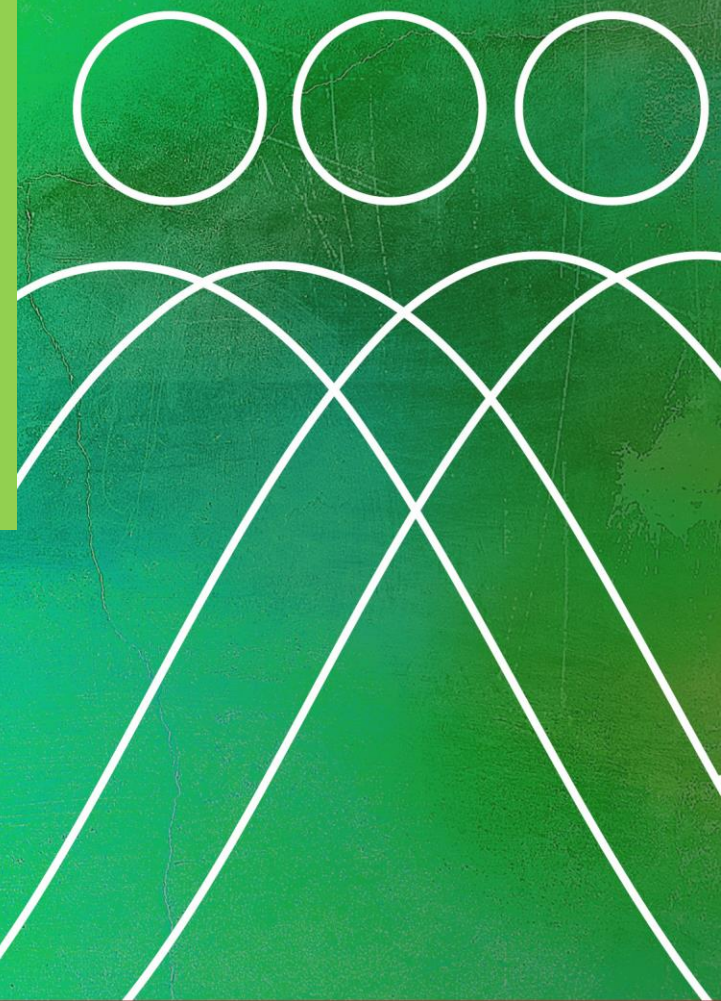


A proposal for a regional agenda to address the critical obstacles to inclusive social development in Latin America and the Caribbean

Alicia Bárcena
Executive Secretary, ECLAC
1 October 2019



2019

Regional Conference
on Social Development
in Latin America and the Caribbean
Mexico City, 1-3 October 2019

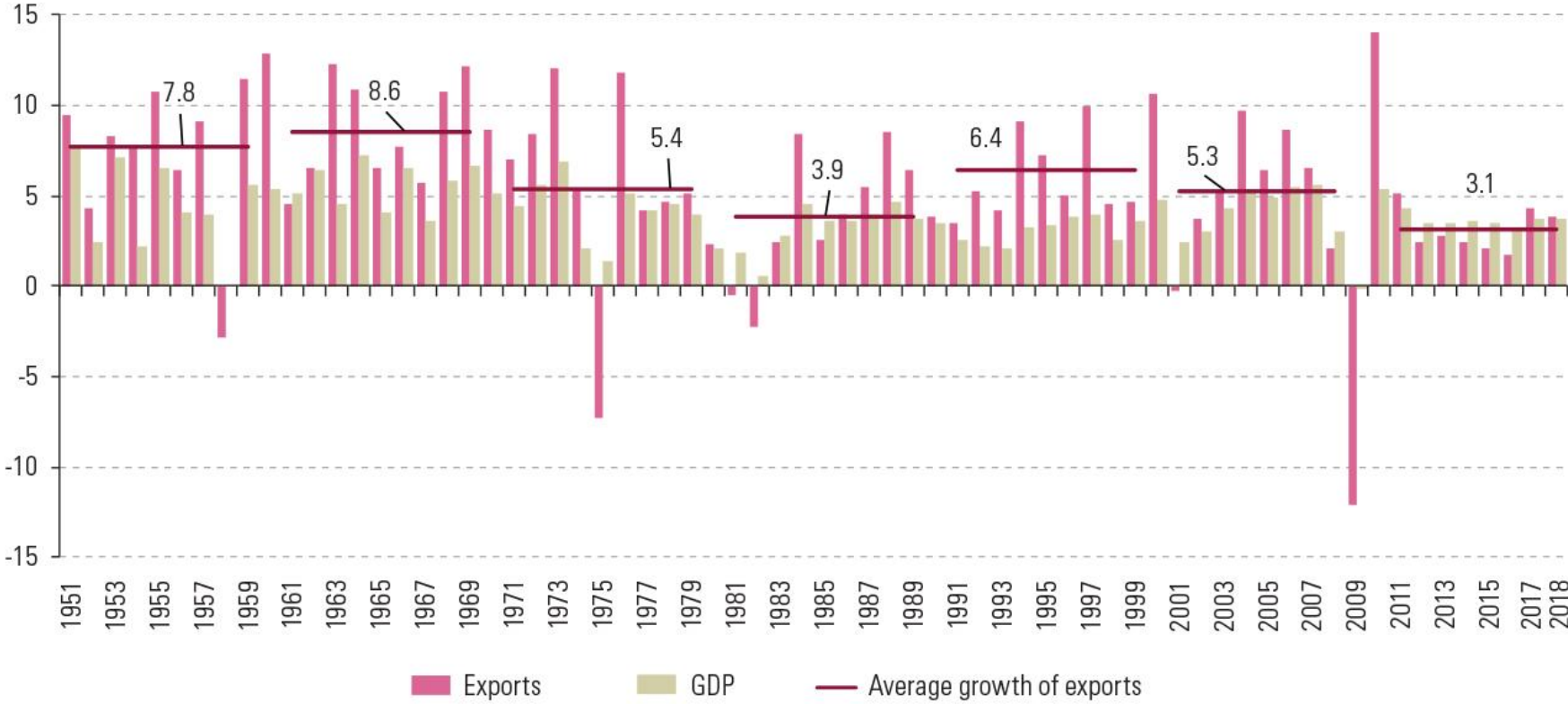
From hyperglobalization to political fragmentation and conflict

- Deep shifts in the international political economy since 2015
- Mounting protectionism, weakening of multilateralism
- *Paradox: international cooperation is declining precisely when it is most needed to implement the 2030*
- Slow growth of the global economy and trade
- Risk of a new financial crisis
- Growing inequalities with erosion of trust in democracy
- Growing geopolitical, technological and trade rivalry
- Climate change and destruction of the environment affect the generations to come



The cost of not cooperating: trade and the economy have been growing more slowly

From Bretton Woods to hyperglobalization: growth in global GDP and trade, 1952–2018^a
(Percentages)

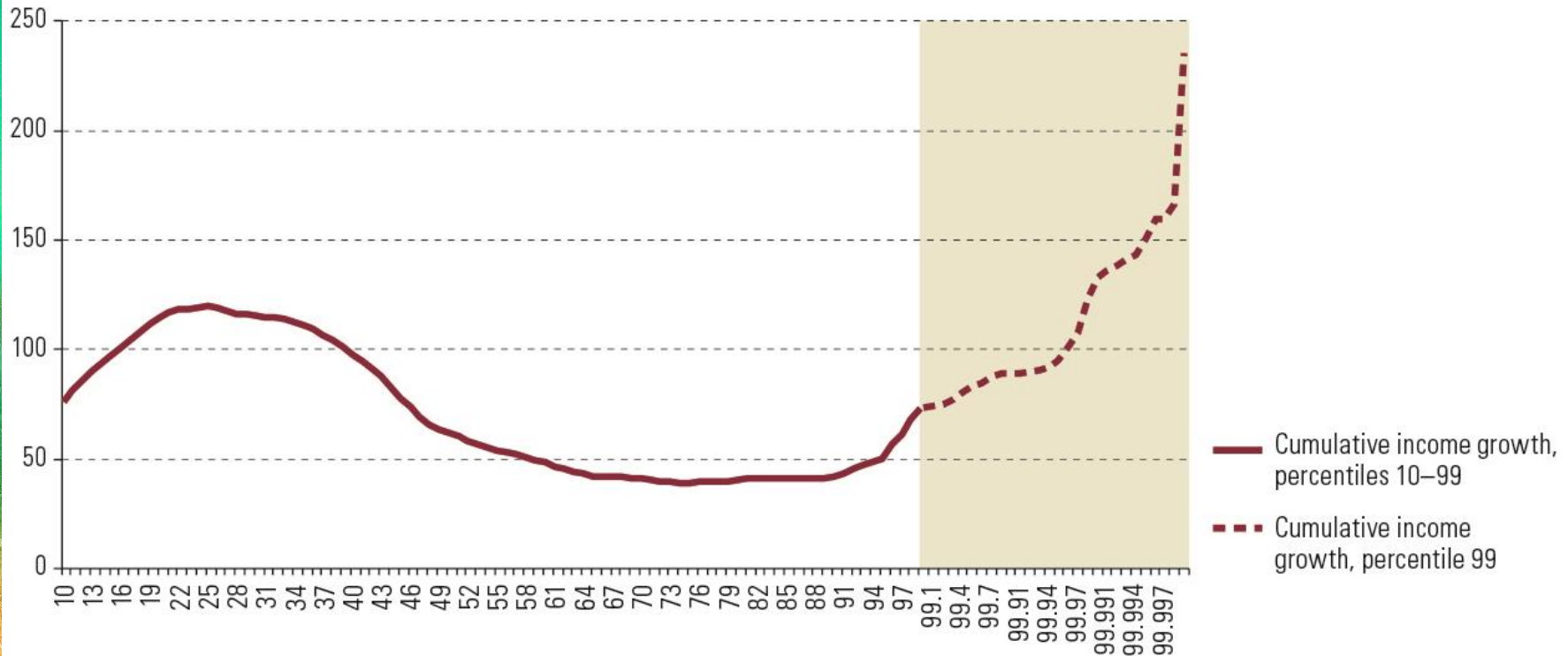


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the World Trade Organization (WTO).

^a Global trade is the average of exports and imports. Figures for 2017 and 2018 are projections.

Inequality: the elephant in the room

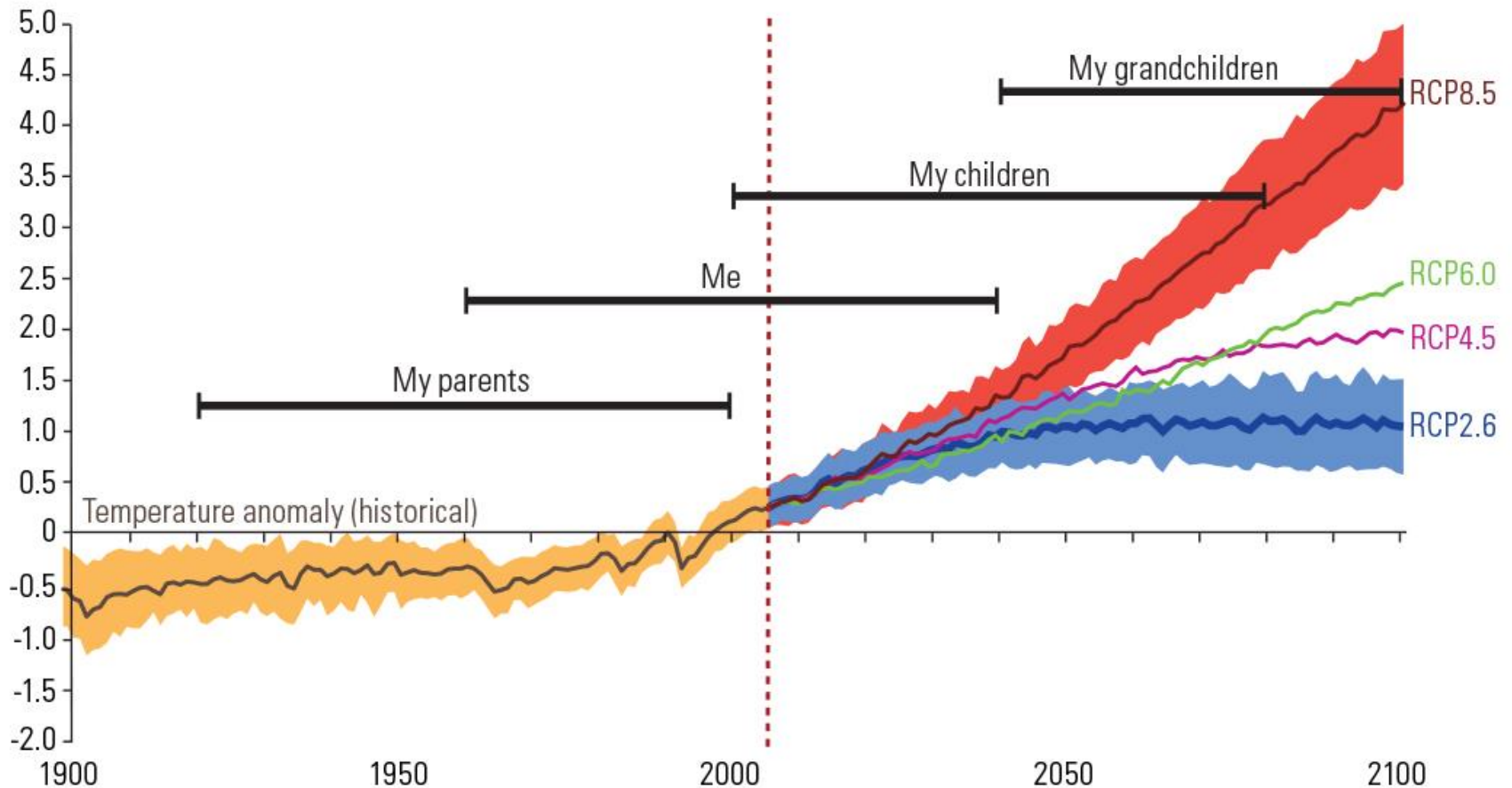
World: real income growth per adult by income percentile
in the global distribution, 1980–2016
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of F. Alvaredo and others, World Inequality Report 2018, World InequalityLab, 2018 [online] <http://wir2018.wid.world/files/download/wir2018-full-report-english.pdf>.

Environmental destruction as a form of intergenerational inequality

Global surface temperature anomaly, 1900-2100, compared with the average for 1986-2005
(Degrees Celsius)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Intergovernmental Panel on Climate Change (IPCC), Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, V. R. Barros and others (eds.), Cambridge, Cambridge University Press, 2014, and D. Weston, "State of the planet, Kyoto and technical fixes", The Political Economy of Global Warming: The Terminal Crisis, London, Routledge, 20.

Leaving no one behind: the challenge of inclusive social development and the critical obstacles to it



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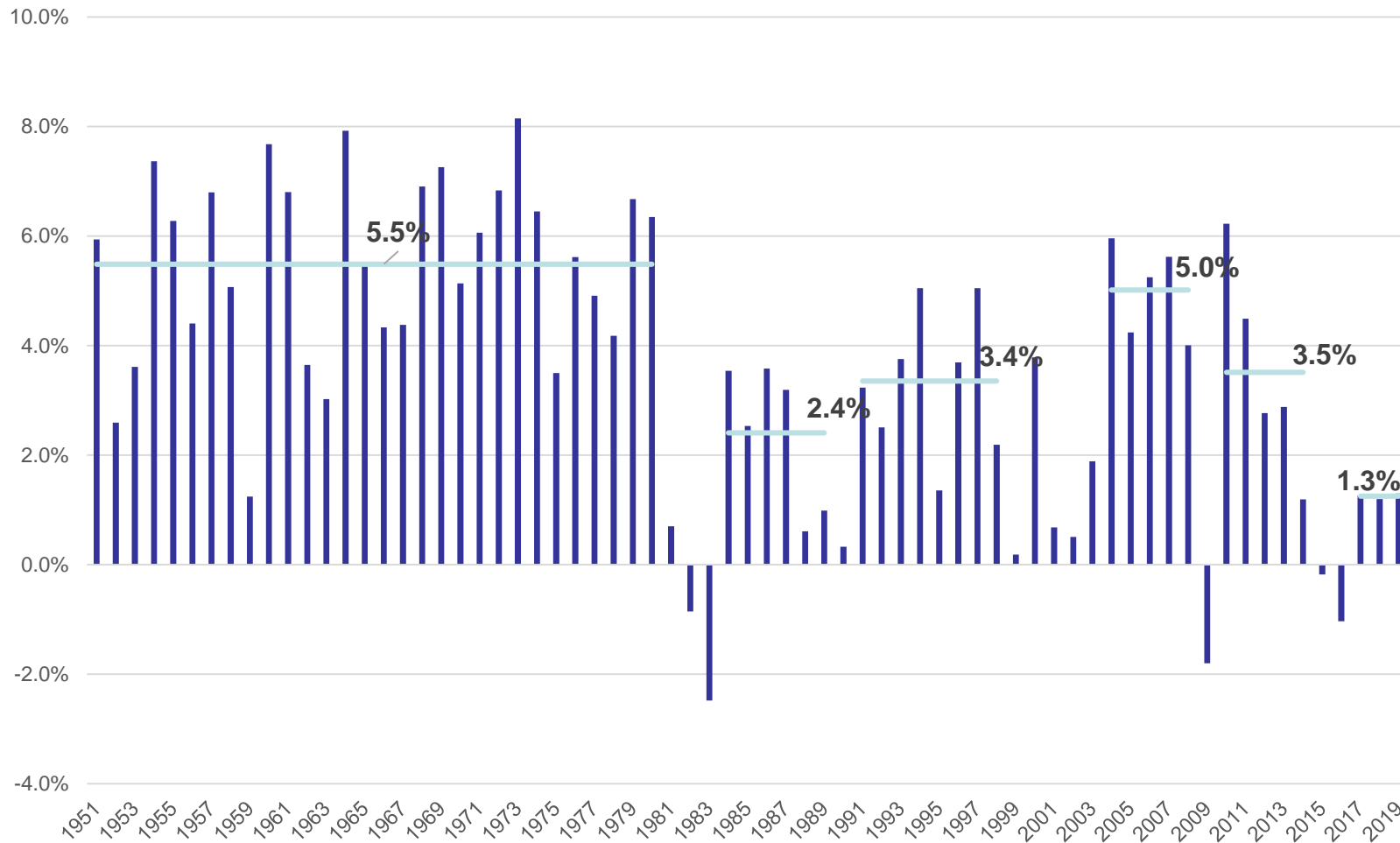
A regional agenda for inclusive social development is urgently needed



- End poverty and hunger and universalize rights
- With equality at the centre
- Strengthening the dual inclusion agenda: social and labour
- Needs renewed forms of cooperation between public and private stakeholders
- Safeguarding progress and avoiding setbacks
- With multilateral cooperation to correct asymmetries and ease constraints on national decision-making
- Identifying critical obstacles – structural and emerging:

Growth is insufficient to implement the 2030 Agenda

Latin America and the Caribbean (33 countries): GDP growth, 1951–2019^a

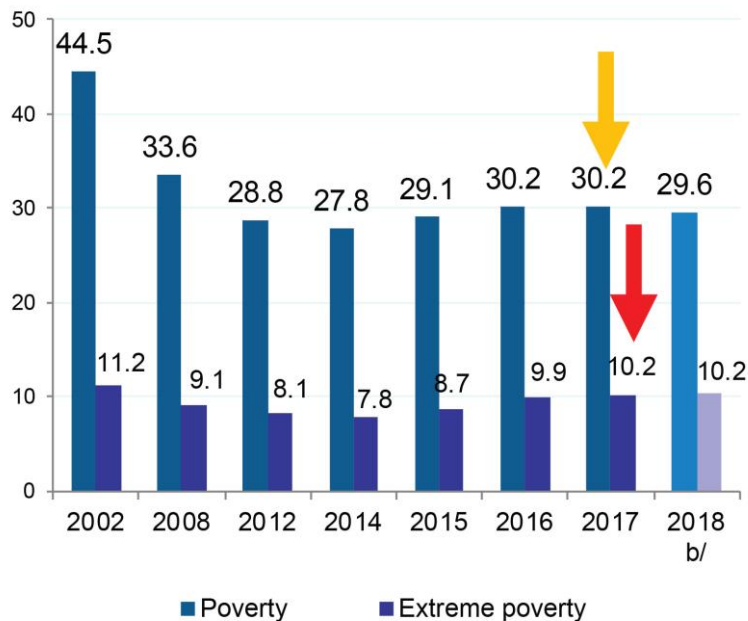


Source: Economic Commission for Latin America and the Caribbean (ECLAC).

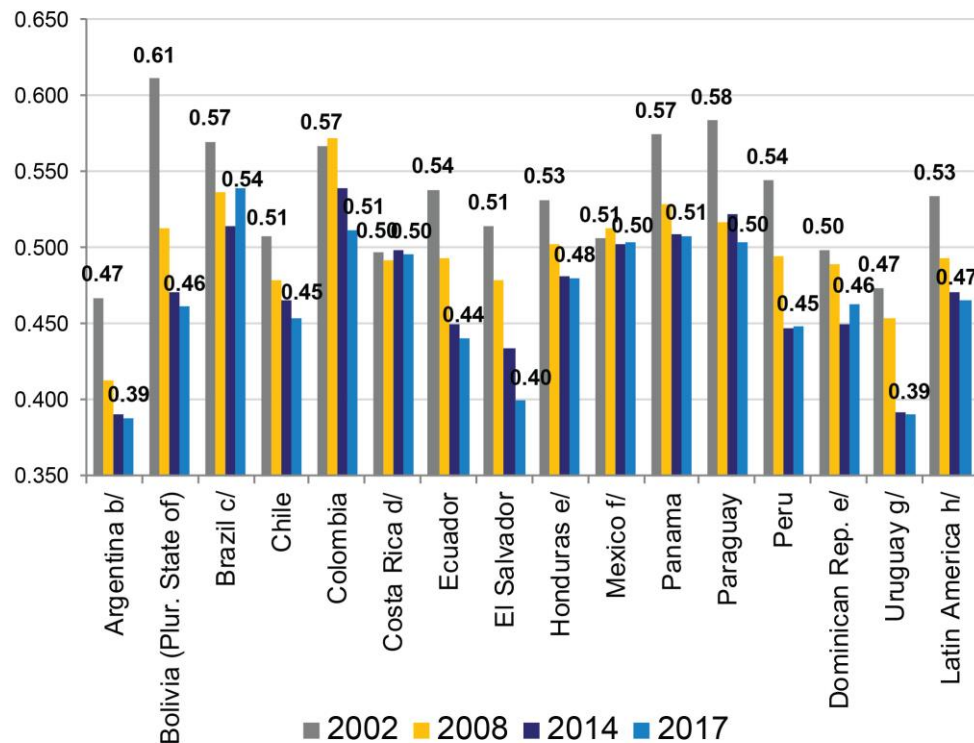
^a The figure for 2019 refers to projections performed by ECLAC at May 2019.

The reduction in poverty and inequality has slowed, stopped or even gone into reverse in recent years

LATIN AMERICA: POVERTY AND EXTREME POVERTY RATES, 2002–2018^a
(Percentages)



LATIN AMERICA (15 COUNTRIES): GINI COEFFICIENT OF INCOME INEQUALITY, 2002–2017^a



Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).
a/ Estimate for 18 countries of the region.
b/ The data for 2018 are projections.

Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

^a The calculation of the Gini coefficient included zero incomes.

^b Urban total.

^c Figures for 2017 are not comparable with those of previous years.

^d Figures from 2010 onward are not comparable with those of previous years.

^e Figures for 2017 refer to 2016.

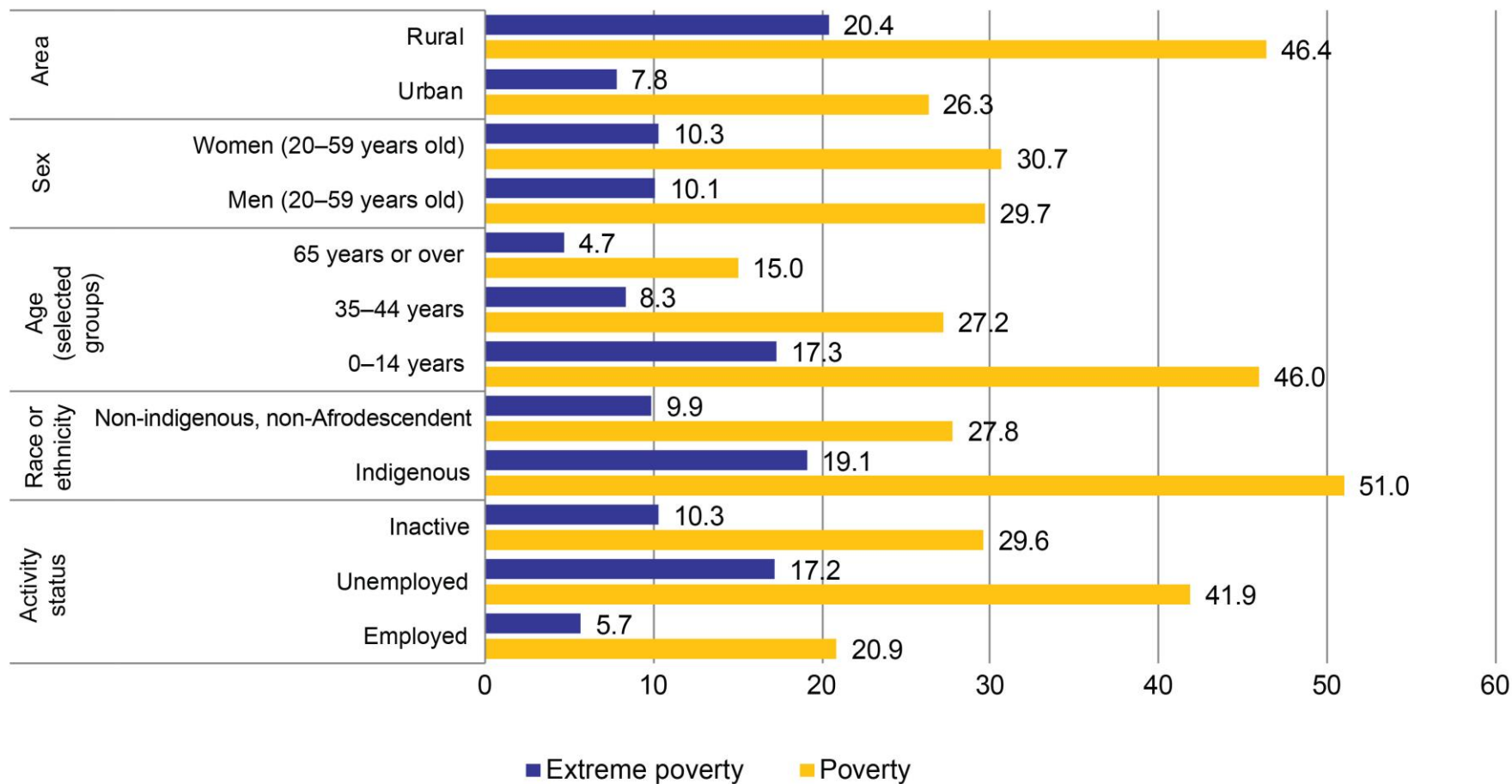
^f Figures for 2016 were estimated on the basis of the 2016 statistical model for MCS-ENIGH continuity.

^g Figures for 2002 refer to the urban area.

^h Simple average based on the nearest available year's data for each of the 18 countries.

Leaving no one behind means closing the gaps between different population groups

Latin America (18 countries):^a rates of poverty and extreme poverty by area of residence and sociodemographic characteristics, 2017
(Percentages)

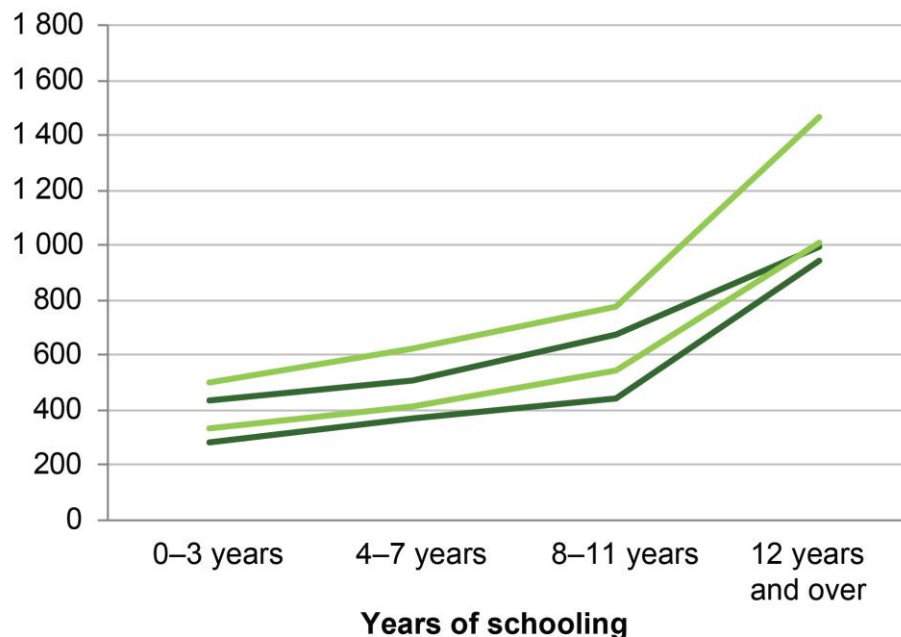


Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

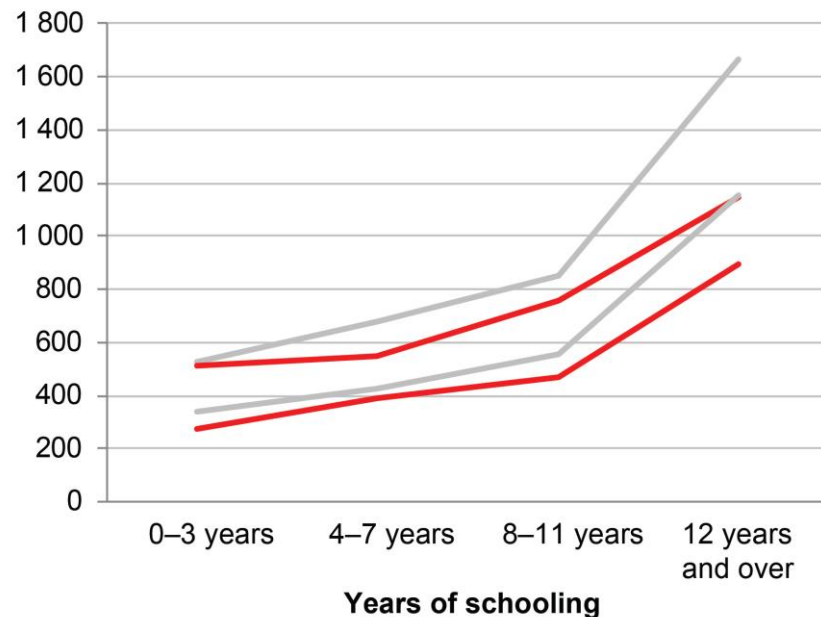
Intersection of inequalities: with the same levels of schooling, women, indigenous persons and Afrodescendants receive lower labour incomes

Latin America (selected countries): average monthly labour income of employed persons aged 15 or over, by sex, race or ethnicity and years of schooling, national totals, around 2015
(Purchasing power parity dollars at constant 2015 prices)

A. Eight countries, by ethnic origin (indigenous or non-indigenous)^a



B. Four countries, by racial origin (Afrodescendent or non-Afrodescendent)^b



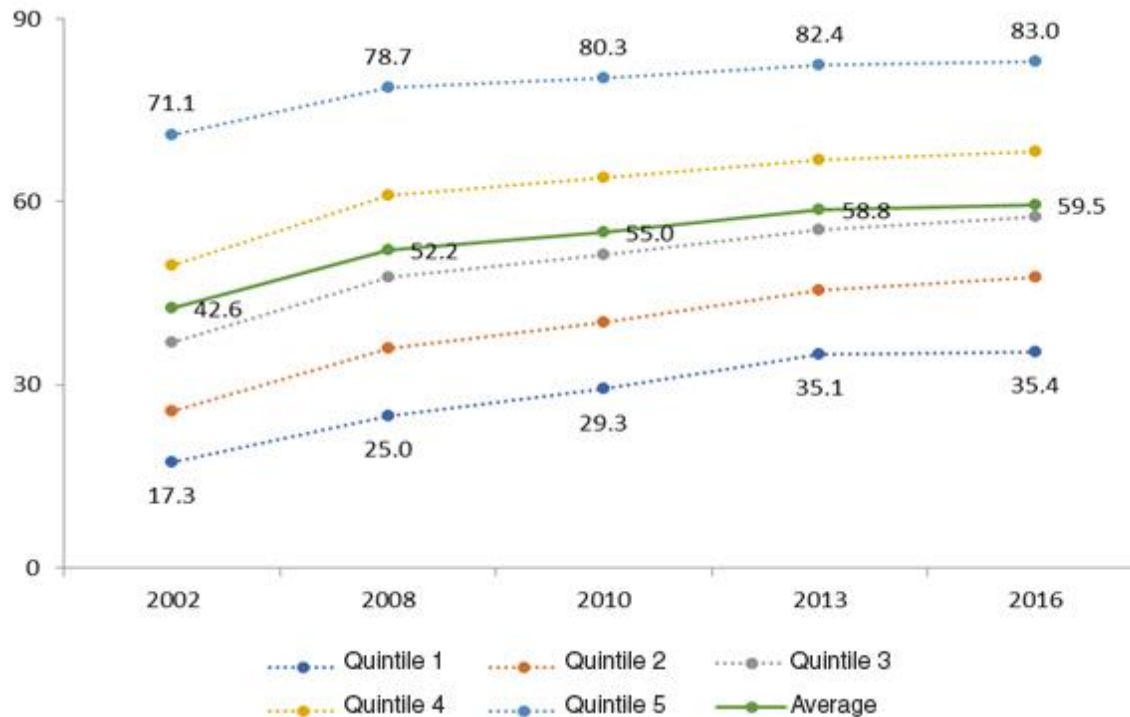
— Non-indigenous, non-Afrodescendent men /c
— Indigenous men
— Non-indigenous, non-Afrodescendent women /c
— Indigenous women

— Non-indigenous, non-Afrodescendent men /d
— Afrodescendent men
— Non-indigenous, non-Afrodescendent women /d
— Afrodescendent women

Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

Gaps in human capacity development prevent people's full development and are inefficient

Latin America (18 countries): young people aged 20–24 with complete secondary education, by income quintile, 2002–2016^a
(Percentages)



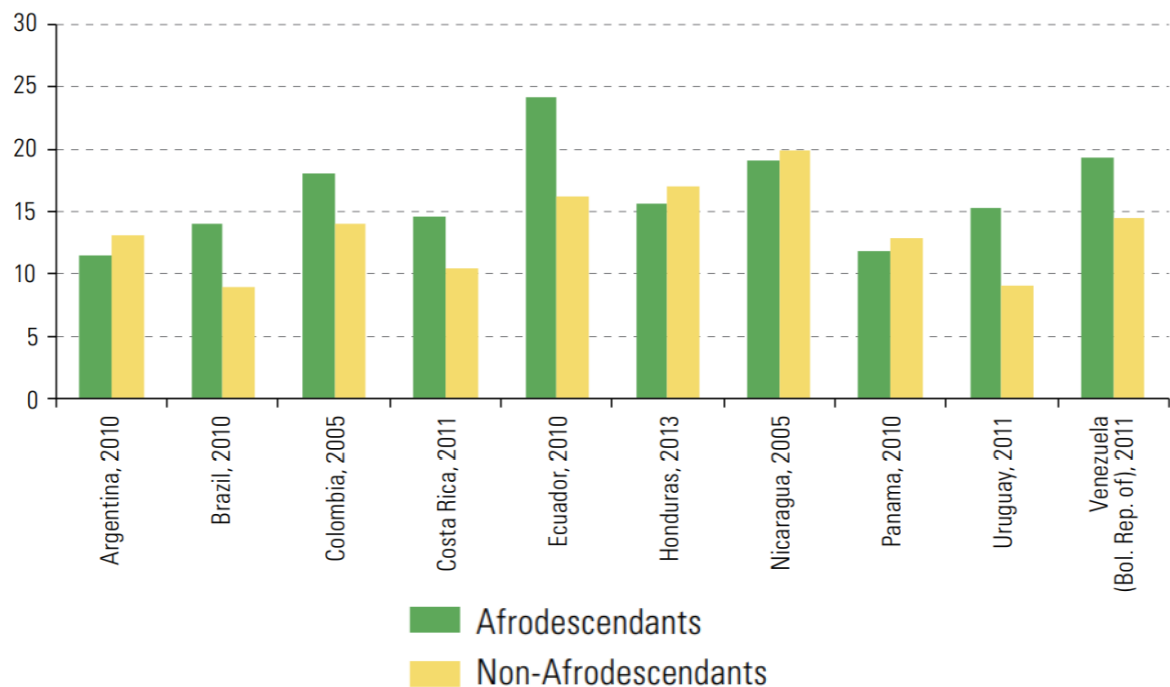
- 40% of young people aged 20–24 have not completed secondary education
- Ethnic inequalities: school completion among indigenous persons is 15 (women) and 20 (men) percentage points lower than among the rest of the population

Source: ECLAC, on the basis of household surveys conducted in the respective countries.

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

Maternity in adolescence: cuts short young women's education and reduces their job opportunities

Latin America (10 countries): young women aged 15–19 who are mothers, by race, around 2010
(Percentages)

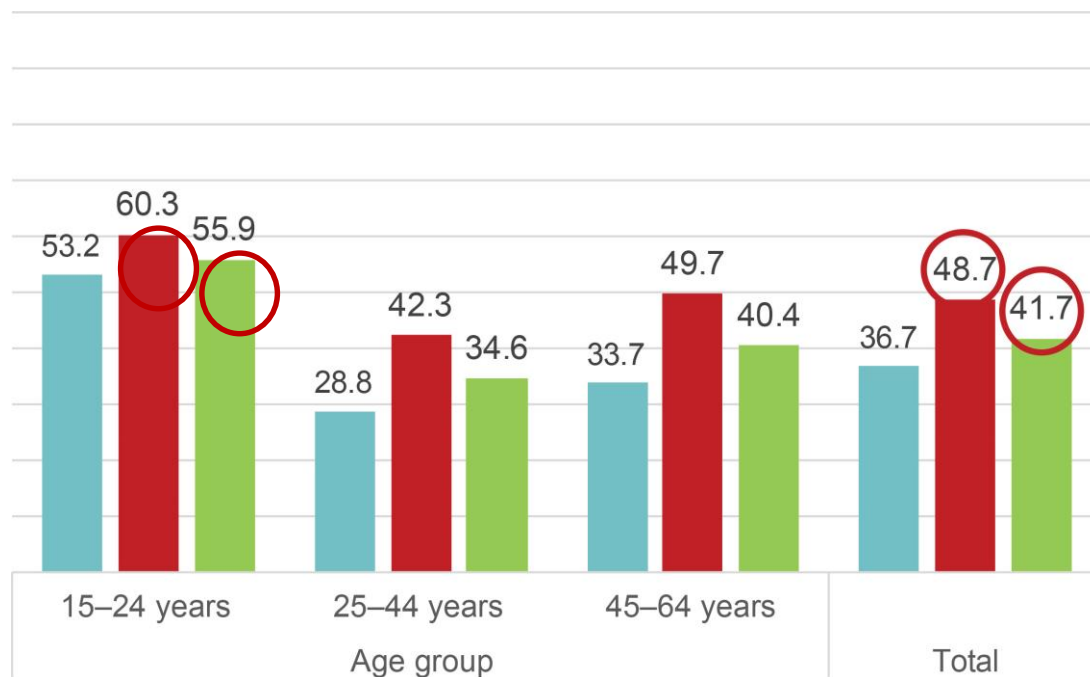


- Rates of adolescent maternity are higher in rural areas and in households in poverty
- In 6 of 10 countries with data available, adolescent maternity rates are 1.4 times higher among Afrodescendants

Source: ECLAC, on the basis of special processing of census microdatabases using REDATAM 7.

Deficits of decent work are an obstacle to economic growth, to inclusion and to progress in reducing poverty and inequality

Latin America (18 countries): employed persons aged 15 years or over whose average earnings are below the national minimum wage, by sex and age group, around 2016^a
(Percentages)



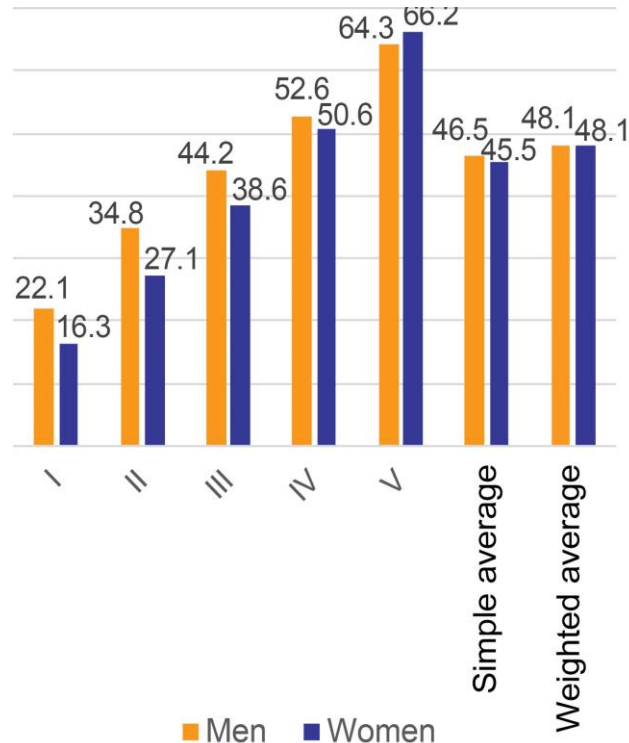
- 42% of employed persons receive labour income below the respective national minimum wage
- The proportion of employed with average labour income below the national minimum wage is higher among women (48.7%), young people (55.9%) and, especially, among young women (60.3%)

Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

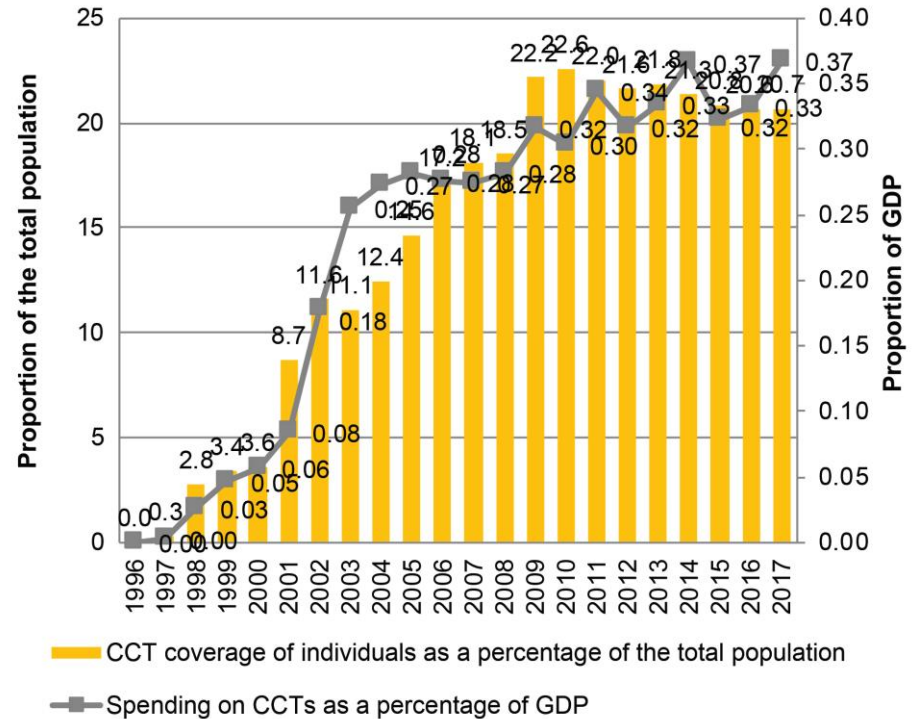
^a Simple averages.

Access to contributory social protection is still uneven and patchy and the coverage of CCTs has not increased in recent years

Latin America (18 countries): employed persons affiliated to or paying into pension systems with respect to all employed aged 15 or over, by quintile and sex, around 2016
(Percentages)



Latin America and the Caribbean (20 countries): persons in recipient households covered by CCTs, and public expenditure on CCTs, 1996–2017
(Percentages)

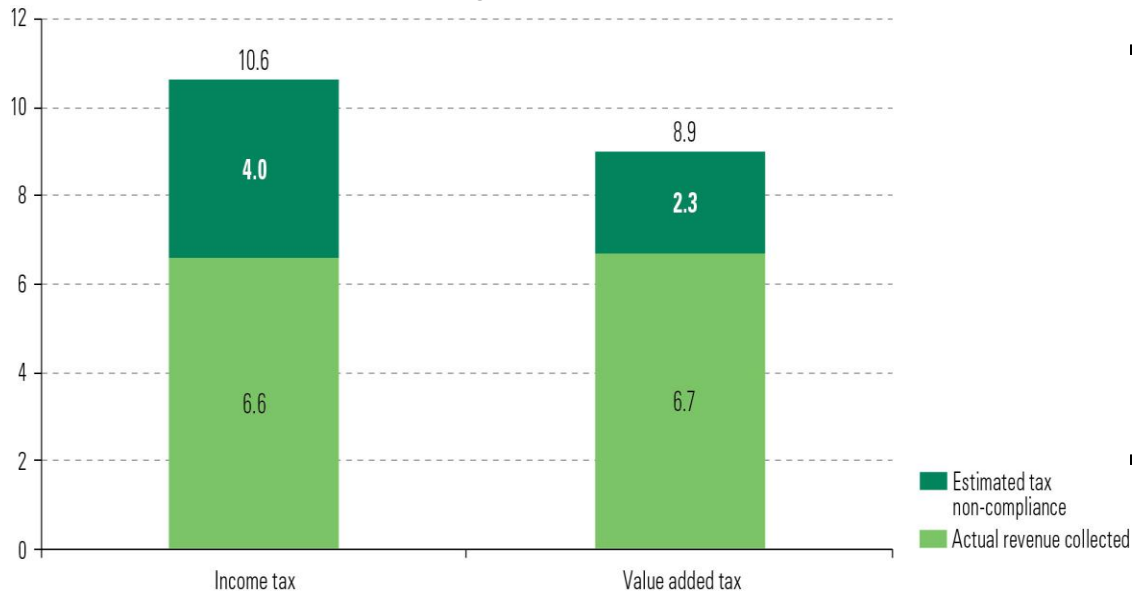


Men Women

■ CCT coverage of individuals as a percentage of the total population
■ Spending on CCTs as a percentage of GDP

Less regressive tax structures and more effective tax collection could open up fiscal space for social policies

Latin America: income tax and value added tax non-compliance, 2017
(Percentages of GDP)



Tax evasion/avoidance: 6.3% of regional GDP:

- 4 times spending on non-contributory social protection (1.47% of GDP, including spending on CCTs, social pensions and labour and production inclusion programmes)
- Higher than average central government spending on education (3.9% in Latin America and 4.1% in the Caribbean) and health (2.2% in LA and 3.0% in the Caribbean)

Source: ECLAC, Fiscal Panorama of Latin America and the Caribbean 2019 (LC/PUB.2019/8-P), Santiago.

Children, adolescents, women, the indigenous and Afrodescendent populations and LGBTI persons are more acutely affected by several forms of violence

- Femicide: **1,903 women were murdered** in 15 Latin American countries and three Caribbean countries in 2014
- In several countries of the region, **over 50% of children aged between 2 and 14** experience some kind of violent discipline
- **Schools:** models of social conduct **in which diversity is not accepted or valued**
- **Youth:** exposure to situations of violence associated with social exclusion
- Association with different dimensions of **inequality:** violence based on **gender, racism, homophobia and transphobia**
- New forms of violence associated with **digital technologies and social networks**

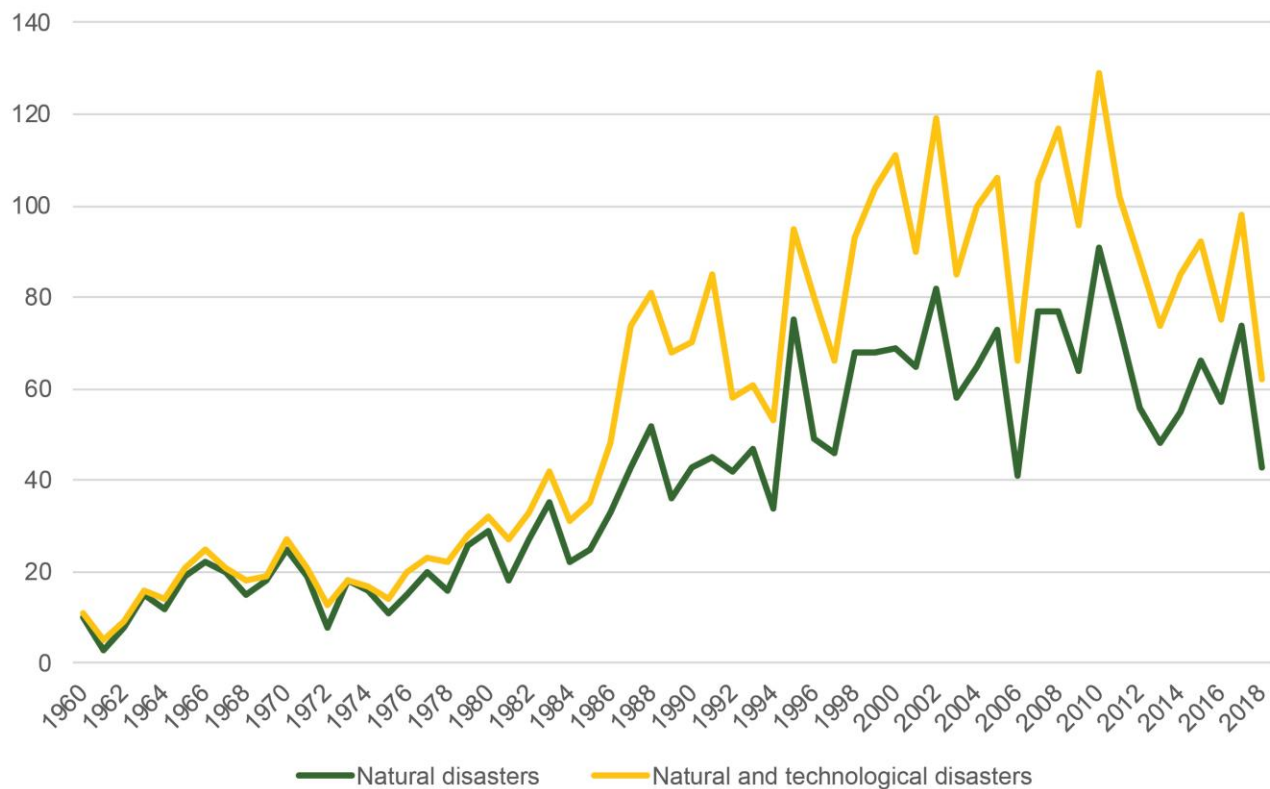


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Latin America and the Caribbean is one of the developing regions most affected by disasters, the more so as time has gone on

Latin America and the Caribbean: incidence of natural and technological disasters, 1960–2018

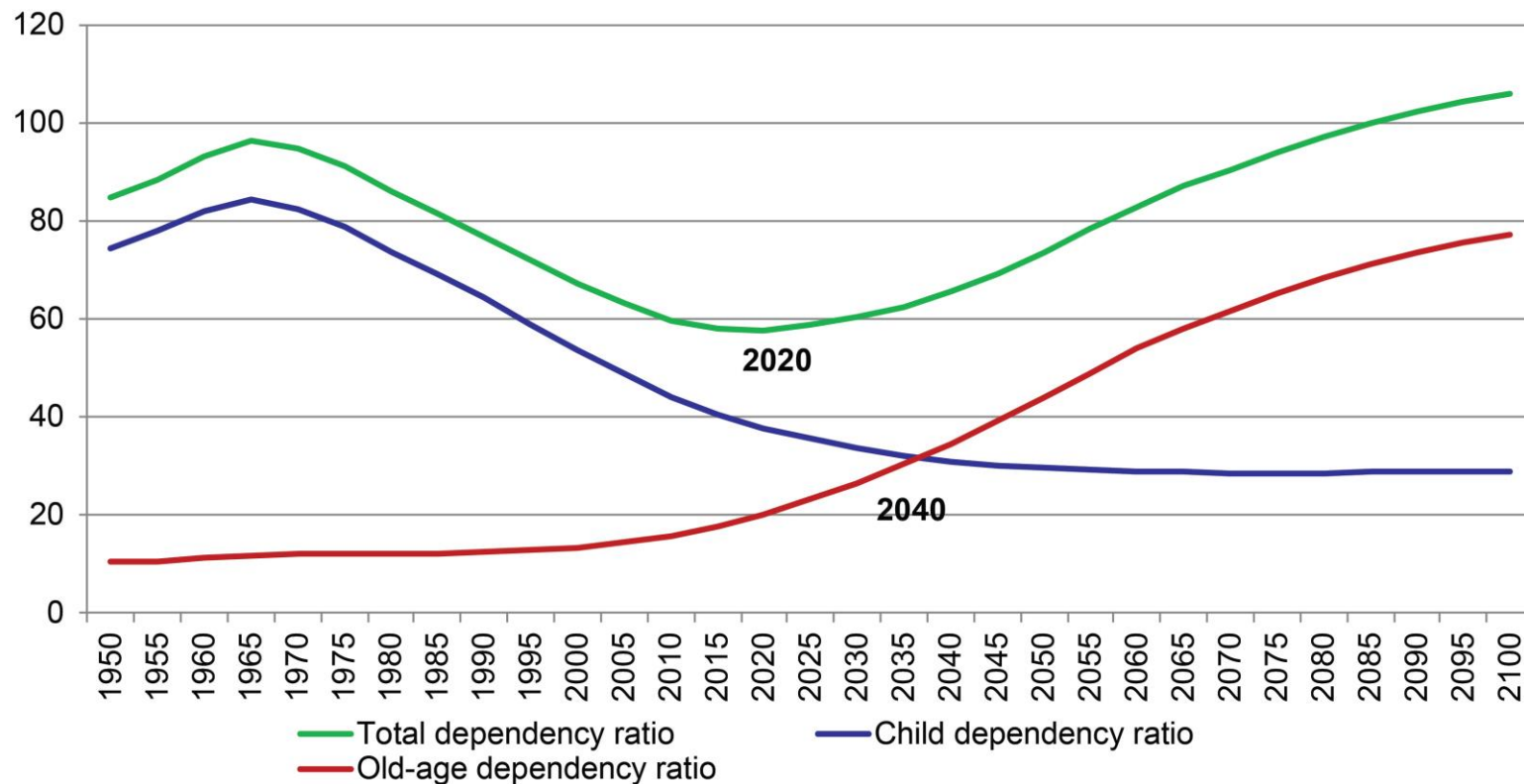


- Natural and technological disasters have become 5.7 times more common since the 1960s
- 1960–2018: 3,400 disasters, 571,000 deaths and 295 million persons affected

Source: ECLAC, on the basis of Centre for Research on the Epidemiology of Disasters (CRED), EM-DAT: International Disaster Database [online] <http://www.emdat.be/>.

In the Latin American and Caribbean region, major demographic, epidemiological and nutritional shifts are occurring simultaneously...

Latin America and the Caribbean: dependency ratios (total, population aged 0–14 and population aged over 65), 1950–2100
(Percentages)



Source: ECLAC on the basis of United Nations, "World Population Prospects: The 2017 Revision", 2017 [online] <https://esa.un.org/unpd/wpp/>.

... creating new challenges for the achievement of inclusive social development

- Changes in **mortality and morbidity patterns**:
 - While communicable diseases are declining, non-communicable diseases are increasing and now cause 80% of deaths in the region.
 - Link with **population ageing** and **modern lifestyle**.
 - Growing **environmental and climate change impacts on health**
- Changes in **dietary habits and lifestyles: double malnutrition burden** (undernutrition and overnutrition)
 - Chronic undernutrition persists in the region, while overweight and obesity are increasing
 - Adverse impacts on capacity-building, education, social and labour inclusion and productivity levels

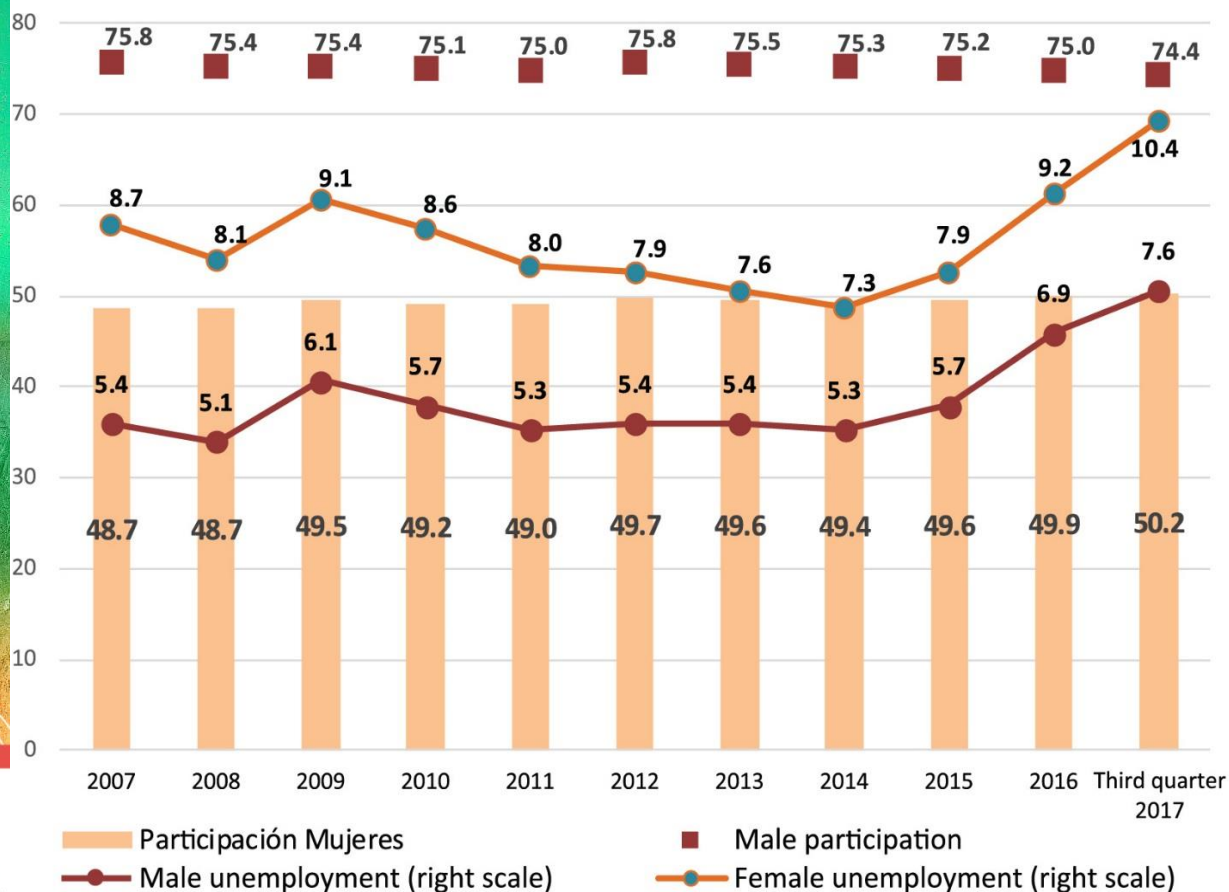


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Gender gaps in economic activity and unemployment rates must be closed

LATIN AMERICA AND THE CARIBBEAN (WEIGHTED AVERAGE FOR 24 COUNTRIES):
ACTIVITY AND EMPLOYMENT RATES, BY SEX, 2007–2017 (THIRD QUARTER)
(Percentages)



- Women are less likely to participate in the labour market owing to their overburden of unpaid domestic work
- Their participation rate is 24.2 percentage points lower than that of men
- Women who do enter the labour market are less likely to find work (the unemployment rate is 2.8 percentage points higher for women)

A proposed regional agenda for inclusive social development



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Principles of the regional agenda for inclusive social development

1. **Rights-based approach** as a normative objective
2. **Empowerment and autonomy of individuals**
3. **Dignified life and incremental improvements in well-being**
4. **Universalism approach that is sensitive to differences**
5. **Redistributive and solidarity-based approach with financial sustainability**
6. **System-wide vision** of sustainable development
7. **Good-quality public policies**
8. **Social partnerships and compacts** to consolidate State policies



Axes of the regional agenda can accelerate progress towards achieving the 2030 Agenda and its Sustainable Development Goals



Other related SDGs:



Axis 1: Universal and comprehensive social protection systems

Design, consolidate and further **national social protection policies** and establish **floors** in line with a system that adopts a **universal** access approach and offers **comprehensive** coverage.

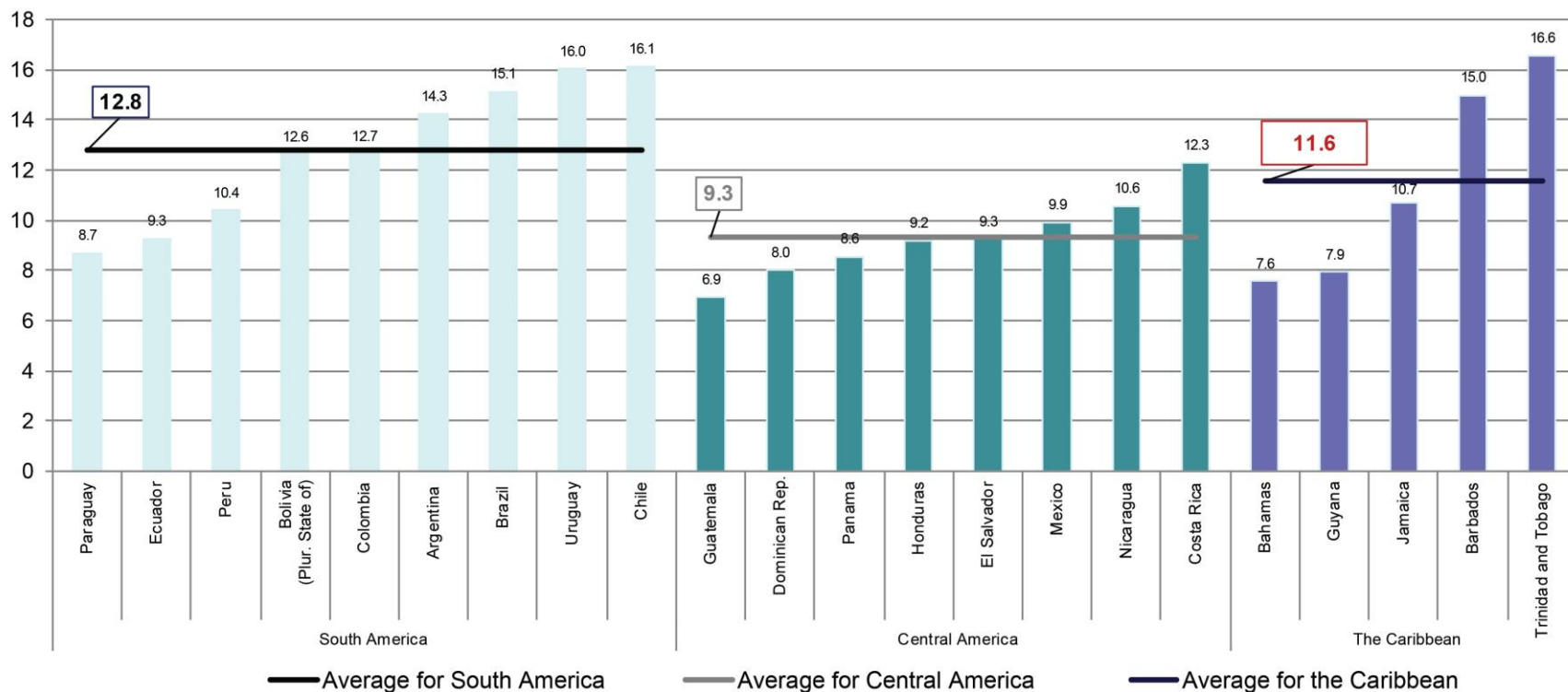
The lines of action focus on:

- ✓ The system's comprehensive nature: social protection components and functions, with inter-agency coordination
- ✓ Income guarantees
- ✓ Universal coverage and adequate benefits
- ✓ Benefits that address structural and emerging challenges
- ✓ Closing service access gaps
- ✓ Adapting the system to different populations and territories
- ✓ Social information mechanisms



Adequate financing for social policies is crucial for achieving inclusive social development

Latin America and the Caribbean (22 countries): central government social spending, by country and subregion, 2016
(Percentages of GDP)



Source: ECLAC, on the basis of official information from the countries.

Axis 2: Social and labour inclusion policies

Address the **barriers to access to social services and the labour market faced by different population groups**, according to national priorities and realities, and **promote greater social and labour inclusion**.

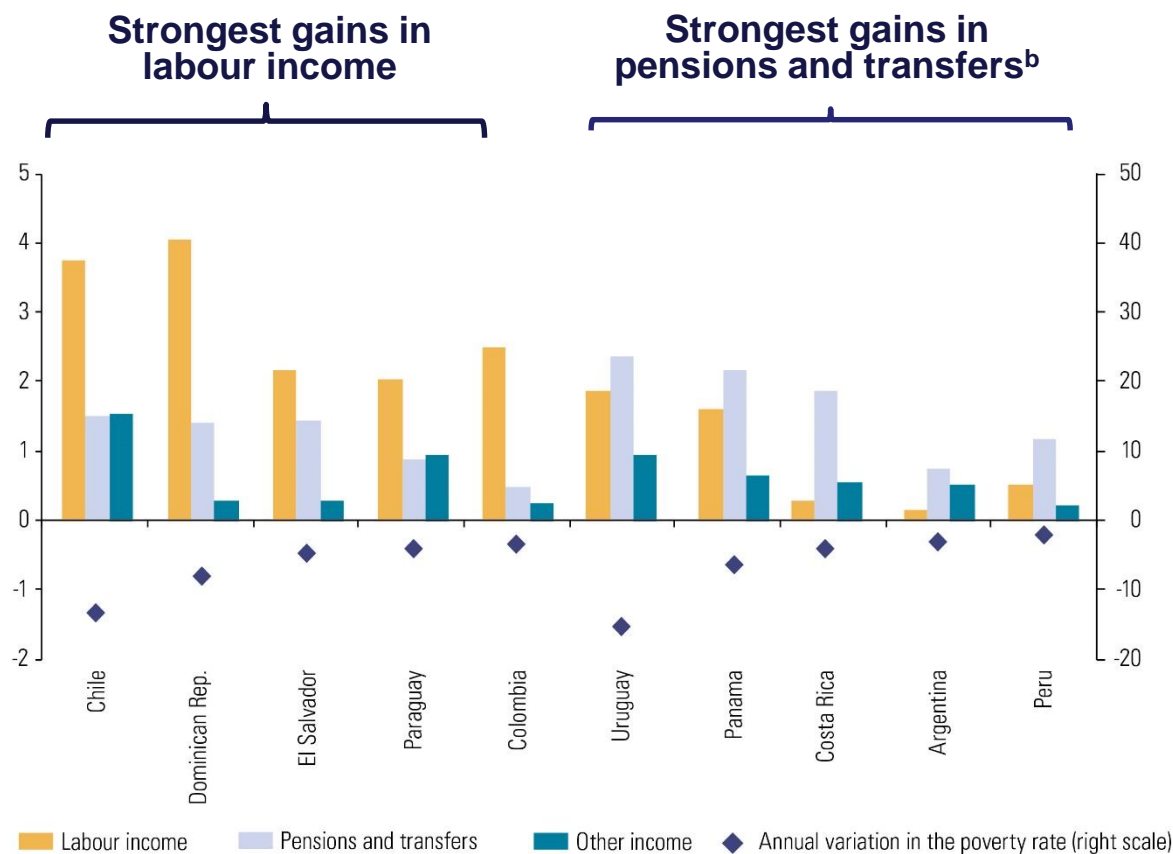
The lines of action focus on:

- ✓ Promoting social and labour inclusion
- ✓ Combating discrimination and promoting equal opportunities, equal treatment and equal outcomes
- ✓ Prioritizing populations most at risk of vulnerability and exclusion
- ✓ Combining a universalist approach with affirmative action
- ✓ Fostering development with a territorial approach



To reduce poverty and inequality and increase household income, complementary public policies are needed: labour inclusion and social protection

LATIN AMERICA (SELECTED COUNTRIES): ANNUAL VARIATION IN TOTAL PER CAPITA INCOME AMONG POOR HOUSEHOLDS BY INCOME SOURCE, 2012–2017^a
(Percentages)



- Between 2012 and 2017, poverty reduction in countries such as Chile and the Dominican Republic came mainly from gains in labour income
- In other countries, such as Uruguay, Panama and Costa Rica, pensions and transfers were more important in increasing income in poor households

Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

^a Countries where poverty fell by at least 1% per year between 2012 and 2017. Countries ordered by annual variation in the poverty rate.

^b Refers to public and private transfers including, in the latter case, remittances from abroad and from other households within the country.

Axis 3: Reinforced social institutional frameworks

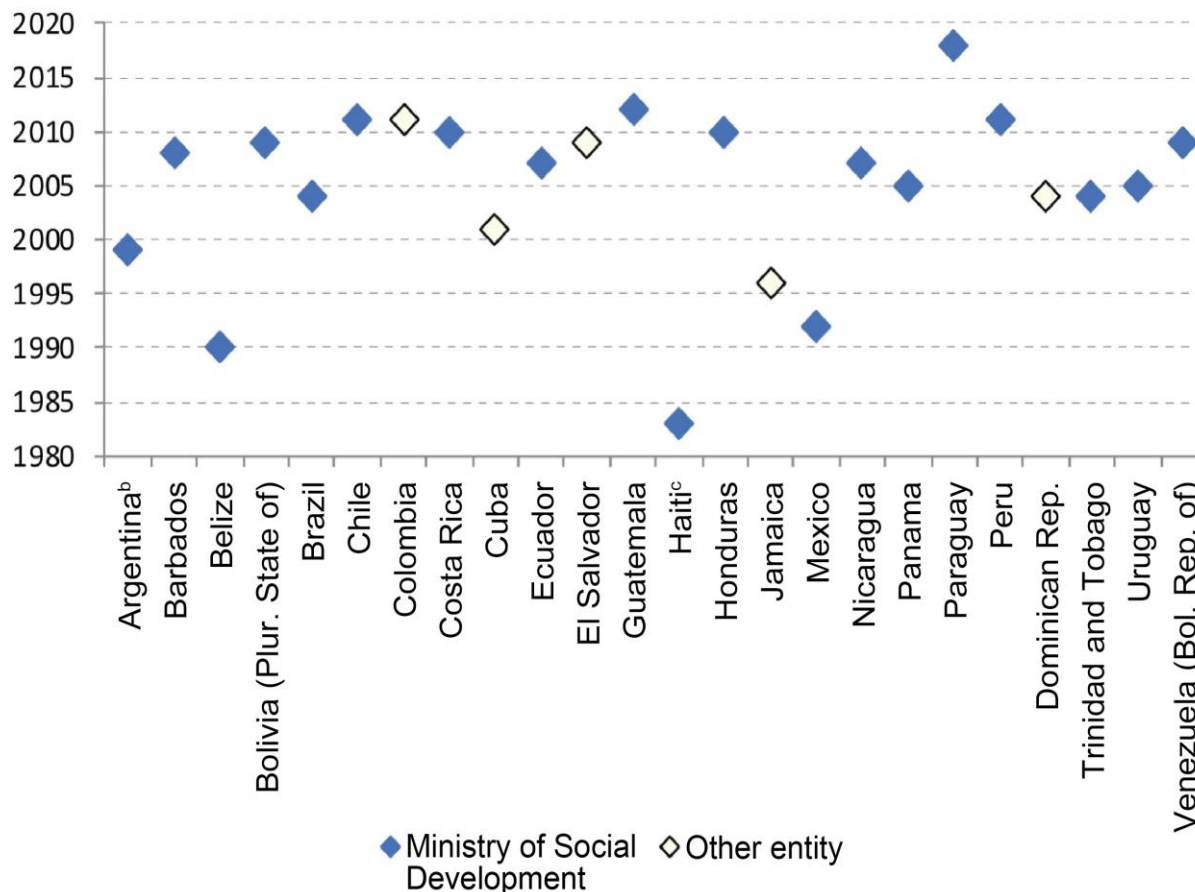
Formalize, establish or strengthen social institutions, and ring fence and consolidate social policy financing.

The lines of action focus on ensuring:

- ✓ A solid legal basis in line with the main international agreements covering social matters and human rights
- ✓ An organizational model commensurate with the challenges and that has adequate technical capacities and information
- ✓ Horizontal and vertical coordination models
- ✓ Appropriate social policy management instruments
- ✓ Information systems that are administratively and statistically relevant and disaggregated
- ✓ Participatory and transparent management processes
- ✓ Wide-ranging social and fiscal compacts

Social institutional framework: major progress but still a work in progress

Latin America and the Caribbean (24 countries): year of creation of ministries or other mechanisms devoted to social development



- Strengthening **capacity for coordination**, linkages and integration between sectors and levels of government
- Strengthening the **quality of management and the availability of information**
- **Legal sustainability**
- **More adequate financing**

Source: ECLAC, on the basis of official information from the countries. .

Axis 4: Regional cooperation and integration

Strengthen and coordinate international **cooperation mechanisms** and **consolidate the capacities** of the ministries of social development.

The lines of action focus on:

- ✓ South-South cooperation
- ✓ Securing commitments
- ✓ Exchanging experiences, information and statistical data
- ✓ Thematic working groups
- ✓ Comparative research



The time is now: a regional agenda to further inclusive social development in Latin America and the Caribbean

- The 2030 Agenda: a **new civilizing compact** for the well-being and inclusion of all
- Social development is fundamental to achieving sustainable development: **a comprehensive perspective**
- Implementation of the social dimension must be expedited: **only 10 years to go**
- Given the magnitude of the **persistent and new challenges**: well-being and rights must be reinforced and protected
- **Multilateralism and cooperation** are more necessary than ever: their role in the social agenda must be strengthened
- A firm commitment to full social protection, social and labour inclusion, and equality



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Thank you



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