

Acosta, F. (2022). Diversification of the structure of secondary education and educational segmentation in Latin America. *Project Documents* (LC/TS.2021/106/Rev.1). Economic Commission for Latin America and the Caribbean.

Ali, M. (2023). *PyCaret* (3.4.0) [Software]. https://pycaret.org/

Amarante, V. (in press) La expansión de la protección social de los trabajadores independientes: el caso de los sistemas de monotributos en América Latina. *Project Documents*. Economic Commission for Latin America and the Caribbean.

Amarante, V. and Arim, R. (2023). Inequality and informality revisited: the Latin American case. *International Labour Review, 162*(3), 431–457. https://doi.org/10.1111/ilr.12379

Araki, S. and Kariya, T. (2022). Credential inflation and decredentialization: re-examining the mechanism of the devaluation of degrees. *European Sociological Review, 38*(6), 904–919. https://doi.org/10.1093/esr/jcac004

Arias Ortiz, E., Bos, M. S., Giambruno, C. and Zoido, P. (2023). *Latin America and the Caribbean in PISA 2022: How did the Region Perform?* Inter-American Development Bank. https://doi.org/10.18235/0005318

Barnett, W. S. and Belfield, C. R. (2006). Early childhood development and social mobility. *The Future of children*, *16*(2), 73–98. https://doi.org/10.1353/foc.2006.0011

Becker, G. S. (1994). *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education, third edition*. The University of Chicago Press.

Bouchet-Valat, L. (2022). *Logmult* (0.7.4). [Software]. https://www.rdocumentation.org/packages/logmult/versions/0.7.4
Bourdieu, P. and Passeron, J.-C. (1977). *Reproduction in Education, Society and Culture*. Sage Publications.
Burger, K. (2016). Intergenerational transmission of education in Europe: Do more comprehensive education systems reduce social gradients in student achievement? *Research in Social Stratification and Mobility*, *44*, 54–67. https://doi.org/10.1016/j.rssm.2016.02.002
Castro, J., Ortega, L., Yamada, G. and Mata, D. (2022). The magnitude and predictors of overeducation and overskilling in Latin America: evidence from PIAAC. *Discussion Paper Series* (15143). IZA Institute of Labour Economics. https://papers.ssrn.com/abstract=4114702
Chetty, R. and Hendren, N. (2018). The impacts of neighborhoods on intergenerational mobility I: childhood exposure effects. *The Quarterly Journal of Economics*, *133*(3), 1107-1162. https://doi.org/10.1093/qje/qjy007
Claus, A. (2020). Impactos de la extensión de la jornada escolar en América Latina y el Caribe. *Documento de Trabajo*. United Nations Development Programme, International Institute for Educational Planning and United Nations Educational, Scientific and Cultural Organization. https://www.aacademica.org/agustin.claus/20
Concha-Díaz, M. V., Bakieva, M. and Jornet Meliá, J. M. (2019). Sistemas de atención a la educación infantil en América Latina y el Caribe (AL y C). *Publicaciones*, *49*(1), 113–136. https://doi.org/10.30827/publicaciones.v49i1.9857
Corak, M. (2013). Income inequality, equality of opportunity, and intergenerational mobility. *Journal of Economic Perspectives*, *27*(3), 79-102. https://doi.org/10.1257/jep.27.3.79
Corbetta, S., Bonetti, C., Bustamante, F. and Vergara Parra, A. (2018). Educación intercultural bilingüe y enfoque de interculturalidad en los sistemas educativos latinoamericanos: avances y desafíos. *Project Documents* (LC/TS.2018/98). Economic Commission for Latin America and the Caribbean.
Economic Commission for Latin America and the Caribbean. (2002). *Social Panorama of Latin America, 2001–2002* (LC/G.2183-P).
Economic Commission for Latin America and the Caribbean. (2011). *Social Panorama of Latin America, 2010* (LC/G.2481-P).
Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)).
Economic Commission for Latin America and the Caribbean. (2018). *The Inefficiency of Inequality* (LC/SES.37/3-P).
Economic Commission for Latin America and the Caribbean. (2019). *Social Panorama of Latin America, 2018* (LC/PUB.2019/3-P).
Economic Commission for Latin America and the Caribbean. (2022). *Social Panorama of Latin America and the Caribbean, 2022* (LC/PUB.2022/15-P).
Economic Commission for Latin America and the Caribbean. (2023a). *Gender equality and women's and girls' autonomy in the digital era: contributions of education and digital transformation in Latin America and the Caribbean* (LC/MDM.64/DDR/1/Rev.1).
Economic Commission for Latin America and the Caribbean. (2023b). *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2024a). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*).
Economic Commission for Latin America and the Caribbean. (2024b). *Preliminary Overview of the Economies of Latin America and the Caribbean, 2024* (LC/PUB.2024/27-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2024c). *Preventing and reducing school dropout in Latin America and the Caribbean.*
Economic Commission for Latin America and the Caribbean. (2024d). *The trap of high inequality and low social mobility in Latin America and the Caribbean: an obstacle for inclusive and sustainable social development*.
Economic Commission for Latin America and the Caribbean. (2024e). *Panorama of Productive Development Policies in Latin America and the Caribbean, 2024* (LC/PUB.2024/15-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2025a). *Latin America and the Caribbean 30 Years on from the World Summit for Social Development: Towards a Global Pact for Inclusive Social Development* (LC/CDS.6/3).
Economic Commission for Latin America and the Caribbean. (2025b). *Economic Survey of Latin America and the Caribbean, 2025* (LC/PUB. 2025/12P).

Economic Commission for Latin America and the Caribbean. (2025c). *The Care Society: Governance, Political Economy and Social Dialogue for a Transformation with Gender Equality* (LC/CRM.16/3).

Economic Commission for Latin America and the Caribbean, World Bank, Inter-American Development Bank, Development Bank of Latin America and the Caribbean, Latin American Campaign for the Right to Education, International Institute for Educational Planning, United Nations Educational, Scientific and Cultural Organization and United Nations Children's Fund. (2025). *Financial sustainability, equity, and efficiency of educational investment as enabling requirements for educational transformation in Latin America and the Caribbean* (LC/TS.2025/59).

Erikson, R. and Goldthorpe, J. H. (1992). *The Constant Flux: A Study of Class Mobility in Industrial Societies*. Clarendon Press.

Espejo, A. (2022). Informalidad laboral en América Latina: propuesta metodológica para su identificación a nivel subnacional. *Project Documents* (LC/TS.2022/6). Economic Commission for Latin America and the Caribbean.

Espejo, A., Trujillo-Salazar, L., Figueroa, N., Caillaux, E. and Robles, C. (2023). Políticas activas de mercado de trabajo en América Latina y el Caribe: desafíos para la inclusión laboral con protección social. *Project Documents* (LC/TS.2023/192). Economic Commission for Latin America and the Caribbean.

Farkas, G. (2003). Cognitive skills and noncognitive traits and behaviors in stratification processes. *Annual Review of Sociology*, *29*, 541-562. https://doi.org/10.1146/annurev.soc.29.010202.100023

Fernández, R., Pagés, C., Székely, M. and Acevedo, I. (2025). Education inequalities in Latin America and the Caribbean. *Oxford Open Economics*, *4*, i55–i76. https://doi.org/10.1093/ooec/odae013

Ferreira, F. H. G. and Gignoux, J. (2014). The measurement of educational inequality: achievement and opportunity. *The World Bank Economic Review, 28*(2), 210–246. https://hdl.handle.net/10986/23539

Gamboa, L. F. and Waltenberg, F. D. (2015). Measuring inequality of opportunity in education by combining information on coverage and achievement in PISA. *Educational Assessment, 20*(4), 320–337. https://doi.org/10.1080/10627197.2015.1093926

Holz, R., Huepe, M. and Rangel, M. (2022). El futuro del trabajo y la población afrodescendiente en América Latina en el marco del COVID-19 y la recuperación transformadora con igualdad. *Project Documents* (LC/TS.2022/81). Economic Commission for Latin America and the Caribbean.

Huepe, M. (2024a). El desafío de la sostenibilidad financiera de la educación en América Latina y el Caribe. *Project Documents* (LC/TS.2024/1). Economic Commission for Latin America and the Caribbean, World Bank, Ford Foundation and United Nations Educational, Scientific and Cultural Organization.

Huepe, M. (Ed.). (2024b). Estudio prospectivo del empleo juvenil en América Latina: la educación y la formación para el trabajo como eje clave. *Project Documents* (LC/TS.2024/80). Economic Commission for Latin America and the Caribbean.

Huepe, M., Palma, A. and Trucco, D. (2023). Education during the pandemic: an opportunity to transform education systems in Latin America and the Caribbean. *Social Policy Series* (243) (LC/TS.2022/149). Economic Commission for Latin America and the Caribbean.

International Labour Organization. (2015). *Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).* 104th session of the International Labour Conference.

International Labour Organization. (2024). *Strategy for the Promotion of Formalization in Latin America and the Caribbean 2024–2030.* Regional Office for Latin America and the Caribbean.

Lee, H. and Lee, J.-W. (2019). Patterns and determinants of intergenerational educational mobility: evidence across countries. *Working Paper Series* (2019-02). Asian Growth Research Institute.

Lekfuangfu, W. N. and Odermatt, R. (2022). All I have to do is dream? The role of aspirations in intergenerational mobility and well-being. *European Economic Review*, *148*(104193). https://doi.org/10.1016/j.euroecorev.2022.104193

Lucas, A. M., McEwan, P. J. and Torres Irribarra, D. (2025). *Seminario Beca Indígena: Una Política Exitosa de Reducción de la Desigualdad Étnica en Chile* [Video]. Centro de Políticas Públicas UC. https://politicaspublicas.uc.cl/evento/seminario-beca-indigena-una-politica-exitosa-de-reduccion-de-la-desigualdad-etnica-en-chile/

Martínez, R., Holz, R., Vargas, L. H. and Espíndola, E. (2022). Estratificación y clases sociales en América Latina: dinámicas y características en las dos primeras décadas del siglo XXI. *Project Documents* (LC/TS.2022/214). Economic Commission for Latin America and the Caribbean.

Mincer, J. A. (1974). *Schooling, Experience, and Earnings*. National Bureau of Economic Research.

National Council for the Evaluation of Social Development Policy. (2024). *Evaluación de impacto del Programa de Becas de Educación Básica para el Bienestar Benito Juárez.*

Organisation for Economic Co-operation and Development. (2011). *Quality Time for Students: Learning in and out of School.* OECD Publishing. https://doi.org/10.1787/9789264087057-en

Organisation for Economic Co-operation and Development. (2012). *PISA 2009 Technical Report*. http://dx.doi.org/10.1787/9789264167872-en

Organisation for Economic Co-operation and Development. (2023). *PISA 2022 Results (Volume I): The State of Learning and Equity in Education*. OECD Publishing. https://doi.org/10.1787/53f23881-en

Organisation for Economic Co-operation and Development. (2024). *Breaking the Vicious Circles of Informal Employment and Low-Paying Work*. OECD Publishing. https://doi.org/10.1787/f95c5a74-en

Ostry, J. D., Berg, A. and Tsangarides, C. G. (2014). Redistribution, inequality, and growth. *IMF Staff Discussion Note* (SDN/14/02). International Monetary Fund.

Palma, A. (2024). Protección social digital: elementos para el análisis. *Project Documents* (LC/TS.2024/97). Economic Commission for Latin America and the Caribbean.

Perusia, J. C. and Cardini, A. (2021). Sistemas de alerta temprana en la educación secundaria: prevenir el abandono escolar en la era del COVID-19. *Documento de Políticas Públicas*. Center for the Implementation of Public Policies Promoting Equality and Growth.

Restuccia, D. and Urrutia, C. (2004). Intergenerational persistence of earnings: the role of early and college education. *American Economic Review*, *94*(5), 1354-1378. https://doi.org/10.1257/0002828043052213

Salazar-Xirinachs, J. M. and Chacaltana, J. (2018). La informalidad en América Latina y el Caribe: ¿por qué persiste y cómo superarla? In J. M. Salazar-Xirinachs and J. Chacaltana (Eds.), *Políticas de formalización en América Latina: avances y desafíos*. Programa de Formalización de América Latina y el Caribe. International Labour Organization.

Santos Garcia, R. (Coord.) (2024). Addressing inequality in early childhood: the impacts of the COVID-19 pandemic on new generations of children in Latin America and the Caribbean. *Project Documents* (LC/TS.2024/42). Economic Commission for Latin America and the Caribbean.

Valenzuela, J. P. and Yáñez, N. (2022). Trajectory and policies for inclusion in higher education in Latin America and the Caribbean in the context of the pandemic: two decades of progress and challenges. *Project Documents* (LC/TS.2022/50). Economic Commission for Latin America and the Caribbean.

Wilson, W. J. (1987). *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy.* University of Chicago Press.

Wu, X. and Treiman, D. J. (2007). Inequality and equality under Chinese socialism: the *Hukou* system and intergenerational occupational mobility. *American Journal of Sociology*, *113*(2), 415-445. https://doi.org/10.1086/518905

CHAPTER

III

Inequality between the genders and that affecting other population groups faced with exclusion, discrimination and violations of their rights

Introduction

The trap of high inequality and low social mobility and cohesion (Economic Commission for Latin America and the Caribbean [ECLAC], 2024a) and the social inequality matrix (ECLAC, 2016) are limiting the region's development and undermining the well-being of its population, including the middle class and groups that have historically experienced discrimination and exclusion.

Gender inequality takes the form of structural obstacles that limit women's autonomy and the exercise of their human rights. Achieving gender equality is not just a matter of social justice; it is an indispensable prerequisite for breaking cycles of structural stagnation in productive sectors and moving towards sustainable development (ECLAC, 2024a). Among the structural obstacles to gender equality are the sexual division of labour and the unfair social organization of care, which start early and become more pronounced throughout the life cycle, and which affect the transition from the education system to the labour market. This division is at the root of the three gender gaps in education and employment explored in section III.A: (i) the impact of unpaid care work on participation in the labour market and education, and its specific characteristics according to age and socioeconomic status; (ii) lower rates of participation and graduation among women in degree programmes leading to what are usually higher-paid professions that are strategic for productivity, such as science, technology, engineering and mathematics (STEM) programmes, and higher participation rates in care-related degree programmes; and (iii) the need to redistribute care work through strategic investment in care policies.

Among Indigenous Peoples, migrants and persons with disabilities, inequality is particularly associated with various historical forms of exclusion and discrimination affecting not only access to resources and key services, but also effective social integration and the exercise of rights. Section III.B focuses on these three groups' exclusion from education and employment, in particular: (i) the close relationship between the educational exclusion of Indigenous Peoples, the neglect and despoiling of their ancestral territories and disdain for their cultures; (ii) the vicious cycle of school exclusion affecting international migrants, lack of recognition for their previous educational attainment and informal and insecure access to the labour market; and (iii) the multiple barriers that persons with disabilities encounter in education and employment.

The chapter concludes by presenting a systematic set of policy recommendations and measures to reduce gender inequality and the discrimination and exclusion affecting women, Indigenous Peoples, migrants and persons with disabilities.

A. Dismantling structural challenges and reducing gender inequality to make the transition to a care society

This section is informed by the care society paradigm, one of the 11 major transformations that the Economic Commission for Latin America and the Caribbean (ECLAC) deems vital in the effort to build a more productive, inclusive and sustainable future. It shows the persistence of structural challenges of gender inequality and reveals how the sexual division of labour is manifested at an early age, intensifies over time and shapes education and employment pathways. The section also examines forms of gender segregation in tertiary education, particularly in the strategic fields of STEM and care. The section ends with a reflection on the care sector's potential as an economic driver and the ways it could contribute to the redistribution of unpaid work.

1. Background

Achieving gender equality is not only a matter of social justice but a crucial prerequisite for breaking cycles of structural stagnation in productive sectors and moving towards sustainable development (ECLAC, 2024a). The countries of Latin America and the Caribbean have made considerable efforts to that end (ECLAC, 2025a), enacting legislative frameworks and establishing gender equality institutions within the various branches of government, strengthening information systems and official statistical production with a gender perspective and increasing women's political participation through gender parity and quota laws.[1] In 2025, the Regional Conference on Women in Latin America and the Caribbean advanced the Regional Gender Agenda at its sixteenth session, held in Mexico City, by examining the transformations needed in the political, economic, social, cultural and environmental spheres and adopting the Tlatelolco Commitment, which established the decade of action to achieve substantive gender equality and the care society in Latin America and the Caribbean (2025–2035). In the Commitment, member States agreed to pursue measures to overcome the sexual division of labour and move towards a fair social organization of care (ECLAC, 2025c).

The next subsection briefly addresses the four structural challenges of gender inequality and demonstrates how these challenges, in particular the sexual division of labour, appear early in life, intensify with age and affect the transition from education to employment. Further on, examples of gender segregation in tertiary education within the fields of STEM and care are provided, and the challenges of leveraging the care sector to stimulate the broader economy are considered. All this entails a need to strengthen education and employment policies in ways that advance gender equality, including the elimination of discrimination against women in all spheres with the aim of achieving one of the 11 vital transformations for a more productive, inclusive and sustainable future: the transition to the care society (ECLAC, 2024a).

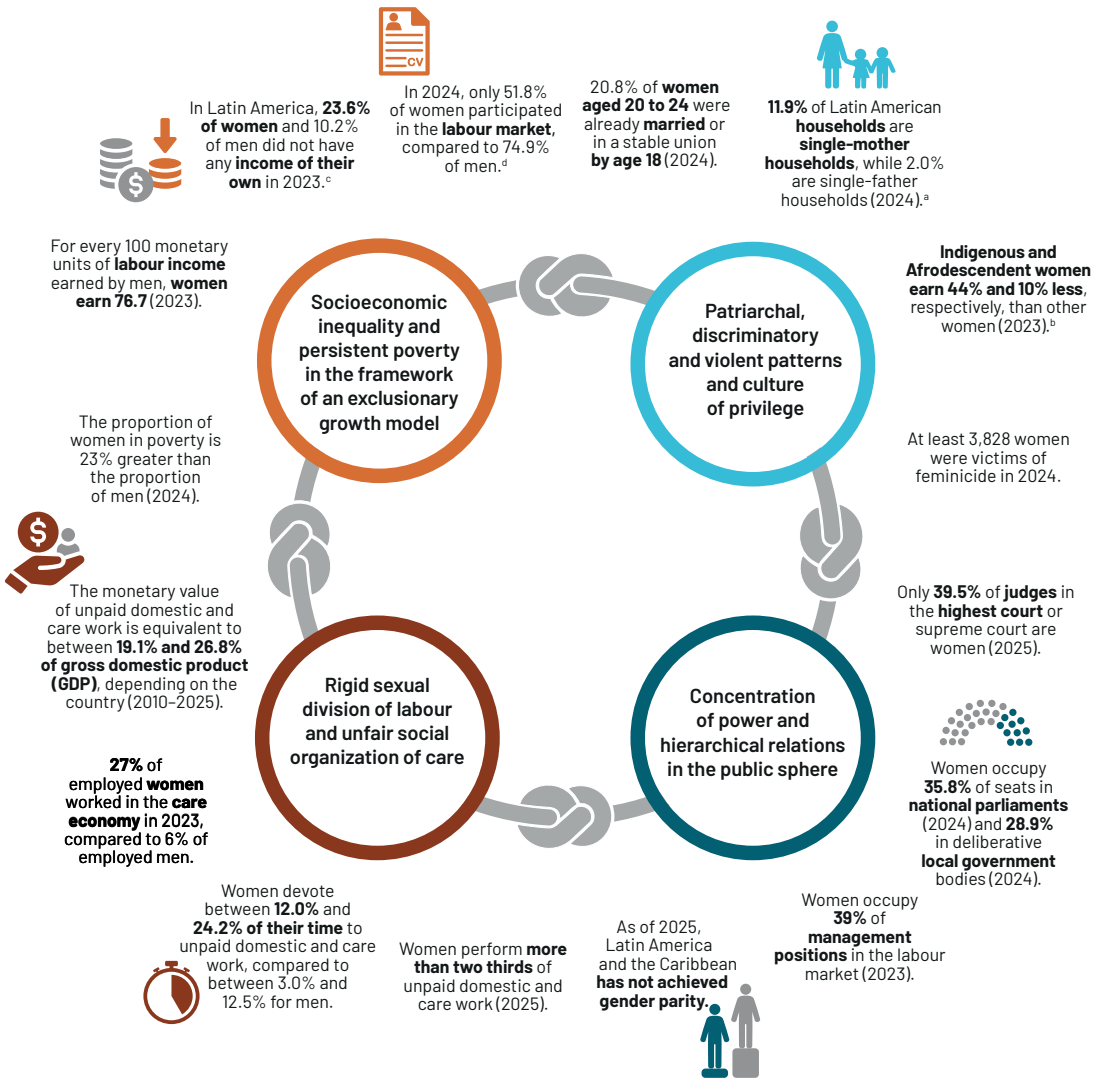
2. Accelerating efforts to resolve the structural challenges of gender inequality

Structural challenges of gender inequality are factors that reinforce the region's development traps. The Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030 (ECLAC, 2017) recognizes them as the main obstacles perpetuating gender inequality in the region and as a basic analytical framework for public policy and action to fully guarantee women's rights and substantive equality. As shown in infographic III.1, the region faces four mutually reinforcing structural challenges that limit women's autonomy, namely: (i) socioeconomic inequality and the persistence of poverty; (ii) discriminatory, violent and patriarchal cultural patterns and the predominance of a culture of privilege; (iii) the sexual division of labour and the unfair social organization of care; and (iv) the concentration of power and hierarchical relations in the public sphere. The following subsections use official statistics to examine the different manifestations of these challenges.

[1] For a detailed account of these efforts and advances, see ECLAC (2025a).

Infographic III.1

Latin America and the Caribbean: selected data on the structural challenges of gender inequality, 2023–2025



Source: Economic Commission for Latin America and the Caribbean, on the basis of Gender Equality Observatory for Latin America and the Caribbean. https://oig.cepal.org/en; CEPALSTAT. https://statistics.cepal.org/portal/cepalstat/index.html?lang=en; Household Survey Data Bank (BADEHOG); Repository of information on time use in Latin America and the Caribbean; and Economic Commission for Latin America and the Caribbean. (2025). *Economic Survey of Latin America and the Caribbean, 2025* (LC/PUB. 2025/12-P.

[a] Single-mother households consist of a woman with her children, while single-father households consist of a man with his children.

[b] Hourly income in dollars at purchasing power parity (PPP), taking the weighted average of the following countries: Brazil, Chile (Indigenous variable only), Colombia, Ecuador, Mexico (Indigenous variable only), Panama, Peru, the Plurinational State of Bolivia (Indigenous variable only) and Uruguay.

[c] Percentages of the total number of persons over age 15 for whom studying is not the main activity.

[d] Averages for 21 countries, as presented in the *Economic Survey of Latin America and the Caribbean, 2025*.

(a) Socioeconomic inequality and persistent poverty in the framework of an exclusionary growth model

One of the manifestations of structural inequality in the region is the persistence of gender gaps in access to paid work and resources, limiting women's autonomy. Only half of working-age women in the region participate in the labour market, compared to 74.9% of men (see infographic III.1). This is strongly associated with people's ability to generate their own income: in 2023, 23.6% of women over age 15 for whom studying was not the primary activity had no income of their own, compared to 10.2% of men.

Although the average regional incidence of poverty has fallen in recent decades, women are still overrepresented in households that lack sufficient resources to cover basic needs, as shown by a rising trend in the femininity index of poverty (ECLAC, n.d.). This reaffirms the need to strengthen the gender perspective in public anti-poverty policies, which should be coordinated with labour inclusion measures for women and social protection and care systems that differentiate between the needs and the unequal life paths of women and men and respond accordingly (Economic Commission for Latin America and the Caribbean and United Nations Entity for Gender Equality and the Empowerment of Women [ECLAC and UN-Women], 2025).

(b) The rigid sexual division of labour and the unfair social organization of care

Care work sustains life and the economy and is performed mainly by women, whether for pay or otherwise. This limits the time available to them and their access to opportunities for labour market participation, training and self-care. As shown in infographic III.1, women devote triple the amount of time to unpaid domestic and care work that men spend on this, according to time-use measurements conducted in 24 countries of Latin America and the Caribbean in 2025. In the 10 countries[2] of the region that have calculated the monetary value of unpaid household work, the estimates range from approximately 19% to 27% of gross domestic product (GDP) (ECLAC, 2025e).

Employment in the paid care sector (in households, healthcare and education), meanwhile, which accounts for 27% of women's employment and 6% of men's, is undervalued, very often informal and marked by persistent gender wage gaps (ECLAC, 2025d).

Care needs are growing in all countries across the region owing to demographic and epidemiological shifts and the effects of climate change, resulting in a care crisis that could worsen if the necessary measures are not taken (ECLAC, 2024b, 2025d). The population aged 65 and over is growing in the region, especially the 80 plus segment, which highlights the need to promote healthy ageing, particularly for women, who have a longer life expectancy. This "ageing within ageing" trend means that the demand for care services will rise and evolve in the coming decades, at a time when demand for childcare remains unmet (ECLAC, 2024b, 2025d).

Dismantling the structural challenge represented by the sexual division of labour and the unfair social organization of care requires comprehensive care policies and systems to be consolidated on the basis of the principles of universality, progressivity, intersectionality, intersectorality and co-responsibility between the genders and between the State, the market, households and communities (ECLAC, 2022b, 2025d).

[2] Argentina (2020), Chile (2025), Colombia (2021), Costa Rica (2022), Ecuador (2017), El Salvador (2017), Guatemala (2014), Mexico (2021), Peru (2010) and Uruguay (2021).

(c) Patriarchal, discriminatory and violent cultural patterns and the predominance of a culture of privilege

For the right of women and girls to a life free of violence to be realized, stereotypes, discrimination and harmful practices need to be eliminated. This implies an educational and cultural transformation, and requires States to take decisive action to prevent, investigate and punish the different forms of gender-based violence against women and girls, and to eradicate stereotypes and foster a culture of rights, equality and non-discrimination. One of the most striking facts presented in infographic III.1 is the persistence of femicide or feminicide,[3] the most extreme form of gender-based violence: in 2024, at least 3,828 women, or an average of 11 per day, were victims of feminicide in 25 countries and territories of the region (ECLAC, 2025h).

Indigenous and Afrodescendent women are particularly vulnerable to exclusion and discrimination; for example, they earn less than both men and other women. This situation is closely linked to the challenge of socioeconomic inequality and persistent poverty within the framework of an exclusionary growth model.

The link between this and the preceding challenge is highlighted by the fact that, in the region, single-mother households account for 11.9% of all households, compared to 2.0% for single-father households.[4] Single-parent households have a disproportionate burden of care, and in the absence of a partner, the mother or father may have a twofold duty as both sole care provider and sole breadwinner. This is exacerbated in the case of women by gender gaps in labour market access and pay (ECLAC, 2025d). From a broader perspective, as the average household size has shrunk,[5] the proportion of one-person households and households headed by single mothers has increased and the proportion of two-parent households (consisting of a couple and their children) has decreased. This affects care arrangements and poses new challenges in access to support networks and care services with social and gender co-responsibility.

(d) Concentration of power and hierarchical relations in the public sphere

The historical exclusion of women from centres of power and decision-making, particularly at the highest political, economic, social and cultural levels (ECLAC, 2017), has impeded the full exercise of their rights. Although some countries have made strides in adopting gender parity laws and implementing quotas (ECLAC, 2025a, 2023c), the region is a long way from achieving equal representation at all levels of political decision-making. As infographic III.1 shows, while women account for more than half the region's population, their average rate of participation in elected office as of 2024 was 36% in national parliaments and 29% in local government. Similarly, 39.5% of judges in the region's highest courts or supreme courts were women as of 2025, as were 39% of company managers[6] as of 2023.

To overcome this challenge, it is essential to transform institutional and cultural structures that perpetuate the exclusion of women in all their diversity. Gender parity must be ensured in all branches of government, political parties, unions, social and business organizations, and media. It is also necessary to pass gender parity legislation that includes binding quotas, together with affirmative action and financing mechanisms that ensure the effective and substantive participation of women and incorporate an intersectional perspective (ECLAC, 2023c).

---

3 Depending on the country, the term used to classify this crime is femicide, feminicide or violent deaths of women for reasons of gender. Although definitions vary depending on the perspective they are viewed from, all treat femicide or feminicide as referring to gender-related homicides of women, whether occurring in the public or private domain, in which violence is a consequence of power imbalances, discrimination and control of women (Spotlight Initiative Latin America Regional Programme, 2022).

4 Single-mother households consist of a woman with her children and single-father households of a man with his children.

5 For figures on average household size, see ECLAC (2025f).

6 These positions are those in the following sub-major groups of the International Standard Classification of Occupations (ISCO-08): 11. Chief executives, senior officials and legislators; 12. Administrative and commercial managers; and 13. Production and specialized services managers.

3. The sexual division of labour and the unequal organization of care limit women's participation in education and employment

The sexual division of labour and the unfair social organization of care manifest themselves at an early age, intensify throughout the life cycle and intersect with multiple structural inequalities, such as those related to class and ethnic, racial and territorial origin (Abramo et al., 2021; ECLAC, 2022b). This is reflected in a large gender gap in participation in unpaid domestic and care work, which affects expected transitions from the education system to vocational training and entry into the labour market (Economic Commission for Latin America and the Caribbean and International Labour Organization [ECLAC and ILO], 2023). For youth, participation in education and the bridge between education and the labour market are critical to ensure access to opportunities and establish a lifelong career path that affords autonomy. In 2023, monitoring of target 8.6 of the Sustainable Development Goals (SDGs)[7] by means of indicator C-8.6 of the set of indicators prioritized by the Statistical Coordination Group for the 2030 Agenda in Latin America and the Caribbean to carry out regional statistical follow-up of the SDGs[8] revealed a significant gender gap: 24.1% of women and 10.2% of men aged between 15 and 24 were in neither education nor paid employment. For women, the prevalence of unpaid work in the home as a caregiver is a determining factor (ECLAC and UN-Women, 2025).

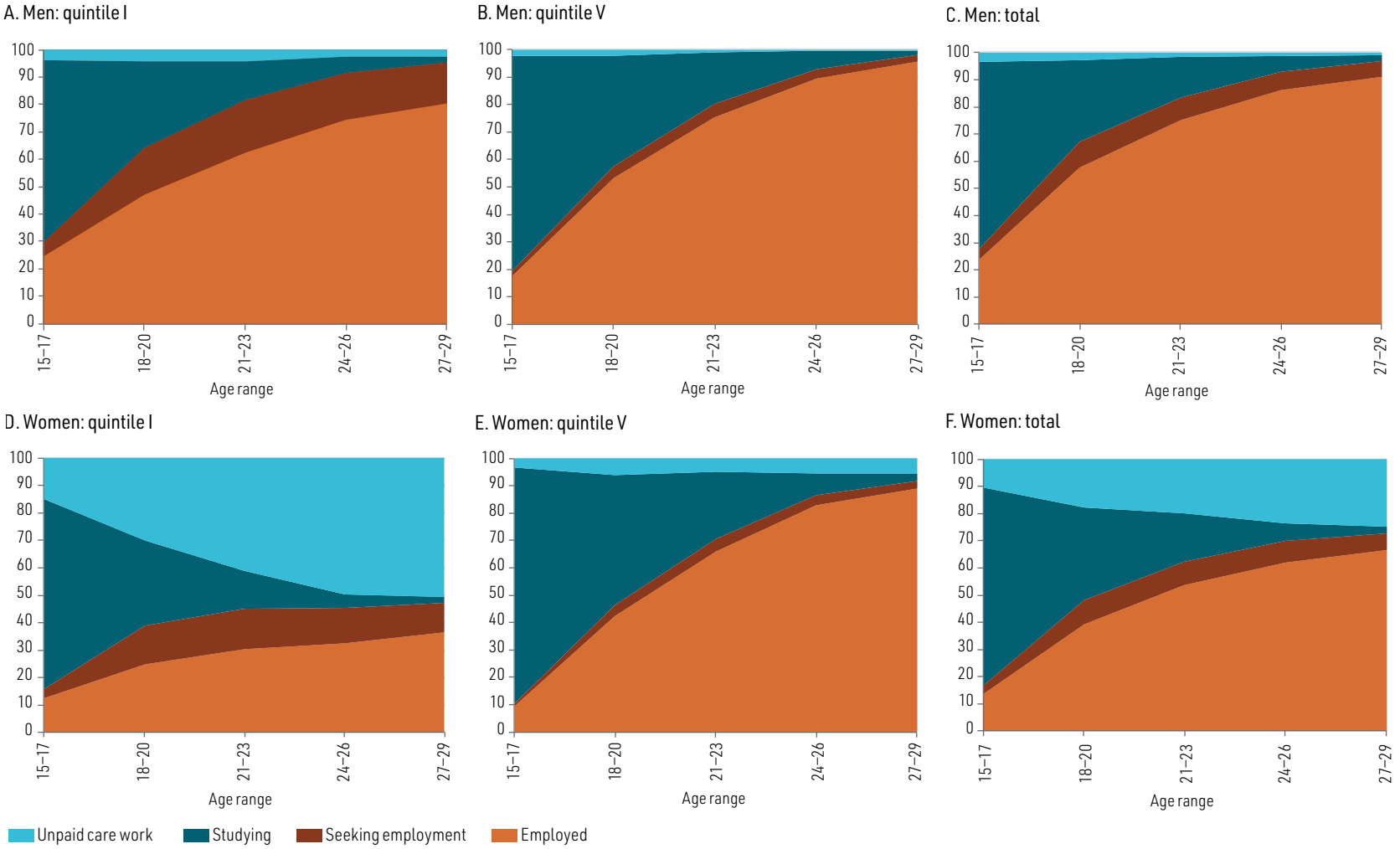
In general, the labour participation rate is lower among youth than among people aged 30–60, and within the youth population, women have higher unemployment rates and lower employment rates (ECLAC and ILO, 2023). In the 15–29 age group (see figure III.1), around 30% of women and 15% of men were neither in paid employment nor in formal education as of 2024, and around 30% of women and 50% of men participated in the labour market. This discrepancy indicates that women have insufficient access to job opportunities and bear an excessive burden of unpaid domestic and care work.

In the region, time spent on unpaid work by women aged 15–29 who are neither in education nor in employment ranges from 40 to 75 hours per week, depending on the country. Men in the same age group and situation spend between 9 and 16 hours per week on such work (ECLAC, 2022b). This imbalance in time allocation directly impacts autonomy, limits access to opportunities and contributes to the intergenerational reproduction of poverty and inequality.

While the proportion of the population aged 15–29 whose primary activity is unpaid work is considerably higher among women than among men across all households, the gender gap is visibly wider in the lower income quintiles (see figure III.1). In the lowest income quintile, a considerable proportion of women report that their primary activity is unpaid domestic and care work (around 15% in the 15–17 age group, and between 31% and 47% in the other age groups), while in the highest quintile, the proportion does not exceed 6%. There are no observable differences between quintiles in the proportion of men dedicated to unpaid work, but there are considerable differences in unemployment levels. There is also a clear pattern whereby the proportion of women whose primary activity is unpaid care and domestic work increases as they get older, at the expense of time dedicated to education. For men, it is labour market participation that increases with age.

7 By 2020, substantially reduce the proportion of youth not in employment, education or training.
8 Proportion of youth (aged 15–24 years) not in education, employment or training and not exclusively carrying out unpaid domestic work, by sex.

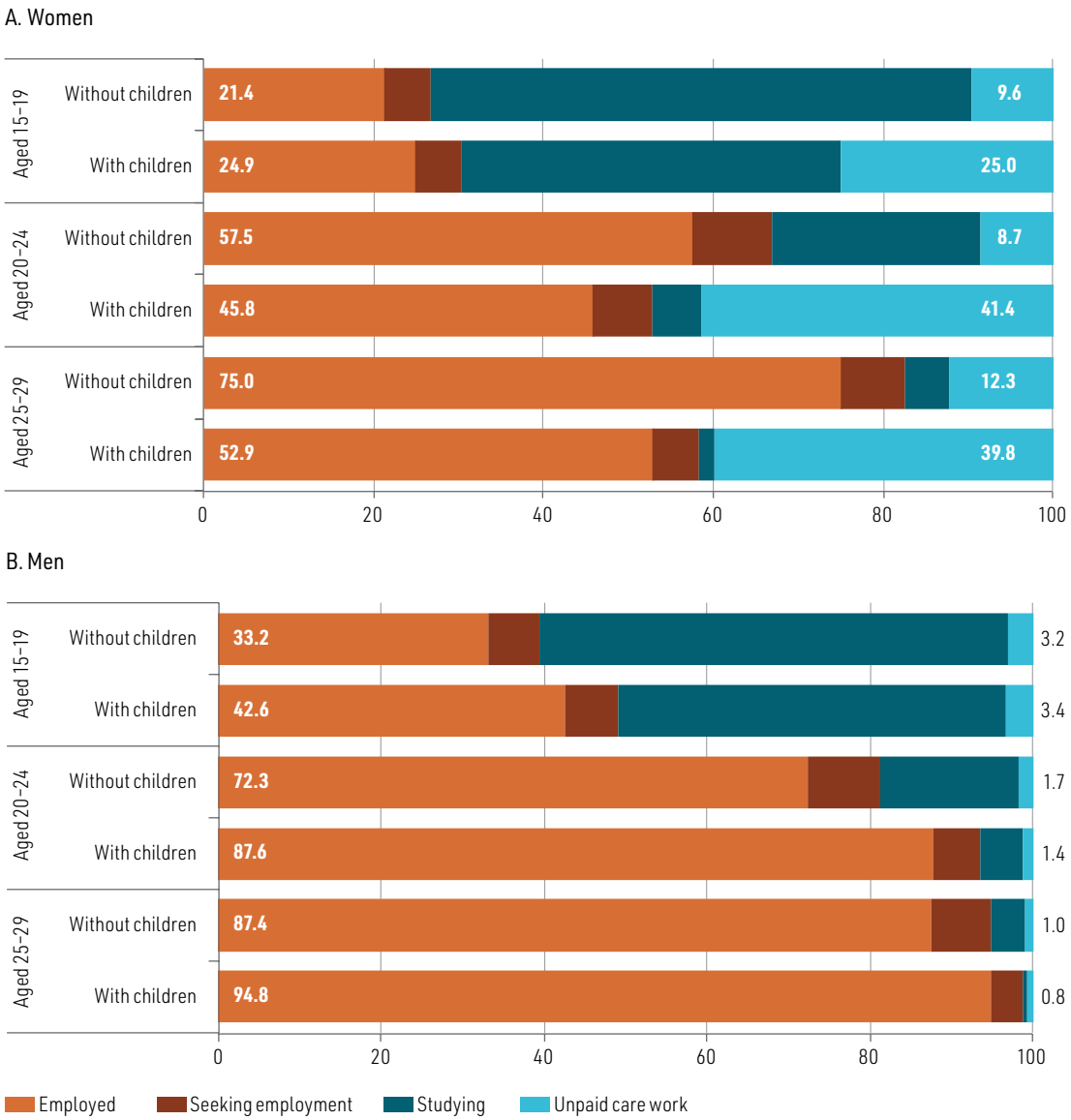
Figure III.1
Latin America (15 countries):[a] main activity of people aged 15–29, by income quintile and age group, 2024[b]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of processing of data from the Household Survey Data Bank (BADEHOG).
[a] Weighted averages of the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Data are from 2023 for El Salvador and the Plurinational State of Bolivia and from 2022 for Chile.

The presence of children aged 0–5 in a household significantly increases the burden of care and also the need to generate income (see figure III.2). This twofold pressure has differential effects on the trajectories of men and women: in households with children, women, including adolescents who probably have not yet completed their education, spend most of their time on unpaid care and domestic work. In contrast, this factor does not significantly impact men in terms of time dedicated to unpaid work; rather, men in such households become more likely to participate in the labour market. In households without children, by contrast, larger percentages of women (except those in the 15–19 age group) participate in the labour market.

Figure III.2
Latin America (15 countries):[a] main activity of people aged 15–29, by sex, age group and presence of children (aged 0–5) in the household, 2024[b]
(Percentages)



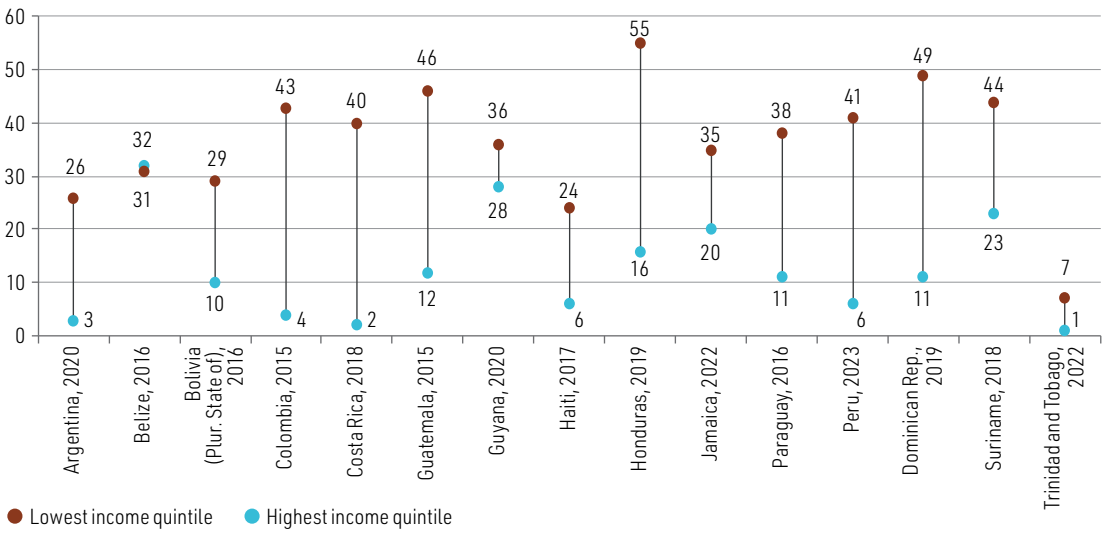
Source: Economic Commission for Latin America and the Caribbean, on the basis of processing of data from the Household Survey Data Bank (BADEHOG).

[a] Weighted averages of the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

[b] Data are from 2023 for El Salvador and the Plurinational State of Bolivia and from 2022 for Chile.

A comparison of the activities of women and men with children in their care reveals wider labour market access gaps. Care work associated with child-rearing is very time-consuming and sometimes overlaps with a period in which youth are expected to consolidate their education. Harmful practices like child marriages and early unions as well as persistently high rates of adolescent pregnancy, have been connected to the interruption of educational and working careers, even when policies are in place to facilitate retention in the school system (ECLAC, 2024c). The situation is worse in rural and more vulnerable contexts, and among Indigenous and Afrodescendent populations, who face situations of exclusion (ECLAC, 2022b, 2023d; ECLAC and UN-Women, 2025). These structural inequalities translate into a higher prevalence of child, early and forced marriage and unions in the lower income quintiles, as shown in figure III.3. According to the latest figures, in Belize, Colombia, Costa Rica, the Dominican Republic, Guatemala, Guyana, Honduras, Jamaica, Paraguay, Peru, the Plurinational State of Bolivia and Suriname, between 29% and 55% of women aged 20–24 in the lowest income quintile were married or in a stable union before age 18, compared to a range of 2% to 32% in the highest income quintile.

Figure III.3
Latin America and the Caribbean (15 countries): proportion of women aged 20–24 who were married or in a stable union before age 18, by income quintile, latest year with available data
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of *The Child Marriage Data Portal*. https://childmarriagedata.org/data-centre/.

In addition, the conjugal status of girls and adolescents is closely related to school dropout rates, as shown by household surveys in a number of the region's countries, namely Colombia, the Dominican Republic, Ecuador, Guatemala, Mexico, Peru and the Plurinational State of Bolivia (ECLAC, 2025b). Data from the most recent census round in Colombia, Guatemala, Mexico and Peru show that studying is the main activity of a majority of both young women and young men aged 15–17 who are not in an early union. Conversely, the great majority (50% to 80%) of girls and adolescents who are married or in a stable union are primarily engaged in unpaid domestic work, while boys and adolescents in the same situation are primarily engaged in paid work (ECLAC, 2023d). As these patterns demonstrate, early unions not only interrupt educational trajectories but also perpetuate gender inequalities and limit development opportunities for girls and adolescents.

4. Towards transformative education to reduce gender inequality and escape from development traps

In the region, gender inequality challenges are present both in education and in subsequent employment trajectories. They include elevated school dropout and repetition rates, stalled learning outcomes and a mismatch between education and the skills needed in today's labour market and society (ECLAC, 2022a; United Nations Educational, Scientific and Cultural Organization [UNESCO] et al., 2022). Although women's secondary and tertiary education enrolment and completion rates are higher than men's, they do not translate into a narrowing of labour inclusion and earnings gaps (ECLAC and UN-Women, 2025). In addition, gender stereotypes and segregation patterns in tertiary education persist, with major consequences for the labour market, as the choice of course directly impacts job opportunities and earnings.

Tertiary education and vocational and technical training play a key role in capacity-building for countries' development. In Latin America and the Caribbean, the gross enrolment rate in higher education has grown steadily over the past 50 years, with a marked gender difference. In 2023, the enrolment rate was 68.3% for women, compared to 48.6% for men.[9]

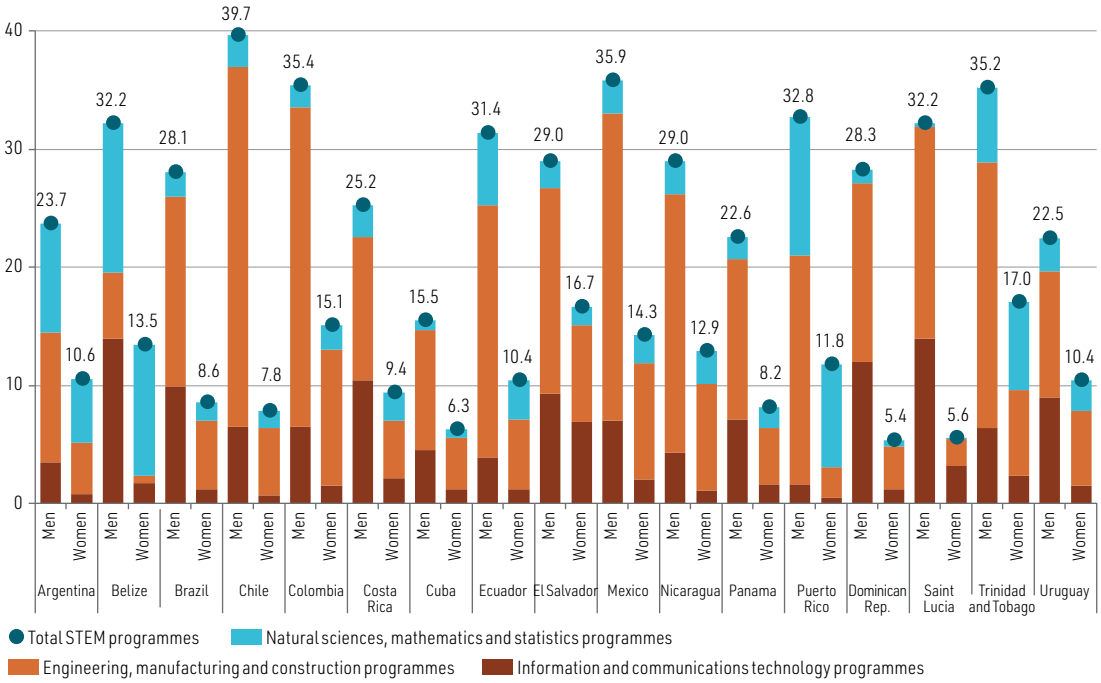
Notwithstanding the progress made, the gender gap in STEM programmes is among the principal disparities in this area, and one of the most intractable. Of all women graduates in the 17 countries and territories with available information (see figure III.4), the proportion graduating from STEM programmes ranges from 5.4% (Dominican Republic) to 17% (Trinidad and Tobago), being especially low in the area of information and communications technologies (ICTs).

Conversely, the proportion of men graduating from these disciplines is roughly 30% in most of the countries and territories. The low proportion of women limits the prospects for achieving a critical mass of diverse professionals and has implications for science and technology production, as it restricts the inclusion of distinct viewpoints, content, practices and agendas in research and innovation (ECLAC, 2022a, 2023a). Achieving gender equality in STEM means incentivizing greater participation by women and girls at all levels of the education system and ensuring equal conditions for their professional development (UNESCO, 2016). When women with STEM backgrounds work in greater numbers in strategic sectors like renewable energy, hourly productivity increases, as documented in countries such as Brazil and Uruguay. Similarly, the presence of women with this background improves productivity indicators and generates multiplier effects for innovation, business competitiveness and economic performance (United Nations Entity for Gender Equality and the Empowerment of Women [UN-Women], 2025). As STEM training becomes increasingly relevant for addressing contemporary social and economic challenges, such as the energy and demographic transitions, digital transformation, health sector innovation and environmental sustainability, it is crucial to expand opportunities in these strategic areas with a view to both closing gaps and boosting the countries' human, technological and productive development potential.

To overcome the development crisis in Latin America and the Caribbean, it is necessary to deal with gender gaps in capacity-building and adopt policies to support areas that require strengthening, such as science, technology, innovation and digitalization, together with social protection and care policies (ECLAC, 2024a). The current demand for capabilities, skills and specialists is generating new job opportunities, capacities and knowledge (ECLAC, 2023a), but it is also creating challenges of gender inequality (see box III.1).

[9] See the CEPALSTAT database (https://statistics.cepal.org/portal/databank/index.html?lang=es&indicator_id=99&lang=en).

Figure III.4
Latin America and the Caribbean (17 countries and territories): graduates from tertiary education programmes in science, technology, engineering and mathematics (STEM) by sex and country, 2023[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of UNESCO Institute for Statistics (2025). *Percentage of graduates by field of education (tertiary education)*. https://databrowser.uis.unesco.org/browser/EDUCATION/UIS-EducationOPRI/graduates.

Note: Categories based on the International Standard Classification of Education (ISCED). The natural sciences, mathematics and statistics category encompasses biology, biochemistry, environmental sciences, chemistry, Earth sciences, physical sciences, mathematics and statistics programmes, as well as interdisciplinary programmes; the information and communications technology category includes programmes focused on computer use, database and network design and management, and software and application development and analysis; and the engineering, manufacturing and construction category includes chemical and process engineering, environmental protection technologies, electricity and energy, electronics and automation, mechanics and metal work, motor vehicles, watercraft and aircraft, nanotechnology, manufacturing and processing of food, materials and textiles, mining and extraction, and architecture, construction and civil engineering.

[a] Data are from 2023 except in the cases of Argentina, Brazil, Chile, the Dominican Republic, Ecuador, Mexico, Panama and Uruguay, where they are from 2022, and Colombia, where they are from 2021.

Box III.1
Gender inequality in digitalization: consequences for Latin America and the Caribbean

Digital skills are now essential for daily life, the jobs of the future and the exercise of rights (Economic Commission for Latin America and the Caribbean [ECLAC], 2023). Technological change is creating opportunities to expand connectivity and access to knowledge, learning and decision-making, but it also poses challenges for the inclusion of women in all their diversity and the prevention and elimination of gender-based violence against women and girls.

For one thing, it is necessary to support the development of digital skills for the safe and efficient use of information and to provide training in the detection of misleading, inappropriate or potentially dangerous content. As the countries of the region have intensified gender mainstreaming in their national science,

technology and innovation plans, so education and occupational training policies that include a gender perspective have also been strengthened. There also is a clear trend towards the promotion of science, technology, engineering and mathematics (STEM) education from an early age and towards the digital inclusion of women and other groups. International cooperation and the strengthening of institutional and inter-organizational networks have been strategic for the implementation of these policies (Abdulkadri et al., 2022; ECLAC, 2025).

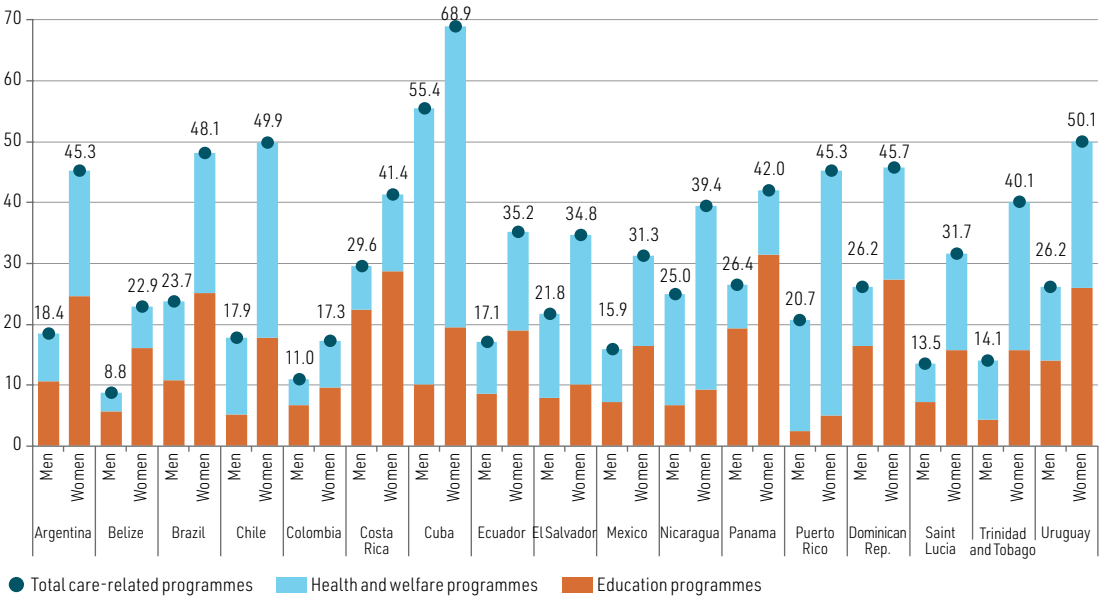
At the same time, technology-facilitated violence —which the Commission on the Status of Women defined in the conclusions agreed at its sixty-seventh session as any act that is committed, assisted, aggravated or amplified by the use of technology and that causes physical, sexual, psychological, social, political or economic harm to women and girls, infringing on their rights and freedoms— hinders women's full inclusion in digital ecosystems, where certain groups of women are particularly vulnerable owing to their activities, identities or participation in public life. Gender-based online violence includes a broad spectrum of behaviours, such as cyberbullying, the unauthorized disclosure of intimate images and illegal accessing of personal information, and political violence and harassment, which particularly affect women in leadership roles and public office (such as human rights defenders, journalists and activists) (ECLAC, 2023). Preventing and punishing this type of violence is especially difficult, given the diverse range of stakeholders involved (individuals, Internet intermediaries and governments) and the transnational context in which many of these violent acts are committed. Because States' limited jurisdiction in the virtual space makes it harder to detect and investigate crimes, prosecute perpetrators and ensure reparation for victims, stronger extraterritorial cooperation is needed (United Nations Entity for Gender Equality and the Empowerment of Women [UN-Women], 2020; United Nations Educational, Scientific and Cultural Organization [UNESCO], 2023).

It is therefore necessary for States and governments to update their regulatory frameworks to ensure that instances of online sexual exploitation and harassment can be scrutinized and combated. It is also important to punish unauthorized use or theft of personal data for the generation of sexual content using computers, artificial intelligence (AI) or other means, so as to protect the dignity and integrity of victims. A number of measures in this vein have already been implemented in some countries of the region, such as Costa Rica, Ecuador and Mexico, through penal code reforms to criminalize and punish crimes like online bullying, unauthorized dissemination of sexual or intimate images, and sexual crimes perpetrated against minors on digital platforms. Countries like Brazil, Guatemala and Nicaragua have included such provisions in specific policies or in the mandates of other organizations, and Uruguay has introduced real-time monitoring of cyberviolence against women (ECLAC, 2025). These efforts underscore how essential it is to teach girls, adolescent girls and women to detect and avoid potential situations of online violence, prevent access to explicit material and protect themselves against emerging threats, such as the use of AI to generate pornographic content.

Source: Abdulkadri, A., John-Aloye, S., Mkrtchyan, I., Gonzales, C., Johnson, S. and Floyd, S. (2022). Addressing gender disparities in education and employment: a necessary step for achieving sustainable development in the Caribbean. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean* (109) (LC/TS.2022/114-LC/CAR/TS.2022/3). Economic Commission for Latin America and the Caribbean; Economic Commission for Latin America and the Caribbean. (2023). *Gender equality and women's and girls' autonomy in the digital era: contributions of education and digital transformation in Latin America and the Caribbean* (LC/MDM.64/DDR/1/Rev.1); Economic Commission for Latin America and the Caribbean. (2025). *Action for equality, development and peace in Latin America and the Caribbean: regional report on the review of the Beijing Declaration and Platform for Action, 30 years on, in synergy with the implementation of the Regional Gender Agenda* (LC/MDM.66/5); United Nations Entity for Gender Equality and the Empowerment of Women. (2020). *Violencia contra mujeres y niñas en el espacio digital: lo que es virtual también es real*; United Nations Educational, Scientific and Cultural Organization. (2023). *"Your opinion doesn't matter, anyway": Exposing Technology-Facilitated Gender-Based Violence in an Era of Generative AI.*

Another important aspect in the analysis of gender inequalities in tertiary education is the concentration of women in care-related fields. Gender segregation in programmes related to teaching, health and welfare is clear: in most Latin American and Caribbean countries and territories, these are the subjects studied by at least 30% of women graduates. In Argentina, Brazil, Chile, Cuba, the Dominican Republic, Puerto Rico and Uruguay, the proportion is at least 50%. In all these countries except Cuba, the participation gap between men and women on courses of this type is approximately 25 percentage points. Conversely, no more than 30% of male students graduate in care subjects anywhere except Cuba, with their participation being especially low in Belize, Colombia, Saint Lucia and Trinidad and Tobago.

Figure III.5
Latin America and the Caribbean (17 countries and territories): graduates from tertiary education programmes related to teaching, healthcare and welfare (extended care sector), by sex and country, 2023[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of UNESCO Institute for Statistics (2025). Percentage of graduates by field of education (tertiary education). https://databrowser.uis.unesco.org/browser/EDUCATION/UIS-EducationOPRI/graduates.

Note: Categories based on the International Standard Classification of Education (ISCED). The education category comprises courses in education science, pre-school teacher training, general teacher training, teacher training with specialization in specific disciplines, and interdisciplinary programmes and certifications. The health and welfare category breaks down into two main areas: health, which encompasses courses in odontology, medicine, nursing and obstetrics, medical diagnosis and treatment technologies, therapy and rehabilitation, pharmacy, and traditional and complementary therapies; and welfare, which includes programmes focused on care for older persons and adults with disabilities, childcare and youth services, and social work and family, vocational and psychosocial risk counselling, among other types.

[a] Data are from 2023 except in the cases of Argentina, Brazil, Chile, the Dominican Republic, Ecuador, Mexico, Panama and Uruguay, where they are from 2022, and Colombia, where they are from 2021.

This gender segregation in education is associated with labour market disparities, with one of the most visible manifestations being precisely the concentration of women in the extended care sector. The sector accounts for 27.4% of the region's employed women (9.3% in education, 7.8% in health and 10.3% in paid domestic work) and 6.0% of employed men (3.1% in education, 2.2% in health and 0.7% in paid domestic work) (ECLAC, 2025d).

In addition, the extended care sector is characterized by substandard employment conditions, especially in paid domestic work (the household as employer sector), and by gender gaps in earnings and participation in contributory pension systems. There is a considerable wage gap in the education sector, with women earning only 75% as much as men. The same is true in the health sector, where they earn 60% as much as men, and in paid domestic work, where women, who account for 92% of employed persons, are paid 80% of what men earn. As regards pension system coverage, around 80% of employed individuals in the health and education sectors —taking men and women together— contribute to a pension scheme, while in the paid domestic work sector, 24% of women and 32% of men contribute (ECLAC, 2025d).

5. The care sector as an economic driver

The care society paradigm constitutes a strategic response to the persistently high inequality, low social mobility and cohesion and low capacity for growth that characterize the countries of Latin America and the Caribbean. Moving towards a care society means placing the sustainability of life at the centre of the development model (ECLAC, 2022b) and recognizing care as a need throughout the life cycle, as a right and a public good and as an essential form of work that drives the broader economy. The reorganization of care seeks to improve individual and family well-being, strengthen social protection systems and redistribute time, resources and responsibilities between women and men. The growing and evolving demand for care requires investment in comprehensive care systems to reduce the amount of unpaid work performed in the home, but it also represents an opportunity to create decent jobs (ECLAC, 2025d).

ECLAC has argued for the need to build comprehensive care systems that encompass service delivery, cash transfers, labour regulations, resources, infrastructure, and certification and training of personnel, in line with the principles of gender and social co-responsibility, universality, progressivity and financial sustainability and in a way that incorporates territorial and intersectional perspectives. This entails a two-pronged approach combining linkage between care policies and other sectoral policies with the incorporation of gender and care perspectives into sectoral policy design and implementation (ECLAC, 2022b, 2025d; ECLAC et al., 2025; ECLAC and ILO, 2025). Care policies and systems are recognized as a fundamental pillar of sustainable development in global intergovernmental agreements, including two adopted in 2024: Economic and Social Council resolution 2024/4 on the promotion of care systems and support for social development, and International Labour Conference resolution V on decent work and the care economy, adopted at the 112th session of the General Conference of the International Labour Organization (ILO).

The ILO Care Policy Investment Simulator has been used to generate estimates for both the costs and the effects of expanding care policies to provide universal coverage and public services in the following areas:[10] (i) paid childcare-related leave (maternity, paternity and parental leave); (ii) paid breaks at the workplace for breastfeeding; (iii) early childhood care and education services; and (iv) long-term care services. According to estimates for 23 countries of Latin America and the Caribbean, the average annual gross investment required to meet these targets by 2035 is 0.4% of GDP, beginning in 2025. This assumes that a portion of the expenditure on care would generate potential fiscal returns from the jobs created (approximately 31 million) and from increased wages. In addition, an estimated 18% of the investment in care should be recoverable in the form of fiscal revenue (ECLAC, 2025d; ECLAC and ILO, 2025).

[10] The ILO Care Policy Investment Simulator can be used to calculate the required level of public investment for different areas of care policy and the effects on employment, income and tax revenue. Simulator coverage has been updated in 23 countries of the region in collaboration with ECLAC. See ILO (2024c) and the ILO Global Care Policy Portal (https://webapps.ilo.org/globalcare/home?language=en).

Rising care needs and transformations in the world of work present a twofold opportunity: first, to create quality jobs in the care economy, and second, to reduce unpaid care work, which is a barrier to women's labour market participation. Investment in comprehensive care systems, combined with labour policies that guarantee rights, helps to narrow gender gaps, improve productivity and increase tax revenue (ECLAC, 2021, 2024b; ECLAC and ILO, 2025; United Nations, 2024a). These investments enhance well-being and resilience to crises (International Labour Organization [ILO], 2024a) and should be understood as strategic measures to reduce poverty and inequality. To move towards a care society, innovative approaches to meeting care needs should be pursued. In addition, the potential of STEM fields should be channelled towards addressing present and future challenges stemming from demographic and epidemiological trends and towards the care economy as a whole, with a view to optimizing systems for the provision and management of care and opening up new development opportunities, especially for women, in areas that are strategically important for the future of work.

B. Inequality in population groups facing exclusion, discrimination and rights violations

This section is focused on Indigenous Peoples, migrants and persons with disabilities, three historically excluded population groups that routinely suffer discrimination. On the basis of an analysis of education and labour exclusion in these groups using data derived primarily from censuses and surveys, some historical and contemporary factors in the discrimination against them are identified, including territorial location in the case of Indigenous Peoples, and lines of action are proposed to address them.

1. Background

The effects of the trap of high inequality and low social mobility and cohesion are particularly acute for Indigenous Peoples, migrants and persons with disabilities, owing to the exclusion, discrimination, and individual and collective rights violations that they have experienced throughout history. Intersectionality is an exacerbating factor for some subgroups: for example, if inequality is particularly high for migrants, it is higher still for Afrodescendent migrants. The Montevideo Consensus on Population and Development (ECLAC, 2013), the regional road map for the promotion of rights in the framework of sustainable development, describes this clearly in chapters F (International migration and protection of the human rights of all migrants), H (Indigenous Peoples: interculturalism and rights) and I (Afro-descendants: rights and combating racial discrimination). Several priority measures in the Consensus also mention the rights of persons with disabilities.

This section estimates the magnitude and trend of the education and labour exclusion affecting Indigenous Peoples, migrants and persons with disabilities, including in relation to certain historical and contemporary factors of discrimination against these groups, such as the territorial dimension in the case of Indigenous Peoples, and suggests lines of action to address them.

Population censuses and household surveys are the main source of data for the analysis. Censuses allow for territorial disaggregation, which is crucial in the case of Indigenous Peoples, and are useful for recognizing the exclusion and discrimination that affect migrants and persons with disabilities in the labour market and the education system. Household surveys, meanwhile, make it possible to monitor these groups over time; this is vital in the case of international migrants, since rapid growth in numbers and consequent changes in profile have made them more vulnerable to exclusion and discrimination in several countries of the region.

2. Territory and education: key factors in the historical exclusion and discrimination affecting Indigenous Peoples

The territorial dimension is crucial to the existence of Indigenous Peoples, as it is in their ancestral areas that their traditional practices, forms of social organization, economic activities and cultural expressions have developed (Del Popolo, 2017; Economic Commission for Latin America and the Caribbean and Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean [ECLAC and FILAC], 2020). Moreover, this connection to territory strengthens their collective identity, their sense of belonging and their ability to fully exercise their rights. However, Indigenous territories often suffer from investment deficits and weaknesses in local governance and institutional frameworks that hinder the exercise of collective rights and affect the living conditions of their inhabitants (see box III.2).

Box III.2

Indigenous collective and territorial rights: international standards and implementation shortcomings

The recognition of Indigenous territorial rights is grounded in an international legal framework adopted by the countries of the region, including in particular the International Labour Organization (ILO) Indigenous and Tribal Peoples Convention, 1989 (No. 169), which establishes clear obligations for States to recognize and protect traditional Indigenous lands and ensure effective processes for prior, free and informed consent, and the United Nations Declaration on the Rights of Indigenous Peoples (2007), which addresses territorial autonomy and Indigenous Peoples' right to self-determination in greater depth. This framework has been reinforced by the jurisprudence of the Inter-American Court of Human Rights, which underscores the cultural, spiritual and communal importance of Indigenous Peoples' connection to territory.

In Latin America, meaningful progress has been made with the constitutional and legislative recognition of Indigenous territories, but the effective implementation of that recognition remains limited owing to pressures from extractive, agro-industrial and infrastructure projects, among other factors. Often, these projects do not sufficiently adhere to processes of prior, free and informed consent, and they cause territorial conflicts, environmental degradation and forced displacements, ultimately exacerbating the poverty, social exclusion and discrimination affecting Indigenous Peoples. In addition, Indigenous leaders are frequently criminalized and harassed for defending their lands.

The situation is compounded by weak governance and inadequate institutional mechanisms for protection and access to justice. As a result, the exercise of internationally recognized collective Indigenous rights is severely constrained, which hinders progress towards inclusive, equitable and sustainable development as envisaged by the commitments in the 2030 Agenda for Sustainable Development and the Pact for the Future.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Del Popolo., F. (Ed.) (2017). *Los pueblos indígenas en América (Abya Yala): desafíos para la igualdad en la diversidad.* ECLAC Books (151) (LC/PUB.2017/26). Economic Commission for Latin America and the Caribbean; Economic Commission for Latin America and the Caribbean and Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean. (2020). Los pueblos indígenas de América Latina - Abya Yala y la Agenda 2030 para el Desarrollo Sostenible: tensiones y desafíos desde una perspectiva territorial. *Project Documents* (LC/TS.2020/47); and Pedrero, M. (2023). Hacia una recuperación económica transformadora de América Latina-Abya Yala: desafíos para garantizar los derechos colectivos de los pueblos indígenas. *Project Documents* (LC/TS.2023/35). Economic Commission for Latin America and the Caribbean.

In addition to what has been said, forced displacements and internal migration have led to the Indigenous population becoming concentrated in urban areas, where multidimensional discrimination and exclusion also perpetuate significant inequalities.

(a) The differentiated territorial distribution patterns of Indigenous Peoples

Something over 50% of the region's Indigenous population lives in urban areas, as compared to a much higher figure of 82.4% for the total population. According to the population and housing censuses of Argentina (2010), the Bolivarian Republic of Venezuela (2011), Chile (2017), Mexico (2020), Peru (2017) and Uruguay (2011), Indigenous populations in these countries are majority urban. In contrast, the most recent censuses in Ecuador (2022), Guatemala (2018) and Panama (2023) show that their Indigenous populations remain majority rural, with just 26%, 40% and 33%, respectively, living in urban areas.[11] In Colombia, the 2018 census showed only 21% of the Indigenous population living in urban areas, a figure very similar to that of the 2005 census (Pedrero, 2023).

In several countries, the greatest concentration of Indigenous people is in the first-order administrative division with the largest population and metropolis; for example, the province of Buenos Aires in Argentina (2022), the Metropolitan Region in Chile (2017) and the province of Lima in Peru (2017). However, even in these divisions, the Indigenous proportion of the population is significantly smaller than in other first-order divisions that contain traditional Indigenous territories, such as Salta and Jujuy in Argentina, La Araucanía and Los Lagos in Chile, and Puno and Cuzco in Peru. Large differences in ethnic distribution across first-order administrative divisions are also present in Colombia (2018), Ecuador (2022), Guatemala (2018), Mexico (2020) and Panama (2023), with an obvious correlation between the places where Indigenous people live and the first-order administrative divisions containing their ancestral territories. Again, the internal migration of Indigenous populations does not necessarily evince a preference for major metropolises, since there are also large migration flows to cities near their ancestral territories (Del Popolo, 2017; Del Popolo et al., 2007).

Figures III.6 and III.7 use the dissimilarity index of segregation to summarize these location differences.[12] Figure III.6 shows that the vast majority of the countries exhibit high levels of dissimilarity across first- and lower-order administrative divisions alike, the exceptions being Argentina and Chile, which have moderate levels of dissimilarity. For example, in Colombia (2018), a country with a Duncan index of 67%, approximately two out of every three Indigenous People would have to change their first-order administrative division of residence for the Indigenous population to have a spatial distribution equivalent to that of the non-Indigenous population. In Argentina (2022), conversely, the proportion would be one in four.

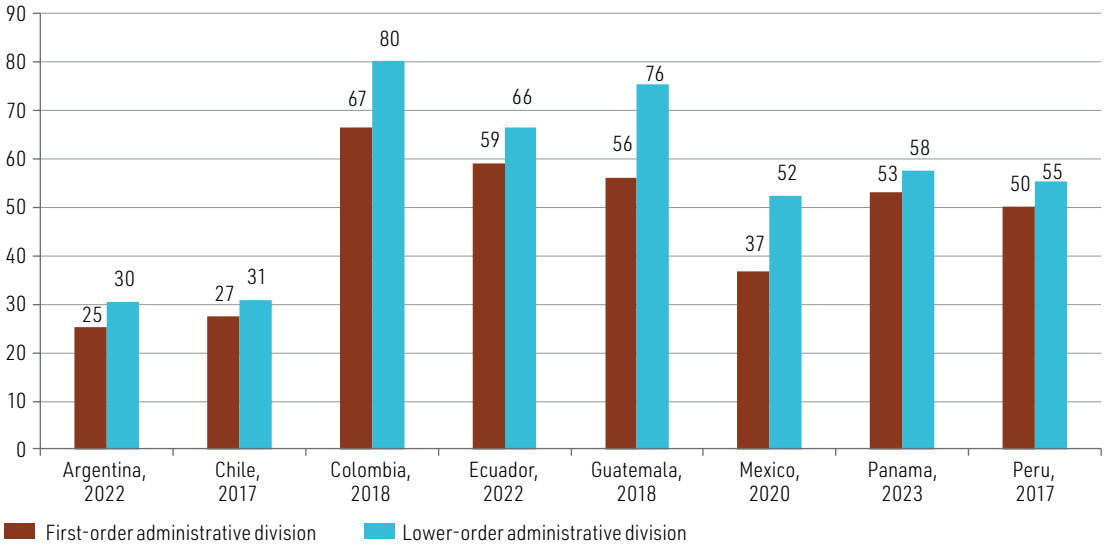
An analysis of the urban Indigenous population in first-order administrative divisions shows moderate levels of dissimilarity in four countries, namely Argentina, Chile, Mexico and Panama, and high levels of dissimilarity in another four, namely Colombia, Ecuador, Guatemala and Peru (see figure III.7). In rural populations, meanwhile, high index values reflect the persistence of a clear differentiation in Indigenous Peoples' historical occupancy of territory.

---

[11] However, the most recent census in each of these three countries showed an increase in the urban proportion of the Indigenous population relative to the previous census (Ecuador, 2010 and 2022; Guatemala, 2002 and 2018; and Panama, 2010 and 2023).

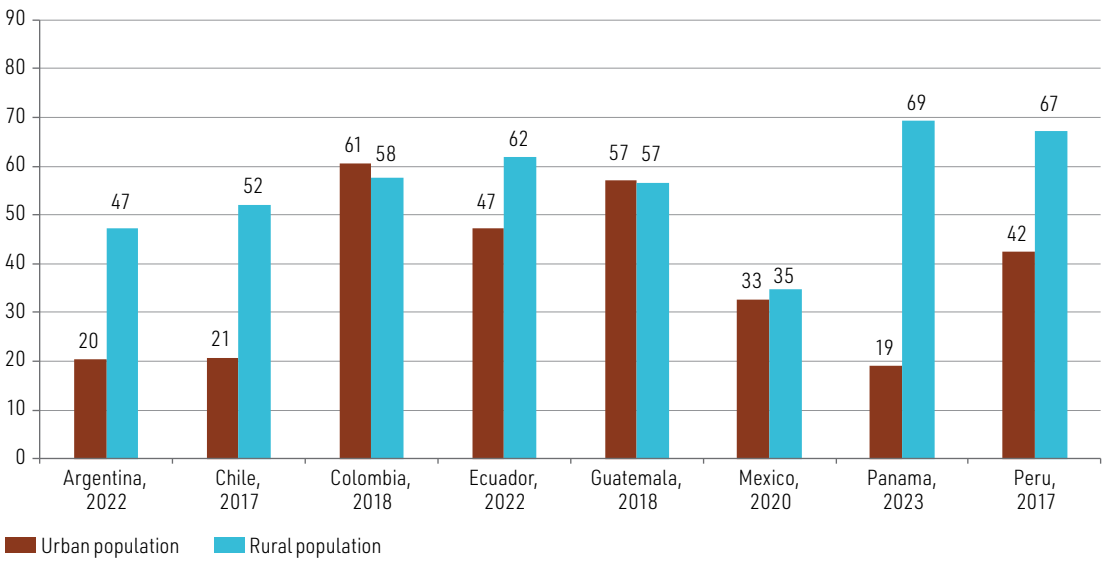
[12] This indicator measures the degree of dissimilarity in the distribution of two population groups; in the present case, the geographical distribution of the Indigenous and non-Indigenous populations across both first- and lower-order administrative divisions. The index ranges from 0 (identical distribution, indicating the absence of geographical segregation) to 1 (opposite distribution, with no territories where the two groups live side by side, indicating maximum geographical segregation). The index was produced by direct estimation on the basis of census microdata processed by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC. Multiplying the index value by 100 gives the percentage of the Indigenous population that would have to move to a different first- or lower-order administrative division to achieve a distribution equivalent to the non-Indigenous population's. A value above 50.0% is considered high, while values between 20.0% and 49.9% are considered moderate (Massey and Denton, 1988).

Figure III.6
Latin America (8 countries): dissimilarity index values for the Indigenous population in first- and lower-order administrative divisions, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.
Note: The non-Indigenous population is taken as the reference population.

Figure III.7
Latin America (8 countries): dissimilarity index values for the urban and rural Indigenous populations in first-order administrative divisions, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.
Note: The non-Indigenous population is taken as the reference population.

The differential territorial distribution of the Indigenous and non-Indigenous populations as shown by the dissimilarity index represents a challenge for public policy design and the exercise of collective rights. Concentration in certain administrative divisions reflects the historical continuity of Indigenous Peoples' occupation of territory and highlights the need to strengthen intercultural governance mechanisms that ensure territorial recognition and equity, especially in light of the historical neglect of the territories concerned.

(b) Inequalities in access to education

In recent decades, progress has been made with school and university access and with improved gender equity in education, both for Indigenous Peoples and for the general population (ECLAC, 2022a; see also chapter II of the present document). In several countries of the region, in fact, Indigenous girls and young women have higher levels of access to and completion of the different educational levels than their male peers. Nevertheless, Indigenous Peoples' access to education, in particular higher education, remains more limited than that of the non-Indigenous population (Del Popolo, 2017; ECLAC and FILAC, 2020; ECLAC, 2022a).

The mutually reinforcing nature of ethnic and territorial inequalities can be seen in Indigenous territories located in rural areas, where education services tend to be limited and infrastructure poor, and where qualified teachers and teaching materials adapted to communities' linguistic and cultural needs are in short supply. In addition, the education system has historically ignored or devalued Indigenous knowledge, languages and world views, contributing to the perpetuation of inequalities and the loss of cultural identity. For young Indigenous people, migration is not only a right but can offer opportunities to access education and broaden their horizons. However, this self-same migration, which may be associated with the more limited educational opportunities in ancestral territories, can also result in dislocation, the loss of identity and cultural bearings, and discrimination.

Figures III.8 and III.9 illustrate the intersection of ethnic and territorial inequalities in first- and lower-order administrative divisions by territorial quintile, with the first quintile comprising the 20% of geographical areas with the smallest Indigenous share of the population and the fifth quintile the 20% with the largest Indigenous share.[13] Using administrative divisions to carry out the analysis is appropriate even when these do not perfectly align with Indigenous territorial boundaries, as they usually form the basis for public administration and resource allocation by the national State.[14]

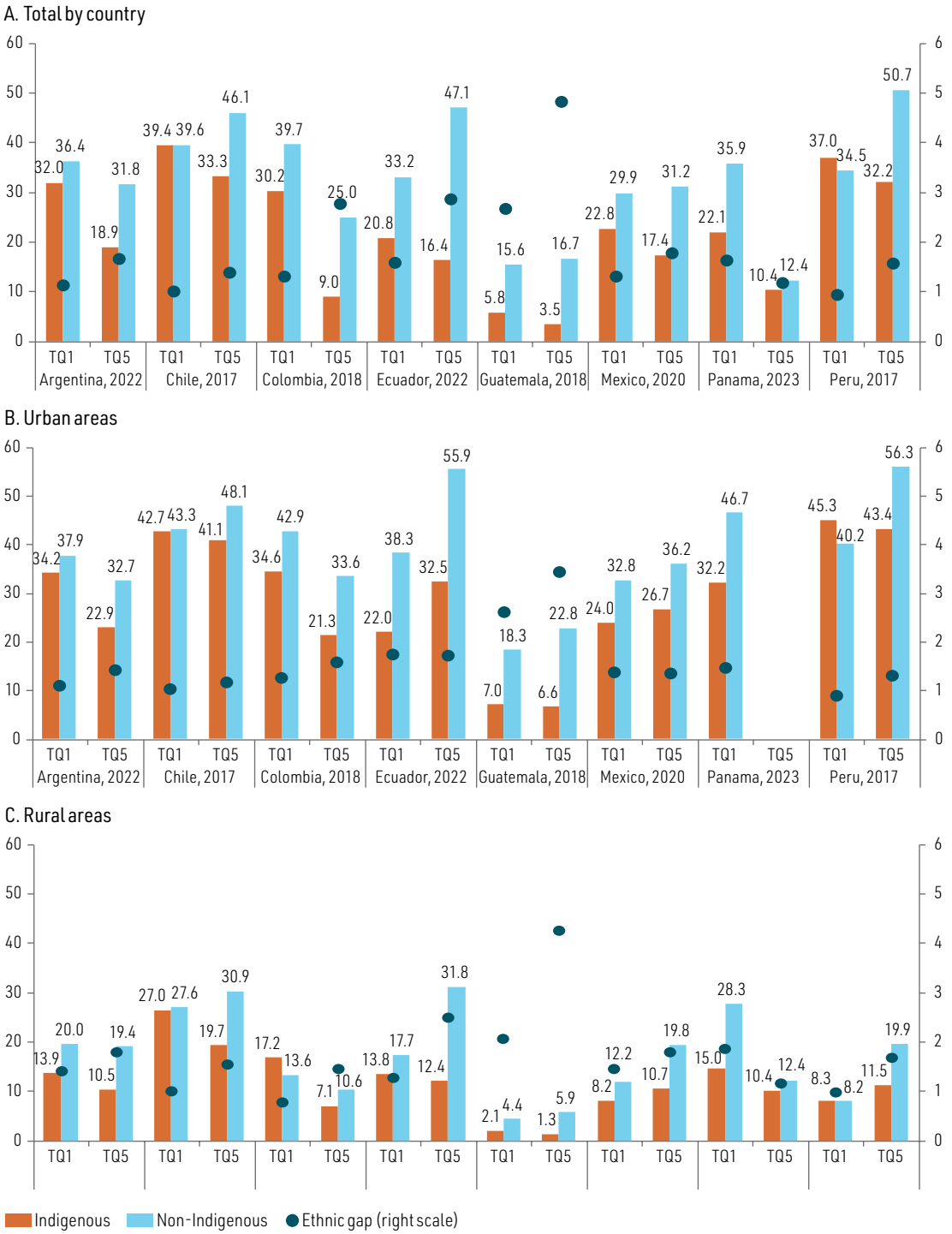
In the eight countries with available data, a smaller proportion of Indigenous than of non-Indigenous young people accesses higher education. In first-order administrative divisions with a greater predominance of Indigenous Peoples, educational attainment among Indigenous young people is lower, and ethnic divides are more pronounced (see figure III.9). In Colombia, the proportion of Indigenous young people accessing higher education in the first-order administrative divisions with the smallest Indigenous presence, meaning those in the first territorial quintile (TQ1), is triple the proportion in TQ5; in Panama, it is double. The largest ethnic gaps are in areas of Colombia, Ecuador and Guatemala with a high concentration of Indigenous population.

---

13 For this analysis, administrative divisions were grouped into territorial quintiles according to the Indigenous share of the population in each geographical unit, whereby the bottom 20% (first quintile) has the lowest Indigenous presence and the top 20% (fifth quintile) has the highest. Education indicators were calculated separately for the Indigenous and non-Indigenous populations in each territorial quintile. The gap is calculated as the ratio of the non-Indigenous value to the Indigenous value in each territorial quintile.

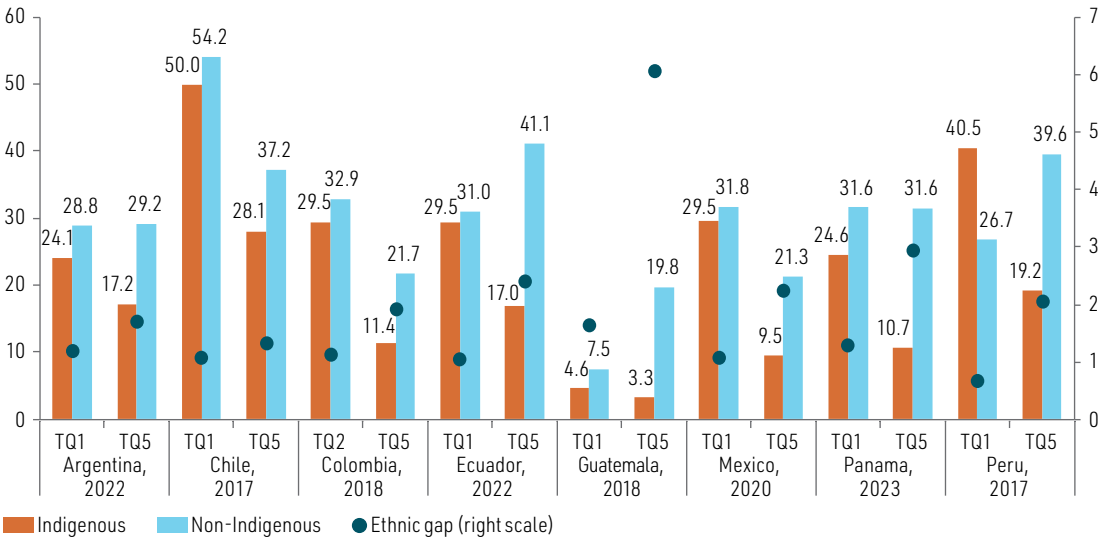
14 Demographic, socioeconomic, cultural and environmental information on Indigenous territories is required if Indigenous rights are to be exercised. However, only some countries, such as Brazil, Colombia, Costa Rica, Panama and Peru, have made progress in this area. Territorial information reflects the administrative boundaries legally recognized by the State, which do not always reflect the full extent of ancestral Indigenous lands.

Figure III.8
Latin America (8 countries): Indigenous and non-Indigenous people aged 20–29 accessing higher education in the first territorial quintile (TQ1) and fifth territorial quintile (TQ5)[a] of Indigenous population concentration in first-order administrative divisions, by Indigenous population share and ethnic gap in each quintile,[b] 2020 census round
(Percentages and non-Indigenous/Indigenous ratio)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.
[a] In Panama, TQ5 at the first-order administrative division level comprises Indigenous districts that do not contain urban areas.
[b] The ethnic gap was obtained by dividing the percentage of non-Indigenous young people aged 20–29 accessing higher education by the percentage of Indigenous young people accessing it in each territorial quintile.

Figure III.9
Latin America (8 countries): Indigenous and non-Indigenous people aged 20–29 accessing higher education in the first territorial quintile (TQ1)[a] and fifth territorial quintile (TQ5) of Indigenous population concentration in lower-order administrative divisions, and ethnic gap in each quintile,[b] 2020 census round
(Percentages and non-Indigenous/Indigenous ratio)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.
[a] In Colombia, TQ2 was taken because there were very few cases in TQ1.
[b] The ethnic gap was obtained by dividing the percentage of non-Indigenous young people aged 20–29 accessing higher education by the percentage of Indigenous young people accessing it in each territorial quintile.

Even if urban and rural areas of first-order administrative divisions in TQ1 and TQ5 are considered separately, there remains a significant gap in the access of Indigenous young people to higher education. In other words, the gaps observed are not due exclusively to the degree of urbanization in the areas analysed: in both urban and rural contexts, the proportion of Indigenous young people accessing higher education is consistently higher in the first-order administrative divisions with the smallest Indigenous presence (TQ1) than in those with the largest (TQ5), and the ethnic gaps do not disappear. This suggests that, quite apart from rural and urban conditions, there are other structural territorial factors, such as unequal access to education services, the quality of the provision available or the persistence of institutional and socioeconomic barriers, that negatively affect the educational careers of Indigenous young people living in areas where the Indigenous population is highly concentrated.

In lower-order administrative divisions, too, the municipalities with the largest Indigenous populations display lower levels of educational attainment. Here again, the intersectionality between ethnicity and territory reinforces the pattern of inequality and exclusion affecting Indigenous Peoples and the territories that they have historically occupied (see figure III.9).

The territorial inequalities affecting Indigenous Peoples cannot be explained solely by geographical distance or more limited education and employment opportunities; they are also the result of deeper historical processes, associated with the colonial character of power, that have relegated Indigenous Peoples to subordinate positions in the social and economic structure. This is reflected in the dispossession and fragmentation of their territories, the persistence of structurally discriminatory relationships and the lack of culturally appropriate public policies. Territorial inequalities, therefore, should be recognized as the product of a historical pattern of exclusion and discrimination.

3. Educational and employment inequality affecting international migrants

Human mobility has become a structural phenomenon, driven by economic, political, social and environmental forces and the search for employment. In this context, monitoring is essential to ensure migrants' integration into education systems and labour markets, as well as their full access to rights. The main global instruments that guide policies on the integration of international migrants include the Global Compact for Safe, Orderly and Regular Migration (2018), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990) and the fundamental ILO conventions, along with the Declaration on Migration and Protection (2022). At the regional and subregional levels, the Montevideo Consensus on Population and Development, in particular chapter F on international migration and protection of the human rights of all migrants, and the Agreement on Residence for Nationals of the States Parties of MERCOSUR, the Plurinational State of Bolivia and Chile (2002) are key instruments for progressing with the full inclusion of migrants and the exercise of their rights.

(a) Changes in migration in the region

Latin America and the Caribbean continues to record negative net migration at the regional level. In other words, more people leave the region (emigrate) than enter (immigrate), and net outflows are still increasing (United Nations, 2025b). However, immigration has become more normal in a number of individual countries. As regional migration flows have become more diverse, multidirectional and interconnected between countries of origin, transit, destination and return, some countries of the region that formerly had no tradition of immigration have recorded a substantial influx of migrants in the 2010s and 2020s (Martínez Pizarro and Cano Christiny, 2022; ECLAC, 2023b).

In 2024, the proportion of migrants[15] in the total population of Latin America and the Caribbean was 2.6% (17.5 million people), up from 1.4% (8.3 million) in 2010 (United Nations, 2025b). Nearly half of those migrants were women. The share of the region's total migrant population represented by migrants born in other countries of the region increased from 64.7% (5.4 million people) in 2010 to 80.1% (14 million) in 2024 (United Nations, 2025b), owing mainly to mass emigration from the Bolivarian Republic of Venezuela. Indeed, the Venezuelan share of the total intraregional migrant population increased from 3.5% in 2015 to 48.5% in 2024 (United Nations, 2024b).

(b) Lesser access to education among international migrants

In Latin America and the Caribbean, some 25% of migrants are under the age of 18, which is the highest percentage in the world and a considerable increase on the 19% recorded in 2019 (Lederer, 2023).

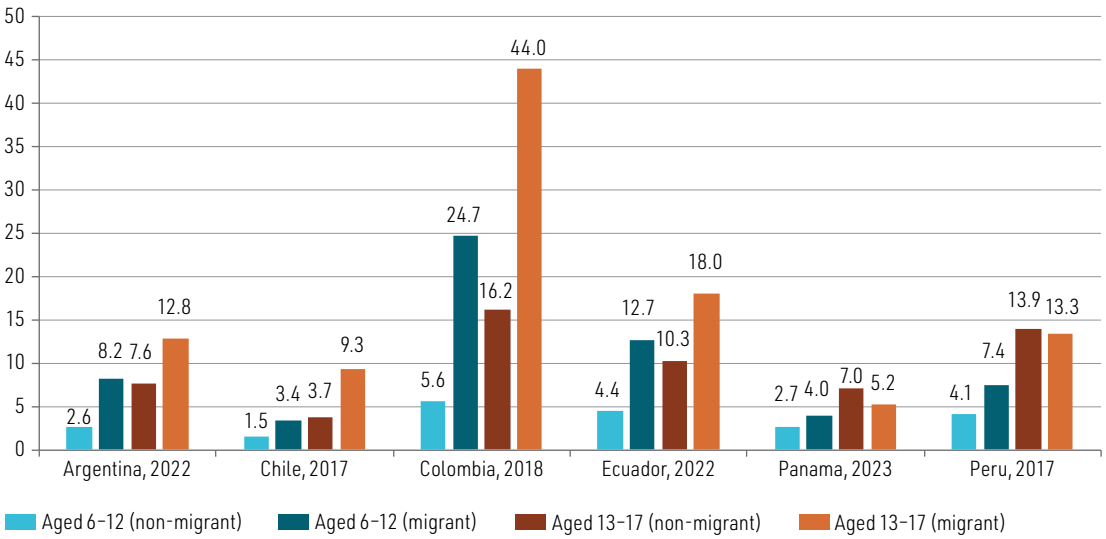
Data from the 2020 census round in six countries of the region (see figure III.10) show that migrant children and adolescents face higher levels of exclusion from education than non-migrants. This is particularly notable in Colombia (2018), where 24.7% of migrants aged 6–12 are not in school, with the proportion rising to 44% for adolescents aged 13–17, which is more than 27 percentage points higher than the figure for their non-migrant peers.[16] Panama is at the other end of the spectrum, with low rates of school non-attendance among migrants, a small gap between migrant and non-migrant

[15] This term refers to people who reside in a country of Latin America and the Caribbean but were born in another country, whether in the region itself or elsewhere.

[16] In Colombia and Ecuador, the majority of migrant children and adolescents who are not in school are from the Bolivarian Republic of Venezuela (97% and 81%, respectively). In Colombia, according to the 2021 Quality of Life Survey of the National Administrative Department of Statistics (DANE), 20.1% of migrants in that age group are not in school, owing primarily to forced displacement from their homes. The proportion is significantly higher in rural areas, at 41% (Colombian Family Welfare Institute, 2022).

children, and an inverted gap between migrant and non-migrant adolescents.[17] Chile displays low levels of school non-attendance in all the groups compared but a large gap between migrant and non-migrant adolescents, especially female adolescents, no doubt because of care obligations that prevent them from regularly attending school. This demonstrates the need to implement care policies for migrants, with a gender perspective that brings care needs in the migrant population to light (ECLAC, 2025d).

Figure III.10
Latin America (6 countries): school-age population not attending formal educational institutions, by age group and migration status, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

Among the principal barriers to educational inclusion for migrants are complex and costly processes for school enrolment, validation of previous studies or recognition of qualifications, and a lack of levelling programmes, especially in secondary education. Linguistic and cultural differences are also important, as are uninclusive curricula that ignore diversity and discriminatory or xenophobic incidents that affect school retention and academic performance. These barriers are compounded by a range of adverse socioeconomic circumstances, such as poverty, lack of time because of the need to do paid work, nutritional deficiencies and lack of transportation and school materials, which also limit regular class attendance (United Nations Children's Fund [UNICEF], 2023; Lederer, 2023; Reuters, 2024).

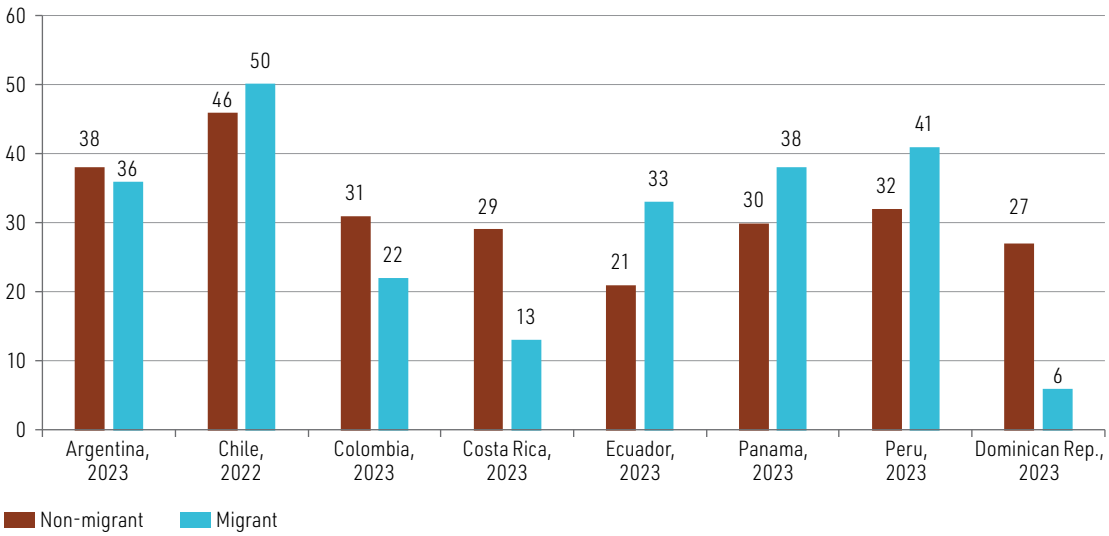
(c) Unequal and substandard employment conditions for international migrants

A high proportion of international migrants in the region are people of working age whose primary reason for migration is the pursuit of employment opportunities to improve socioeconomic conditions for themselves and their families. According to ILO (2024b), international migrants represented 2.5%

[17] The root causes of this situation, which can also be observed in Peru (2017), merit further study, but possible factors include public policies on integration into education systems, patterns of geographical concentration of migrants in large cities with greater secondary education coverage, and specific barriers to access for non-migrant adolescents (e.g. the need to find work at a young age).

of the regional labour force in 2022, compared to 1.5% in 2013. The proportion varies by country, being particularly high in Costa Rica (12%), Chile (9%), Panama (7%), the Dominican Republic (7%) and Colombia (4%). In addition, international migrants have higher rates of labour participation than their non-migrant counterparts (ECLAC, 2023b; Martínez Pizarro and Cano Christiny, 2022). Migrant women, in particular, have a higher labour participation rate than non-migrant women, whereas migration status is not a significant factor in men's labour participation rate (Jiménez, 2023; ILO, 2015). In four of the eight countries analysed, furthermore, the migrant labour force has higher levels of educational attainment than the non-migrant labour force (see figure III.11).

Figure III.11
Latin America (8 countries): proportion of the labour force with at least 13 years of education, by migration status, 2022–2023
(Percentages)

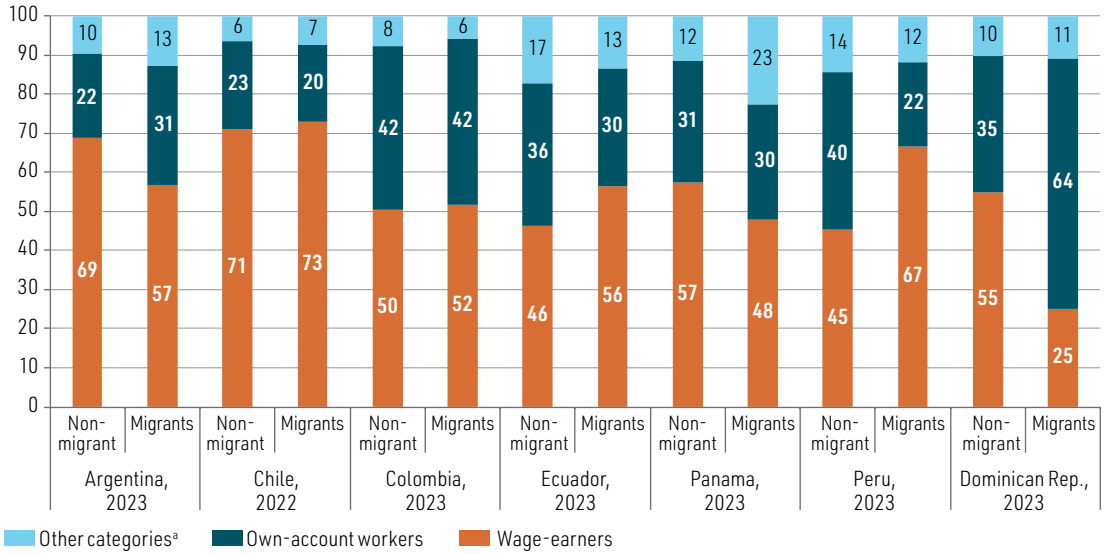


Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).

Notwithstanding the above, a smaller proportion of migrants than of non-migrants are wage earners, indicating that relatively few migrants have formal jobs, as seen in figure III.12. Meanwhile, a large proportion of migrants are own-account workers, especially in the Dominican Republic (64%), Argentina (30.5%) and Ecuador (30.3%). This may be a reflection of barriers to access to formal wage employment, with migrants turning to self-employment as a strategic measure in the absence of stable job options. Participation in paid domestic employment is one of the components of transnational chains of care work and a significant point of entry into the labour market for migrant women, and is accordingly higher among migrants than non-migrants in countries such as Panama (12.8%), Argentina (8.8%) and the Dominican Republic (7.6%) (see figure III.12).

As the population has rapidly aged and women have entered the labour market in increasing numbers, demand for workers in the care sector has increased enormously. This demand is often met by migrants, mainly women, working informally. In view of the transformation of global care chains in the region and the considerable impact this has had on care dynamics in both origin and destination countries, it is essential to align care policies with migration policies from a transnational perspective (ECLAC, 2025d).

Figure III.12
Latin America (7 countries): distribution of the employed population by occupational category and migration status, 2022–2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Employers, paid domestic workers and unpaid family members.

4. Inequality and discrimination affecting persons with disabilities

Persons with disabilities as a group face different situations of discrimination and considerable exclusion, which manifest themselves in constraints and barriers affecting their participation in community life and their access to medical attention, education, employment, transportation and technology; in higher levels of poverty; in elevated risk of abuse; and in increased vulnerability to economic, social, political and socioenvironmental crises (ECLAC, 2020, 2021, 2022c).

This exclusion is more acute when it intersects with factors like gender, territory, ethnicity and the life cycle. In view of this inequality and discrimination, an international rights framework for persons with disabilities has been developed in recent decades, together with a set of instruments to promote and protect the exercise of these rights (ECLAC, 2021). Likewise, the countries of the region have established legal frameworks and implemented public policies to support persons with disabilities, and progress has been made in protecting their rights and dignity.[18] As regards employment, 18 countries of the region have laws or programmes promoting labour inclusion for persons with disabilities.[19]

[18] The chapter on institutional frameworks in the present document discusses some of the characteristics of legal provisions dealing with the rights of persons with disabilities.

[19] Countries in the region whose legal frameworks have incorporated percentage quotas of jobs to be reserved for persons with disabilities in the public or private sector include Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. Despite being widely used, job quotas can be difficult to enforce and monitor. In general, compliance reports are incomplete, and what monitoring there is reveals widespread non-compliance. Other measures implemented in Argentina, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay include direct incentives for companies that hire workers with disabilities, such as tax breaks and social security credits, subsidies per person hired and funding for work station adaptation and the removal of barriers in the workplace (Bietti, 2023).

According to data for 28 countries and territories of the region that conducted population and housing censuses in the 2010 and 2020 rounds, most of which met the measurement standards of the Washington Group on Disability Statistics (García, 2025), approximately 6.5% of the regional population has some form of disability. This may be considered a minimum estimate, given the measurement difficulties outlined in box III.3; still, it provides a useful benchmark for raising the visibility of persons with disabilities (ECLAC, 2022c and 2025g).

Box III.3
The challenges of producing statistics on persons with disabilities

The way that disability is measured can result in statistics that are not comparable or that are hard to interpret. Data on disability are collected for a range of purposes, such as estimating the prevalence of disability in the population or planning the delivery of certain services, and these differences determine the type of statistics generated. Even when the intention is to measure the same concept, questions may differ in ways that limit comparability (World Health Organization [WHO], 2022).

Differences also arise from the use of different data sources. Figures from censuses, which cover the entire population of a given country, may differ from household survey data, information from targeted surveys of disability or administrative records. Similarly, data on disability prevalence may vary even if derived from the same data source, depending on how disability is defined in different countries or in the same country at different points in time.

In 2001, to facilitate the collection of internationally comparable, high-quality data, the Statistical Commission of the United Nations formed a study group, the Washington Group on Disability Statistics, which prepared a short set of questions on disability for use in population and housing censuses and in household surveys, recognizing their constraints in respect of budgetary resources, interview duration and questionnaire length.

The short set of questions assesses difficulties with six universal basic activities (functions): seeing, hearing, walking, self-care, cognition and communication. Respondents who answer "a lot of difficulty" or "cannot do it at all" are considered persons with a disability whose functional limitations place them at risk of being excluded, for example in educational or employment settings, if faced with physical, informational, attitudinal or institutional barriers in their surrounding environment (Washington Group on Disability Statistics, 2020).

The short set of questions has two main limitations: (i) the questions do not apply to children under 5 years of age, and miss many children with developmental disabilities over the age of 5; and (ii) it misses many people with psychosocial disabilities. These limitations can be remedied with other Washington Group tools, such as the Child Functioning Module and a set of additional questions. Although the short set of questions does not detect all types of disability, its inclusion in censuses serves to quantify inequality gaps between persons with and without disabilities in different dimensions, including employment, education, access to basic services, and information and communications technology (ICT) access and use.

Some organizations have employed measurement methodologies other than the Washington Group short set of questions. In its Global report on health equity for persons with disabilities, the World Health Organization (WHO), using data from the Global Burden of Disease study, stated that as of 2021, "an estimated 1.3 billion people —16% of the global population— have significant disability. Of these people, around 142 million have severe levels of disability" (WHO, 2022, p. 23). The World Bank (García Mora et al., 2021) indicates in its document Disability Inclusion in Latin America and the Caribbean: A Path to Sustainable Development: "Based on available data from the last census round (21 countries), there are close to 85 million persons with disabilities in Latin America and the Caribbean, or about 14.7 percent of the regional population" (p. 50). However, this figure does not just include persons with disabilities (or "severe disability", the designation used in the publication), defined as individuals who reported that they had a lot of difficulty performing or

could not perform the action; it also includes individuals who reported having some difficulty performing the action, and who under the Washington Group methodology would be interpreted as persons with a degree of functional limitation, rather than a disability. In addition, in some countries included in the report, the possible responses to these questions are given in a dichotomous (yes/no) format, which results in a larger estimated population of persons with disabilities (García Mora et al., 2021).

Owing to the divergent nature of the tools used to collect the underlying data, then, the WHO and World Bank estimates cannot be directly compared with estimates produced using the Washington Group short set.

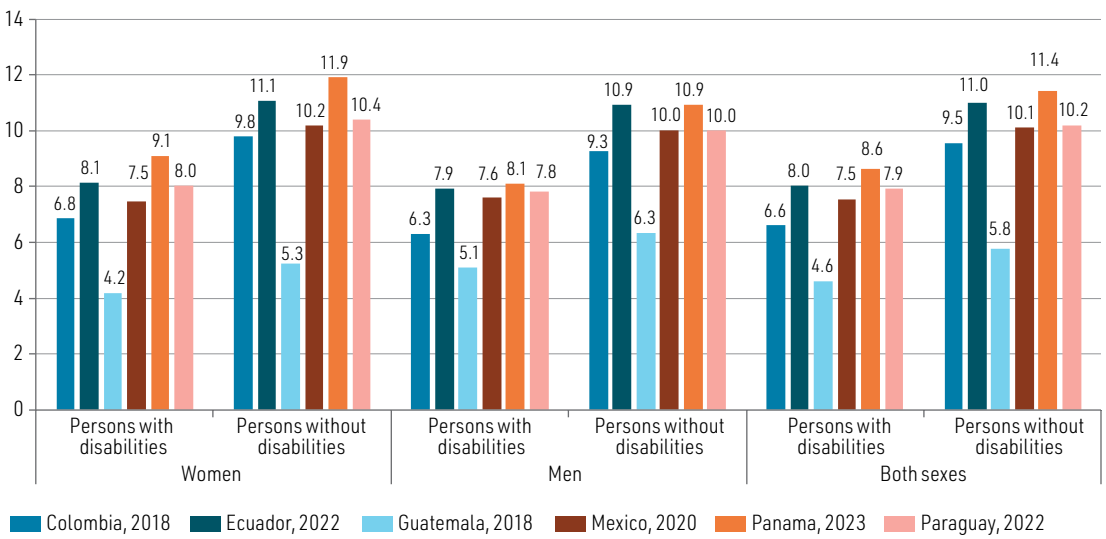
Source: Economic Commission for Latin America and the Caribbean, on the basis of Washington Group on Disability Statistics. (2020). *An Introduction to the Washington Group on Disability Statistics Question Sets*. https://www.washingtongroup-disability.com/resources/an-introduction-to-the-washington-group-on-disability-statistics-question-sets-459/; World Health Organization. (2022). Global report on health equity for pers*ons with disabilities;* García Mora, M. E., Schwartz Orellana, S. and Freire, G. (2021). *Disability Inclusion in Latin America and the Caribbean: A Path to Sustainable Development*. World Bank; and García, L. (2025). Fuentes de datos sobre las personas con discapacidad en América Latina desde un enfoque social y de derechos. *Project Documents* (LC/TS.2025/53). Economic Commission for Latin America and the Caribbean.

(a) Educational inequality affecting persons with disabilities

Although practically all countries in the region provide universal access to primary and, to a lesser degree, secondary education, children, adolescents and youth with disabilities continue to face barriers to access, often attending "special schools" in the absence of universally accessible and inclusive education. With regard to higher education, even though some universities and technical training institutions have enrolment quotas for persons with disabilities, the dropout rate is high owing to the physical, financial and attitudinal barriers that these students encounter in the course of their education.

As shown in figure III.13, on average, adults with disabilities (aged 30–59) have between one and three fewer years of education than those without disabilities. In Colombia, for example, persons with disabilities have an average of three fewer years of education than persons without disabilities, while in Guatemala, the difference is one year. The gender gap on this indicator is not as large.

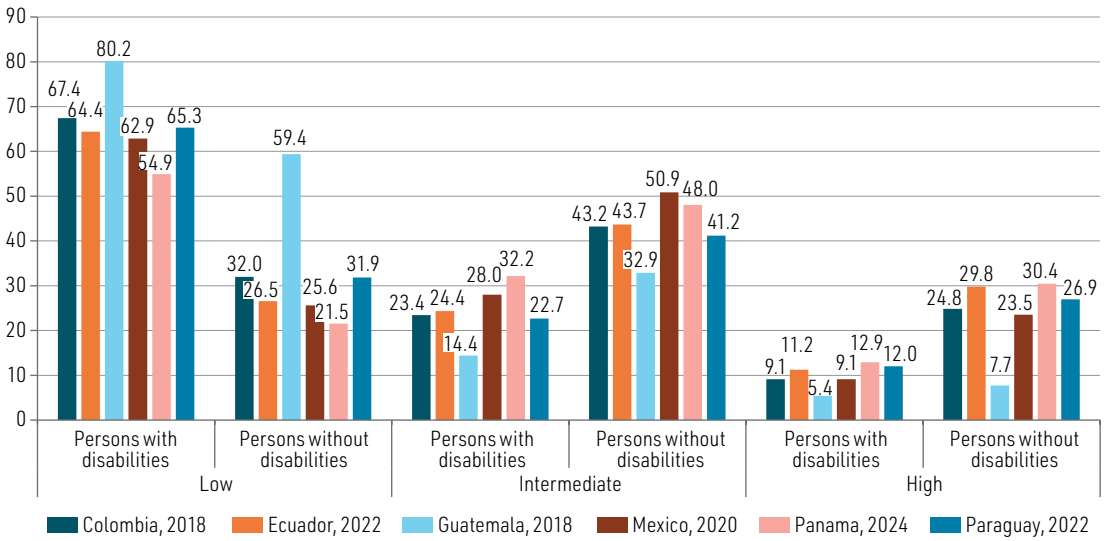
Figure III.13
Latin America and the Caribbean (6 countries): average educational attainment of the population aged 30–59, by disability status and sex, 2020 census round
(Completed years of schooling)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

In the countries analysed, the proportion of persons with disabilities whose number of years of education represents a low level of attainment ranges from 55% (Panama) to 80% (Guatemala), while the proportion with a high level of attainment ranges from just 5% (Guatemala) to 13% (Panama). Larger proportions of persons without disabilities than with them attain an intermediate level of education (see figure III.14).

Figure III.14
Latin America and the Caribbean (6 countries): educational attainment of the population aged 30–59, by disability status and sex, 2020 census round
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.
Note: Low attainment: 0–6 years of education; intermediate attainment: 7–12 years of education; high attainment: 13 years of education or more.

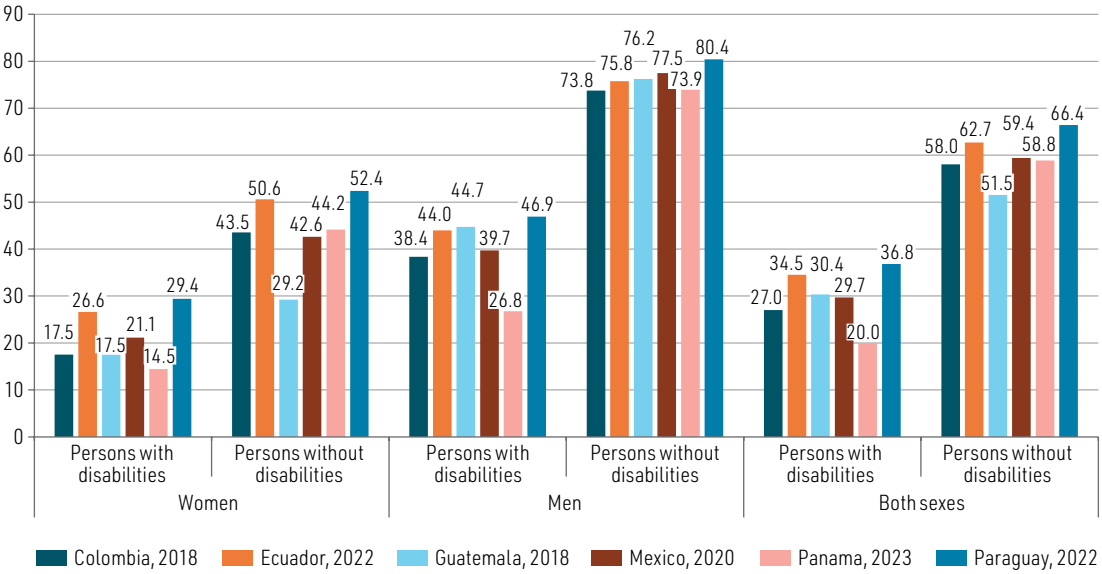
Although some countries of the region have made considerable progress with educational inclusion, most of this occurred in recent decades (UNESCO, 2020). The lack of an inclusive education system based on universal, transversal accessibility is at the root of the lower levels of educational access and attainment seen among persons with disabilities. These gaps have resulted in a variety of obstacles, such as a lack of or inadequate adapted curricula and teaching resources and a dearth of specialized teacher training tailored to the particular needs of students with disabilities. Physical and architectural barriers that restrict access to education and training institutions are further factors, as are commuting challenges (Bietti, 2023; ECLAC, 2021; United Nations, 2024c).

(b) Persons with disabilities face particular obstacles to labour inclusion

Globally, only 27% of persons with disabilities were employed as of around 2021, compared to 56% of persons without disabilities, and the unemployment rate among persons with disabilities was 10%, compared to 8% among those without (United Nations, 2024c).

In Latin America and the Caribbean, according to the most recent census data from six countries, less than 40% of persons with disabilities are in the labour force. Panama has the lowest proportion (20%) and Paraguay the highest (66.4%). Women with disabilities have labour participation rates of less than 30%, and the figure is even lower if they live in rural areas (see figure III.15).

Figure III.15
Latin America and the Caribbean (6 countries): people aged 15 and over in the labour force, by disability status and sex, 2020 census round
(Percentages)



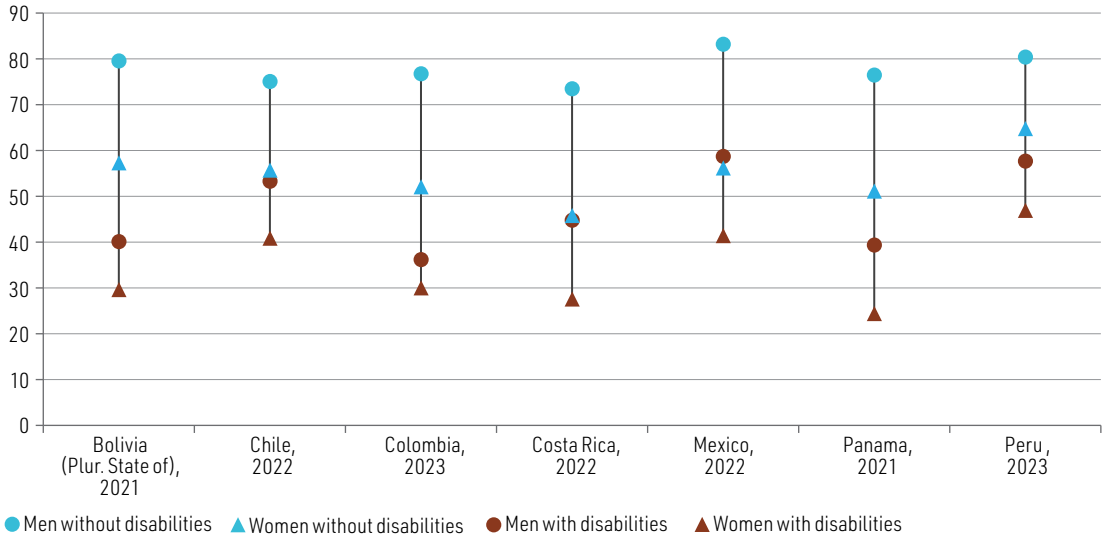
Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

Lower labour force participation rates among persons with disabilities are associated with a lack of accessibility and invisible barriers to job seeking (Bietti, 2023). Persons with disabilities refrain from seeking employment, among other reasons, because: (i) they believe that their disability will harm their chances of being hired; (ii) they encounter accessibility problems in buildings and transportation; (iii) their families or potential employers do not allow them to; and (iv) they face negative perceptions about their "fitness" for the job (Bietti, 2023).

Another barrier to labour inclusion for persons with disabilities are breaks in the chain of accessibility on their route between home and work, which discourage them from seeking or keeping a job. In addition, a relatively low proportion of persons with disabilities have access to ICTs at home and are able to use them, which limits their ability to work remotely and thus obviate the physical barriers to commuting, especially in smaller cities and rural areas. Labour participation among persons with disabilities may also be disincentivized by the eligibility criteria of some social protection programmes, such as non-contributory monetary entitlements that are contingent upon the recipient being poor and deemed unable to work. Criteria of this type lead to some persons with disabilities not seeking work or taking informal jobs to avoid losing these cash benefits (Bietti, 2023). All these factors are compounded by the persistent discrimination and prejudice that persons with disabilities commonly encounter in the workplace (Bietti, 2023; ECLAC, 2021; United Nations, 2024c).

The intersection of disability status and gender inequalities is apparent in the enormous gaps in employment rates between men without disabilities and women with disabilities, which are as wide as 50 percentage points in Panama and the Plurinational State of Bolivia and very substantial in Chile, although somewhat less so in Peru. There is also a gender gap among persons with disabilities, with women's employment rates being lower than men's (see figure III.16).

Figure III.16
Latin America and the Caribbean (7 countries): employment rates in the population aged 15–59, by disability status and sex, 2021–2023
(Percentages)



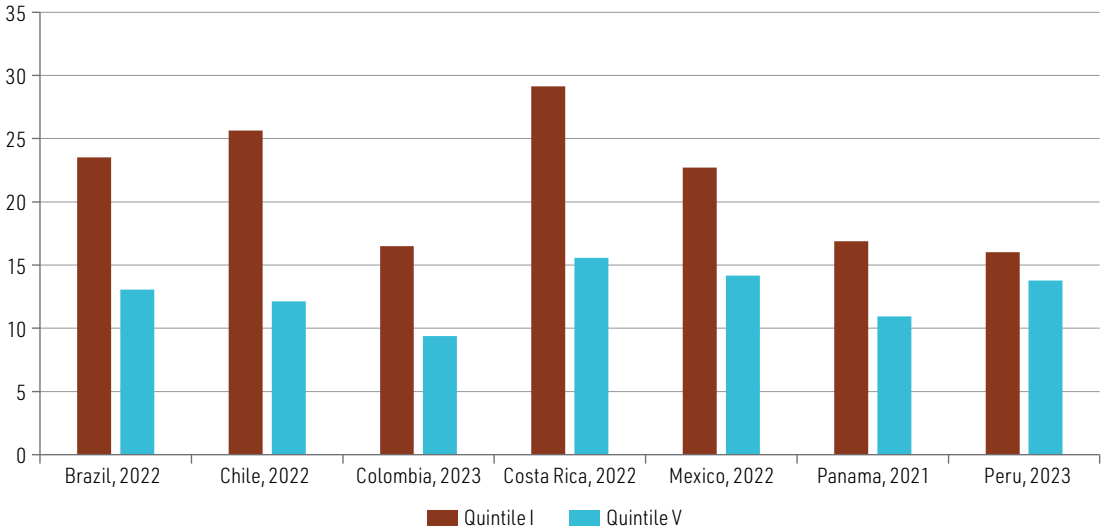
Source: Economic Commission for Latin America and the Caribbean, on the basis of special processing of census microdata available at the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, using REDATAM.

When persons with disabilities are employed, it is typically in informal or less stable jobs, especially where women and older persons are concerned, and often in own-account work (Bietti, 2023; ECLAC, 2016, 2021; United Nations, 2024a). In addition, wages are generally lower for workers with disabilities, which in some cases is attributable to their having a shorter workday, as established at the time of hiring, but in others is quite unjustified (Bietti, 2023).

(c) The exclusion of persons with disabilities from education and employment, and household poverty

Lower levels of educational attainment and low participation in employment, together with the prevalence of informal working, make it harder for workers with disabilities to achieve meaningful labour inclusion and earn a stable, decent income. In addition, a considerable proportion of them do not have access to unemployment insurance or maternity or sick leave, and the costs associated with health services, including therapy, rehabilitation, support and care, accessibility, assistive devices and household modifications to facilitate mobility, are high. These additional expenses can significantly impact the financial situation of persons with disabilities, contributing to their higher levels of poverty and income inequality. In several countries of the region, in fact, the proportion of persons with disabilities whose households are in the bottom quintile is at least double the proportion whose households are in the top quintile (see figure III.17).

Figure III.17
Latin America and the Caribbean (7 countries): people in households where at least one person has a disability, by income quintile, 2021–2023
(Percentages)



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

C. Summary and recommendations for reducing gender inequality and inequality affecting Indigenous Peoples, international migrants and persons with disabilities

Eradicating inequality in education and employment as it affects women, Indigenous Peoples, migrants and persons with disabilities will not only settle a historical debt and improve their well-being and social inclusion but also play a vital part in the region's efforts to escape from the trap of high inequality and low social mobility and cohesion. There is a need to remodel institutions and channel resources with a view to dealing with long-accumulated deficits in these groups' access to quality education and employment, and to adopt different types of policies aimed at eradicating the objective and subjective underpinnings of the exclusion, discrimination and stigmatization they face, along with measures to increase the visibility and recognize the value of their societal contributions.

The inequalities examined in this chapter have socioeconomic determinants and manifestations, but their roots lie in historical and structural exclusion and in discrimination for cultural and ideological reasons. Thus, a sustained reduction in inequality requires policies to raise these groups' standard of living and to promote effective political, social, cultural and institutional inclusion, together with a new, egalitarian social treatment that also takes account of their particular characteristics while reversing long-accumulated deficits and stigmas. It is equally essential that these groups' views be heard and considered in decisions affecting them, through formal, transparent and representative mechanisms that ensure monitoring and accountability.

In the case of women, this means campaigns and regulations to eliminate gender stereotypes and discriminatory practices that restrict the education and employment choices available to them, together with different types of incentives, including quotas, to increase their representation in STEM programmes and occupations while diversifying gender representation in care-related programmes and occupations.

In the care sector, the following actions are needed: (i) implementation of programmes and mechanisms for formalization, training and recognition of the skills and abilities of the sector's workers, especially those in non-professionalized occupations such as paid domestic work and personal and institutional care work; (ii) adoption of the 5R Framework for Decent Care Work (ILO, 2024a), which focuses on recognizing, reducing and redistributing unpaid care work, while rewarding and representing care workers, both male and female, in a context of decent work; and (iii) implementation of productive development policies that incorporate science, technology and innovation, technology extension, digital transformation and entrepreneurship into the care sector and economy, which will help to reduce occupational segregation, improve the quality of the services delivered and ensure decent jobs for workers in this field. These measures must recognize the needs and rights of caregivers and care recipients alike, thus ensuring access to better professional development opportunities (ECLAC, 2024b, 2025c; ECLAC et al., 2025; ILO, 2024a).

In the case of Indigenous Peoples, the first thing is to acknowledge the existential value of their ancestral territories and the need to defend them, while taking into account their territorial, cultural and sociopolitical diversity and ensuring the exercise of recognized collective rights. To achieve educational inclusion, opportunities in Indigenous territories themselves need to be significantly enhanced by expanding and improving infrastructure, digital connectivity and targeted support for bilingual teachers with intercultural training in ancestral territories and in areas with large Indigenous populations. In addition, special programmes should be implemented to strengthen intercultural technical training that is focused on sustainable activities and adapted to local realities and that incorporates traditional knowledge, care practices, environmental management, agroecology and collective enterprise models which enable Indigenous communities to retain their connection with these territories. Distance learning and school transport programmes are also useful in sparsely inhabited areas where the development of local infrastructure is impracticable.

There is also an urgent need to design targeted policies for Indigenous students in large cities and urban centres that recognize their cultural identity and differentiated situations. This should include affirmative action, such as quotas or targeted scholarships, to enhance opportunities in higher education and formal employment. The urban labour market also requires affirmative action measures linked to education programmes that incorporate an intercultural perspective.

Policies for international migrants should be comprehensive, taking into account the diverse range of migrant profiles and ensuring alignment with international commitments on safe, orderly and regular migration. As regards educational inclusion, needs include streamlined mechanisms for validating studies and recognizing qualifications, accelerated education, levelling programmes and schools with extended hours that provide additional academic and psychosocial support to prevent students from dropping out or falling behind their peer group, as well as courses in the local language, acknowledgement of cultural diversity, university quotas, financial assistance and subsidies for materials and transportation. Also crucial are specific anti-bullying protocols for migrants, intercultural curricula and efforts to raise awareness of cultural diversity among teachers.

To make progress with the labour inclusion of migrants, it will be necessary to implement job seeking assistance programmes, facilitate migrants' access to national and local employment

and entrepreneurship programmes, and promote skill certification, formalization strategies and technical upskilling. Access to social protection, including unemployment insurance, is also important, as are measures to promote fair employment conditions, ensuring the right to decent work. Likewise necessary are integration policies to combat stigmatization, xenophobia, violence and discrimination through campaigns and training programmes that recognize the value of cultural diversity and the contribution of migrants. While regularization of the status of migrants is not sufficient on its own, it is critical to their integration into education systems and labour markets, and needs to be strengthened within a framework of rights-based governance that ensures safe, orderly and regular migration.

In the case of persons with disabilities, it is vital to ensure they have access to inclusive education adapted to their needs, eliminating prejudices and discriminatory practices in the world of work and providing special support for their incorporation into the labour force and the protection of their employment rights. Programmes of subsidies and financial incentives for businesses, institutions and individuals to engage persons with disabilities and the establishment of hiring quotas for them are essential to labour inclusion. In addition, to enable them to exercise their right to work on an equal footing, it is crucial to adopt effective measures which ensure that reasonable accommodations are made.

Bibliography

Abdulkadri, A., John-Aloye, S., Mkrtchyan, I., Gonzales, C., Johnson, S. and Floyd, S. (2022). Addressing gender disparities in education and employment: a necessary step for achieving sustainable development in the Caribbean. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean* (109) (LC/TS.2022/114-LC/CAR/TS.2022/3). Economic Commission for Latin America and the Caribbean.

Abramo, L., Trucco, D., Ullmann, H. and Espejo, A. (2021). Jóvenes y familias: políticas para apoyar trayectorias de inclusión. *Social Policy Series* (241) (LC/TS.2021/138). Economic Commission for Latin America and the Caribbean.

Bietti, M. F. (2023). Personas con discapacidad e inclusión laboral en América Latina y el Caribe: principales desafíos de los sistemas de protección social. *Project Documents* (LC/TS.2023/23). Economic Commission for Latin America and the Caribbean.

Colombian Family Welfare Institute. (2022). *Caracterización de la niñez y adolescencia migrante venezolana en Colombia.*

Del Popolo, F. (Ed.) (2017). *Los pueblos indígenas en América (Abya Yala): desafíos para la igualdad en la diversidad.* ECLAC Books (151) (LC/PUB.2017/26). Economic Commission for Latin America and the Caribbean.

Del Popolo, F., Oyarce, A. M., Ribotta, B. and Rodriguez, J. (2007). Indigenous Peoples and urban settlements: spatial distribution, internal migration and living conditions. *Population and Development Series* (78) (LC/L.2799-P). Economic Commission for Latin America and the Caribbean.

Economic Commission for Latin America and the Caribbean. (n.d.). *Femininity index for poverty for the population between 20 and 59 years old, 2001–2024*. Gender Equality Observatory for Latin America and the Caribbean. https://oig.cepal.org/en/statistical-profile?country=LAC&id=2289

Economic Commission for Latin America and the Caribbean. (2013). *Montevideo Consensus on Population and Development* (LC/L.3697).

Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)).

Economic Commission for Latin America and the Caribbean. (2017). *Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030* (LC/CRM.13/5).

Economic Commission for Latin America and the Caribbean. (2021). Persons with disabilities and their rights in the COVID-19 pandemic: leaving no one behind. *COVID-19 Reports.*

Economic Commission for Latin America and the Caribbean. (2022a). *Social Panorama of Latin America and the Caribbean, 2022* (LC/PUB.2022/15-P).

Economic Commission for Latin America and the Caribbean. (2022b). *The care society: a horizon for sustainable recovery with gender equality* (LC/CRM.15/3).
Economic Commission for Latin America and the Caribbean. (2022c). *The sociodemographic impacts of the COVID-19 pandemic in Latin America and the Caribbean* (LC/CRPD.4/3).
Economic Commission for Latin America and the Caribbean. (2023a). *Gender equality and women's and girls' autonomy in the digital era: contributions of education and digital transformation in Latin America and the Caribbean* (LC/MDM.64/DDR/1/Rev.1).
Economic Commission for Latin America and the Caribbean. (2023b). *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1).
Economic Commission for Latin America and the Caribbean. (2023c). *Participación de las mujeres en la toma de decisiones en América Latina y el Caribe*. Gender Equality Observatory for Latin America and the Caribbean. https://oig.cepal.org/es/documentos/participacion-mujeres-la-toma-decisiones-america-latina-caribe
Economic Commission for Latin America and the Caribbean. (2023d). Child marriages and early unions: inequality and poverty among women, girls and adolescents in Latin America and the Caribbean. *Gender Equality Bulletin* (1).
Economic Commission for Latin America and the Caribbean. (2024a). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*).
Economic Commission for Latin America and the Caribbean. (2024b). *Social Panorama of Latin America and the Caribbean, 2024* (LC/PUB.2024/21-P).
Economic Commission for Latin America and the Caribbean. (2024c). *Population, Development and Rights in Latin America and the Caribbean: second regional report on the implementation of the Montevideo Consensus on Population and Development* (LC/CRPD.5/3).
Economic Commission for Latin America and the Caribbean. (2025a). *Action for equality, development and peace in Latin America and the Caribbean: regional report on the review of the Beijing Declaration and Platform for Action, 30 years on, in synergy with the implementation of the Regional Gender Agenda* (LC/MDM.66/5).
Economic Commission for Latin America and the Caribbean. (2025b). *Latin America and the Caribbean in the Final Five Years of the 2030 Agenda: Steering Transformations to Accelerate Progress* (LC/FDS.8/3).
Economic Commission for Latin America and the Caribbean. (2025c). *Tlatelolco Commitment: a decade of action to achieve substantive gender equality and the care society.* https://conferenciamujer.cepal.org/16/en/documents/tlatelolco-commitment
Economic Commission for Latin America and the Caribbean. (2025d). *The care society: governance, political economy and social dialogue for a transformation with gender equality* (LC/CRM.16/3).
Economic Commission for Latin America and the Caribbean. (2025e). *Repositorio sobre uso del tiempo de América Latina y el Caribe: "Sistemas de información: transformar datos en información, información en conocimiento y conocimiento en decisión política".* https://oig.cepal.org/es/infografias/repositorio-uso-tiempo-america-latina-caribe-2025
Economic Commission for Latin America and the Caribbean. (2025f). *Statistical Yearbook for Latin America and the Caribbean, 2024* (LC/PUB.2024/26-P).
Economic Commission for Latin America and the Caribbean. (2025g). *Persons with Disabilities: From Statistical Visibility to the Exercise of Rights* (LC/MDP.6/3).
Economic Commission for Latin America and the Caribbean. (2025h). Towards substantive gender equality and the care society: acting with urgency to ensure women's and girls' right to a life free from violence. *Femicidal Violence in Figures: Latin America and the Caribbean* (4).
Economic Commission for Latin America and the Caribbean and Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean. (2020). Los pueblos indígenas de América Latina - Abya Yala y la Agenda 2030 para el Desarrollo Sostenible: tensiones y desafíos desde una perspectiva territorial. *Project Documents* (LC/TS.2020/47).
Economic Commission for Latin America and the Caribbean and International Labour Organization. (2023). Labour market inclusion of young people and redistribution of care work: challenges and opportunities. *Employment Situation in Latin America and the Caribbean* (29) (LC/TS.2023/197).
Economic Commission for Latin America and the Caribbean and International Labour Organization. (2025). *Economía del cuidado y trabajo decente: escenarios y recomendaciones para América Latina y el Caribe.*
Economic Commission for Latin America and the Caribbean and United Nations Entity for Gender Equality and the Empowerment of Women. (2025). *The 2030 Agenda for Sustainable Development and the Regional Gender Agenda in Latin America and the Caribbean: gender indicators up to 2024* (LC/TS.2025/8).

Economic Commission for Latin America and the Caribbean, United Nations Entity for Gender Equality and the Empowerment of Women, United Nations Development Programme and International Labour Organization. (2025). *Guidelines for care policies from a gender, territorial and intersectional perspective* (LC/CRM.16/4).
García, L. (2025). Fuentes de datos sobre las personas con discapacidad en América Latina desde un enfoque social y de derechos. *Project Documents* (LC/TS.2025/53). Economic Commission for Latin America and the Caribbean.
González, D. and Stang, M. (2014). Las personas con discapacidad en América Latina a 20 años de los consensos de El Cairo: la necesidad de información para políticas y programas. *Notas de Población* (99) (LC/G.2628-P). Economic Commission for Latin America and the Caribbean.
International Labour Organization. (2015). *ILO global estimates on migrant workers: results and methodology. Special focus on migrant domestic workers.* http://www.ilo.org/global/topics/labour-migration/publications/WCMS_436343/lang--es/index.htm
International Labour Organization. (2020). *No one left behind, not now, not ever: persons with disabilities in the COVID-19 response.*
International Labour Organization. (2023). *ILO Regional Strategy on Labour Migration and Human Mobility in Latin America and the Caribbean 2023-2030.*
International Labour Organization. (2024a). *Resolution concerning decent work and the care economy* (ILC.112/Resolution V).
International Labour Organization. (2024b). *ILO Global Estimates on International Migrant Workers: International Migrants in the Labour Force. Fourth edition*
International Labour Organization. (2024c). ILO Care Policy Investment Simulator. *Technical Note* (version 2.0).
Jiménez, F. (2023). Cambios en el mundo del trabajo: mecanismos de inserción laboral de los trabajadores migrantes. In A. Vera Riveron and K. Martinez (Coords.), *Memoria del Seminario Internacional: Migración Laboral en América Latina y el Caribe,* 163-176. National Institute of Migration, International Labour Organization and International Organization for Migration.
Jones, F. and Serieux-Lubin, L. (2018). Disability, human rights and public policy in the Caribbean: a situation analysis. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean* (64) (LC/CAR/TS.2017/12-LC/TS.2017/151).
Lederer, E. M. (2023, 7 September). *A record numbers of children are on the move through Latin America and the Caribbean, UNICEF says.* AP News. https://apnews.com/article/9dbc775af50120a72d8a56d81326ceb0
Martínez Pizarro, J. and Cano Christiny, M. V. (Eds.) (2022). Sobre las contribuciones de la migración al desarrollo sostenible: estudios en países seleccionados. *Project Documents* (LC/TS.2021/195). Economic Commission for Latin America and the Caribbean.
Massey, D. S. and N. A. Denton (1988). The dimensions of residential segregation. *Social Forces, 67(*2). 281–315. https://doi.org/10.2307/2579183
Pedrero, M. (2023). Hacia una recuperación económica transformadora de América Latina-Abya Yala: desafíos para garantizar los derechos colectivos de los pueblos indígenas. *Project Documents* (LC/TS.2023/35). Economic Commission for Latin America and the Caribbean.
Reuters. (2024, 15 May). *UN sees number of young migrants crossing the dangerous Darien Gap up by a third.* https://www.reuters.com/world/americas/un-sees-number-young-migrants-crossing-dangerous-darien-gap-up-by-third-2024-05-16/
Spotlight Initiative Latin America Regional Programme. (2022). *Estudio sobre la calidad de la medición del femicidio/feminicidio y las muertes violentas de mujeres por razones de género.*
United Nations. (1990). *International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families* (A/RES/45/158).
United Nations. (2006). Convention on the Rights of Persons with Disabilities (A/RES/61/106).
United Nations. (2018). *Global Compact for Safe, Orderly and Regular Migration.* (A/RES/73/195).
United Nations. (2024a). *Transforming care systems in the context of the Sustainable Development Goals and Our Common Agenda.* UN System Policy Paper.
United Nations. (2024b). *International Migrant Stock 2024* [Database]. https://www.un.org/development/desa/pd/content/international-migrant-stock
United Nations. (2024c). *Disability and Development Report 2024: accelerating the realization of the Sustainable Development Goals by, for and with persons with disabilities. Advance unedited version.*
United Nations. (2025a). *Thirty years of implementation of the Beijing Declaration and Platform for Action: its potential for women and girls with disabilities. Report of the Special Rapporteur on the rights of persons with disabilities, Heba Hagrass* (A/HRC/58/56).

United Nations. (2025b). *International Migrant Stock 2024: Key facts and figures. Advance unedited version.* (UN DESA/POP/2024/DC/NO. 13).
United Nations Children's Fund. (2023). *The changing face of child migration in Latin America and the Caribbean: a region like no other.*
United Nations Educational, Scientific and Cultural Organization. (2016). *Measuring Gender Equality in Science and Engineering: The SAGA Science, Technology and Innovation Gender Objective List (STI GOL).*
United Nations Educational, Scientific and Cultural Organization. (2020). *Global Education Monitoring Report, 2020: Inclusion and Education: All Means All.*
United Nations Educational, Scientific and Cultural Organization. (2022). *Garantizar el derecho a la educación de personas en movilidad: análisis de avances y desafíos en sistemas de información y marcos normativos en Colombia, Perú y Ecuador.*
United Nations Educational, Scientific and Cultural Organization, United Nations Children's Fund and Economic Commission for Latin America and the Caribbean. (2022). *Education in Latin America at a crossroads: regional monitoring report SDG4 - Education 2030.*
United Nations Entity for Gender Equality and the Empowerment of Women. (2020). *Violencia contra mujeres y niñas en el espacio digital: lo que es virtual también es real.*
United Nations Entity for Gender Equality and the Empowerment of Women. (2025). *Brechas de género en STEM: una mirada al sector energético.*
Valenzuela, M. E., Scuro, M. L. and Vaca Trigo, I. (2020). Desigualdad, crisis de los cuidados y migración del trabajo doméstico remunerado en América Latina. *Gender Affairs Series* (158) (LC/TS.2020/179). Economic Commission for Latin America and the Caribbean.

CHAPTER

IV

Social institutional frameworks and spending to address inequality

Introduction

Latin America and the Caribbean, the most unequal region in the world, is facing complex challenges related to discrimination and the institutional framework required to address it. The wide gaps in access to well-being and to the effective enjoyment of rights that characterize the region's countries do not affect all individuals and population groups with equal intensity. Although major challenges remain, this reality has generally been taken into account in the various dimensions comprising countries' social policy institutions, through the adoption of laws, organizational frameworks and management tools, and by allocating financial resources to serve the varying needs of specific population groups.

A solid social institutional framework enables the development of social policies that are transformative and of high quality, meaning that they are focused on effectively safeguarding rights and facilitate effectiveness, efficiency, sustainability, sufficiency, public participation, accountability, transparency and access to information (Martínez, 2019; Economic Commission for Latin America and the Caribbean [ECLAC], 2023a). Such a social institutional framework requires the strengthening of technical, operational, political and prospective (TOPP) capabilities, to enable transformative action and management of linkages with various actors, using social dialogue as a tool for coordination, persuasion, conflict management and consensus-building, with planning and foresight capabilities for functional and effective governance (ECLAC, 2024a; Salazar-Xirinachs, 2023; Salazar-Xirinachs and Boeninger Sempere, 2025). Rules, structures and procedures are not sufficient to strengthen these TOPP capabilities; the ability to manage the existing framework, adapt swiftly, anticipate disruptions and lead structural social transformations is also crucial (Salazar-Xirinachs and Boeninger Sempere, 2025), along with the availability of sufficient resources for social investment and the capacity to use them.

The specialization of social policy institutions to serve specific population groups reflects countries' growing commitment to combating discrimination by adapting public measures to these groups' needs and mitigating the causes and dynamics that underpin their vulnerabilities and disadvantages. Such institutions must have the necessary flexibility and capacity for coordination among diverse sectoral bodies and objectives to adapt to specific circumstances, mainstreaming a rights-based approach into various public administration processes and management units.

This chapter focuses on elements of social institutional frameworks, and on inequality reduction policies in particular. Section A presents an analysis of some characteristics of the social institutional frameworks serving specific population groups that suffer some form of discrimination, based on the official information available. Section B provides an assessment of social spending, based on public finance statistics from 17 Latin American countries (2000–2024) and 7 Caribbean countries (2008–2024), including GDP trends —per capita and by function— according to the Classification of the Functions of Government (COFOG). It also presents an analysis of the redistributive effect of public transfers as a way of estimating their impact on well-being and inequality. Lastly, section C offers concluding remarks.

A. Characteristics of social institutional frameworks for implementation of inclusion and anti-discrimination policies

Remarkable legal, regulatory and organizational progress has been made in the social policy institutions combating exclusion and discrimination in general, and protecting the rights and welfare of specific population groups. Along with advances in the ratification of international human rights instruments, countries have improved their constitutional and domestic legal frameworks, while there are government agencies that specialize in upholding these groups' rights. Considerable technical and operational progress has also been made in these populations' statistical visibility. Major challenges nonetheless persist in endowing institutions with greater technical, human and financial resources and better coordination to strengthen States' capacity to combat discrimination more systematically and enhance TOPP capabilities in the social sphere.

While the existence of legal frameworks and organizational structures is a necessary starting point, it must be complemented by TOPP institutional capabilities to achieve the expected results. Their effectiveness thus relies on having capabilities that are technical (statistical institutes that are able to produce and analyse disaggregated data and impact assessment mechanisms); operational (inter-agency management systems, programmatic budgets and real-time monitoring mechanisms); political (multiparty agreements to ensure continuity, legitimate stewardship and public participation mechanisms); and prospective (risk scenarios, medium- and long-term planning and integration of demographic and technological trends).

Capturing countries' processes and capacities to address inequality and discrimination entails analysing the characteristics of the institutional frameworks that underpin the policies to meet the needs of and address the exclusion and discrimination experienced by the traditionally vulnerable populations described in chapter III: women, Indigenous Peoples, Afrodescendent populations, persons with disabilities and migrants. Supplementing these are policies to mitigate inequalities throughout the life cycle, geared towards children, adolescents, and young and older persons.

1. Elements of the legal and regulatory framework for policies to reduce inequality and protect specific population groups

A preliminary review of Latin American and Caribbean countries' constitutional texts and legislative frameworks with regard to laws on equality, non-discrimination and protection of the rights of traditionally more vulnerable population groups shows that the constitutions of all 33 of the region's countries include the principle of equality and non-discrimination. While this guarantee is expressed in broad terms in 19 countries, in 14, discrimination on grounds such as sex, race, national or family origin, language and religion is explicitly prohibited. All the region's countries have ratified the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women, the International Convention on the Elimination of All Forms of

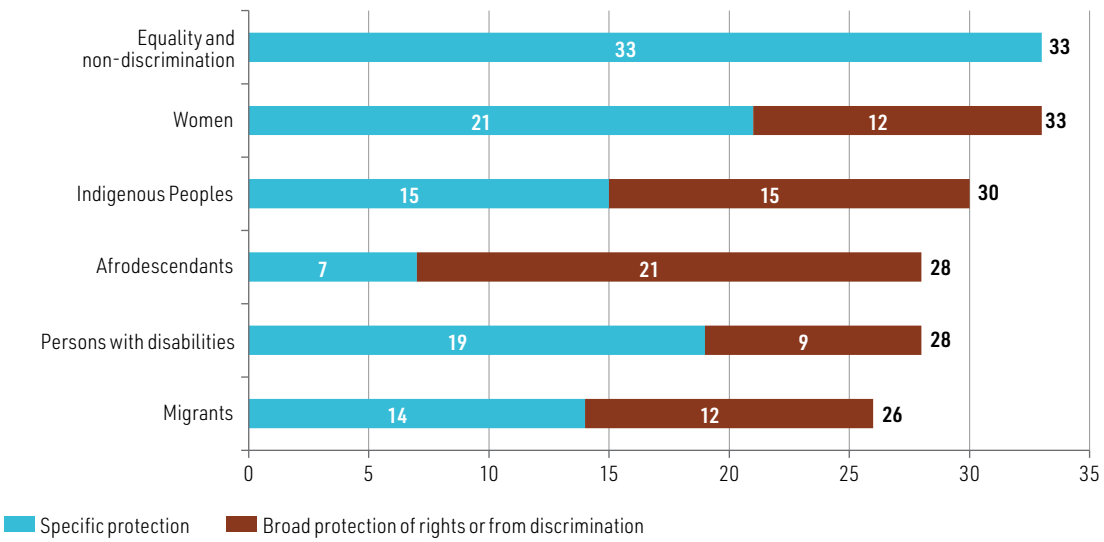
Racial Discrimination and the Convention on the Rights of Persons with Disabilities, providing an international framework to uphold the principle of equality and non-discrimination, while 15 have adopted the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women. However, just 15 countries have ratified the Indigenous and Tribal Peoples Convention, 1989 (No. 169) and the Migration for Employment Convention (Revised), 1949 (No. 97) of the International Labour Organization (ILO).[1]

A review of the specific protection afforded to certain populations shows significant differences between constitutional texts. All 33 countries in the region guarantee equality before the law and prohibit discrimination on the basis of sex in generic terms (see figure IV.1A). Meanwhile, 21 constitutions explicitly enshrine specific rights for women, and some also note particular dimensions and areas, such as political participation, motherhood or work. In 6 of these 21 countries (Colombia, Cuba, Ecuador, El Salvador, Guyana and Paraguay), women's rights are explicitly recognized (Huckerby, 2012).

Equality and non-discrimination on grounds of race and ethnicity are also explicitly mentioned in the constitutional texts of 30 countries for the former grounds and 28 for the latter. Moreover, in 15 countries, these texts explicitly recognize Indigenous Peoples as rights-bearers, sometimes by specifying areas such as land recognition or parliamentary quotas, and the rights of Afrodescendants are explicitly protected in 7 countries. As detailed below, along with references in constitutional texts, countries have various legal bodies that seek to recognize rights and protect these population groups from discrimination.

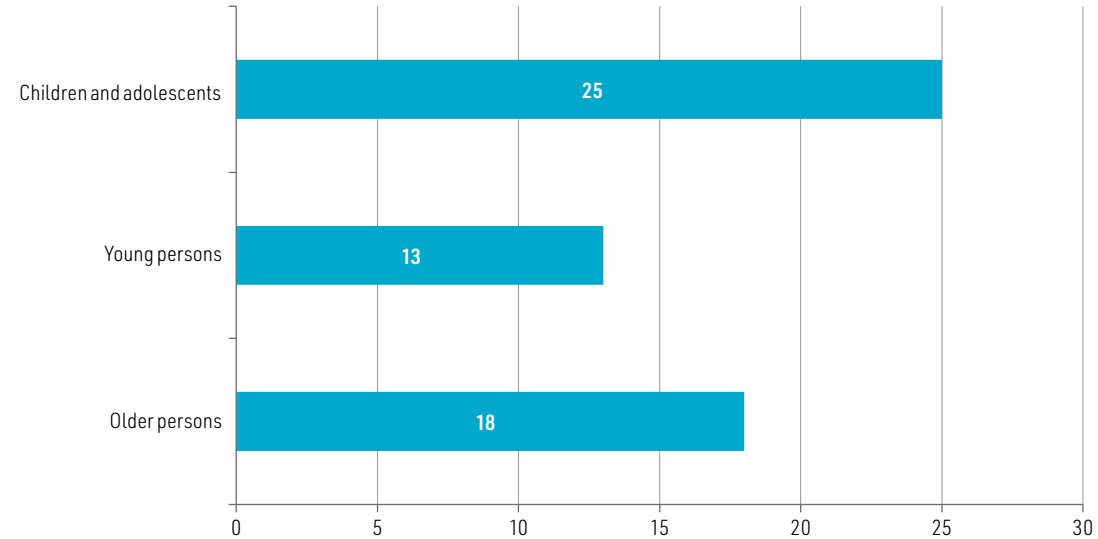
Figure IV.1
Latin America and the Caribbean (33 countries):[a] constitutional framework for policies on equality, non-discrimination and the protection of specific population groups
(Number of countries)

A. By population group



[1] For more details, see the Institutional Framework Database for Social Policy (https://dds.cepal.org/bdips/en/dim11.php) and the Gender Equality Observatory for Latin America and the Caribbean (https://oig.cepal.org/en/indicators?id=2293).

B. By stage of life cycle



Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean and United Nations Population Fund. (2020). Afrodescendientes y la matriz de la desigualdad social en América Latina: retos para la inclusión. *Project Documents* (LC/PUB.2020/14); Food and Agriculture Organization of the United Nations and Economic Commission for Latin America and the Caribbean. (2025). *People of African descent in Latin America and the Caribbean: an exploration of social and territorial realities in the rural world* (LC/TS.2024/136); and Oyarce Pisani, A. M. (2025). Panorama de la institucionalidad social de los Pueblos Indígenas y su aporte a la cohesión social de América Latina. *Project Documents* (LC/TS.2025/31). Economic Commission for Latin America and the Caribbean.

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

The constitutions of 19 of the region's 33 countries explicitly recognize the particular rights or needs of persons with disabilities, (from rehabilitation to specialized care), while those of 9 others only incorporate non-discrimination on the basis of disability in generic terms. Migrants are explicitly mentioned in the constitutional texts of 14 countries, including with respect to their equal rights and duties (with the limitations established by each constitution), while 12 other countries incorporate only generic guarantees against discrimination regardless of place of origin, encompassing migrants both from other parts of the country and from abroad.

The constitutions of 25 of the 33 countries refer specifically to the protection of children and adolescents, while only 18 mention the rights of older persons. There are also 13 countries that distinguish young people from children and adolescents, granting them particular rights and recognition (see figure IV.1B).

Along with references in constitutional texts, the region's countries have various specific legal bodies that seek recognition of rights and protection from discrimination for these population groups. Thus, a review of specific legislation on discrimination against women shows that 12 countries in Latin America have gender equality laws. However, while the region's countries have advanced in the adoption of laws to ensure women's fundamental rights —such as a life free from violence, political participation and parity, and, more recently, the right to care— legislation that discriminates against women persists in various spheres of public and private life.[2]

[2] For more information, see the repository of laws of the Gender Equality Observatory for Latin America and the Caribbean of ECLAC (https://oig.cepal.org/en/equality-policies-list?date_from=&date_to=&type%5B10%5D=10), which provides a detailed overview of legislative advances in the region relative to women's economic, physical and decision-making autonomy. A comprehensive analysis of gender equality laws and plans can also be found in the ECLAC literature (2019a, 2025b).

With regard to persons with disabilities, who —according to data from the 2020 census round for 28 countries and territories mentioned in chapter III (ECLAC, 2025c)— comprised 6.5% of the Latin American and Caribbean population in 2020, 28 countries have specific legislation, adopted in three waves and shaped by international milestones and social processes. The first wave came in the 1980s and 1990s, with the promulgation of pioneering laws in Argentina (1981), Costa Rica and Guatemala (both in 1996) and Colombia (1997). The second wave, which was also the most significant, occurred between 2010 and 2015, partly inspired by the Convention on the Rights of Persons with Disabilities, which entered into force in 2008 and marked a shift from a medical and health-centred approach to a rights-based one, with laws adopted in at least 15 of the region's countries. The third wave began in 2021, with laws passed in El Salvador (2021), Belize (2024), the Bolivarian Republic of Venezuela (2024) and Barbados (2025), incorporating new challenges, such as digital accessibility, risk management and intersectionality. Also of note is the updating of disability legislation in some countries, such as Colombia, Panama and the Bolivarian Republic of Venezuela, whose first laws date back to 1997, 1999 and 2007, respectively, and were reformed in 2013, 2016 and 2024, respectively.

An analysis of the content of laws on persons with disabilities shows that 25 countries address employment promotion, in some cases incorporating hiring quotas; 24 seek to ensure accessible environments; 16 opt to ensure autonomy and access to decision-making, including the right to vote and be elected; and 15 provide for protection from violence and abuse against persons with disabilities.

Migrants are protected by specific legislation in all 33 of the region's countries, through laws on services for foreign nationals or specialized protection processes. However, the situation is mixed in terms of the social and political rights that protect both emigrants and immigrants in the various countries.

Persons who identify as Indigenous make up 10.4% of the region's total population, or 58.5 million people (ECLAC, 2024b). Of the region's 33 countries, 18 have specific legislation for this group. Historically, there was an initial stage —from the late 1970s to the mid-1990s— in which broad frameworks were established for the recognition and promotion of the rights of Indigenous Peoples. This stage includes the adoption of foundational laws in Brazil (1973), Costa Rica (1977), Dominica (1978) and Argentina (1985), marking the first references to the recognition of this population's collective and territorial rights. In the second stage —from 1995 to 2010— there was significant regional momentum, coinciding with the adoption of ILO Convention No. 169 by several countries and with constitutional reforms recognizing plurinationality or multiculturality. Over this period, the laws enacted include Act No. 19253, in Chile (1993); the law on the communal property regime of Indigenous Peoples and ethnic communities of the autonomous regions of the Atlantic Coast of Nicaragua and of the Bocay, Coco, Indio and Maíz Rivers (Act No. 445), in Nicaragua (2002); and the Indigenous Peoples and Communities Organic Act, in the Bolivarian Republic of Venezuela (2005). A third important period, from 2010 on, is linked with decentralization processes, Indigenous justice and strengthening of territorial rights and governance. The most emblematic case is that of the Plurinational State of Bolivia, where a set of laws was passed between 2008 and 2020 in the framework of a new constitutional order. Colombia, Ecuador and Peru have also advanced in institutionalizing rights through laws on special Indigenous jurisdiction, the use of ancestral territories and access to culturally relevant services. Of particular note is Panama, as it was the first of the region's countries to adopt legislation on Indigenous Peoples, in 1938, but also has a robust legislative track record, with further laws enacted in 1983, 1996, 1997, 2000, 2013 and 2020 (Oyarce Pisani, 2025).

Meanwhile, 4 countries have legislation on violence against Indigenous Peoples, 6 have employment promotion laws for this population group, 11 recognize their decision-making autonomy, including through the establishment of quotas and political participation, 15 recognize their right to intercultural education and 16 have legislation on Indigenous land ownership.

Only 15 countries have legislation that explicitly recognizes Afrodescendants, who numbered 153.3 million in the region in 2024, or 23.7% of the total population[3] (Food and Agriculture Organization of the United Nations and Economic Commission for Latin America and the Caribbean [FAO and ECLAC], 2025). The first laws date back to the 1990s and early 2000s, when, for instance, Colombia and Panama raised this population's profile through specific laws, which included, among other provisions, the establishment of a national Afrodescendants day. In a second phase, between 2006 and 2011, more robust and specific laws were adopted in several South American countries, such as Ecuador (2006), the Plurinational State of Bolivia (2008) and Brazil (2010), whose Racial Equality Statute is one of the region's most comprehensive on the subject. Over those years, Honduras, Mexico and Nicaragua also began to include the Afrodescendent population in anti-discrimination policies and laws. Another phase began in 2013 —prompted by the adoption that year of the Inter-American Convention against Racism, Racial Discrimination and Related Forms of Intolerance, and the proclamation of the International Decade for People of African Descent (2015–2024)— in which laws were adopted in Peru (2015) and in Costa Rica and Paraguay (both in 2022), while countries such as Uruguay (2013) and Chile (2019) enacted laws legally recognizing these populations as collective rights-bearers. Moreover, six countries have laws to address violence against Afrodescendants, five to address their economic autonomy or labour inclusion, four to address their decision-making autonomy, with political participation or representation quotas, and nine to address educational and cultural matters.

All 33 countries in the region have specific laws regarding children and adolescents. Following the adoption of the Convention on the Rights of the Child in 1989, many countries began a legislative reform process, with a strong initial push in the 1990s: Brazil (1990), Honduras (1996), Costa Rica and Nicaragua (both in 1998), and several Caribbean countries, such as Barbados (1997) and Saint Kitts and Nevis (1994). This was followed by a second phase in the 2000s, in countries such as Argentina (2005), Colombia (2006), Ecuador (2002), El Salvador (2009), Guatemala (2003), Peru (2000) and the Dominican Republic (2003). A third important phase began in the early 2010s, with new laws or reforms in the Plurinational State of Bolivia (2014), Mexico (2014), Trinidad and Tobago (2012) and Chile (2020), and in Caribbean countries, such as Antigua and Barbuda (2015) and Saint Lucia (2018). These laws tend to more clearly incorporate a rights-based approach, principles for children's participation, the best interests of the child and institutional coordination, in addition to responding to new challenges, such as violence, early childhood protection and adoption. Likewise, several countries recognize the particular vulnerability of migrant children and adolescents and promote regularization and social inclusion measures to ensure their right to protection through programmes, plans, protocols or social protection systems that cover these groups.

Twenty-six Latin America and Caribbean countries have legislation on young people, which has advanced since the 1990s from the early laws focused on child protection (as in Barbados, Cuba or Saint Lucia) towards more comprehensive laws on youth rights. From that decade on, many countries, such as Chile, the Dominican Republic and Mexico, began establishing youth councils or institutes, and a broader regulatory cycle was consolidated between 2000 and 2013, with laws addressing subjects such as participation, employment, health and education. Over the past decade, countries such as Brazil, Ecuador, the Plurinational State of Bolivia and Uruguay have adopted more up-to-date frameworks, while gaps remain in Caribbean countries, and some Central American countries lack specific legislation.

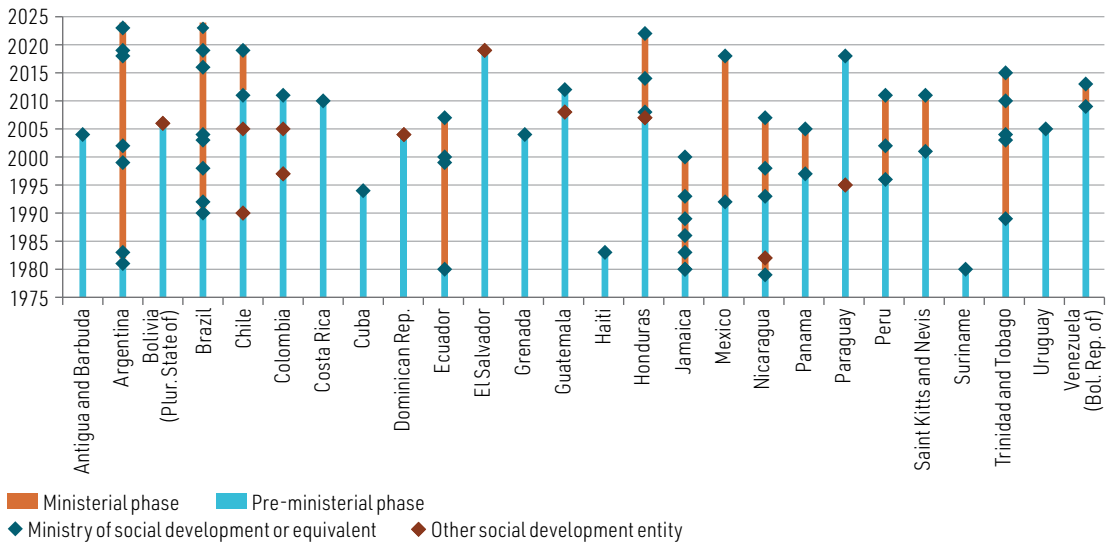
Only 21 of the region's 33 countries have specific laws regarding older persons. Among the earliest is that of Guatemala (1996), followed by countries such as Costa Rica (1999), Mexico (2002) and Brazil (2003), which established comprehensive laws for this population group. Over the past decade, these legal frameworks have been renewed and expanded, for example in the Plurinational State of Bolivia (2013), Ecuador (2019), and the Bolivarian Republic of Venezuela and El Salvador (both in 2021). Moreover, the Inter-American Convention on Protecting the Human Rights of Older Persons (2015) has been ratified by Argentina, Belize, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Peru, the Plurinational State of Bolivia, Suriname and Uruguay, reaffirming these countries' commitment to relevant international regulations.

[3] The estimate includes 19 countries from Latin America and the Caribbean: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, Plurinational State of Bolivia and Uruguay.

2. Organizational characteristics of policies for the protection of rights and the inclusion of diverse population groups

In recent decades, numerous public agencies have been established in the region to handle matters of social development, reflecting countries' commitment to the goals of eradicating poverty, reducing inequality and increasing access to social protection for the general population and specific sectors (ECLAC, 2023a, 2025a) (see figure IV.2).

Figure IV.2
Latin America and the Caribbean (26 countries): ministries or other entities dedicated to social development, 1975–2025



Source: Economic Commission for Latin America and the Caribbean. (2025). *Latin America and the Caribbean 30 Years on from the World Summit for Social Development: Towards a Global Pact for Inclusive Social Development* (LC/CDS.6/3); and *Institutional Framework Database for Social Policy*. https://dds.cepal.org/bdips/en/.
Note: Diamonds mark the establishment of a social development ministry or equivalent entity, or a change to ministry or entity names or functions.

Unlike what occurs in other social sectors, such as education, health and labour, the organization of social development institutions is more unstable, as seen in their changing ranks, mandates, names and remits (ECLAC, 2023a, 2025a). Almost all the countries of the region have a social development entity at the ministerial level and most of these ministries have broadened their mandates to serve specific population groups, such as children and adolescents, young people, Indigenous Peoples, women, older persons and persons with disabilities (ECLAC, 2025a).

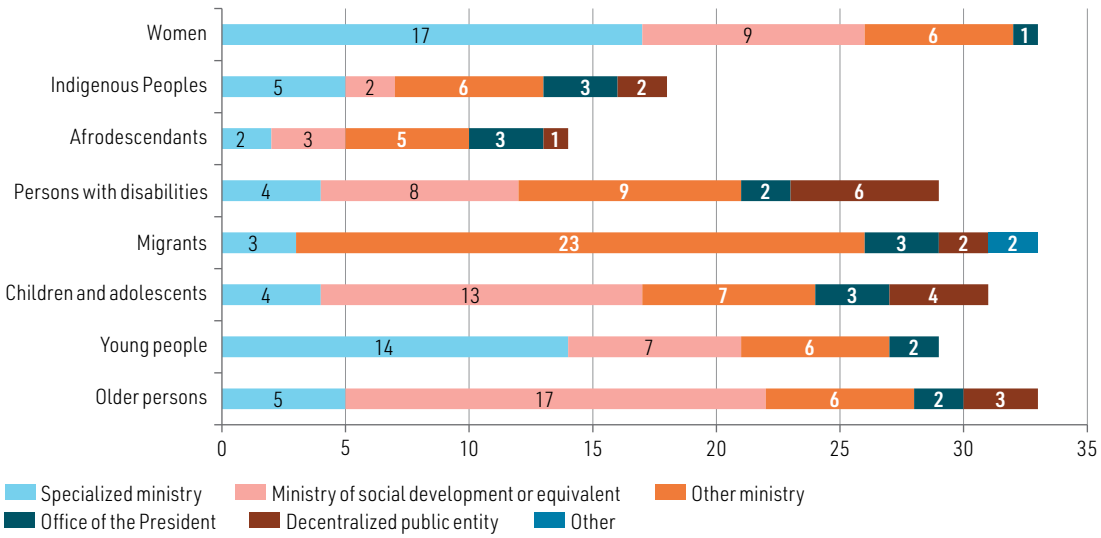
Determining priority population groups around which public policy is centred is a key feature of intervention strategies designed to tackle inequality, rights violations and social exclusion. The multidimensional nature of influencing factors calls for organizational models based on inter-agency coordination and collegiate authority.

The organizational structures and authorities responsible for social development vary across the region, both in terms of the hierarchical level of the entities in charge and in terms of coordination mechanisms among implementing bodies. Authority is mainly distributed among five types of entity. Of the 187 specialized entities in the 33 countries of the region, 32% are within ministries of social development or their equivalent, 25% have ministerial rank, 23% are dependent on another ministry, 11% are within the Office of the President and 10% are autonomous or administratively decentralized entities of lower rank.

An entity's actual steering capacity depends, in addition to its hierarchical and institutional position, on its ability to perform key functions. The mobilization of resources, actors and political will around shared priorities provides a clear policy focus for institutional action; effective coordination among ministries, levels of government and non-State actors prevents fragmentation and ensures programmatic coherence; and the institutionalization of learning through systems of evaluation, feedback and continuous adjustment transforms lessons learned into lasting capacities. Only once these functions are aligned can inter-agency coordination extend beyond the formal organizational chart, resulting in substantive institutional capacity for sustaining, adapting and scaling up inclusive and sustainable policies.

As shown in figure IV.3, 17 countries (14 in Latin America and 3 in the Caribbean) have a ministry specialized in women's rights, or where the head of the national machinery for the advancement of women holds ministerial rank. The first country to establish a ministry specialized in the protection of women was Haiti in 1995. With the creation of the Ministry for Women in 2025, Mexico is the most recent country to join this group, marking an important step forward in the institutional protection of women's rights.

Figure IV.3
Latin America and the Caribbean (33 countries):[a] authorities responsible for the protection of rights of diverse population groups
(Number of countries)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information from the countries.
[a] Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

In the case of young people, there are also 14 countries with specialized ministries, although in several cases these functions are shared with other areas, such as education, culture or sports.

The social development ministry (or its equivalent) is most frequently the authority responsible for policies targeting children and adolescents, older persons and persons with disabilities. In Uruguay, for example, the Ministry of Social Development is responsible for all four of these population groups. Where this role is not assumed by the social development ministry, it is generally taken on by other ministries, usually those linked to social issues.

Five countries have ministries specialized in Indigenous Peoples' protection and rights: Belize (Ministry of Human Development, Families and Indigenous Peoples' Affairs), the Bolivarian Republic of Venezuela (Ministry of People's Power for Indigenous Peoples), Brazil (Ministry of Indigenous Peoples),

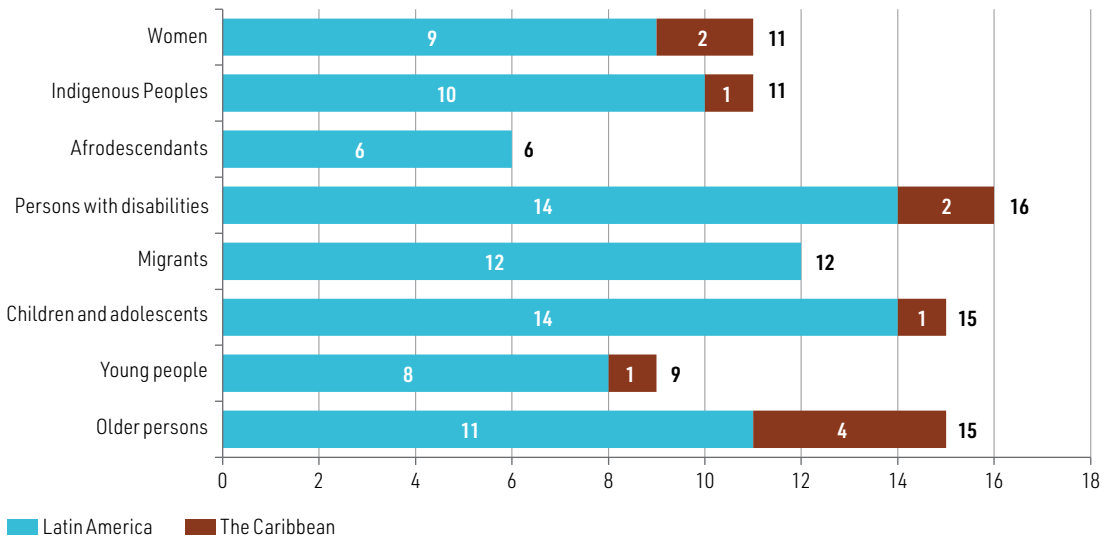
Dominica (Ministry of Environment, Rural Modernisation, Kalinago Upliftment and Constituency Empowerment) and Guyana (Ministry of Amerindian Affairs). In Honduras, the National Coordinating Committee for Indigenous and Afro-Honduran Peoples reports to the Ministry of Social Development, while in Chile the National Indigenous Development Corporation operates under the authority of the Ministry of Social Development and Family.

In 23 of the 33 countries, the authorities responsible for the protection of migrants are ministries focused on other policy areas, related mainly to public security (such as the Ministry of National Security in Jamaica), governance (such as the Ministry of the Interior in Nicaragua) or foreign affairs (such as the Ministry of Foreign Affairs in Colombia). This indicates that public security continues to be prioritized over migration issues (Maldonado Valera et al., 2018).

Despite the potential advantages of assigning ministerial or equivalent status to the authority responsible for policies targeting diverse population groups, this alone is insufficient unless it is accompanied by technical and financial capacities and political leadership that ensures stability over time and an approach that cuts across all public policies. The region has experienced a certain degree of institutional instability, reflected in the discontinuation, merger or reassignment of functions of these entities to other bodies serving different population groups.

A wide range of collegiate bodies for specialized inter-agency coordination have been established in Latin America and the Caribbean, and they play an important role in mainstreaming and ensuring more systematic monitoring of actions aimed at safeguarding the well-being and rights of priority population groups. In the 26 countries of the region for which data are available, the target populations of collegiate bodies vary widely, with the largest number of these bodies focused on policies for the protection of rights and inclusion of persons with disabilities (16 countries), followed by those centred on children and adolescents and on older persons (15 countries each). In addition, 12 countries have coordination bodies targeting migrants, while 11 countries have such bodies focused on both women and Indigenous Peoples. By contrast, only six countries have bodies coordinating policies for the Afrodescendent population (see figure IV.4).

Figure IV.4
Latin America and the Caribbean (26 countries):[a] specialized coordination bodies, by historically excluded population group
(Number of countries)



Source: Economic Commission for Latin America and the Caribbean, on the basis of Quashie, N. and Jones, F. (2023). The ageing Caribbean: 20 years of the Madrid Plan of Action. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean*. Economic Commission for Latin America and the Caribbean; and information provided by the respective countries.

[a] Antigua and Barbuda, Argentina, The Bahamas, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Lucia, Suriname and Uruguay.

Most coordination bodies are found in Latin American countries, whereas their presence in the Caribbean is much more limited. Belize has the largest number of such bodies among Caribbean countries, with a total of five serving different population groups.

3. Technical and operational capabilities for identifying population groups in censuses and household surveys

Statistical visibility of the population is a first step towards identifying differentiated needs among population groups and, as highlighted by ECLAC (2024a), high-quality disaggregated information is essential for strengthening technical and operational capabilities for the design of social policies, with a view to improving their effectiveness and efficiency. This section includes a review of two key instruments for achieving this objective: population censuses and household surveys.[4]

Countries generally conduct population censuses every 10 years, providing a detailed snapshot of the population at a specific point in time and enabling a better understanding of national dynamics (Del Popolo, 2025). Population censuses thus serve as a key reference for medium- and long-term planning. Although they tend to be less representative at the local level, household surveys offer greater thematic diversity than population censuses and have the advantage of being conducted more frequently. Taken together, these two instruments provide a more comprehensive understanding of the characteristics and needs of different social groups, which supports the design of more effective policy responses (ECLAC, 2022a).

ECLAC has census data from all 33 countries of the region.[5] In all cases, information is collected on the age and sex of all persons living in each household (see figure IV.5). In the most recent censuses, four countries also included specific questions on gender identity, with response options for non-binary persons.[6]

The identification of Indigenous Peoples is widely incorporated into population censuses. In total, 29 of the 33 countries include this dimension either directly or indirectly, reflecting some progress in the application of a peoples and nationalities approach in censuses, with a view to bringing together relevant dimensions such as ancestry, territory, culture and a sense of belonging to one or more peoples or nationalities.[7] Of these 29 countries, 24 provide specific lists from which respondents can select the Indigenous Peoples to which they belong, while 5 address this affiliation indirectly through general questions on ethnic identification, without distinguishing specific groups.

The representation of Afrodescendent populations is also high, appearing in 29 national censuses through questions that range from simple categories to more nuanced cultural identifications. In Brazil, for example, the question asks, "What is your colour or race?" while Ecuador adopts a cultural approach: "How do you identify yourself according to your culture and customs?" Although the inclusion of these questions represents an important minimum standard, challenges remain in improving the quality of this information.

---

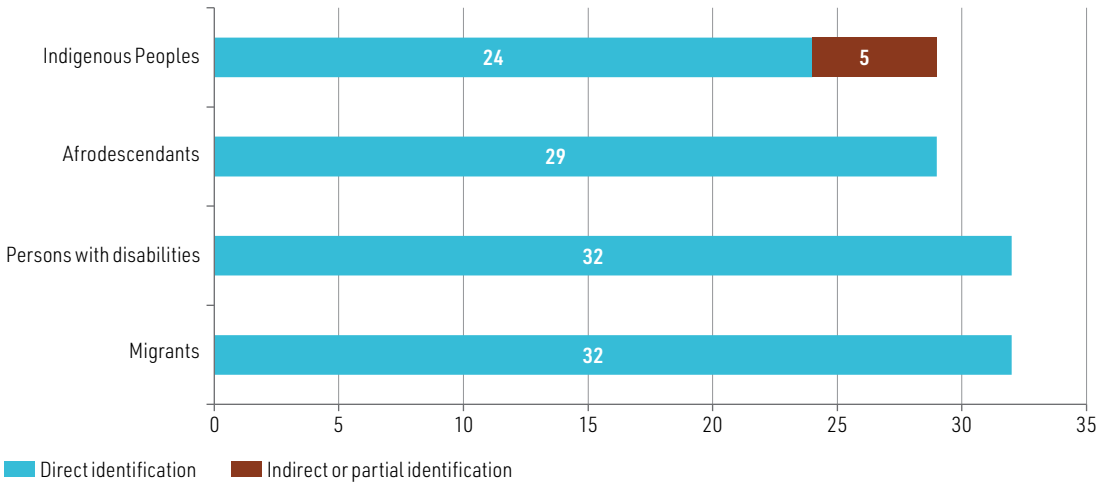
4 The information presented is only an initial estimate of the institutional frameworks for policies aimed at addressing inequality and discrimination in the production and use of information. It is not an assessment of the relevance, coherence or adequacy of statistical systems for capturing inequalities and discrimination, for example in relation to approaches based on rights, gender or peoples and nationalities.

5 In the cases of Guyana and Suriname, data from the penultimate censuses were used given limited access to more recent information.

6 A gender approach in population censuses goes beyond the mere recording of sex as a variable for all persons. It recognizes that inequalities exist in men's and women's access to well-being and resources, and that these inequalities affect women's autonomy. Accordingly, census questionnaires need to reflect these differentiated realities in order to avoid gender bias (ECLAC, 2022b).

7 In the Dominican Republic, the category "indio" is used to identify this group, which differs conceptually from the broader and more inclusive notion of Indigenous Peoples.

Figure IV.5
Latin America and the Caribbean (33 countries):[a] inclusion of questions to identify population groups and experiences of discrimination in population censuses
(Number of countries)



Source: Economic Commission for Latin America and the Caribbean, on the basis of information provided by the countries.
[a] Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

Disability is one of the categories most widely covered in censuses, appearing in those of 32 countries. In the 2020 census round, these countries showed greater alignment with international recommendations on a social and rights-based approach to disability, such as those developed by the Washington Group on Disability Statistics (García, 2025; ECLAC, 2025c).

Migration is also included in the censuses of 32 countries, whether through questions on place of birth or foreign nationality. These censuses collect information on country of birth (stocks) and on place of residence five years earlier (an estimate of migration flows), facilitating the analysis of migration patterns, trends and profiles.

A major challenge for censuses in the region is that the 10-year periodicity is not consistently maintained. This is compounded by limitations in data accessibility, availability and comparability. Haiti, for example, has not conducted a census for over 20 years, while other countries rely almost exclusively on surveys conducted by international organizations, such as the World Bank or the Multiple Indicator Cluster Surveys of the United Nations Children's Fund, without a national institutional framework to support these processes. The limited incorporation of a gender perspective and the insufficient measurement of experiences of discrimination further constrain States' capacity to design inclusive public policies based on these instruments. In addition, the identification of certain population segments is lagging, particularly regarding non-binary gender identification and the measurement of experiences of discrimination. Census data also fail to reflect the cultural adequacy and the collective rights-related requirements of Indigenous Peoples and Afrodescendent populations.

Data from multipurpose household surveys are crucial for identifying population segments and designing public policies tailored to their specific needs. However, not all surveys provide detailed coverage of these groups.

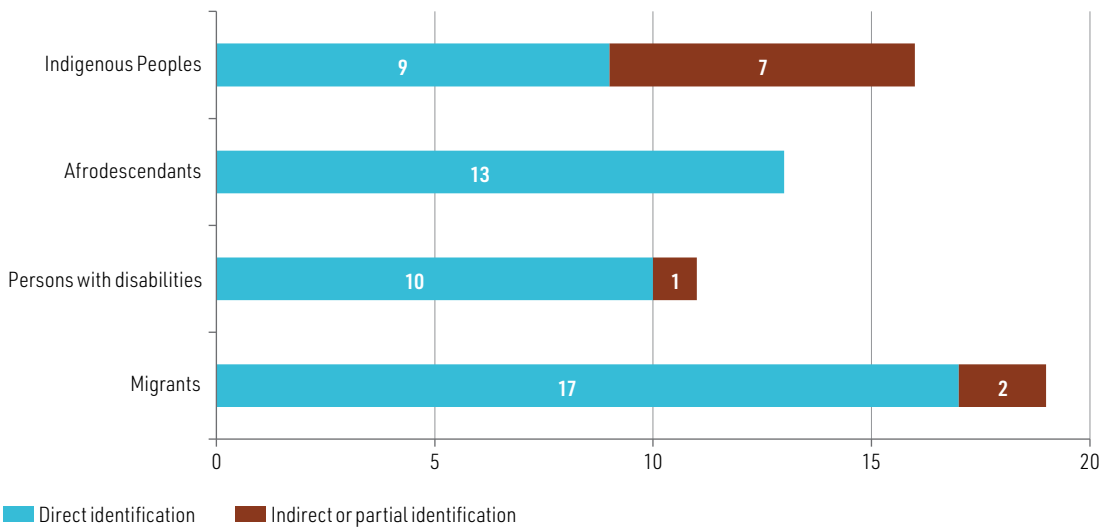
As with censuses, all household surveys collect information on the sex of household members as a basic variable. In contrast, only Chile, Colombia and Uruguay include direct questions on gender, such as "What gender do you identify with?" Cuba and the Plurinational State of Bolivia address the issue indirectly through modules on experiences of discrimination.

Recognition of Indigenous Peoples appears directly in household surveys in nine countries, mostly through questions on ethnic self-identification (see figure IV.6). For example, in the Plurinational State of Bolivia, respondents are asked a detailed question: "To which Indigenous, native campesino or Afro-Bolivian nation or people do you belong?" In other countries, identification is recorded indirectly; in Mexico, for instance, it is linked to language: "Do you speak any Indigenous language or dialect?" In Ecuador, Saint Lucia and Suriname, the question is limited to general ethnic identification or group affiliation, without specifying the particular people with which the respondent identifies. Meanwhile, questions on experiences of discrimination related to Indigenous Peoples are included in the surveys of five countries. Some, such as Chile, ask direct questions ("Have you or anyone in your household been treated unfairly or discriminated against outside your home because you belong to an Indigenous group?"), while others, including Trinidad and Tobago, address this topic within broader ethnic categories. As a result, the scope and depth of information for identifying discrimination vary considerably, ranging from basic self-identification to the inclusion of questions on subjective experiences of discrimination, which enable the development of indicators on population dynamics and inequality.

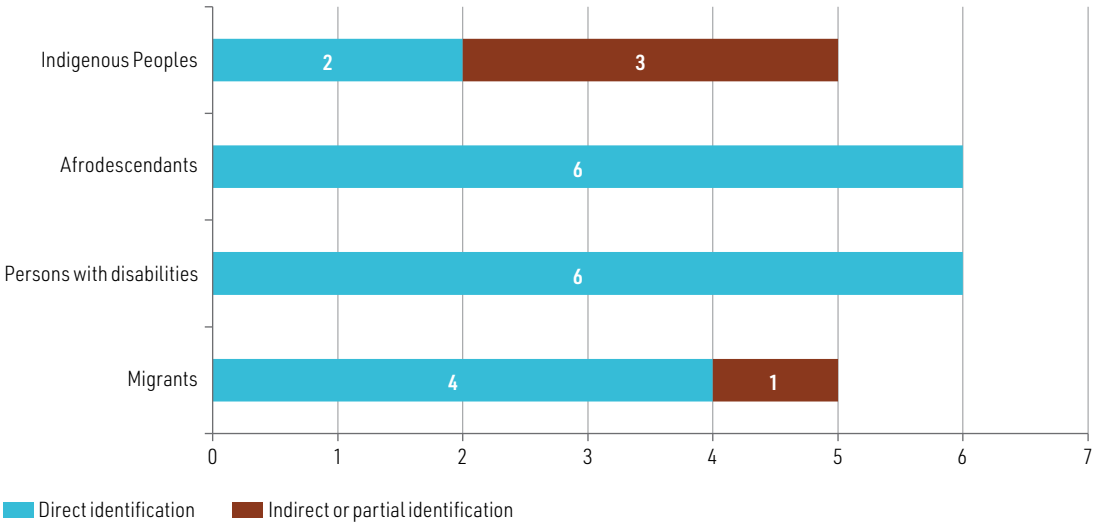
Afrodescendent populations are identified in household surveys in 13 countries, primarily through ethnic self-identification. Colombia and Panama include questions such as "According to your culture, people or physical traits, you are or identify yourself as _____", in which Afrodescendants appear as a clearly distinct group. Additionally, six countries include a discrimination indicator, often integrated into broader ethnic categories, with responses to the question "In the last 12 months, have you personally felt discriminated against or harassed for the following reasons?" covering ethnic or skin colour-based discrimination.

Figure IV.6
Latin America and the Caribbean (31 countries):[a] inclusion of questions to identify population groups and experiences of discrimination in household surveys
(Number of countries)

A. Identification



B. Experiences of discrimination



Source: Economic Commission for Latin America and the Caribbean, on the basis of information provided by the countries.
[a] Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Suriname, Trinidad and Tobago and Uruguay.

A similar pattern appears for persons with disabilities. Household surveys in 11 countries include questions on functional limitations. In Jamaica, severity scales are used with the question "Do you have difficulty performing any of the following activities?", while in Argentina the approach is less direct: "Is there any person with disabilities in the household?" Questions about discrimination against persons with disabilities are asked in six countries, generally within broader questions and without detailed disaggregation.

Lastly, migration status is addressed in 17 countries, primarily through place of birth. Barbados, Chile, Costa Rica, Nicaragua and Paraguay ask directly about the country of birth, whereas Guyana and the Plurinational State of Bolivia enquire about previous foreign residences. Regarding migration-related discrimination, five countries include this reason among response options, such as feeling discriminated against owing to migration status or foreign nationality.

Recent advances towards greater statistical visibility reinforce the need for trained personnel and sufficient resources to carry out more accurate measurements and analyses, thereby enhancing the capacity to monitor and design public policies targeting these populations. In this context, section B focuses on social spending by function, which allows an estimate of the financial dimension of the institutional framework from the perspective of social investment, including specific elements related to the prioritization of certain population groups.

Strengthening TOPP institutional capabilities is essential to enable substantive improvements in the design and implementation of inclusive social development policies. Table IV.1 presents an analysis of TOPP capabilities to strengthen the governance of social inclusion in the region.

Table IV.1
Governance for social inclusion from the approach of technical, operational, political and prospective (TOPP) institutional capabilities

TOPP dimension	Critical functions	Institutional elements
Technical	Generation and use of information to guide decision-making and measure results	– Permanent technical unit with teams specialized in social statistics and inclusion indicator systems. – Monitoring dashboards integrated into public planning and budgeting processes.
Operational	Coordinated implementation and inter-agency alignment	– Interministerial coordination body, with a legal mandate and dedicated budget, to ensure coherence among social policies in employment, health and education. – Operational protocols that define responsibilities and prevent duplication of efforts.
Political	Legitimacy, coalition-building and sustainability of policies	– Institutionalized mechanism for social dialogue that includes members of civil society and historically discriminated groups. – Clear ministerial stewardship, recognized by other ministries and with the capacity to provide political coordination.
Prospective	Anticipation of trends and institutionalized learning	– Annual review clause for social inclusion policies, with linkages to development plans and budget programming. – Future scenarios on social risks (demographic, climatic and technological) incorporated into sectoral planning.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Salazar-Xirinachs, J. M. and Boeninger Sempere, A. (2025). *Technical, operational, political and prospective (TOPP) institutional capabilities for managing transformations: underpinnings of a new paradigm* (LC/TS.2025/56). Economic Commission for Latin America and the Caribbean.

B. Social spending trends in 2000–2024

Central government social spending in 24 countries of the region averaged the equivalent of 11.4% of GDP in 2024. This figure points to a stabilization of spending in recent years, following the decline from the peak levels in 2020 as a result of the coronavirus disease (COVID-19) pandemic, when social spending stood at 13.8% of GDP. However, central government public social spending varies widely across the region, with three countries spending more than 15% of GDP, while seven others report spending levels less than 10% of GDP. In per capita terms, measured in constant dollars at 2018 prices, four countries spend more than US$ 2,500 per capita annually, while five spend less than US$ 500. For the seven Caribbean countries for which information is available, average central government social spending was 11% of GDP in 2024, thus maintaining the trend towards stabilization seen in recent years. Meanwhile, in the 17 Latin American countries, such spending amounted to 11.6% of GDP (0.1% less than the previous year). The distribution of resources among the functions of government maintains the profile of the last two decades throughout the region, with social protection at the forefront, reflecting the financial priorities of national social policy institutions.

Given the relevance of public investment for building a social institutional framework capable of delivering high-quality (effective, efficient, sustainable and transparent) social policies, this section provides a description and brief analysis of the information available on public social spending in the countries of the region, disaggregated by functions of government, as set out in *Government Finance Statistics Manual 2001 and Government Finance Statistics Manual 2014* of the International Monetary Fund (IMF, 2001, 2014). The analysis spans 2000–2024 and focuses on central government coverage in 17 Latin American countries and 7 Caribbean countries.[8] In addition, a brief analysis of other institutional coverage levels (general government, non-financial public sector and public sector) is included for the 11 countries for which the relevant information is available (see box IV.1).

[8] The Bolivarian Republic of Venezuela and Haiti were not included in the analysis owing to the lack of information since the mid-2010s.

Box IV.1

Latin America and the Caribbean: statistical information on public social spending

The data used to analyse public social spending in Latin America and the Caribbean are drawn from official information reported by each country. This information, which is compiled annually by the Economic Commission for Latin America and the Caribbean (ECLAC), is available in the CEPALSTAT database. Three indicators are presented: (i) in national currency at current prices; (ii) in percentages of GDP; and (iii) in constant dollars at 2018 prices (the latter prepared by ECLAC). As this edition of *Social Panorama of Latin America and the Caribbean* continues to use 2018 as the base year, this is the series used for the implicit GDP deflator.

The following table presents the available data series for each country at different levels of institutional coverage. A country's public sector is analysed by subsector or institutional coverage, as follows: (i) central government, which consists of ministries, secretariats and public institutions that exercise authority over the entire national territory (regardless of whether some departments have their own legal authority and autonomy); (ii) general government, which combines central government with subnational governments (first erritorial subdivision and local governments) along with social security institutions; (iii) the non-financial public sector, which consists of general government and non-financial public corporations; and (iv) the public sector, which encompasses the non-financial public sector and financial public corporations. The comparative analysis is more comprehensive when general government coverage is used, given that in federal countries, or in others where intermediate governments have high levels of autonomy in revenue collection and management, a large share of social spending is also the responsibility of subnational governments. However, information at this level of institutional coverage is not available for all the countries of the region; therefore, the analysis presented here provides a comparative review of central government data, which are widely available and linked to national budgetary processes.

Latin America and the Caribbean (26 countries): availability of information on public social spending, by functional classifier, institutional coverage and years available, 1990–2024

Country	Central government	Other institutional coverage levels		
		General government	Non-financial public sector	Public sector
Latin America				
Argentina	1990-2024	...	...	1990-2023
Bolivia (Plurinational State of)	1990-2021	1997-2022	...	...
Brazil	1994-2023	2000-2023	...	...
Chile	1990-2024	...	...	...
Colombia	1990-2024	2009-2023	...	...
Costa Rica	1993-2024	1990-2016 2019-2024	...	...
Dominican Republic	1990-2024	2018-2024	...	...
Ecuador	1990-2024	...	...	...
El Salvador	1990-2024	2014-2023	...	...
Guatemala	1991-2024	2014-2024	...	...
Haiti	2012-2014	...	...	...
Honduras	2000-2024	...	...	...
Mexico	1990-2024	...	2013-2024	...
Nicaragua	1990-1994 1998-2023	...	...	...
Panama	2000-2023	...	...	...
Paraguay	1990-1993 2000-2023	2003-2023	...	...
Peru	1999-2024	1999-2024	...	...
Uruguay	1990-2024	...	...	...
Venezuela (Bolivarian Republic of)	1997-2014	...	...	...

Country	Central government	Other institutional coverage levels		
		General government	Non-financial public sector	Public sector
The Caribbean				
Bahamas (The)	1990-2024	...	...	...
Barbados	2006-2024	...	...	...
Belize	2008-2024	...	...	...
Guyana	2004-2024	...	...	...
Jamaica	1992-2024	...	...	...
Saint Lucia	2006-2023	...	...	...
Trinidad and Tobago	2008-2024	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT. http://estadisticas.cepal.org; Economic Commission for Latin America and the Caribbean. *Base de Datos de Inversión Social en América Latina y el Caribe*. https://observatoriosocial.cepal.org/inversion/es; Economic Commission for Latin America and the Caribbean. (2017). *Social Panorama of Latin America Latina, 2016* (LC/PUB.2017/12-P); and International Monetary Fund. (2014). *Government Finance Statistics Manual 2014*.

Note: The ratios of spending to GDP and spending to per capita GDP in dollars at 2018 prices may change subsequently as a result of updates in nominal GDP, deflators and population (2000–2024). Regional and subregional averages are calculated using the most recent data available for each country.

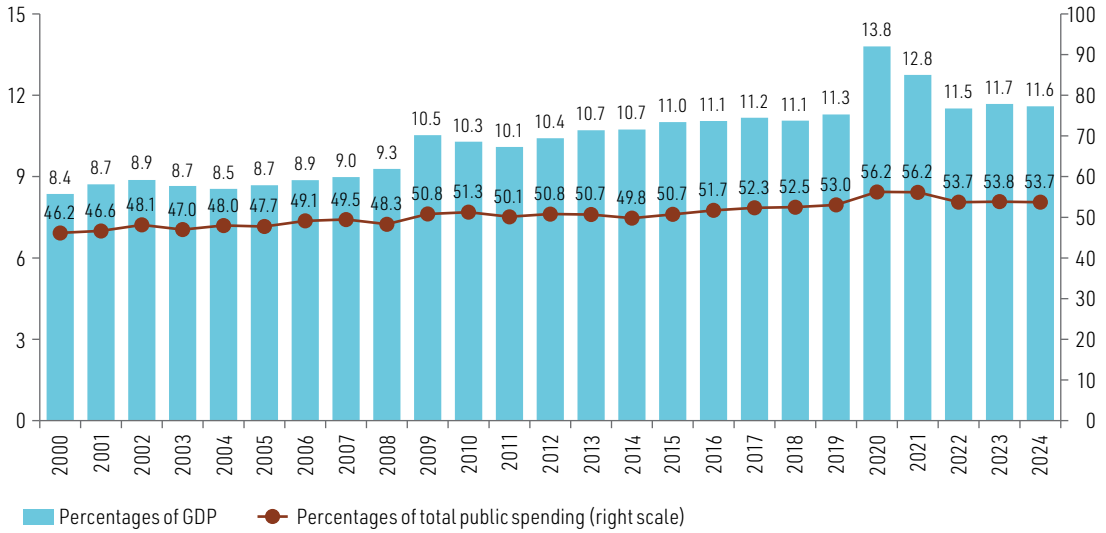
Methodological changes introduced in some countries limit comparability with the previous edition of the *Social Panorama of Latin America and the Caribbean*. In Peru, for example, the new series incorporates EsSalud (public social health insurance scheme financed through mandatory employer contributions), which increases reported health spending. El Salvador replaced the non-financial public sector series with that of the general government. In the cases of Barbados and Trinidad and Tobago, revisions to nominal GDP altered, to some extent, the ratio between spending and GDP presented in previous editions of this publication. Nominal GDP figures were obtained from the International Monetary Fund.

Source: Economic Commission for Latin America and the Caribbean.

1. Trends in central government social spending in the region

As noted in previous editions of *Social Panorama of Latin America and the Caribbean* (ECLAC, 2023b, 2024a), public social spending by central governments in Latin America exhibited broadly stable growth relative to GDP between 2000 and 2019. In 2020 and 2021, social spending gathered pace owing to the crisis caused by the COVID-19 pandemic, reaching the highest levels of the century in the region (ECLAC, 2023b). In the period 2022–2024, spending fell by an average of 1.2 percentage points of GDP relative to the 2021 level and by 2.2 percentage points relative to 2020. In 2024, spending stabilized at 11.6% of GDP (0.1 percentage points below 2023). Thus, the contraction in social spending that followed the withdrawal of the emergency measures adopted to address the pandemic has now come to an end. This pattern is similar, albeit at higher levels, to the trends during the crises of 2000–2002 (dot-com crisis) and 2008 (global financial crisis), when social spending increased in the year following the onset of the crisis, subsequently declined and returned to pre-crisis levels in the years thereafter. However, there are also differences, as the post-pandemic reduction in social spending has been more pronounced, with spending rapidly falling back to levels only slightly above those of 2019 (see figure IV.7).

Figure IV.7
Latin America (17 countries):[a] central government public social spending, 2000–2024[b]
(Percentages of GDP and of total public expenditure)



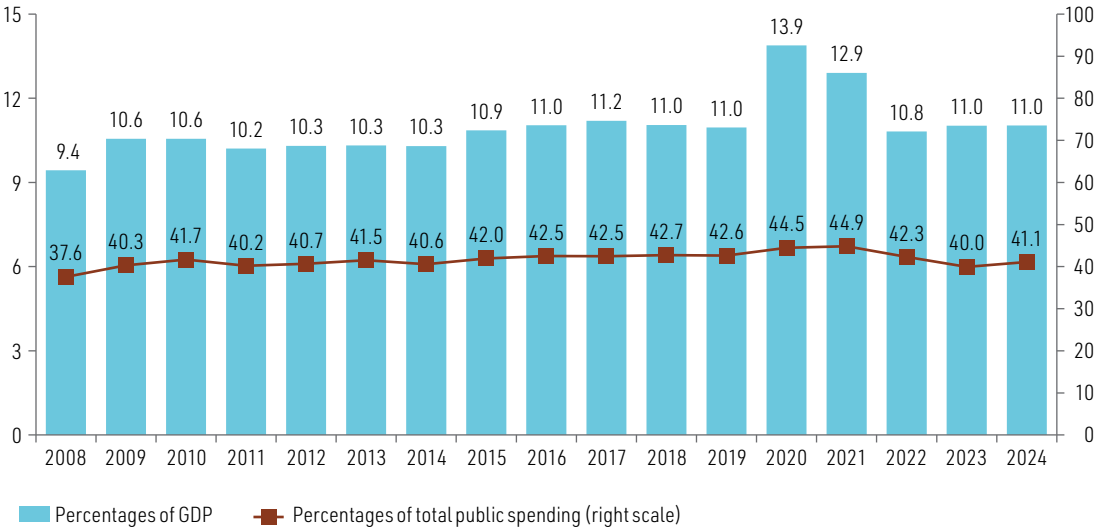
Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
[a] Simple average of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. Data for the Plurinational State of Bolivia refer to 2021, while those for Brazil, Panama and Paraguay refer to 2023.

The share of public social spending in total central government expenditure also stabilized to some extent, averaging 53.7% in 2024, just 0.1 percentage points lower than in 2023. Thus, public social spending continues to be the main component of total public expenditure in Latin America.

In the seven English-speaking Caribbean countries for which data on central government social spending between 2008 and 2024 are available (Bahamas (The), Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago), the recent expenditure trend is similar to that of the Latin American countries, but with slight differences in magnitude. In 2023, social expenditure ended its declining trend, to stand at 11% of GDP in both 2023 and 2024, returning to levels seen prior to the pandemic (2018 and 2019). At the same time, the share of social spending in total public expenditure increased by 1.1 percentage points in these seven countries between 2023 and 2024, to 41.1% of total expenditure in 2024 (see figure IV.8).

Recent regional trends in social spending unfolded in a complex macroeconomic environment, characterized by a broad-based slowdown in economic growth, to 2.3% in 2024, and declining but persistent inflation, with a regional median of 2.9%. This deceleration affected both private consumption and investment, thereby limiting governments' fiscal space. In addition, tighter external financial conditions, including high interest rates and exchange-rate volatility, increased the debt service burden and reduced the scope for expansionary social policies (ECLAC, 2025d).

Figure IV.8
The Caribbean (7 countries):[a] central government public social spending, 2008–2024[b]
(Percentages of GDP and of total public expenditure)



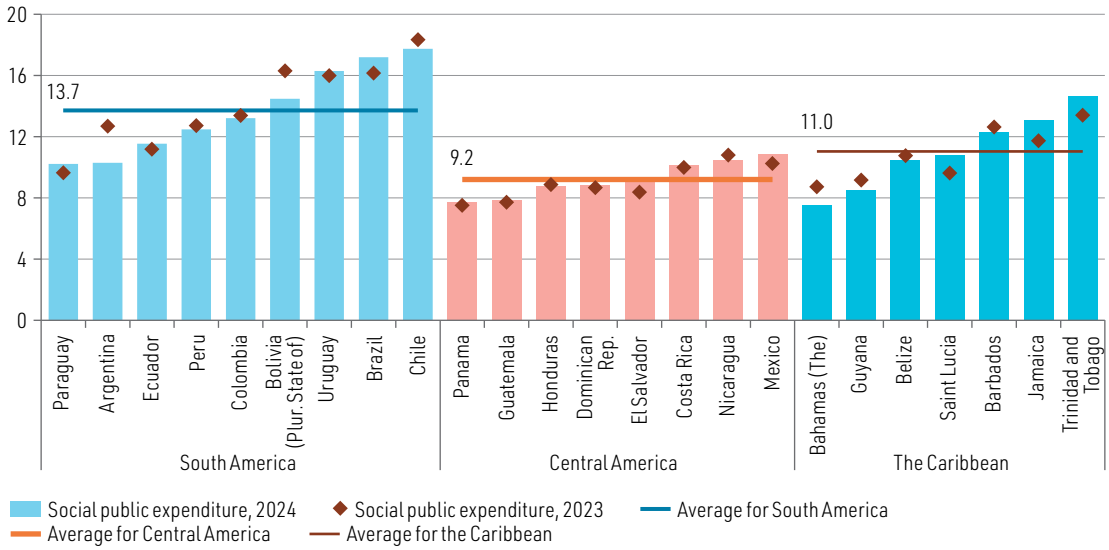
Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
[a] Simple average of The Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago.
[b] The fiscal calendar of some Caribbean countries differs from that of Latin American countries: Bahamas (The) (July to June), Barbados and Jamaica (April to March) and Trinidad and Tobago (October to September). The published reference period refers to the calendar year of the end-month. Data for Saint Lucia are from 2023.

Analysing the data by subregion, in 2024 central government social spending in South America averaged 13.7% of GDP. Social spending relative to GDP trended slightly downward, falling by an average of 0.1 percentage points, while performances remained mixed, with five countries spending less than the subregional average (Argentina, Colombia, Ecuador, Paraguay and Peru). In contrast, Brazil, Chile and Uruguay maintained high levels of spending, at 17.2% (2023), 17.7% and 16.3% (2024) of GDP, respectively (see figure IV.9). Notable declines were recorded in Argentina (2.4 percentage points of GDP), the Plurinational State of Bolivia (1.2 points between 2020 and 2021) and Chile (0.6 points).

In the group comprising the Central American countries plus the Dominican Republic and Mexico, central government social spending averaged 9.2% of GDP in 2024, 0.2 percentage points more than in the previous year. The greatest increases in spending occurred in El Salvador, from 8.4% of GDP in 2023 to 9% in 2024, and in Mexico, from 10.2% to 10.8% of GDP in the same period.

In the Caribbean, as noted above, social spending stabilized relative to the previous year at around 11% of GDP, while sharp declines were recorded in The Bahamas and Guyana. Heterogeneity increased, as the gap between the countries with the lowest and highest levels of spending widened to 7.1 percentage points of GDP (2.4 percentage points more than in 2023). The Bahamas experienced the steepest decline, amounting to 1.2 percentage points of GDP, followed by Guyana (0.6 percentage points of GDP). By contrast, marked increases were recorded in Jamaica, Saint Lucia (2022–2023) and Trinidad and Tobago (1.3, 1.2 and 1.2 percentage points of GDP, respectively).

Figure IV.9
Latin America and the Caribbean (24 countries): central government social spending, by country and subregion, 2023 and 2024
(Percentages of GDP)

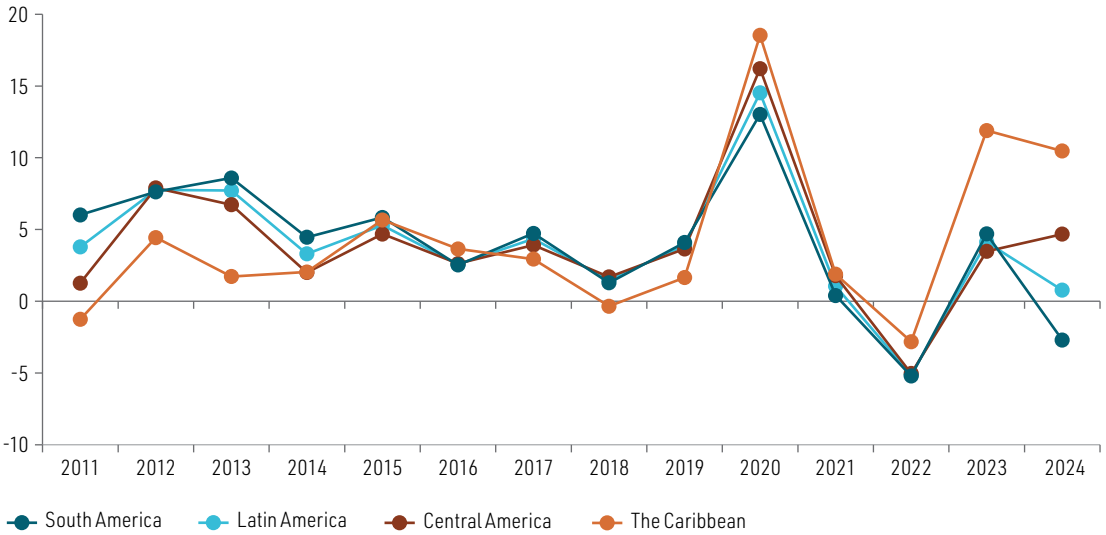


Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. Data for Uruguay do not include the Social Security Bank (BPS). Data for the Plurinational State of Bolivia refer to 2020 and 2021, while those for Brazil, Panama, Paraguay and Saint Lucia refer to 2022 and 2023.

Analysis of the rate of social spending growth in 2024 shows a slowdown compared with the previous year. On average, countries in the region recorded 3.6% growth in constant dollars at 2018 prices, slightly more than half the level reached in 2023 (6.4%), following the 4.5% decline recorded in 2022. The Latin American countries registered an annual growth rate of 0.8%, indicating a degree of stabilization in spending in this subregion, in line with GDP trends, after several years of sharp fluctuations (a decline of 5.1% in 2022 and an increase of 4.1% in 2023). The situation varies considerably across subregions: Central America, the Dominican Republic and Mexico increased social spending by an average of 4.7%, in contrast to South American countries, where social spending decreased by an average of 2.7% over the period. Meanwhile, the Caribbean had the highest average growth rate for the second consecutive year (10.5%, compared with 11.9% between 2022 and 2023) (see figure IV.10).

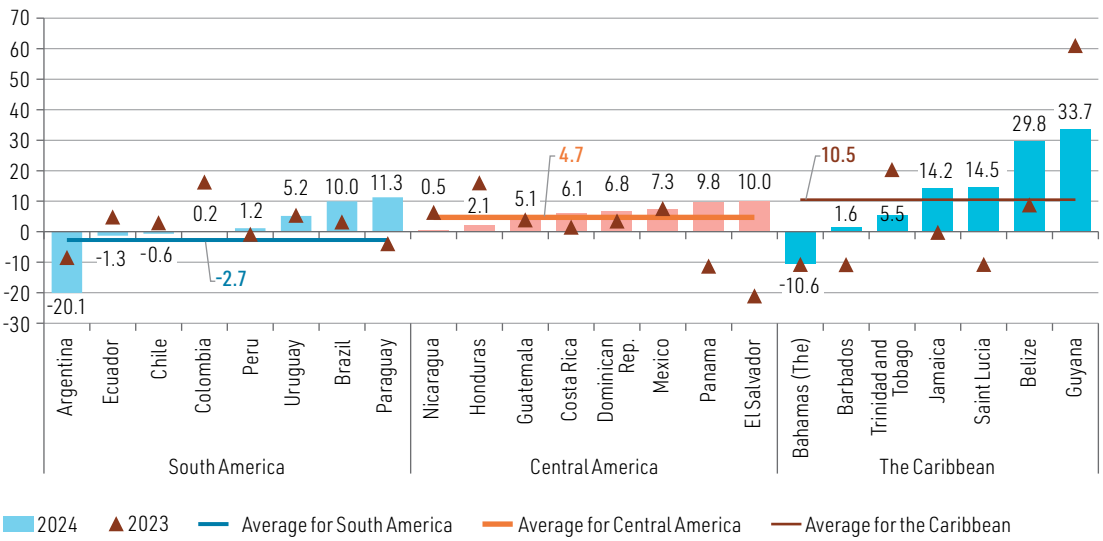
As shown in figure IV.11, recent trends differ markedly across countries. In South America, Uruguay (5.2%), Peru (1.2%) and Colombia (0.2%) recorded positive growth rates in 2024. By contrast, Argentina recorded the largest contraction in the past year (20.1%), adding to the 8.4% decline in 2023, followed by Ecuador and Chile, which posted decreases of 1.3% and 0.6%, respectively, following increases of 4.9% and 3% in 2023. In Central America, all countries recorded positive rates of growth. El Salvador and Mexico recorded the highest rates in this subgroup in 2024, of 10% and 7.3%, respectively. Lastly, in the Caribbean, Guyana was an outlier with central government social spending rising by 33.7%, below the 61% recorded in 2023. It is followed by Belize and Jamaica, which registered spending increases of 29.8% and 14.2%, respectively. By contrast, The Bahamas posted a decline of 10.6%.

Figure IV.10
Latin America and the Caribbean (24 countries): average annual rate of growth of central government social spending, by subregion, 2011–2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: The simple average for Latin America includes 17 countries, which are divided into two groups: nine countries in South America (Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and eight countries in Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), the Dominican Republic and Mexico. In the case of the Caribbean, seven countries are included (Bahamas (The), Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago). Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. The most recent data for the Plurinational State of Bolivia refer to 2021. The data for Brazil, Panama, Paraguay and Saint Lucia refer to 2023. For the purposes of regional estimates, missing data were completed by using the most recent year available, expressed as a percentage of GDP.

Figure IV.11
Latin America and the Caribbean (23 countries): annual rate of growth of central government social spending, by country and subregion, 2023 and 2024
(Percentages)



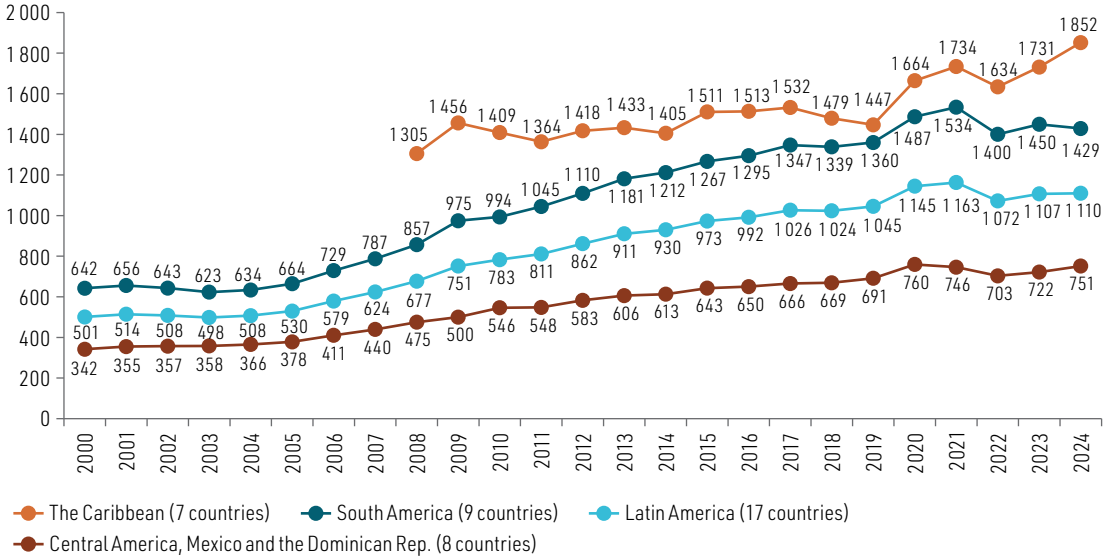
Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. Data for Uruguay do not include the Social Security Bank (BPS). The data for Brazil, Panama, Paraguay and Saint Lucia refer to annual growth in 2022 and 2023. Simple subregional averages do not necessarily coincide with the average of the growth rates shown, as the former were estimated using projected data for countries with lagged information.

2. Trends in social spending per person

Central government social spending per capita, in dollars at 2018 prices, averaged US$ 1,326 in 2024 among the 24 countries in the region for which information is available. This represents an increase of US$ 37 per capita relative to 2023, equivalent to 2.9% growth in 2024.

Among the 17 Latin American countries, central government social spending per capita averaged US$ 1,110 in 2024, which is US$ 53 below its 2021 peak, but US$ 3 above the 2023 level (see figure IV.12). This slight increase is explained mainly by higher social spending in Costa Rica, the Dominican Republic, Mexico and Uruguay, all of which recorded growth rates above 5%, alongside a substantial reduction in spending in Argentina (20.6%).

Figure IV.12
Latin America and the Caribbean (24 countries): per capita central government social spending, by subregion, 2000–2024
(Dollars at 2018 prices)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: The simple average for Latin America includes 17 countries, which are divided into two groups: nine countries in South America (Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and eight countries in Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), the Dominican Republic and Mexico. In the case of the Caribbean, seven countries are included (Bahamas (The), Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago). Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. Data for the Plurinational State of Bolivia refer to 2021, while those for Brazil, Panama, Paraguay and Saint Lucia refer to 2023.

Among South American countries, per capita social spending declined by an average of US$ 21 (1.4%), compared with an increase of US$ 50 (3.5%) in 2023. Among the countries in the group comprising Central America, the Dominican Republic and Mexico, average spending per person was up by US$ 29 in 2024 (4.1%), continuing the upward trend that began in 2023, when it rose by an average of US$ 19 (2.6%).

Among the seven countries of the English-speaking Caribbean, social spending per person expanded significantly in 2024, by an average of US$ 121, to US$ 1,852. This represents an increase of 7% over 2023. When compared with the average for Latin American countries, these figures show a substantial gap in favour of the Caribbean, where per capita social spending in 2024 was 67% higher than in Latin America.

An analysis by country shows that Uruguay allocated the most resources per person in 2024, at US$ 3,347, followed by Chile, which spent an average of US$ 2,960 per capita, Guyana with US$ 2,835

and, at a lower level, Barbados, with per capita spending at US$ 2,724. This is followed by a second group of countries with annual per capita spending between US$ 1,500 and US$ 2,500, which includes The Bahamas, Trinidad and Tobago and, at a lower level, Brazil (2023), with US$ 2,348, US$ 2,101 and US$ 1,668, respectively. A third group, with per capita outlays of between US$ 600 and US$ 1,500, consists of Argentina, Belize, Colombia, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Mexico, Panama (2023), Paraguay (2023), Peru and Saint Lucia (2023). Lastly, El Salvador, Guatemala, Honduras and Nicaragua spent less than US$ 600 per person.[9]

Some countries showed significant variations in this indicator in 2024. The largest increase was in Guyana at 32.8%, followed by Belize (27.9%) and Jamaica (14.3%). By contrast, the largest declines in per capita social spending were in Argentina (20.6%), followed by The Bahamas (11.2%) and Ecuador (2.3%).

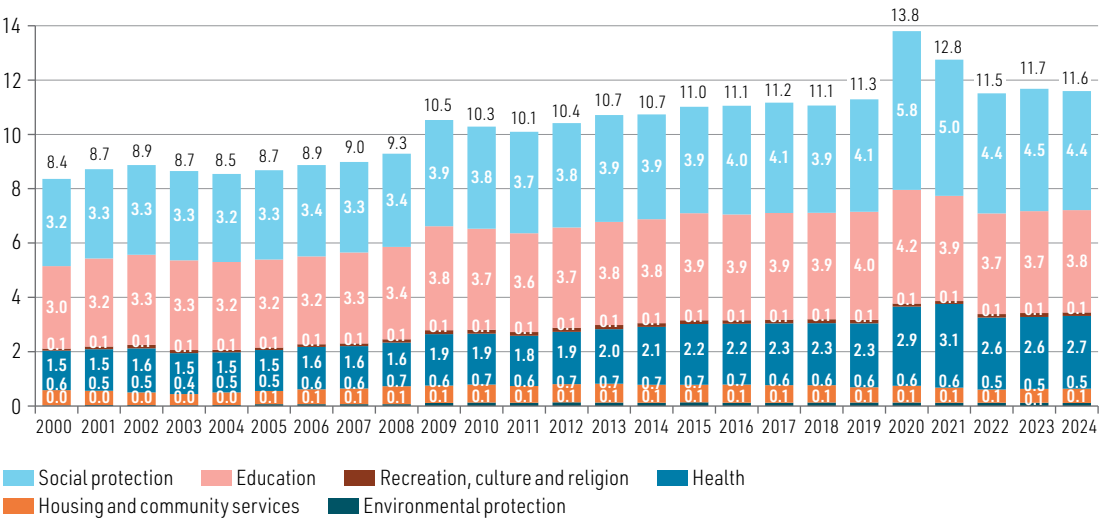
As indicated in previous editions of *Social Panorama of Latin America and the Caribbean* (ECLAC, 2024a), central government social expenditures of the countries of the region display two features. First, the lowest levels of spending, both in absolute terms and relative to population and GDP, are found in countries facing the greatest difficulties in achieving the social targets of the 2030 Agenda for Sustainable Development and in moving towards inclusive social development. Second, the region still faces major obstacles in reaching the level of social spending of more developed countries.

3. Social spending by function of government

The structure of central government social spending in the six functions of government has remained relatively stable since 2000. In Latin America, the social protection and education functions continue to attract the highest levels of social spending in 2024, at 4.4% and 3.8% of GDP, respectively, with variations of less than 0.1 percentage points compared with 2023 (see figure IV.13). Health remains the third most important expenditure function, representing 2.7% of GDP in 2024, up by 0.1 percentage points from the previous year. This distribution is mirrored in South America, but with relatively higher spending on social protection (6.4%) and a year-on-year decline of 0.2 percentage points.

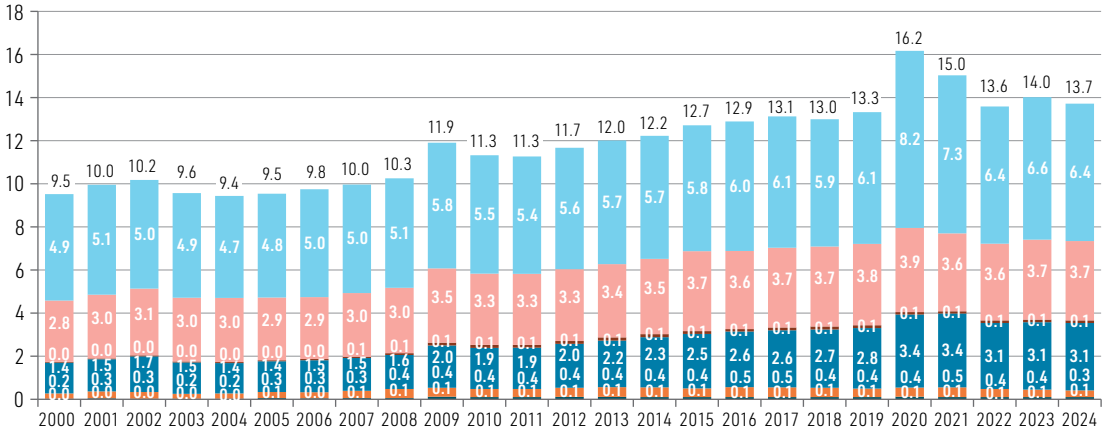
Figure IV.13
Latin America and the Caribbean (24 countries): central government social spending, by function of government, 2000–2024
(Percentages of GDP)

A. Latin America

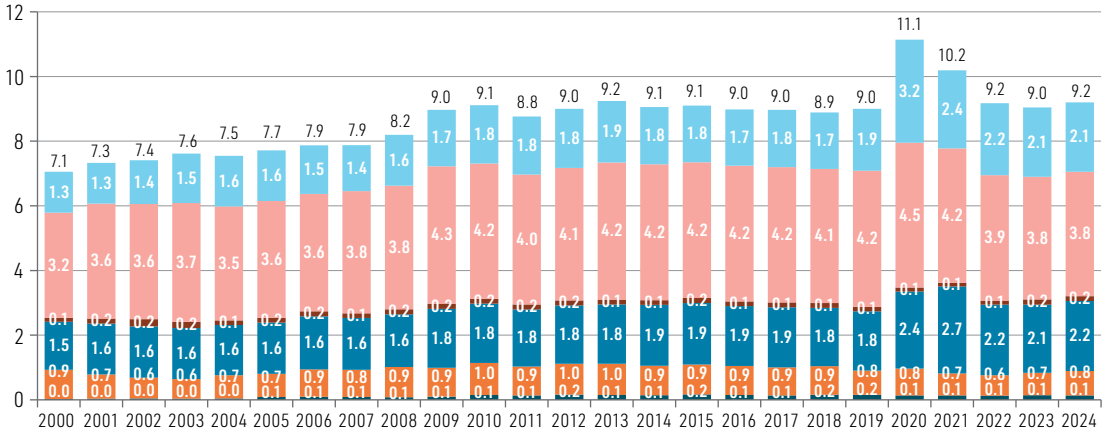


[9] See the CEPALSTAT database (https://statistics.cepal.org/portal/cepalstat/dashboard.html?lang=en&indicator_id=3127&area_id=411).

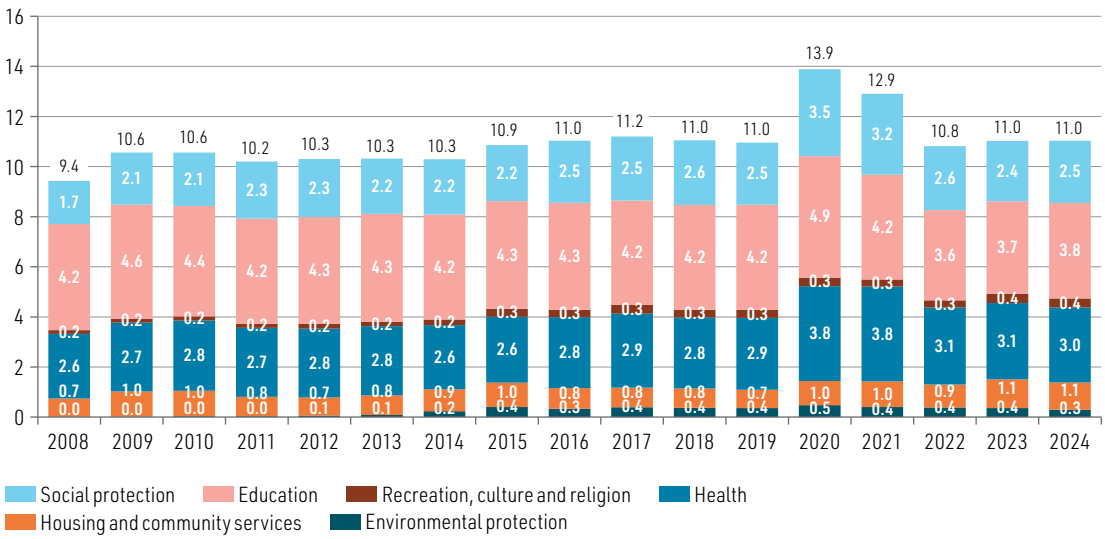
B. South America



C. Central America, the Dominican Republic and Mexico



D. The Caribbean



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: The simple average for Latin America includes 17 countries, which are divided into two groups: nine countries in South America (Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and eight countries in Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), the Dominican Republic and Mexico. In the case of the Caribbean, seven countries are included (Bahamas (The), Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago). Coverage refers to general government in Peru and to central administration in the Plurinational State of Bolivia. Data for the Plurinational State of Bolivia refer to 2021, while those for Brazil, Panama, Paraguay and Saint Lucia refer to 2023.

A comparison with the data for Central America, the Dominican Republic and Mexico shows that, as in previous years, this subregion continues to display significant differences in the level of social protection spending, which in 2024 accounts for just 2.1% of GDP. A similar situation is seen in the Caribbean, which averages 2.5% of GDP for this function.

By contrast, the education function continues to attract the highest level of spending in the subgroup of Central America, the Dominican Republic and Mexico and in the Caribbean, averaging 3.8% of GDP in both cases, with a structure similar to that of the previous two years and only 0.1 percentage points higher than in South America.

In the case of the health function, spending in the South American countries averaged 3.1% of GDP in 2024, while in the countries of Central America, Mexico and the Dominican Republic it amounted to 2.2% of GDP (0.1 percentage points higher than in 2023). In the seven countries of the Caribbean, spending on this function represented an average equivalent to 3% of GDP.

Expenditure on housing and community services remained relatively stable in 2024, at around 0.5% of GDP among all Latin American countries. Continuing the previous years' trend, the Central American countries, along with the Dominican Republic and Mexico, on average spent slightly more than twice as much on this function as those of South America (0.8% and 0.3% of GDP, respectively). In the Caribbean, spending levels remained unchanged from 2023, at 1.1% of GDP, thereby almost quadrupling the figures for South America.

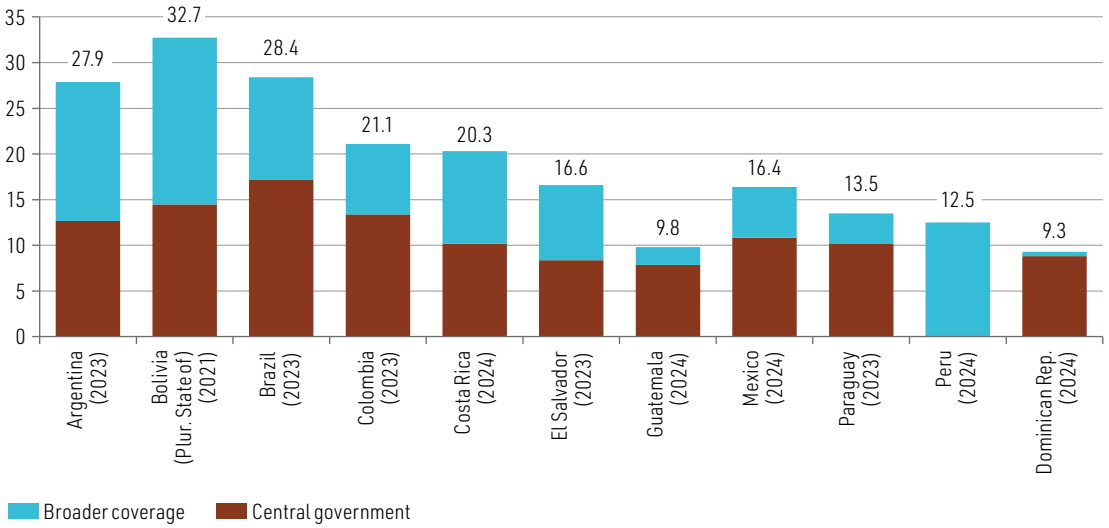
Spending on environmental protection and on recreation, culture and religion in the Latin American countries remained stable, averaging 0.12% of GDP in South America and 0.13% of GDP in Central America, the Dominican Republic and Mexico. By contrast, spending in the Caribbean remained at an average of 0.35% of GDP, considerably higher than in the Latin American countries (0.13% of GDP).

4. Public social spending with broader institutional coverage than central government in selected countries

The data analysed thus far relate to central government social spending, which is the only level of coverage at which all countries of the region can be compared. However, as shown in box IV.1, some Latin American countries publish aggregate reports on public social spending with broader institutional coverage (general government, non-financial public sector or public sector). This section complements the foregoing analysis with information from 11 countries: 5 that have data up to 2024 (Costa Rica, Dominican Republic, Guatemala, Mexico and Peru), 5 that have data up to 2023 (Argentina, Brazil, Colombia, El Salvador and Paraguay) and 1 with data for 2021 (Plurinational State of Bolivia).

Public social spending increases considerably when analysed with an institutional coverage that is broader than central government, with a difference that averages 8.7 percentage points of GDP among the 10 countries that provided data for both types of coverage in recent years. As shown in figure IV.14, when broader coverage is analysed, social spending more than doubles in some countries, such as Argentina, Costa Rica, El Salvador and the Plurinational State of Bolivia.

Figure IV.14
Latin America (11 countries): public social spending, by institutional coverage, 2024 or latest year available
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.
Note: The broadest coverages refer to general government in Brazil, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Paraguay, Peru and the Plurinational State of Bolivia, to the (federal) non-financial public sector in Mexico and to the public sector in Argentina.

The distribution of public social spending across government functions varies significantly in some countries when considering institutional coverage that is broader than the central government, as observed in the four countries with data for both types of coverage for 2024:

(i) In Costa Rica, education accounts for 27.3% of general government spending, in contrast to 53.8% at the central government level. Health represents 30.7% of general government spending, 24 percentage points higher than at the central government level, indicating that this spending is carried out primarily through subnational or local governments.

(ii) In Guatemala, the distribution of functions is similar at both levels of coverage, with the exception of housing, which accounts for 5.9% of social spending at the general government level, compared with 19.9% at the central government level. With regard to social protection, the general government represents 28.5% of social spending, while the central government accounts for 17.8%.

(iii) In Mexico, the largest differences are in education, which accounts for 18.8% of general government spending and 28.4% of central government spending, while the health function represents 16.8% for the general government and 10.1% for the central government, similar to the pattern in Costa Rica.

(iv) In the Dominican Republic, the greatest differences are in social protection, which represents 34% of general government spending, compared with 24.6% at the central government level. Health reflects a difference of 6.7 percentage points, representing 14.9% for the general government and 21.5% for the central government.

5. Redistributive effects of public transfers in Latin America

In Latin America, cash transfers, such as non-contributory pensions and conditional cash transfers, are fundamental tools of social protection systems for advancing towards the eradication of poverty and vulnerability, as well as for reducing the high levels of inequality that characterize the region. Analysing the redistributive effect of transfers makes it possible to assess the extent to which resources effectively reach the most vulnerable population groups, measure their specific contribution to the reduction or alleviation of poverty and extreme poverty, compare programmes of a similar nature and strengthen accountability. Such analysis provides empirical evidence to inform the design of universal, comprehensive, sustainable and resilient social protection systems that address both poverty and extreme poverty, adapt to economic cycles and crises and respond to environmental disasters and their consequences (ECLAC, 2021; Arenas de Mesa and Cecchini, 2022; Arenas de Mesa, 2023).

On average, across 15 Latin American countries, income distribution inequality declined slightly, as reflected in a reduction of the Gini coefficient from 0.483 in 2014 to 0.461 in 2023 (see table IV.A1.1). Assessing the redistributive effect of public transfers helps, for example, to quantify the contribution of these policy instruments to this process.

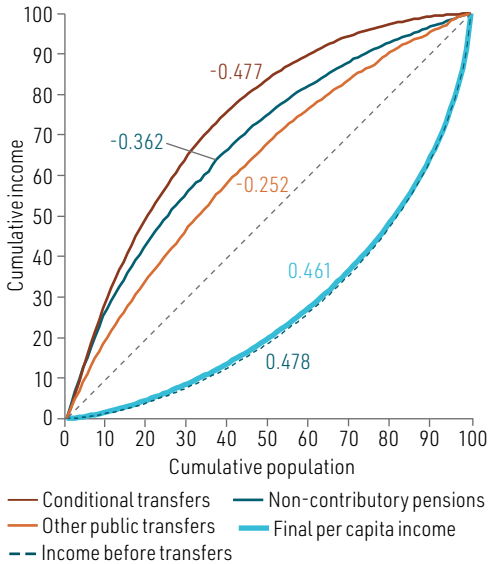
Broadly speaking, the traditional analysis of redistributive effects can be divided into two stages. The first stage is focused on the primary distribution of income (market income, before taxes and transfers) and the impact of the tax structure on income concentration. The second involves analysis of the secondary distribution of income and the extent to which redistributive mechanisms —monetary and non-monetary transfers, including support for access to public services— help to deconcentrate households' final income or fail to do so. Taken together, these two stages make it possible to identify which components of the fiscal and social system are most effective in reducing inequality and poverty (Lustig, 2018; Amarante and Brun, 2018; ECLAC, 2019b).

Household surveys enable this type of analysis using microdata, as they generally capture the main public transfers and monetary subsidies in each country. However, such surveys measure income after taxes and do not usually capture access to public services or do so only partially. Against this backdrop, the analysis presented below is limited to measuring the redistributive impact of the main cash transfers in the countries of the region on gross disposable income before transfers or on households' primary income adjusted for taxes. For comparative purposes, and given the high degree of heterogeneity in transfers and subsidies across countries, as well as differences in how these instruments are recorded in the respective surveys, three categories are identified: (i) transfers associated with programmes for continuous transfers (conditional or unconditional) linked to poverty reduction policies; (ii) non-contributory pension transfers aimed at older persons and persons with disabilities; and (iii) other public transfers.

The available data allow this type of analysis to be conducted for 11 countries of the region: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. As shown in figure IV.15, around 2023, the Gini coefficient of disposable income before transfers in these countries averaged 0.478 (3.8% lower than in 2014), while that of final per capita income averaged 0.461 (4,6% lower than in 2014). This indicates that public transfers contributed modestly to reducing the concentration of final per capita income.[10]

[10] For comparison, in 2023, across 27 European Union countries, the Gini coefficient of equivalent disposable income (using the Organisation for Economic Co-operation and Development modified equivalence scale for household size) before social transfers (including contributory and non-contributory pensions) averaged 0.484; equivalent disposable income after social transfers, excluding pensions, averaged 0.347; and final equivalent disposable income fell to 0.296.

Figure IV.15
Latin America (11 countries):[a] Lorenz curves and Gini coefficient of per capita disposable income before and after transfers, and of the different types of public transfer,[b] around 2023



Source: Economic Commission for Latin America and the Caribbean, Household Survey Data Bank (BADEHOG).
[a] Simple average of Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] The concentration coefficient of per capita public transfers was calculated on the basis of the ranking of households by disposable income before transfers.

The effect of different types of transfer on reducing income concentration depends, to a large extent, on their relative weight in households' final income and on their level of progressivity (that is, the extent to which they are concentrated among lower-income households). Around 2023, transfers aimed at poverty eradication, which on average accounted for just 0.6% of households' final income, were the most progressive, with a concentration coefficient of -0.477 (although with significant differences between countries, ranging from -0.056 to -0.699). This meant that these transfers accounted for slightly more than one quarter of the reduction in the Gini index (see box IV.2). Non-contributory pensions follow in terms of progressivity. With an average weight of 1.2% in final income, they record a concentration coefficient of -0.362 (also reflecting a wide range, from 0.013 to -0.530) and account for nearly 50% of the reduction in the Gini index attributable to public transfers. Lastly, other public transfers, which account for 0.6% of final income on average —a proportion similar to that of conditional transfers—, register a concentration coefficient of -0.252 and contribute somewhat less to the reduction of the Gini index.

Box IV.2
Measures for assessing the redistributive effect of public transfers

There is a set of standard measures, based on the Gini index, to assess the progressivity or regressivity of cash transfers (and taxes), their impact on improving or worsening income distribution and the contribution of each type of transfer. The Gini index is widely used to measure inequality in income distribution owing to its simplicity and effectiveness. The following formular is applied:

$$G = 1 - \sum_{i=1}^{n} (P_i - P_{i-1})(L_i + L_{i-1})$$

where P_i represents the cumulative share of the population and L_i the cumulative share of income (which is equivalent to calculating the ratio between (i) the area between the equidistribution line and the Lorenz curve of population income and (ii) the area of the triangle under the equidistribution line). The Gini index can be calculated for total income distribution before or after transfers, as well as for each transfer separately (non-contributory pensions, conditional transfers, other transfers and total public transfers). In all cases, the population is ranked from lowest to highest according to its share of per capita income before transfers. This measure is called the "concentration coefficient," which ranges from -1 to 1. A negative value indicates that the transfer is absolutely progressive and benefits lower-income groups, whereas a positive value indicates that the transfer is regressive and reaches higher-income groups.

The following figure presents the Lorenz curve used to calculate inequality in income redistribution and illustrates three types of transfer:

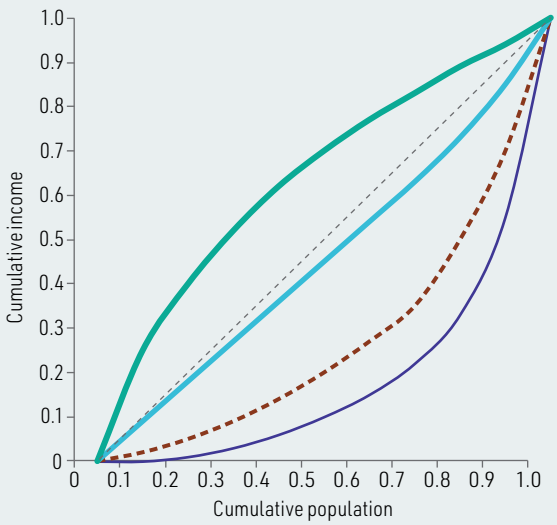
- Equidistribution line (dotted line).
- Population income (dashed line).

(i) Transfer type 1 (green) [UGE: atención referencia a color]: progressive in absolute terms. The transfer curve lies above the equidistribution line.

(ii) Transfer type 2 (light blue) [UGE: atención referencia a color]: relatively progressive. The transfer curve lies between the equidistribution line and the population income curve.

(iii) Transfer type 3 (purple) [UGE: atención referencia a color]: regressive (in both absolute and relative terms). The transfer curve lies below the population income curve and exhibits greater inequality than total income.

Lorenz curves for various cash transfers by population income ranking



Source: Prepared by the authors.

It is also possible to decompose the overall redistributive effect of all transfers into the contribution of each type. To do this, the progressivity of a transfer relative to income must first be calculated, which can be done using the Kakwani index (1986). This index compares the distribution of the transfer with the Gini index of income before its application:

$$Ps = CC\text{-}Gini_i$$

where is the concentration coefficient of the transfer and is the *Gini* index of income, both calculated using the population ranking prior to transfers. The Kakwani index (***Ps***) ranges from -2 to 1: negative values indicate a transfer that is progressive relative to income, while positive values indicate a regressive transfer.

To evaluate the redistributive effect of each transfer, the change in the Gini index is calculated by removing each transfer individually:

$$\Delta = Gini_f - Gini_i$$

where $Gini_f$ is the Gini index of income after the transfer. This change can be decomposed by transfer using the following formula, where is the share of the transfer in pre-transfer income and all results are obtained according to the income ranking. In this way, the redistributive effect depends on both the progressivity of the transfer (Ps) and its weight in income:

$$\Delta Gini = \frac{Ps \times \gamma}{1+\gamma}$$

This decomposition does not capture interactions between different transfers, which can be obtained as the difference between and the sum of contributions from all individual transfers.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Economic Commission for Latin America and the Caribbean. (2006). *Social Panorama of Latin America, 2005* (LC/G.2288-P); Economic Commission for Latin America and the Caribbean. (2008). *Social Panorama of Latin America, 2007* (LC/G.2351-P); Economic Commission for Latin America and the Caribbean. (2010). *Social Panorama of Latin America, 2009* (LC/G.2423-P); Kakwani, N. (1986). *Analyzing redistribution policies: a study using Australian data*. Cambridge University Press.

Over the period 2013–2023, the share of all types of transfer in the final income of the total population rose slightly at the regional level (see table IV.A1.1). While other public transfers became 43% more progressive (rising from -0.176 to -0.252), both non-contributory pensions and conditional transfers became less progressive, although they remained strongly targeted towards lower-income households. In the case of non-contributory pensions, progressivity fell by around 12%, and in that of conditional transfers, by 8%, likely reflecting expanded coverage among population groups in other income strata.

The region experienced a significant expansion of non-contributory pension systems, particularly during the 2000s and 2010s. In 2000, only 14 countries had such systems, covering 3.4% of persons aged 65 and over; by 2022, coverage had increased to 31% across 28 countries. Across the 11 countries analysed, the simple average coverage of non-contributory pensions for persons aged 65 and over rose from 34.7% in 2014 to 41.7% in 2022 (Arenas de Mesa and Robles, 2024). Conditional transfer programmes expanded similarly: in 2000, 28 countries of the region had 8 national conditional cash transfer programmes and other continuous transfers, increasing to 31 by 2022. As a result, across the region, the share of the population living in households benefiting from these programmes rose from 3.6% (19 million people) in 2000 to 22.2% (136 million) in 2014 and 27.1% (180 million) in 2022. In the 11 countries analysed, coverage reached 26.3% of the population in 2022 (ECLAC, 2024a; Figueroa and Vila, 2024).

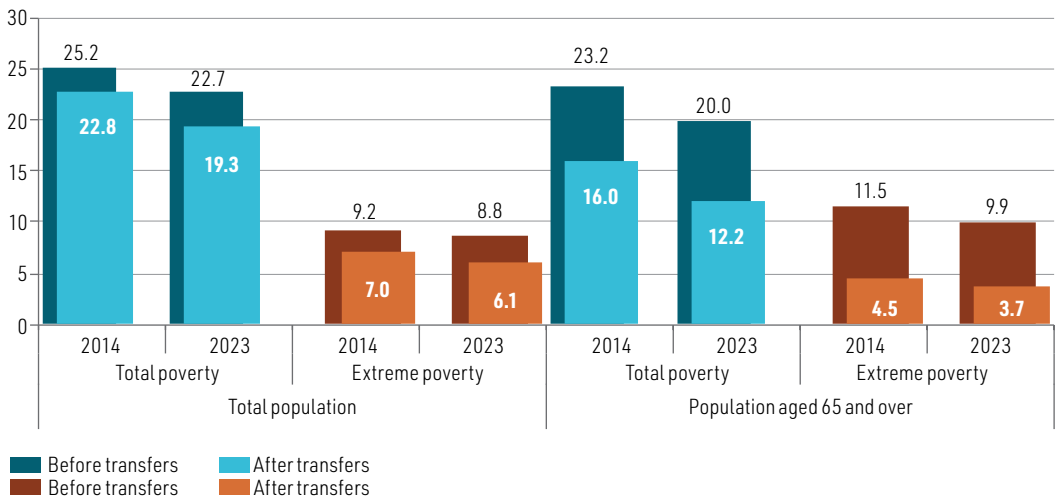
Since non-contributory pension systems allocate resources primarily to persons aged 65 and over, a specific examination of the redistributive effect of these and other public transfers shows that, around 2023, the share of these pensions in the final income of households containing members of this age group was 5.1%, with an average level of progressivity of -0.439 (21% higher than that observed for the population as a whole). These transfers represented 92% of total public transfers, and together with their high level of progressivity, they accounted for nearly 90% of the reduction in income concentration among this age group, with the Gini coefficient falling from 0.492 before transfers to 0.452 after transfers.

Moreover, since the conditional transfers analysed here correspond to programmes aimed at eradicating poverty or extreme poverty, an analysis of the population in these conditions prior to receiving the transfers shows that, for the population in extreme poverty, transfers accounted for 36.7% of final

income. Of this total, non-contributory pensions represented 49%, conditional transfers 29% and other public transfers 23%. For the overall population living in poverty, the total weight of transfers was 19.6% of final income, with non-contributory pensions contributing 45%, conditional transfers 32% and other public transfers 25%.[11] In this group, where final income inequality is relatively low (0.237 on average across 11 countries), transfers remain progressive but are much closer to uniform distribution (Gini coefficients of -0.188, -0.116 and -0.094 for non-contributory pensions, conditional transfers and other public transfers, respectively). This reflects an expansion of these types of transfer across the population with incomes below the poverty line, while maintaining a priority focus on the poorest of the poor.

As shown in figure IV.16, public transfers play a significant role in reducing poverty and extreme poverty. On average, across 11 countries, transfers reduced total poverty by 2.4 percentage points in 2014, representing a 9% decrease in incidence. Although poverty levels were slightly lower in 2023, public transfers had an even greater impact that year, reducing poverty by 3.4 percentage points (a 15% drop in incidence). The trend was similar but more pronounced in extreme poverty, for which the impact rose from 2.2 percentage points in 2014 (a 24% decrease in incidence) to 2.7 percentage points in 2023 (a 31% decrease in incidence). These trends underscore the role of social protection systems in supporting low-income population groups, reflecting the greater impact of entitlements on the incomes of those living in extreme poverty.

Figure IV.16
Latin America (11 countries):[a] incidence of poverty and extreme poverty in the total population and among persons aged 65 and over, before and after transfers, 2014 and 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, Household Survey Data Bank (BADEHOG).
[a] Simple average of Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

The impact of public transfers on poverty and extreme poverty is even more pronounced among persons aged 65 and over, the target population of non-contributory pension systems. These entitlements account, on average, for approximately half of total public transfers. Around 2014, transfers reduced poverty in this group by an average of 7.2 percentage points, equivalent to a 31% decline in incidence. In 2023, the reduction rose to 7.8 percentage points, corresponding to a 39% decline in incidence. The reduction in extreme poverty was even more marked. Although the

[11] The sum of the shares of the different types of transfer may exceed 100%, as some households and individuals may receive more than one type of transfer.

difference in percentage points before and after public transfers declined slightly between the two periods analysed (from 7.0 to 6.2 percentage points), the proportional reduction increased: in 2023, the reduction in the incidence of extreme poverty among persons aged 65 and over as a result of public transfers rose from 61% to 63% (reflecting the decline in the incidence of poverty).

The results presented show that, in Latin America, redistributive mechanisms operating through direct public income transfers involve a volume of resources that is small relative to the total disposable household income. Consequently, although these transfers are generally highly progressive, their effect on reducing income inequality is limited. However, the effective design and targeting of the programmes underlying these transfers, together with the increasingly widespread use of information systems that facilitate the expansion of coverage of these instruments, such as social registries, have enabled these resources to be directed towards the most vulnerable populations. This has had a significant effect on reducing poverty and, in particular, extreme poverty.

Lastly, the analysis of the redistributive effect of public transfers, and more broadly of social spending, captures the immediate monetary effects of this type of social intervention. Social policies also pursue long-term objectives, including progress towards eradicating poverty and achieving inclusive social development. Assessing these outcomes properly requires the use of other types of analytical instrument.

C. Concluding remarks

Progress in the legal, regulatory and organizational dimensions of the social institutional framework —tasked with addressing exclusion and discrimination, as well as protecting the rights and well-being of specific population groups— reflects the growing commitment of the States of the region to combat social inequality. It also points to the strengthening of a social agenda that has increasingly incorporated the objective of social inclusion in unequal and diverse societies. Nonetheless, the challenge remains to consolidate these advances through the allocation of additional technical, human and financial resources, translating them into enhanced institutional capacities to guarantee the well-being and rights of the various groups that have historically been excluded and discriminated against. This requires reinforcing horizontal and vertical inter-agency coordination, as well as consolidating TOPP capabilities in the social sphere to advance transformative actions through effective, participatory and inclusive governance.

Advances in statistical visibility constitute an essential foundation for addressing exclusion and rights violations affecting different population groups. However, further progress is needed in the coordinated integration of methodologies aligned with rights-based, gender, population and nationality, and life-cycle approaches into the design and implementation of data collection processes, so as to deepen understanding and enhance the relevance of public policies. At the same time, improving the quality of information available for policymaking remains a challenge, requiring tools such as specialized surveys with broad sample coverage that allow for the intersectional disaggregation of indicators and greater comparability across data sources.

With regard to the financial dimension, significant gaps remain in budgetary and investment information on policies specifically designed to finance rights protection and anti-discrimination measures for diverse population groups. While there are promising methodological experiences and proposals, the capacity to analyse information that reflects the realities of these populations remains limited. This is largely because classification systems in public finance and national accounts generally lack the necessary disaggregation, except in cases where satellite accounts have been developed for sectors such as culture, tourism, health and the environment.

At the regional level, some efforts have been made to develop indicators on public expenditure targeting specific population groups from a multisectoral or cross-cutting perspective. For example, ECLAC has participated in methodological initiatives to advance the analysis of social investment in policies for children and adolescents, carried out jointly with the United Nations Children's Fund (Tromben et al., 2021). Similarly, the United Nations Population Fund has developed tools and analyses to classify public social spending by programme, assessing whether resources from various sectors and subsectors are allocated to this population group, either directly or indirectly (Bonari, 2015). However, in the countries of the region, systematized and periodic work in this area is still lacking, limiting distinctions at the national level as well as comparisons at the international level. Some noteworthy practices have emerged, including public expenditure tracking for Indigenous Peoples in Mexico and, more broadly across the region, gender-responsive budgeting, which highlight countries' efforts to allocate resources to support the well-being and rights of Indigenous Peoples and women.

Information on the execution of social expenditure by major item or function is widely available and countries have made considerable progress in applying measurement standards in line with *Government Finance Statistics Manual 2001 and Government Finance Statistics Manual 2014* of the International Monetary Fund. This enhances comparability over time and across countries, although analytical challenges remain. A common limitation is the absence of systematic and disaggregated data to analyse the volume and distribution of social expenditure beyond the central government level. For example, the public social spending data presented in this chapter cover 24 countries at the central government level, but only 11 countries at the general government level or with broader coverage.

Available data indicate that social spending has stabilized in recent years, declining from a post-COVID-19 peak of 13.8% of GDP on average in 2020 to 11.4% of GDP on average in 2024. Data also show that Latin American countries, on average, assign greater fiscal priority to social spending than the English-speaking Caribbean, despite similar spending levels as a percentage of GDP. Notably, most countries in the region allocate the largest share of public resources to the social protection function, which is central to addressing poverty and inequality.

Looking ahead, a promising development is the agreement reached by social development ministers at the sixth session of the Regional Conference on Social Development in Latin America and the Caribbean, in which they underscored "the strategic importance of maintaining public investment in non-contributory social protection policies at levels equivalent to at least 1.5%–2.5% of gross domestic product or 5%–10% of annual public spending, with a view to advancing poverty eradication in a sustainable manner" (ECLAC, 2025e, para. 6).

The review in section B of public transfer distribution in the region —mainly non-contributory pensions and cash transfers for poverty reduction—, based on household surveys, shows that well-designed, properly targeted programmes, combined with the wider use of information systems that facilitate coverage expansion (such as social registries), have helped to channel resources to the most vulnerable populations. These transfers have significantly reduced poverty, particularly extreme poverty, though their effect on reducing inequality has been more limited.

As highlighted in the Regional Agenda for Inclusive Social Development in Latin America and the Caribbean (ECLAC, 2020) and in communications for the Second World Summit for Social Development held in Qatar in 2025, strengthening the institutional framework of social policies is essential for advancing more effectively, efficiently and sustainably towards inclusive social development. This ensures that all people can enjoy a life of dignity, free from poverty, with full enjoyment of economic, social and cultural rights and opportunities for recognition and participation (ECLAC, 2024a, 2025a, 2025e, 2025f).

Bibliography

Amarante, V. and Brun, M. (2018). Cash transfers in Latin America: effects on poverty and redistribution. *Economía, 19*(1). 1–31. https://www.jstor.org/stable/90025861

Arenas de Mesa, A. (2023). Universal, comprehensive, sustainable and resilient social protection to eradicate poverty, reduce inequality and move towards inclusive social development. *CEPAL Review* (141) (LC/PUB.2023/29-P/-*). Economic Commission for Latin America and the Caribbean.

Arenas de Mesa, A. and Cecchini, S. (2022). Equality and social protection: keys to inclusive and sustainable development. *El Trimestre Económico, 89*(353), 277-309. https://doi.org/10.20430/ete.v89i352.1407

Arenas de Mesa, A. and Robles, C. (Eds.) (2024). *Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability*. ECLAC Books (164) (LC/PUB.2024/6-P/-*). Economic Commission for Latin America and the Caribbean.

Bonari, D. (2015). *Desarrollo de una propuesta de metodología para la medición del gasto público dirigido a la adolescencia y juventud en los países de América Latina*. United Nations Population Fund.

Centre for Public Finance Studies. (2017). Presupuesto destinado a los pueblos indígenas en el PEF 2017. *Nota Informativa* (012/2017). Chamber of Deputies.

Del Popolo, F. (2025). Pueblos indígenas y afrodescendientes en América Latina y los censos de la ronda 2020: avances y brechas en la implementación de estándares. In R. Aparicio López and A. Traldi Simoni (Coords.), *Los desafíos de la inclusión estadística de los pueblos indígenas y afrodescendientes en América Latina y el Caribe*, 26–46. Latin American Population Association.

Economic Commission for Latin America and the Caribbean. (2006). *Social Panorama of Latin America, 2005* (LC/G.2288-P).

Economic Commission for Latin America and the Caribbean. (2008). *Social Panorama of Latin America, 2007* (LC/G.2351-P).

Economic Commission for Latin America and the Caribbean. (2010). *Social Panorama of Latin America, 2009* (LC/G.2423-P).

Economic Commission for Latin America and the Caribbean. (2016). *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)).

Economic Commission for Latin America and the Caribbean. (2017). *Social Panorama of Latin America, 2016* (LC/PUB.2017/12-P).

Economic Commission for Latin America and the Caribbean. (2018). *Towards a regional agenda for inclusive social development: bases and initial proposal* (LC/MDS.2/2).

Economic Commission for Latin America and the Caribbean. (2019a). *Gender equality plans in Latin America and the Caribbean: road maps for development. Gender Equality Observatory for Latin America and the Caribbean. Studies* (1) (LC/PUB.2017/1-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2019b). *Fiscal Panorama of Latin America and the Caribbean, 2019* (LC/PUB.2019/8-P).

Economic Commission for Latin America and the Caribbean. (2020). *Regional Agenda for Inclusive Social Development* (LC/CDS.3/5).

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

Economic Commission for Latin America and the Caribbean. (2022a). *Demographic Observatory, 2021* (LC/PUB.2021/19-P).

Economic Commission for Latin America and the Caribbean. (2022b). *Breaking the statistical silence to achieve gender equality by 2030: application of the information systems pillar of the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030* (LC/CRM.15/4).

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

Economic Commission for Latin America and the Caribbean. (2023b). *Social Panorama of Latin America and the Caribbean, 2023* (LC/PUB.2023/18-P/Rev.1).

Economic Commission for Latin America and the Caribbean. (2023c). *Diseño y análisis estadístico de las encuestas de hogares de América Latina*. ECLAC Methodologies (5) (LC/PUB.2023/14-P).

Economic Commission for Latin America and the Caribbean. (2024a). *Social Panorama of Latin America and the Caribbean, 2024* (LC/PUB.2024/21-P/-*).
Economic Commission for Latin America and the Caribbean. (2024b). *Population, Development and Rights in Latin America and the Caribbean: draft second regional report on the implementation of the Montevideo Consensus on Population and Development* (LC/MDP.5/4/Rev.1).
Economic Commission for Latin America and the Caribbean. (2024c). *Reducing Inequality and Pursuing Inclusive Social Development in Latin America and the Caribbean: Challenges, Priorities and Key Messages in preparation for the Second World Summit for Social Development* (LC/MDS.6/3).
Economic Commission for Latin America and the Caribbean. (2025a). *Latin America and the Caribbean 30 Years on from the World Summit for Social Development: Towards a Global Pact for Inclusive Social Development* (LC/CDS.6/3).
Economic Commission for Latin America and the Caribbean. (2025b). *Action for equality, development and peace in Latin America and the Caribbean: regional report on the review of the Beijing Declaration and Platform for Action, 30 years on, in synergy with the implementation of the Regional Gender Agenda* (LC/MDM.66/5).
Economic Commission for Latin America and the Caribbean. (2025c). *Persons with Disabilities: From Statistical Visibility to the Exercise of Rights* (LC/MDP.6/3).
Economic Commission for Latin America and the Caribbean. (2025d). *Economic Survey of Latin America and the Caribbean, 2025* (LC/PUB.2025/12-P).
Economic Commission for Latin America and the Caribbean. (2025e). *Resolution 6(VI)*. Sixth session of the Regional Conference on Social Development in Latin America and the Caribbean. https://crds.cepal.org/6/en/documents/resolution-6vi
Economic Commission for Latin America and the Caribbean. (2025f). *Latin America and the Caribbean looking ahead to the Second World Summit for Social Development: proposals for inclusive social development* (LC/MDS.E-2025/4).
Economic Commission for Latin America and the Caribbean and United Nations Population Fund. (2020). Afrodescendientes y la matriz de la desigualdad social en América Latina: retos para la inclusión. *Project Documents* (LC/PUB.2020/14).
Figueroa, N. and Vila, J. (2024). Programas de protección social no contributiva en América Latina y el Caribe: revisión metodológica de la estimación de tendencias de cobertura e inversión. *Project Documents* (LC/TS.2024/119). Economic Commission for Latin America and the Caribbean.
Food and Agriculture Organization of the United Nations and Economic Commission for Latin America and the Caribbean. (2025). *People of African descent in Latin America and the Caribbean: an exploration of social and territorial realities in the rural world* (LC/TS.2024/136).
García, L. (2025). Fuentes de datos sobre las personas con discapacidad en América Latina desde un enfoque social y de derechos. *Project Documents* (LC/TS.2025/53). Economic Commission for Latin America and the Caribbean.
García Mora, M. E., Schwartz Orellana, S. and Freire, G. (2021). *Disability Inclusion in Latin America and the Caribbean: A Path to Sustainable Development*. World Bank.
Huckerby, J. (2012). *Gender Equality and Constitutions of Latin America and the Caribbean*. United Nations Entity for Gender Equality and the Empowerment of Women. https://peacemaker.un.org/es/node/288.
International Monetary Fund. (2001). *Government Finance Statistics Manual 2001*.
International Monetary Fund. (2014). *Government Finance Statistics Manual 2014*.
Kakwani, N. (1986). *Analyzing redistribution policies: a study using Australian data*. Cambridge University Press.
Lustig, N. (Ed.). (2018). *Commitment to Equity Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty*. Brookings Institution Press.
Maldonado Valera, C., Martínez Pizarro, J. and Martínez, R. (2018). Protección social y migración: una mirada desde las vulnerabilidades a lo largo del ciclo de la migración y de la vida de las personas. *Project Documents* (LC/TS.2018/62). Economic Commission for Latin America and the Caribbean.
Martínez, R. (Ed.) (2019). *Institutional frameworks for social policy in Latin America and the Caribbean*. ECLAC Books (146) (LC/PUB.2017/14-P/Rev.1). Economic Commission for Latin America and the Caribbean.
National Commission for the Development of Indigenous Peoples. (2016). *Indicadores socioeconómicos de los Pueblos Indígenas de México, 2015*.
Oyarce Pisani, A. M. (2025). Panorama de la institucionalidad social de los Pueblos Indígenas y su aporte a la cohesión social de América Latina. *Project Documents* (LC/TS.2025/31). Economic Commission for Latin America and the Caribbean.

Pedrero, M. (2023). Hacia una recuperación económica transformadora de América Latina-Abya Yala: desafíos para garantizar los derechos colectivos de los pueblos indígenas. *Project Documents* (LC/TS.2023/35). Economic Commission for Latin America and the Caribbean.

Quashie, N. and Jones, F. (2023). The ageing Caribbean: 20 years of the Madrid Plan of Action. *Studies and Perspectives Series-ECLAC Subregional Headquarters for the Caribbean* (111) (LC/TS.2022/225-LC/CAR/TS.2022/5). Economic Commission for Latin America and the Caribbean.

Salazar-Xirinachs, J. M. (2023). Rethinking, reimagining and transforming: the "whats" and the "hows" for moving towards a more productive, inclusive and sustainable development model. *CEPAL Review* (141) (LC/PUB.2023/29-P). Economic Commission for Latin America and the Caribbean.

Salazar-Xirinachs, J. M. and Boeninger Sempere, A. (2025). *Technical, operational, political and prospective (TOPP) institutional capabilities for managing transformations: underpinnings of a new paradigm* (LC/TS.2025/56). Economic Commission for Latin America and the Caribbean.

Tromben, V., Martínez, R., Rivera, E., Leroy, N. and Kroll, C. (2021). Propuesta de medición de la inversión pública en niños, niñas y adolescentes: aplicación en tres países: Chile, Costa Rica y Perú. *Project Documents* (LC/TS.2021/189). Economic Commission for Latin America and the Caribbean.

Annex IV.A1

Table IV.A1.1
Latin America (15 countries): Gini coefficient of per capita income concentration and poverty incidence, before and after public transfers, concentration coefficient of transfers,[a] share of transfers in final income and contribution to reducing inequality, by type of transfer, 2013–2023
(Percentages)

		Gini coefficient of per capita income		Per capita transfers											Incidence of poverty	
				Type of transfer									Total public transfers			
				Non-contributory pensions			Conditional transfers			Other public transfers						
		After transfers	Before transfers	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Before transfers	After transfers
Argentina	2014	0.393	0.403	...	...	...	1.1	-0.563	100.0	...	...	...	1.1	-0.563	27.3	25.0
	2023	0.402	0.415	...	...	...	1.4	-0.535	100.0	...	...	...	1.4	-0.535	32.0	30.1
Bolivia (Plurinational State of)	2014	0.471	0.481	1.6	-0.041	76.0	0.4	-0.186	14.8	0.4	0.400	3.3	2.4	0.019	35.2	33.7
	2021	0.418	0.430	2.3	-0.011	75.0	0.3	-0.214	9.6	0.4	0.048	12.2	3.1	-0.022	31.5	29.0
Brazil	2016	0.532	0.547	0.8	-0.490	48.8	0.6	-0.628	42.5	0.1	-0.288	5.5	1.5	-0.534	23.8	20.9
	2023	0.515	0.547	1.0	-0.517	31.1	2.1	-0.585	65.2	0.1	-0.188	2.4	3.3	-0.550	22.8	16.1
Chile	2013	0.476	0.492	1.1	-0.348	53.5	0.1	-0.441	6.4	0.8	-0.324	40.3	2.1	-0.344	19.1	15.8
	2022	0.445	0.467	2.1	-0.276	61.4	0.1	-0.278	1.7	1.2	-0.353	38.6	3.4	-0.303	12.0	8.1
Colombia	2016	0.518	0.563	3.4	-0.803	91.8	0.4	-0.450	9.4	0.1	-0.264	1.5	3.8	-0.758	33.1	29.7
	2023	0.553	0.559	0.2	-0.410	28.5	0.2	-0.481	28.0	0.3	-0.272	40.3	0.7	-0.368	33.8	32.7
Costa Rica	2014	0.498	0.510	0.6	-0.486	52.9	0.5	-0.511	38.2	0.1	-0.473	8.7	1.2	-0.494	20.1	17.5
	2023	0.480	0.496	1.0	-0.530	55.2	0.5	-0.613	29.8	0.3	-0.388	13.3	1.8	-0.533	19.1	15.9
Dominican Republic	2014	0.449	0.450	...	...	...	...	...	...	0.1	-0.112	100.0	0.1	-0.112	33.0	32.9
	2023	0.387	0.395	...	...	...	1.9	-0.056	99.3	0.0	0.104	0.5	1.9	-0.055	20.1	18.2
Ecuador	2014	0.449	0.460	0.8	-0.301	50.7	0.6	-0.445	45.3	...	...	...	1.4	-0.366	25.4	23.4
	2023	0.442	0.460	0.7	-0.469	35.7	1.4	-0.432	65.7	...	...	...	2.1	-0.445	28.6	25.3

		Gini coefficient of per capita income		Per capita transfers											Incidence of poverty	
				Type of transfer									Total public transfers			
				Non-contributory pensions			Conditional transfers			Other public transfers						
		After transfers	Before transfers	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Contribution to change in Gini coefficient	Share of final income	Gini coefficient[a]	Before transfers	After transfers
El Salvador	2014	0.434	0.465	...	...	...	2.7	-0.882	100.0	0.0	-0.868	0.0	2.7	-0.882	45.5	44.5
	2023	0.414	0.415	...	...	...	0.0	-0.219	100.0	0.0	-0.359	0.0	0.0	-0.219	27.9	27.9
Honduras	2014	0.481	0.489	...	...	...	0.5	-0.358	41.2	0.6	-0.207	54.3	1.1	-0.269	56.1	55.4
	2023	0.471	0.478	...	...	...	0.1	-0.176	8.1	1.0	-0.147	91.7	1.1	-0.149	56.6	56.0
Mexico	2014	0.502	0.518	0.6	-0.125	22.6	1.0	-0.504	47.1	0.6	0.023	16.6	2.2	-0.265	47.2	45.2
	2022	0.441	0.453	2.1	0.013	65.7	0.4	-0.256	13.2	0.4	-0.128	16.4	2.9	-0.042	31.5	28.6
Panama	2014	0.502	0.514	0.7	-0.388	50.5	0.2	-0.646	12.1	0.7	-0.137	33.4	1.6	-0.313	21.2	18.6
	2023	0.493	0.516	0.8	-0.396	31.2	0.1	-0.733	2.3	2.2	-0.175	66.3	3.1	-0.244	18.8	14.3
Paraguay	2014	0.522	0.527	0.4	-0.453	68.5	0.2	-0.523	30.2	...	...	...	0.6	-0.474	23.5	22.3
	2023	0.462	0.478	1.5	-0.439	78.8	0.2	-0.479	10.1	0.3	-0.216	10.9	2.0	-0.412	22.5	19.6
Peru	2014	0.446	0.453	0.3	-0.581	44.5	0.3	-0.631	54.5	...	...	...	0.6	-0.609	20.8	19.5
	2023	0.417	0.424	0.4	-0.460	48.9	0.3	-0.472	33.4	0.2	-0.293	16.5	0.9	-0.431	19.8	18.3
Uruguay	2014	0.392	0.406	0.7	-0.498	46.3	0.6	-0.707	43.4	0.1	-0.348	5.1	1.5	-0.579	7.4	4.5
	2023	0.404	0.425	0.8	-0.488	32.2	0.9	-0.699	37.0	0.6	-0.556	27.6	2.3	-0.585	9.4	4.5
Simple average (11 countries)[b]	**2014**	**0.483**	**0.497**	**1.0**	**-0.410**	**55.1**	**0.5**	**-0.516**	**31.3**	**0.4**	**-0.176**	**14.3**	**1.7**	**-0.429**	**25.2**	**22.8**
	2023	**0.461**	**0.478**	**1.2**	**-0.362**	**49.4**	**0.6**	**-0.477**	**26.9**	**0.6**	**-0.252**	**24.5**	**2.3**	**-0.358**	**22.7**	**19.3**

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

[a] The concentration coefficient is calculated on the basis of the ranking of households by per capita income before transfers. The decomposition of the total change in the Gini coefficient attributable to transfers is obtained by maintaining the same household ranking according to pre-transfer income. The final Gini coefficient is presented reordered by post-transfer income in the first column. The percentage contributions of transfers to the change in the Gini coefficient do not necessarily sum to 100%, owing to interaction effects between the different types of transfer.

[b] Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Publicaciones recientes de la CEPAL
ECLAC recent publications

www.cepal.org/publicaciones

Informes Anuales/*Annual Reports*
También disponibles para años anteriores/*Issues for previous years also available.*

Balance Preliminar de las Economías de América Latina y el Caribe, 2025
Preliminary Overview of the Economies of Latin America and the Caribbean, 2025

Panorama Social de América Latina y el Caribe, 2025
Social Panorama of Latin America and the Caribbean, 2025

Perspectivas del Comercio Internacional de América Latina y el Caribe, 2025
International Trade Outlook for Latin America and the Caribbean, 2025

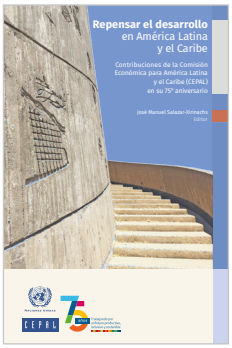
Panorama de las Políticas de Desarrollo Productivo en América Latina y el Caribe, 2025
Panorama of Productive Development Policies in Latin America and the Caribbean, 2025

Estudio Económico de América Latina y el Caribe, 2025
Economic Survey of Latin America and the Caribbean, 2025

La Inversión Extranjera Directa en América Latina y el Caribe, 2025
Foreign Direct Investment in Latin America and the Caribbean, 2025

Anuario Estadístico de América Latina y el Caribe, 2025
Statistical Yearbook for Latin America and the Caribbean, 2025

El Pensamiento de la CEPAL/*ECLAC Thinking*



Repensar el desarrollo en América Latina y el Caribe: contribuciones de la Comisión Económica para América Latina y el Caribe (CEPAL) en su 75° aniversario

América Latina y el Caribe ante las trampas del desarrollo: transformaciones indispensables y cómo gestionarlas
Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them

Cooperar o perecer: el dilema de la comunidad mundial. Tomo I: Los años de creación (1941-1960)

Libros y Documentos Institucionales
Institutional Books and Documents

Acuerdo Regional sobre el Acceso a la Información, la Participación Pública y el Acceso a la Justicia en Asuntos Ambientales en América Latina y el Caribe: guía para la transversalización de la perspectiva de género
Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean: guide on gender mainstreaming

Gobernanza endógena: teoría, datos y herramientas para salir de la trampa de gobernanza poco efectiva en América Latina

Agenda 2030 en América Latina y el Caribe: ¿cómo acelerar el paso hacia su cumplimiento en la nueva era de incertidumbre y fragmentación geopolítica?
The 2030 Agenda in Latin America and the Caribbean: Accelerating Implementation in a New Era of Uncertainty and Geopolitical Fragmentation

Libros de la CEPAL/*ECLAC Books*

Gestión de pasivos ambientales: diagnóstico, desafíos y lecciones para la minería en la región andina
Managing environmental mining legacies in the Andean region: analysis, challenges and lessons learned

Endeudarse para cuidar: género y desigualdad en la Argentina

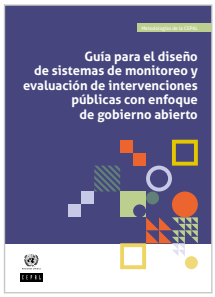
Sistemas de pensiones no contributivos en América Latina y el Caribe: avanzar en solidaridad con sostenibilidad
Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability

Versiones accesibles/*Accessible versions*

Las personas con discapacidad: de la visibilidad estadística al ejercicio de derechos. Versión accesible
Persons with Disabilities: From Statistical Visibility to the Exercise of Rights. Accessible version

Perspectivas del Comercio Internacional de América Latina y el Caribe, 2024. Resumen ejecutivo. Versión accesible
International Trade Outlook for Latin America and the Caribbean, 2024. Executive summary. Accessible version

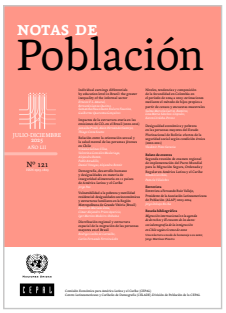
Metodologías de la CEPAL
ECLAC Methodologies

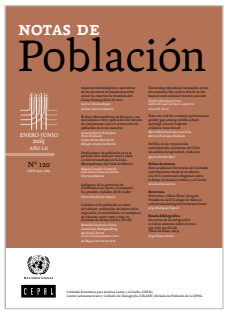


Observatorio Demográfico
Demographic Observatory

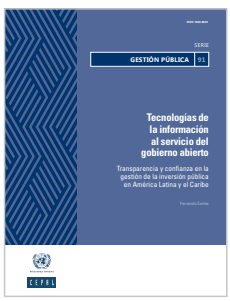
Revista CEPAL/*CEPAL Review*

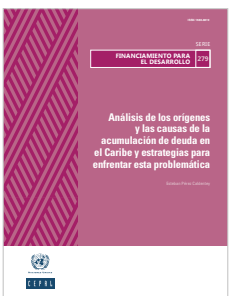
Notas de Población



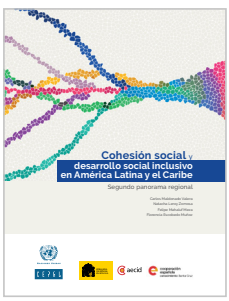


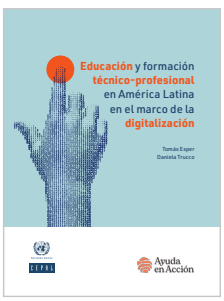
Series de la CEPAL
ECLAC Series





Documentos de Proyectos
Project Documents





Coediciones/*Co-editions*

Catálogo de Publicaciones 2025

Suscríbase y reciba información oportuna sobre las publicaciones de la CEPAL

Subscribe to receive up-to-the-minute information on ECLAC publications

NACIONES UNIDAS
UNITED NATIONS

CEPAL
ECLAC

https://mailchi.mp/cepal/suscripciones-cepal

https://bit.ly/m/CEPAL

Las publicaciones de la CEPAL también se pueden adquirir a través de:
ECLAC publications also available at:

shop.un.org

United Nations Publications
PO Box 960
Herndon, VA 20172
USA

Tel. (1-888)254-4286
Fax (1-800)338-4550
Contacto/*Contact*: publications@un.org
Pedidos/*Orders*: order@un.org

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.

www.cepal.org/en

The *Social Panorama of Latin America and the Caribbean 2025* analyses the trap of high inequality, low social mobility and weak social cohesion that is perpetuating the development crisis in the region. Inequality is a historical, structural and multidimensional problem that must be adequately measured in order to design comprehensive policies that address its multiple causes. Overcoming inequality requires a holistic approach to addressing inequalities caused by weaknesses in education systems and strengthening the role of education in intergenerational social mobility. It also requires linking up productive development policies, labour market policies, the institutional framework for social policy and care systems to strengthen labour inclusion. These measures should be supported by comprehensive policies that promote gender equality and the care society and that ensure respect for the rights of Indigenous Peoples, migrants and persons with disabilities. To implement these policies, it is essential to strengthen institutions' technical, operational, political and prospective (TOPP) capabilities and ensure efficient and financially sustainable social spending. Only through these strategies will it be possible to reduce inequality and move towards inclusive social development in Latin America and the Caribbean.

ISBN: 978-92-1-157688-7

Digital version available online

https://bit.ly/SocialPanorama-2025

ECLAC
Economic Commission for Latin America and the Caribbean (ECLAC)
Comisión Económica para América Latina y el Caribe (CEPAL)
www.cepal.org/en