Social Panorama of Latin America and the Caribbean 2025

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

Economic Commission for Latin America and the Caribbean (ECLAC)
26 November 2025

UNITED NATIONS

ECLAC

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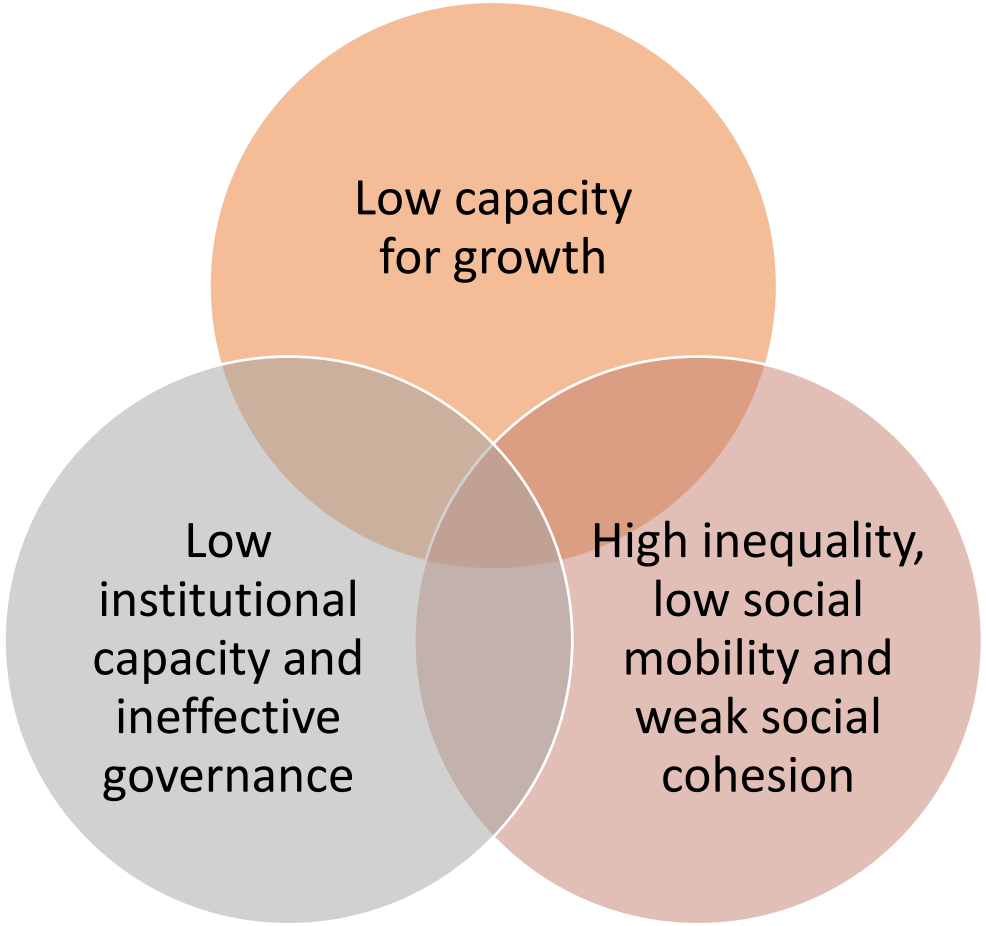
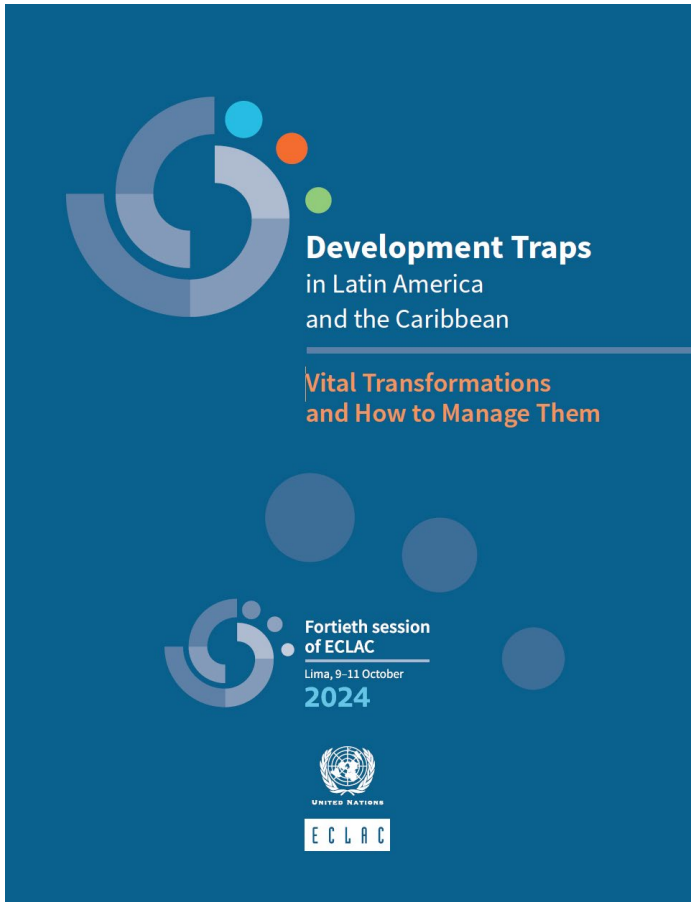
Introduction: The work done by ECLAC on the trap of high inequality, low social mobility and weak social cohesion, and the Second World Summit for Social Development

Three development traps are hindering a more productive, inclusive and sustainable future in Latin America and the Caribbean

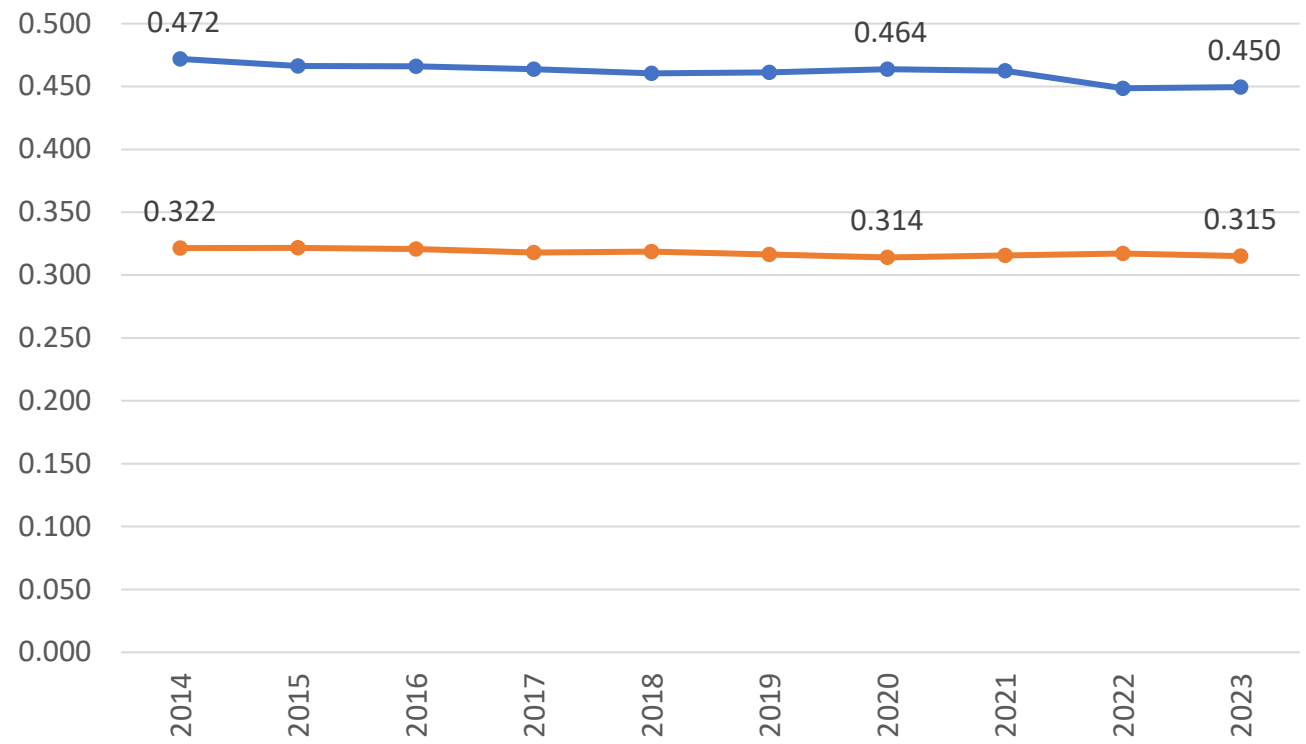




Source: Economic Commission for Latin America and the Caribbean. (2024). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*).

High income inequality is a structural feature in the region, one of the most unequal in the world

Latin America (15 countries) and OECD (33 countries): Gini index, 2014–2023



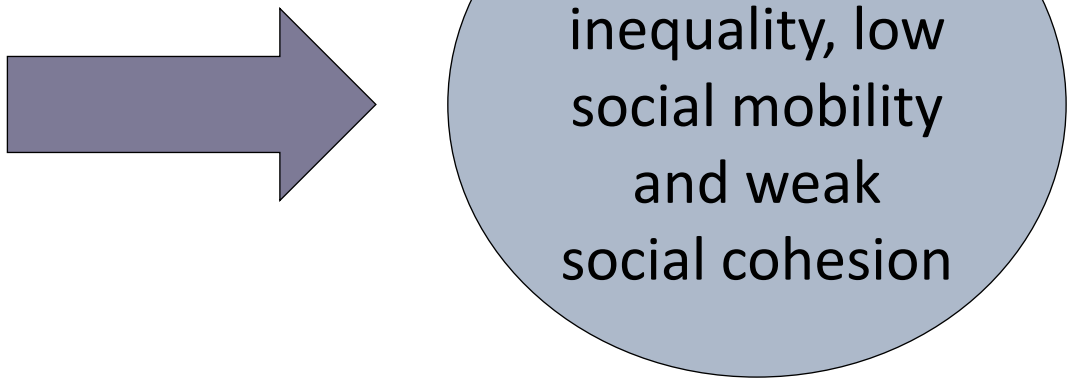
Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG), and World Bank Open Data (https://data.worldbank.org/).
Simple average.

- **High levels of income inequality** have persisted in Latin America **over the last decade**.
- Latin America's Gini index is **14 percentage points higher than that of Organisation for Economic Co-operation and Development countries**.
- High inequality in the region is **unacceptable from a rights and social justice perspective.**
- It is an obstacle to **economic growth**.
- Inequality is **multidimensional** and goes beyond income disparities.

The main factors that explain the trap of high inequality, low social mobility and weak social cohesion in Latin America and the Caribbean

The main factors behind inequality:
1. Low growth, a sluggish labour market and uneven productivity
2. Regressive tax systems
3. Weak social policies and social protection policies that do little to reduce production-based inequality
4. Education systems with serious deficiencies
5. Structural gender inequality and inadequate care policies and systems
6. Large inequalities and spatial segregation in urban areas

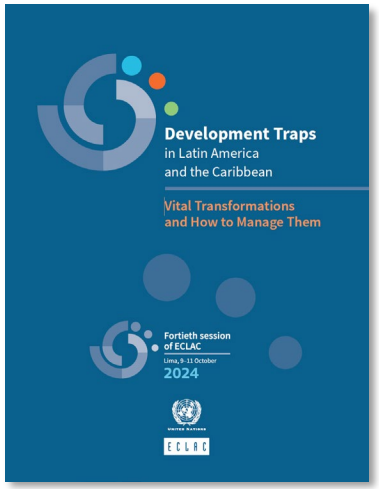
Discrimination and human rights violations experienced by certain population groups



Source: Economic Commission for Latin America and the Caribbean. (2024). *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*).

The work done by ECLAC on the trap of high inequality, low social mobility and weak social cohesion, October 2024–November 2025

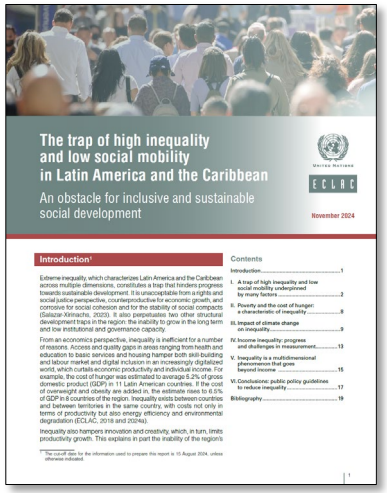
October 2024



At its fortieth session, ECLAC presented a new proposal outlining the vital transformations for moving towards a new development model.

https://www.cepal.org/en/publications/80728-development-traps-latin-america-and-caribbean-vital-transformations-and-how

November 2024



Special report launched at the G20 Social Summit in Brazil, positing that inequality is structural and multidimensional and that comprehensive policies are required to tackle it.

https://www.cepal.org/en/publications/80945-trap-high-inequality-and-low-social-mobility-latin-america-and-caribbean-obstacle

April 2025

Special report submitted to the Under-Secretary-General for Economic and Social Affairs of the United Nations, presenting proposals towards a pact for inclusive social development.

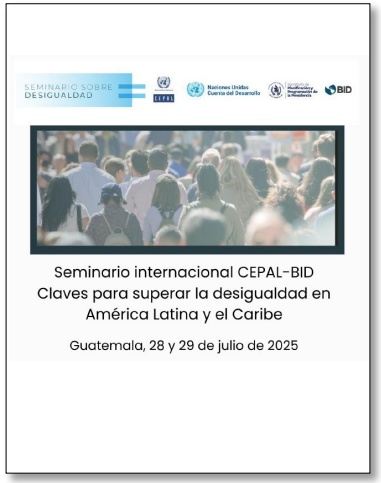
https://www.cepal.org/en/publications/81412-road-2025-second-world-summit-social-development-towards-pact-inclusive-social

June 2025

A space for multi-stakeholder dialogue, focusing on regional priorities in the lead-up to the Second World Summit for Social Development.

https://www.cepal.org/en/events/fifth-regional-seminar-social-development

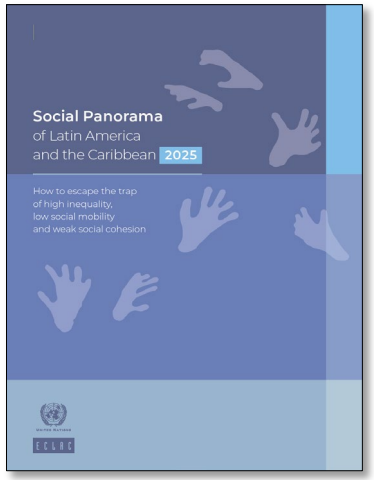
July 2025



Seminar co-organized with the Inter-American Development Bank (IDB) in Guatemala, at which the need for a multidimensional approach to reducing inequality was highlighted.

https://www.cepal.org/en/node/67935

November 2025



Annual report that analyses various aspects of the region's social landscape; its 2025 edition examines the main factors behind inequality.

https://www.cepal.org/en/publications/type/social-panorama-latin-america-and-caribbean

The Second World Summit for Social Development: the region is driving progress towards inclusive social development

- The concept of **inclusive social development** underscores the need to ensure **universal access to basic services** and to overcome structural obstacles that perpetuate **inequalities and exclusion**.
- The region embraced this concept when it adopted and endorsed the proposals set forth in the **Regional Agenda for Inclusive Social Development** at the third session of the Regional Conference on Social Development in Latin America and the Caribbean, in Mexico (2019).
- On the road to Qatar 2025, ECLAC provided assistance to countries in developing proposals regarding social development challenges.
- Delivering on the **commitments agreed in Qatar in 2025** will require **multiple efforts** on the part of countries, as well as **follow-up** of their implementation.
- The **political declaration calls upon United Nations regional commissions to provide support for the monitoring, review and implementation** of the agreed agenda.
- **ECLAC is committed to supporting the countries of the region in monitoring progress on the agreements reached in Qatar** and will do so through the **Regional Conference on Social Development in Latin America and the Caribbean**.

Second World Summit for Social Development

ECLAC has supported the process, contributing through activities and documents (Oct. 2024–Nov. 2025)

2024

Position document
Sixth meeting of the Presiding Officers of the Regional Conference
Barbados
31 Oct

Brazil
14–16 Nov

G20 Social Summit
Special report on inequality

2025

Regional commissions document, Second World Summit for Social Development
ECLAC
31 Jan

DESA, UN
10–14 Feb

Sixty-third session of the Commission for Social Development

Special meeting of the Presiding Officers of the Regional Conference
Proposals from countries
ECLAC
24 Mar

ECLAC
1 Apr

High-level panel on Second World Summit at the eighth meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development
Special report

Fifth Regional Seminar on Social Development
ECLAC
24–26 Jun

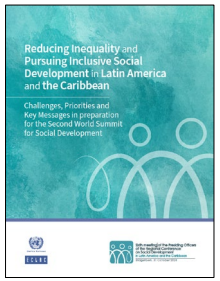
Guatemala
28–29 Jul

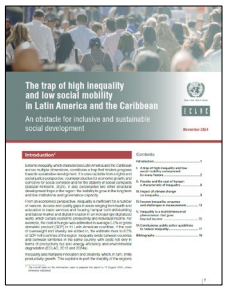
ECLAC-IDB seminar on inequality

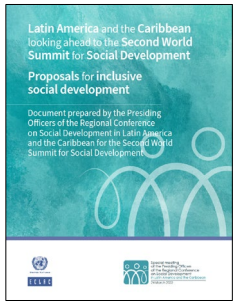
Sixth session of the Regional Conference on Social Development
Position document
Brazil
2–4 Sept

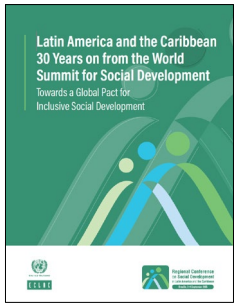
Qatar
4–6 Nov

Second World Summit for Social Development









Source: Economic Commission for Latin America and the Commission.

Key figures from the Social Panorama, 2025

- Between 2014 and 2023, income inequality remained high but showed a slow downward trend. The **Gini coefficient decreased from 0.456 to 0.452 between 2023 and 2024**.
- **Monetary poverty fell significantly, from 27.7% in 2023 to 25.5% in 2024.**
- **Multidimensional poverty declined from 34.4% to 20.9% between 2014 and 2024**, driven mainly by improvements in housing conditions and access to services.
- **There are 122 women for every 100 men** in a situation of multidimensional deprivation; this indicator remained largely unchanged between 2014 and 2024.
- **Inequality of opportunity in education (combining inequality of coverage and learning outcomes)** in Latin America is **more than double** that in OECD countries.
- **Promoting labour formalization** would have a redistributive impact and reduce poverty among employed persons; **in a scenario of full formalization, the Gini index would decrease by 14%**.
- **Fewer than 40% of persons with disabilities aged 15–59 are in the labour force**, compared with 75% of persons without disabilities in the same age range.
- In 2024, central government social spending in Latin America stood at **11.6% of GDP and 53.7% of total public spending,** indicating a **stabilization** following the post-pandemic reduction in spending.

Five recommended strategies for escaping the trap of high inequality, low social mobility and weak social cohesion

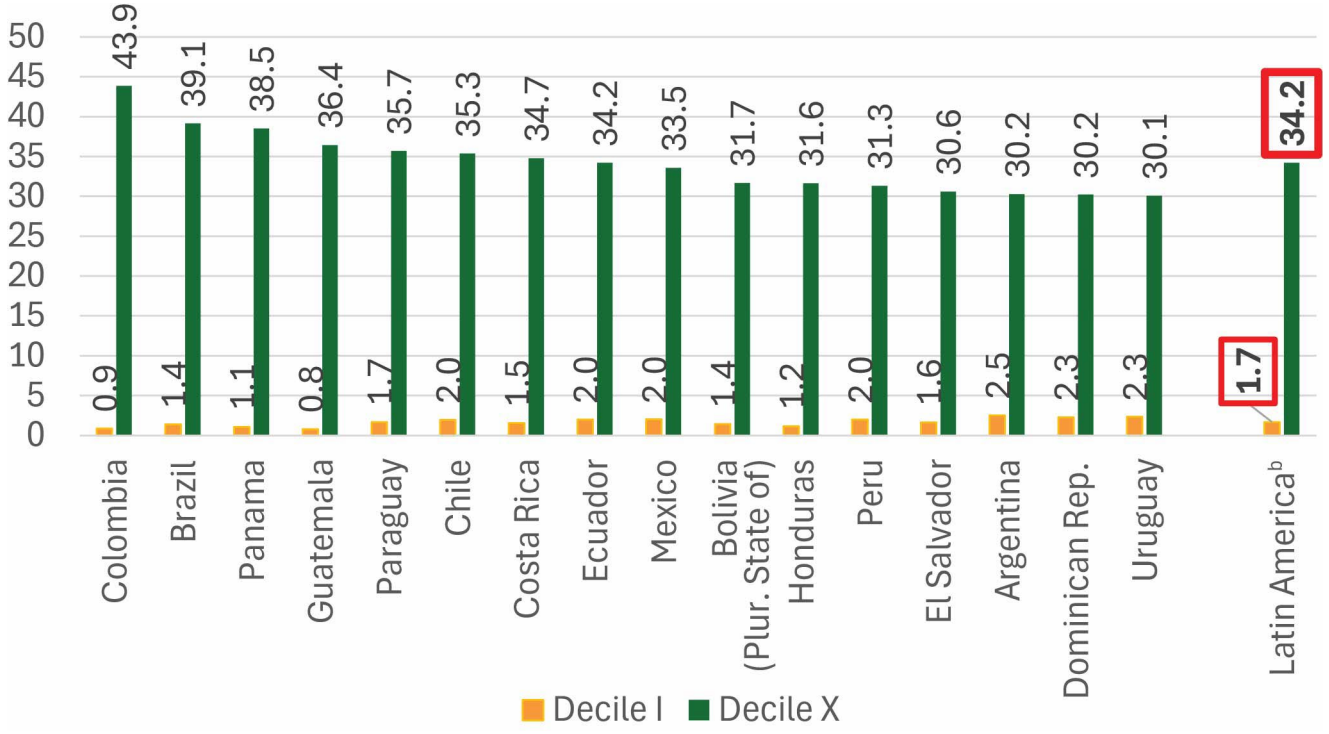
1. Reduce education inequality
2. Create quality jobs
3. Advance gender equality and the care society
4. Tackle the discrimination against and exclusion of persons with disabilities, Indigenous Peoples and migrants
5. Continue strengthening institutional frameworks for social policy and financing thereof

Other strategies, such as moving towards more progressive tax structures, improving and expanding social protection and accelerating productive transformation, are also key but are not analysed in this edition of the Social Panorama.

Chapter I: Income inequality and poverty

Income concentration remains extremely high in Latin America:
the wealthiest 10% captures 34.2% of total income, while the poorest 10% accounts for only 1.7%

Latin America (16 countries): income received by deciles I and X, 2024[a]
(Percentages)



- **The wealthiest 10% captures between 30% and 44% of total income**, with the highest values recorded in Colombia, Brazil and Panama.
- **The lowest decile receives only between 0.9% and 2.5%** of total income.
- More comprehensive measurements, which integrate **surveys with tax records and national accounts data**, suggest that inequality is even greater, with **the wealthiest 10% accounting for more than 50% of total income** on average in the region.

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Data refer to 2023 for El Salvador, Guatemala and the Plurinational States of Bolivia, and to 2022 for Chile.
[b] Simple average.

Between 2021 and 2024, the average Gini index fell by 3% in Latin America; in the five countries registering the largest reductions, these were driven primarily by **labour market dynamics**

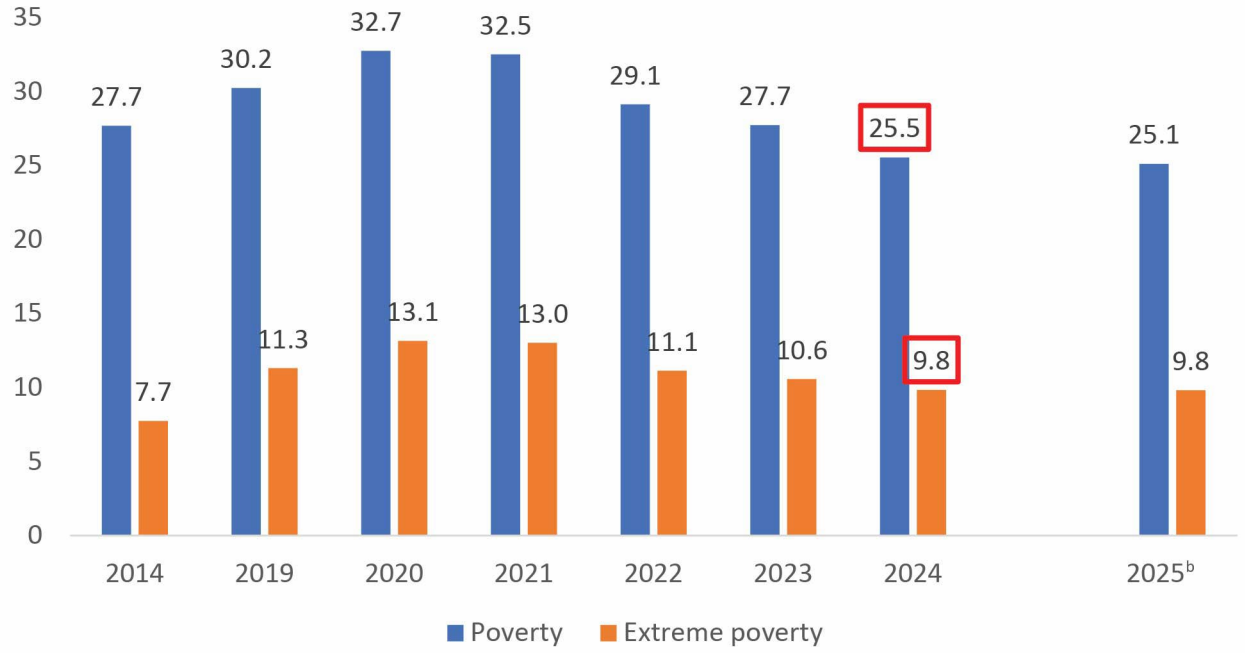
Latin America (5 countries[a]): contribution of income sources to the annualized variation in the Gini index between 2021 and 2024
(Percentage points)

- Five countries **reduced their Gini index at an annual rate of 0.9%**: Brazil, Costa Rica, Ecuador, Honduras and Mexico.
- **Employment income,** particularly earnings from wages and salaries, contributed most to reducing inequality in those countries (**0.6 percentage points)**.
- **Public (State) transfers played an important role in Brazil**, where they accounted for half of the total reduction.

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Simple average for Brazil, Costa Rica, Ecuador, Honduras and Mexico.

In 2024, income poverty declined by 2.2 percentage points, to 25.5% of the region's population, while extreme poverty stood at 9.8% of the population

Latin America (18 countries):[a] population in extreme poverty and poverty, 2014–2025
(*Percentages*)

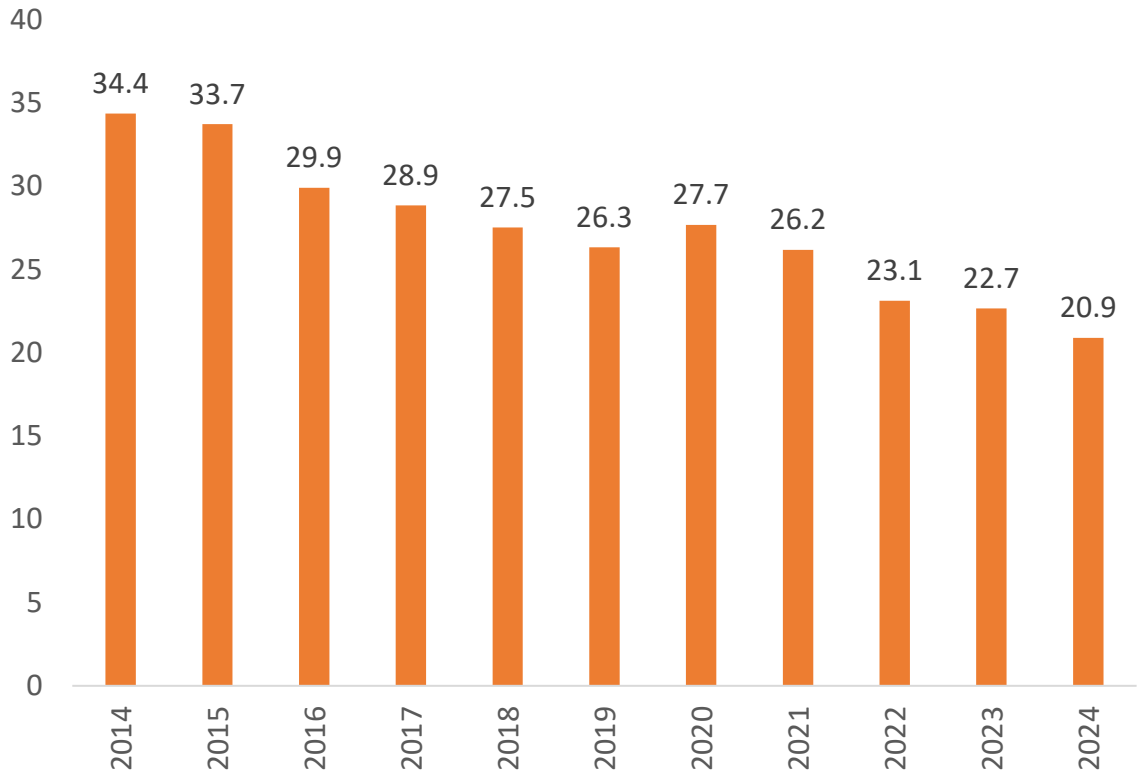


Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted averages for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala,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

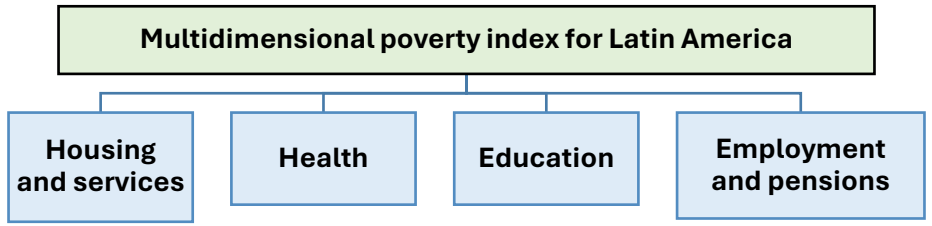
- The reduction in poverty (from **174 million to 162 million people**) was driven primarily by **developments in Mexico and, to a lesser extent, Brazil.**
- **Wage income** was the main source of variation in the poverty rate in 2024.
- **Poverty is 2.2 percentage points lower than in 2014,** while extreme poverty is 2.1 percentage points higher.
- **For 2025, only a slight reduction in poverty is projected,** owing to limited growth prospects.

ECLAC has made progress on measuring multidimensional poverty in Latin America, which fell from 34.4% to 20.9% between 2014 and 2024

Latin America (15 countries):[a] population experiencing multidimensional poverty, 2014–2024
(Percentages)



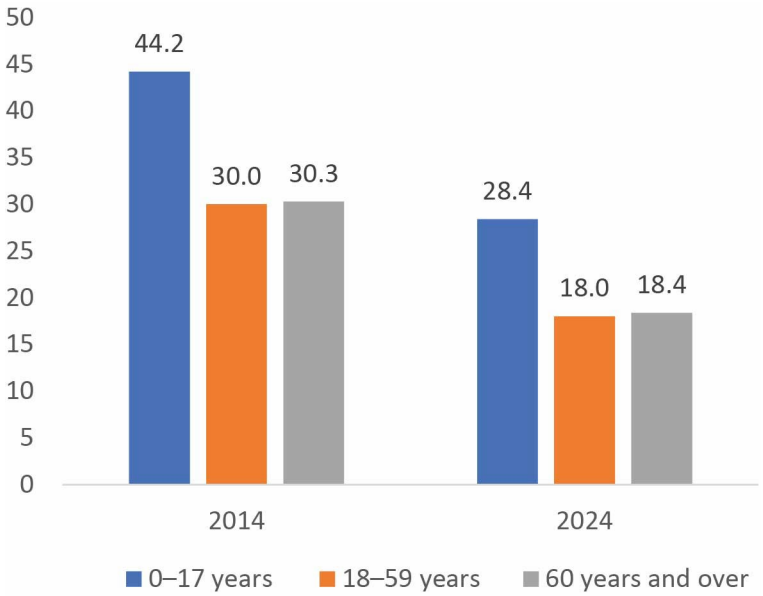
Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational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



- Despite unfavourable economic conditions, **public policy has helped to reduce** the proportion of people facing critical deprivations
- The reduction **between 2014 and 2024** was due to:
  - A **pronounced decline** in **housing and services** deprivations
  - A **moderate decrease** in **health and education** deprivations
  - A **levelling-off** of **employment and pensions** indicators
- Multidimensional poverty in the region is uneven (ranging from 3% to 78%) **and higher than monetary poverty** (4%–56%)

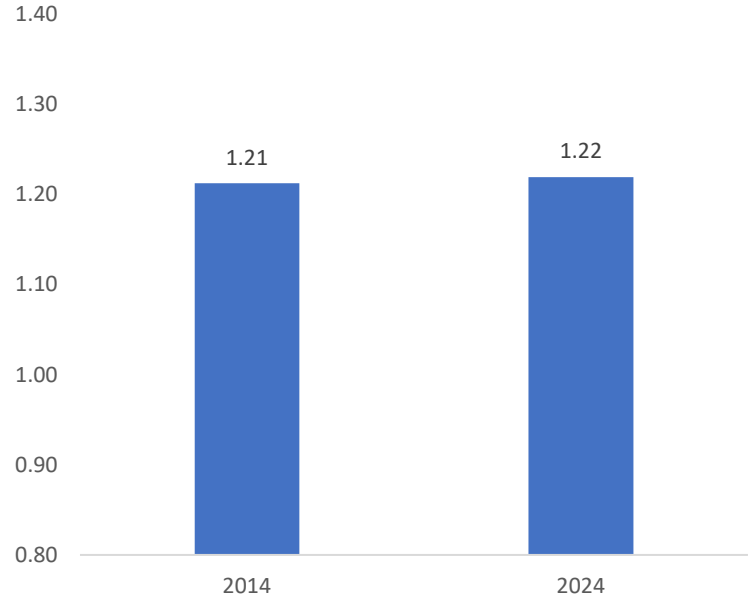
Multidimensional poverty is higher among children and adolescents and rural populations, and women experience more deprivation than men

Latin America (15 countries):[a] population experiencing multidimensional poverty, by age group, 2014–2024
(Percentages)



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

Latin America (15 countries):[a] feminization index of individual multidimensional poverty,[b] 2014 and 2024
(Ratios)



Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] Weighted average for 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] Estimated for population aged 20–59.

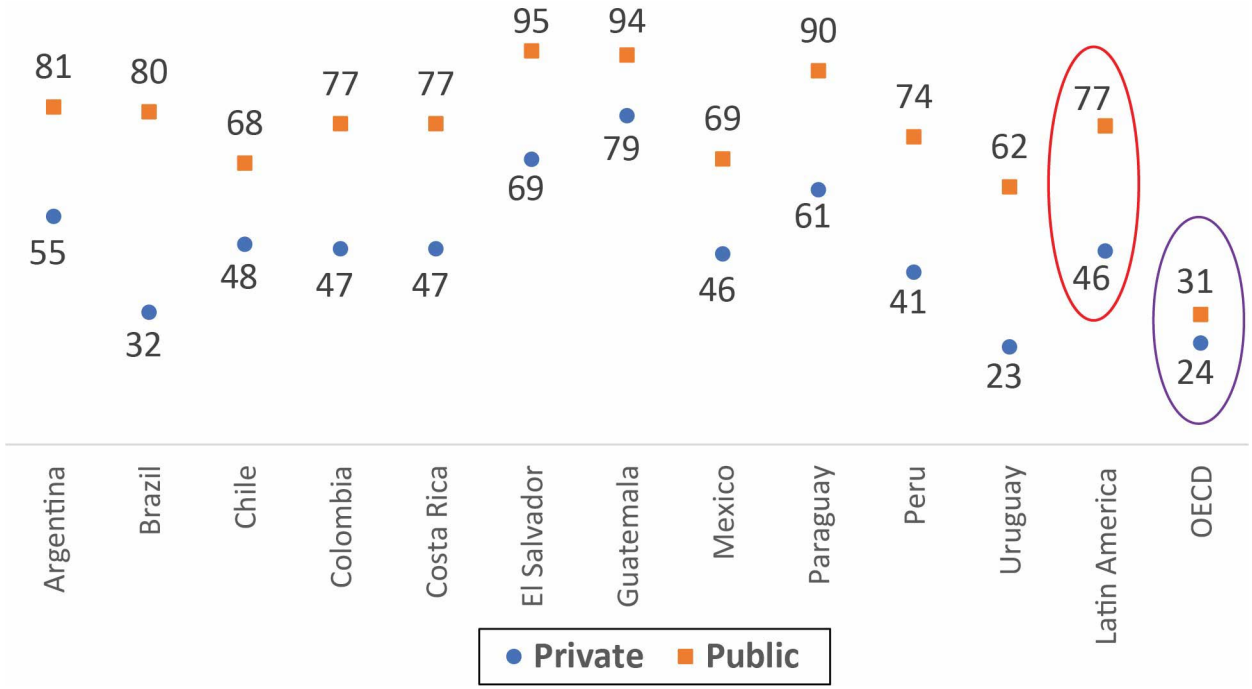
- Multidimensional poverty decreased in all age groups between 2014 and 2024 but remains **highest among the population aged 0–17**
- In 2024, multidimensional poverty was **1.22 times greater among women than among men—** a gap that has not changed in 10 years

Chapter II: Education and the labour market as factors in reducing inequality and increasing social mobility

The region faces education inequality on two fronts: coverage and learning outcomes

Latin America (11 countries) and OECD (29 countries): proportion of students aged 15 BELOW THE MINIMUM LEVEL of mathematical proficiency, PISA 2022, by institution type 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.

Note: Weighted averages. OECD countries included in analysis: Germany, Australia, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Italy, Japan, Latvia, Lithuania, Netherlands (Kingdom of the), New Zealand, Poland, Portugal, Republic of Korea, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom and United States. The Dominican Republic, Jamaica and Panama are not included, nor are the OECD countries not mentioned above, owing to insufficient representation for each type of educational institution.

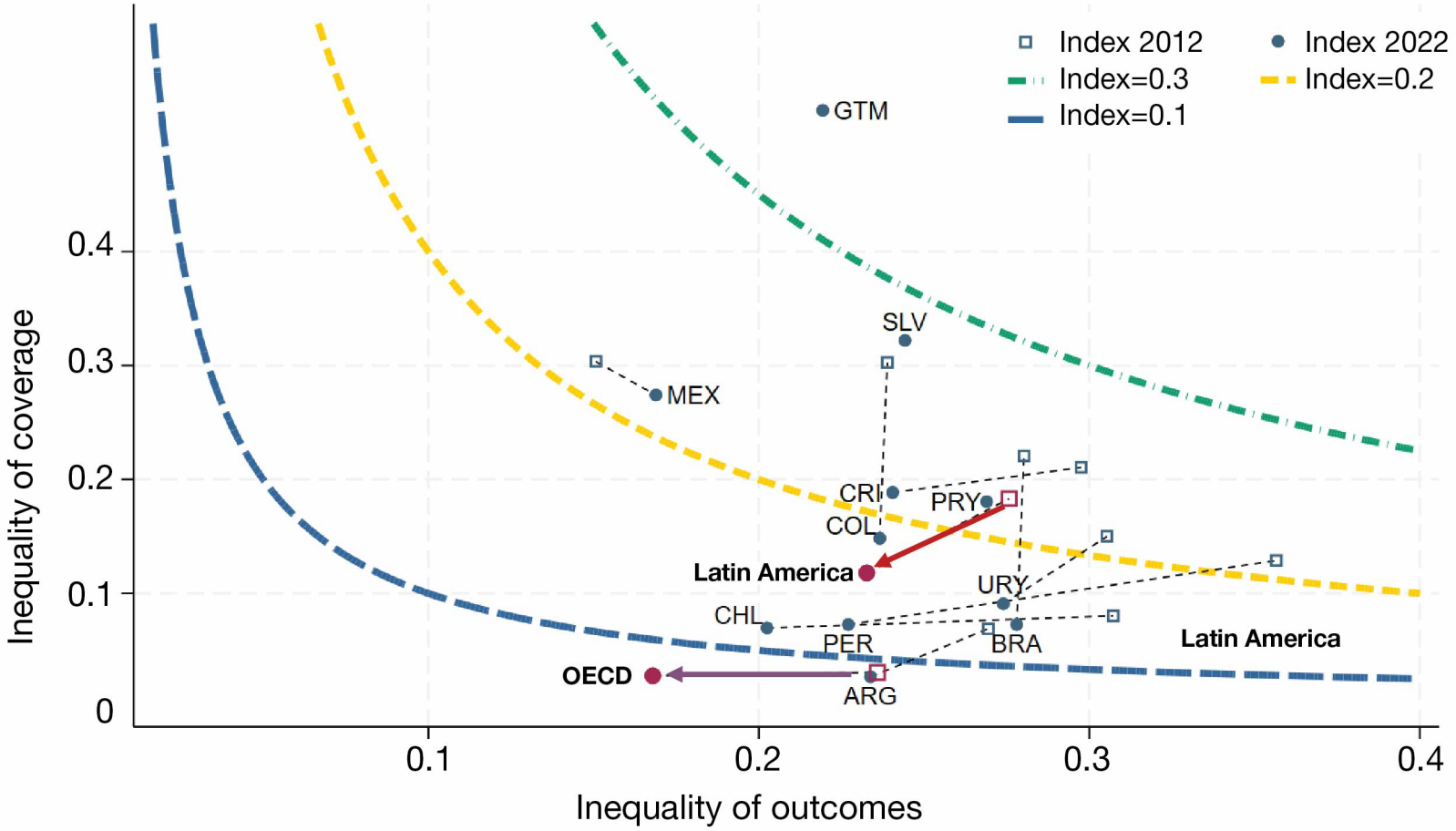
- **Coverage: low completion of secondary education.** In 2023, 28% of young people aged 20–24 did not finish secondary school, and there was a gap of 37 percentage points between the first and fifth income quintiles.

- **Learning outcomes: falling behind.** In the 2022 round of PISA, 71.2% of students aged 15 did not meet the minimum mathematical proficiency (86.7% and 47.3% in the lowest and highest socioeconomic quartiles, respectively).

- **Learning outcomes: public-private segregation.** In PISA 2022, **77% of public school students aged 15 did not meet the minimum level in mathematics, compared with 46% of private school students in the same age group.**

ECLAC has made progress on the bidimensional measurement of inequality of opportunity in education, which fell in nearly all countries of the region

Latin America (11 countries) and OECD (24 countries): bidimensional index of inequality of opportunity in education, population aged 15, 2012 and 2022



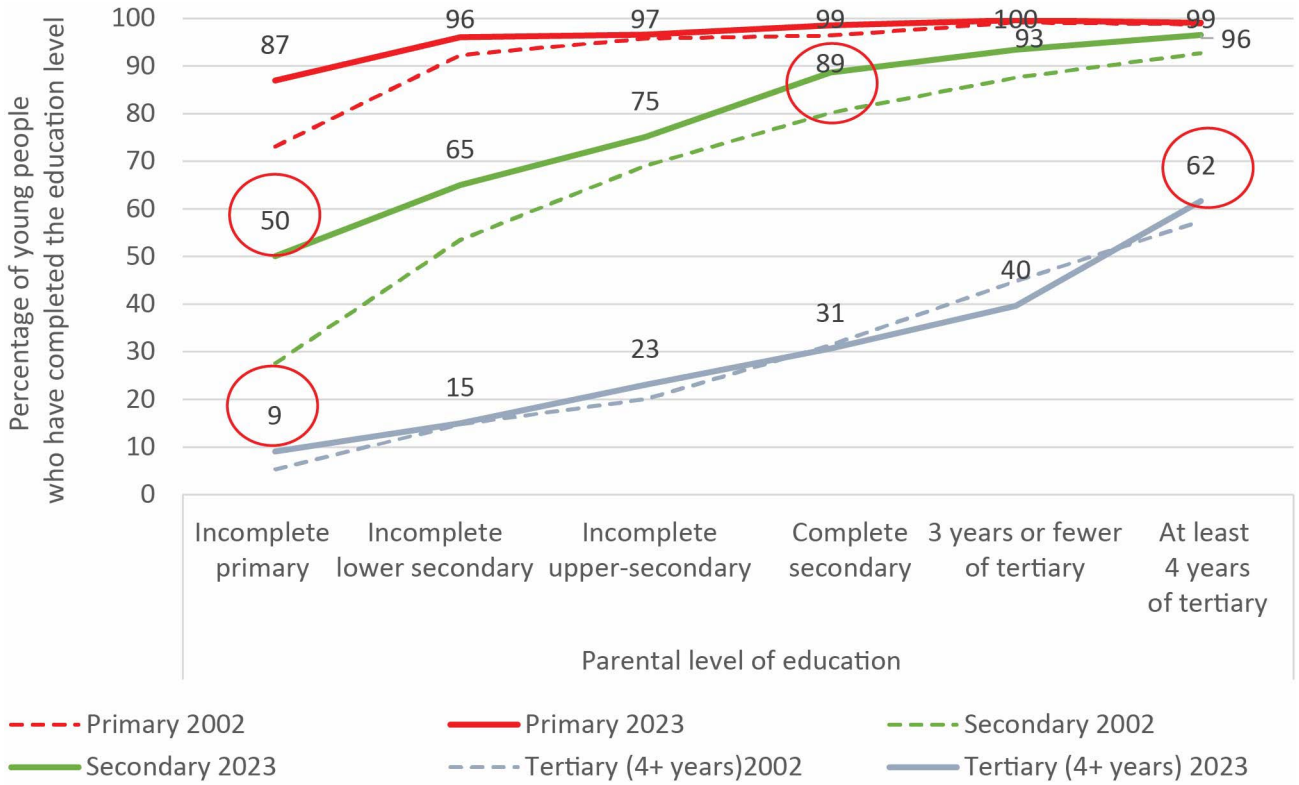
- The **bidimensional index of inequality of opportunity in education** measures coverage and learning outcomes
- In 2022, OECD showed less inequality of opportunity in education: **the Latin American average was more than double the OECD index score**
- Latin America's declining inequality stemmed from **progress on coverage and quality**. Both dimensions need to sustain this trajectory.

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 from 2012 and 2022 are available for Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and the 24 OECD countries included in the analysis: Germany, Australia, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Italy, Netherlands (Kingdom of the), New Zealand, Poland, Portugal, Republic of Korea, Slovakia, Slovenia, Spain, Switzerland, Türkiye and United Kingdom. Dotted lines represent **iso-opportunity curves**, calculated with the following parameters: a = b = 0.5 on the bidimensional index of inequality of opportunity in education, at levels 0.1, 0.2 and 0.3. Simple averages of the Latin American and OECD countries included in the analysis.

Inequalities in education impede intergenerational social mobility

Latin America (16 countries):[a] proportion of young people aged 25–29 living with at least one parent and having completed different education levels, by highest educational level of parents, around 2002 and 2023

(Percentages)



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

[a] Simple average of the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Data refer to 2002, 2014 and 2023, except in the case of 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).

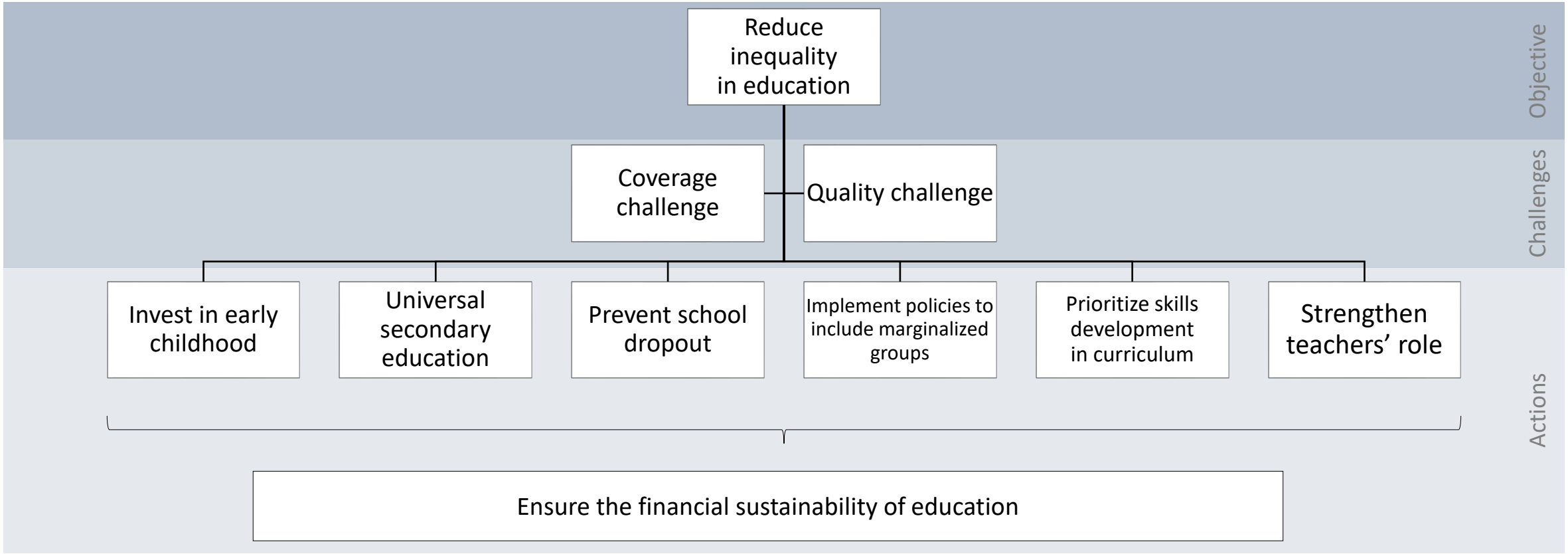
Strong correlation between children's educational attainment and that of their parents at the secondary and tertiary levels (inherited inequalities)

- **89% of young people** with at least one parent having completed secondary education also attain that level; **the figure falls to 50%** when parents have not completed primary education

- Among those with a parent having completed tertiary education, **62% attain the same level, compared with 9% if parents have not completed primary education**

In the past 20 years, upward social mobility has been driven by mobility in education at the primary and secondary levels (illustrated by difference between dotted and solid lines)

Reducing inequality in education requires comprehensive policies to improve coverage and learning outcomes

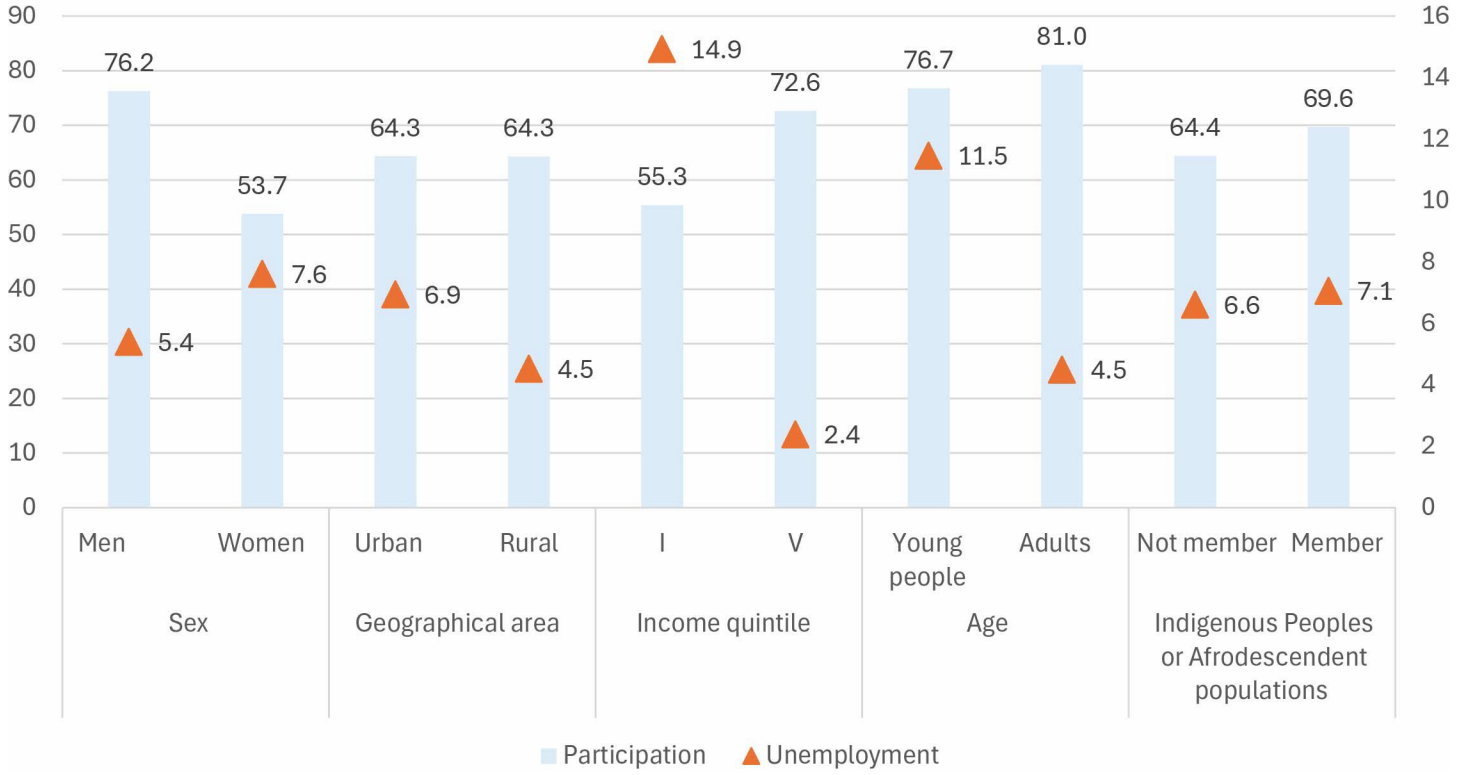


Source: Economic Commission for Latin America and the Caribbean.

Increasing and improving education investment is not an outcome of development but rather an essential prerequisite for achieving it and reducing inequality.

The region's labour market is undynamic, segmented and exclusionary, with a high level of informality

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



- **A labour market** with persistent **informality (47% of employed**) and structural gaps that prevent education from translating into equal opportunities.

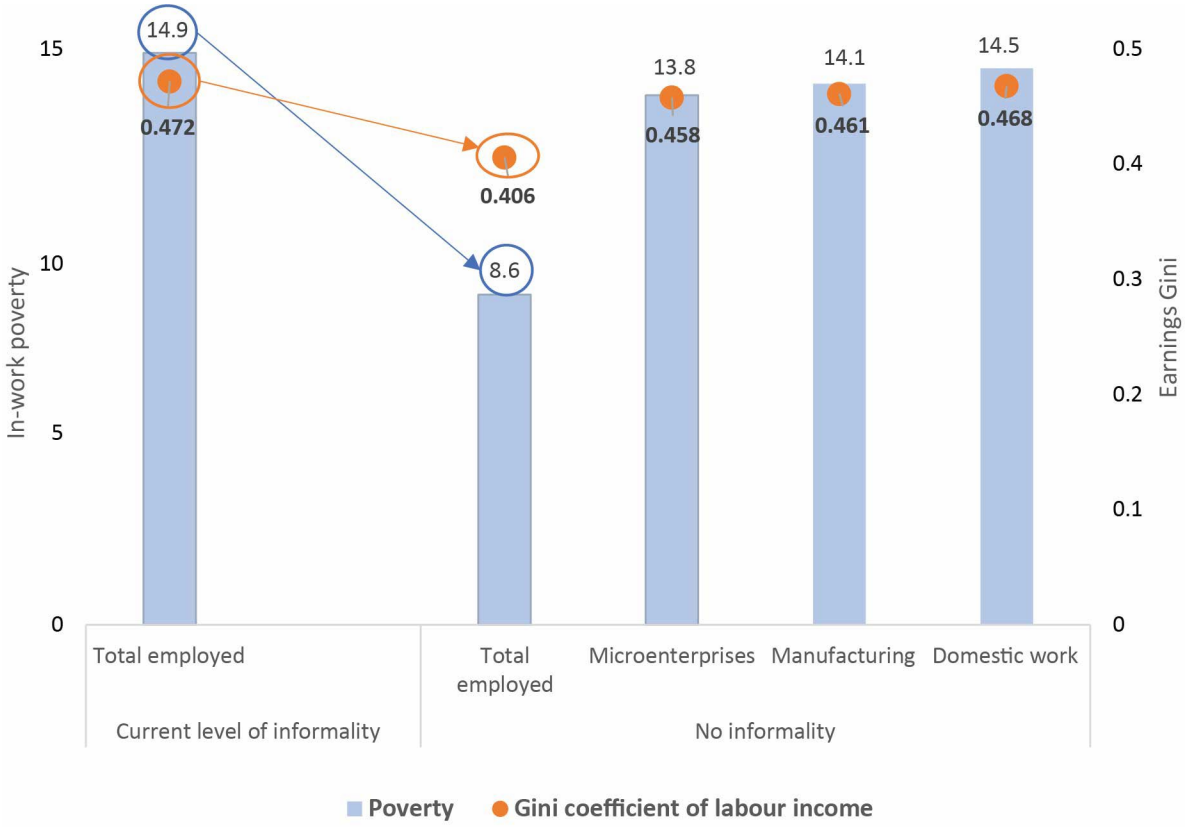
- **Women and young people face greater barriers**: low participation, higher unemployment and an excessive burden of care work.

  - Female participation: 1 in every 2 women are still outside the labour market.
  - **The youth unemployment rate is triple the adult rate** (11.5% vs. 4.5%).

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, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. Data by geographical area do not include Argentina, and data by ethnicity do not include Argentina, Costa Rica, the Dominican Republic, El Salvador or Paraguay.
[b] Simple averages.
[c] Young people refers to persons aged 15–29 not attending an educational institution and adults refer to everyone aged 30–59.
[d] Data are from 2021 for the Plurinational State of Bolivia and 2022 for Chile and Mexico.

Formalizing employment would have a strong poverty-reducing impact among those in work and a positive redistributive effect

Latin America (13 countries):[a] effects of formalizing specific categories of informal workers in reducing in-work poverty and inequality, 2023
(Percentage poverty rates and Gini coefficients)



- **Labour formalization** increases incomes and improves social protection, reducing poverty and earnings inequality, especially in the most vulnerable sectors.

- It is estimated that **formalization could reduce poverty among the employed from 14.9% to 8.6% and inequality from 0.472 to 0.406** (Gini coefficient of labour income).

- **The formalization of specific groups also has an impact**, especially in sectors such as domestic work and microenterprises, where progress with formality could translate into large reductions in poverty and inequality.

Source: Economic Commission for Latin America and the Caribbean, on the basis of the Household Survey Data Bank (BADEHOG).
[a] The earnings and in-work poverty figures are weighted averages for the countries. The figures for the Gini coefficient are simple averages for the countries.

Creating quality jobs as a strategy for reducing inequality

Comprehensive labour strategies and policies aimed at reducing inequality

Productive development policies	Labour market policies	Institutional arrangements and social protection	Care policies and systems
• **Incentivize structural change and economic growth** • Promote dynamic sectors	• Active policies aimed at vulnerable groups • Incentives for formalization • Labour intermediation • Occupational training	• Labour rights • Minimum wage • Enforcement • Regulation • Linking of labour policies with social protection	• Co-responsibility between the State, the private sector and families • Parental leave

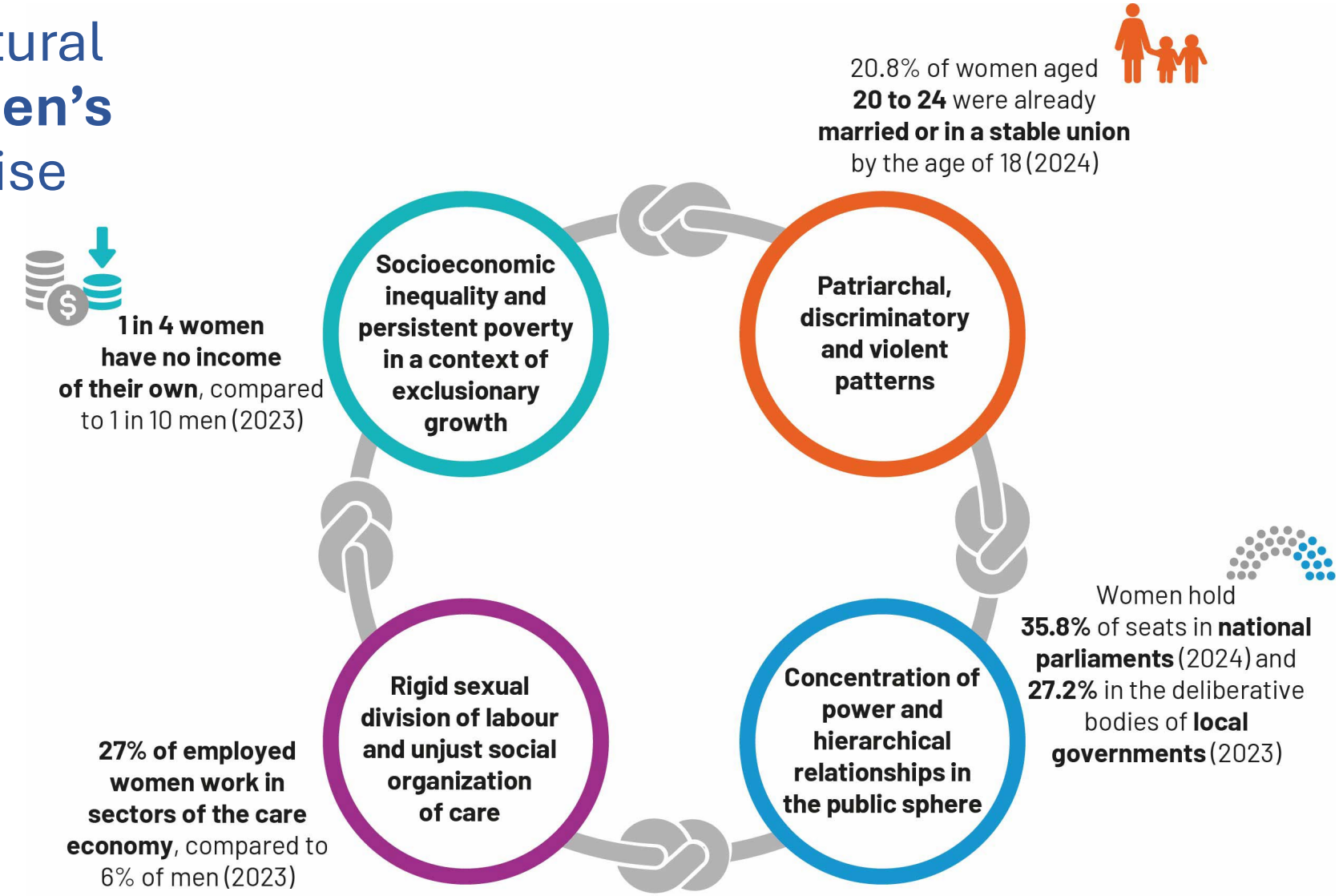
- **Quality job creation** requires a combination of policies for productive development, the labour market, labour and social protection institutions and care systems.
- **Formalization is a necessary condition** for improving rights, incomes and the sustainability of social protection.

Source: Economic Commission for Latin America and the Caribbean, on the basis of Espejo, A., Gontero, S., Gelber, D. and Ravest, J. (2023). Challenges and recommendations for the labour inclusion of young people in Latin America. Inequalities, labour inclusion and the future of work in Latin America. *Project Documents* LC/TS.2023/63/Rev.1) 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).

Chapter III: Gender inequality and discrimination and human rights violations as factors in the effort to reduce inequality and increase social mobility

Gender inequality is manifested in four structural obstacles that limit **women's autonomy** and the exercise of their rights

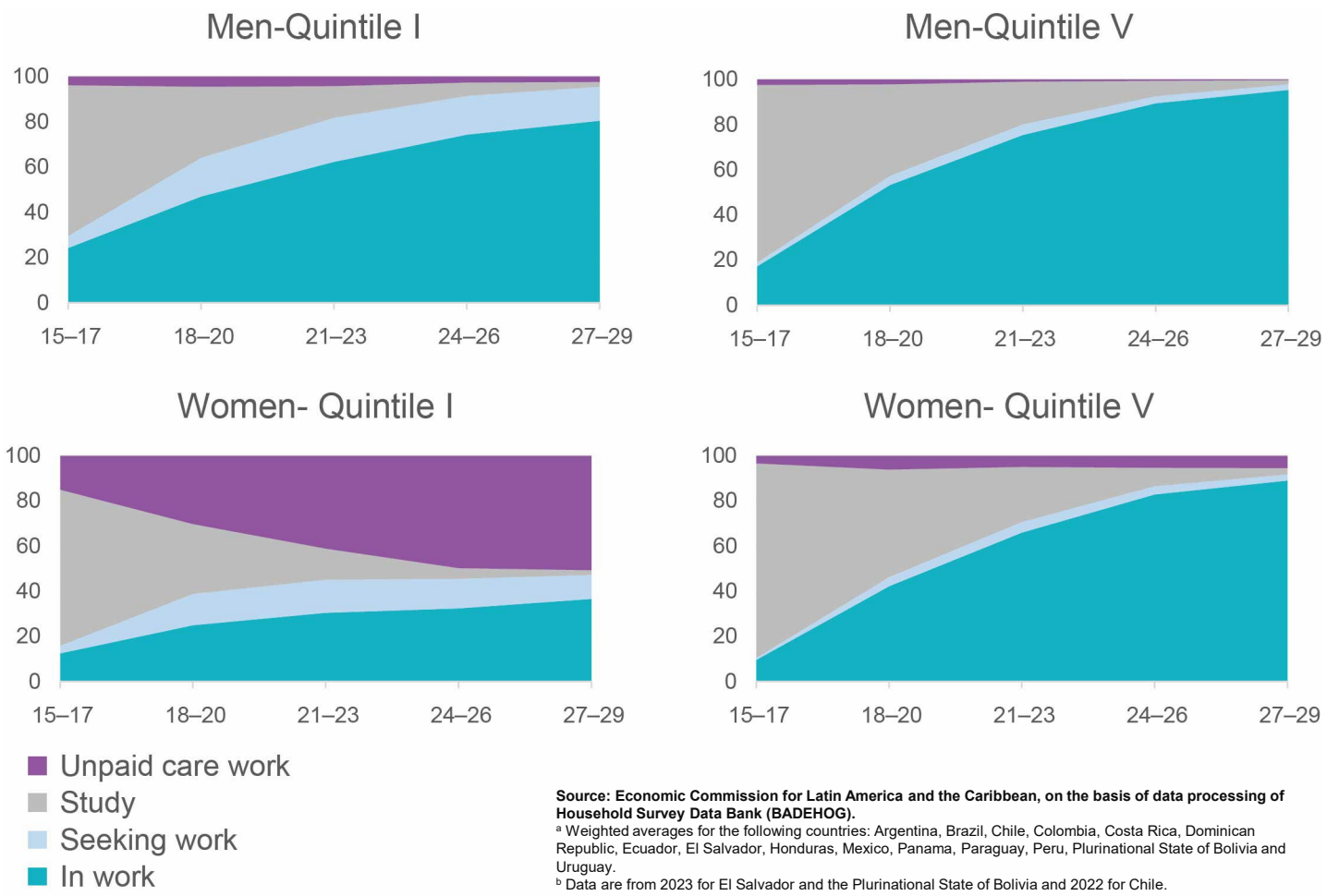
- Move towards gender equality and the care society, which is one of the **11 vital transformations** proposed by ECLAC for escaping from the development traps.



Source: Economic Commission for Latin America and the Caribbean. Gender Equality Observatory for Latin America and the Caribbean. https://oig.cepal.org/en; CEPALSTAT. https://statistics.cepal.org/portal/cepalstat/index.html/ and Household Survey Data Bank (BADEHOG).

An excessive burden of care work holds young women back from participating in work and education

Latin America (15 countries):[a] main activity of persons aged 15–29, by income quintile and age range, 2024[b]
(Percentages)

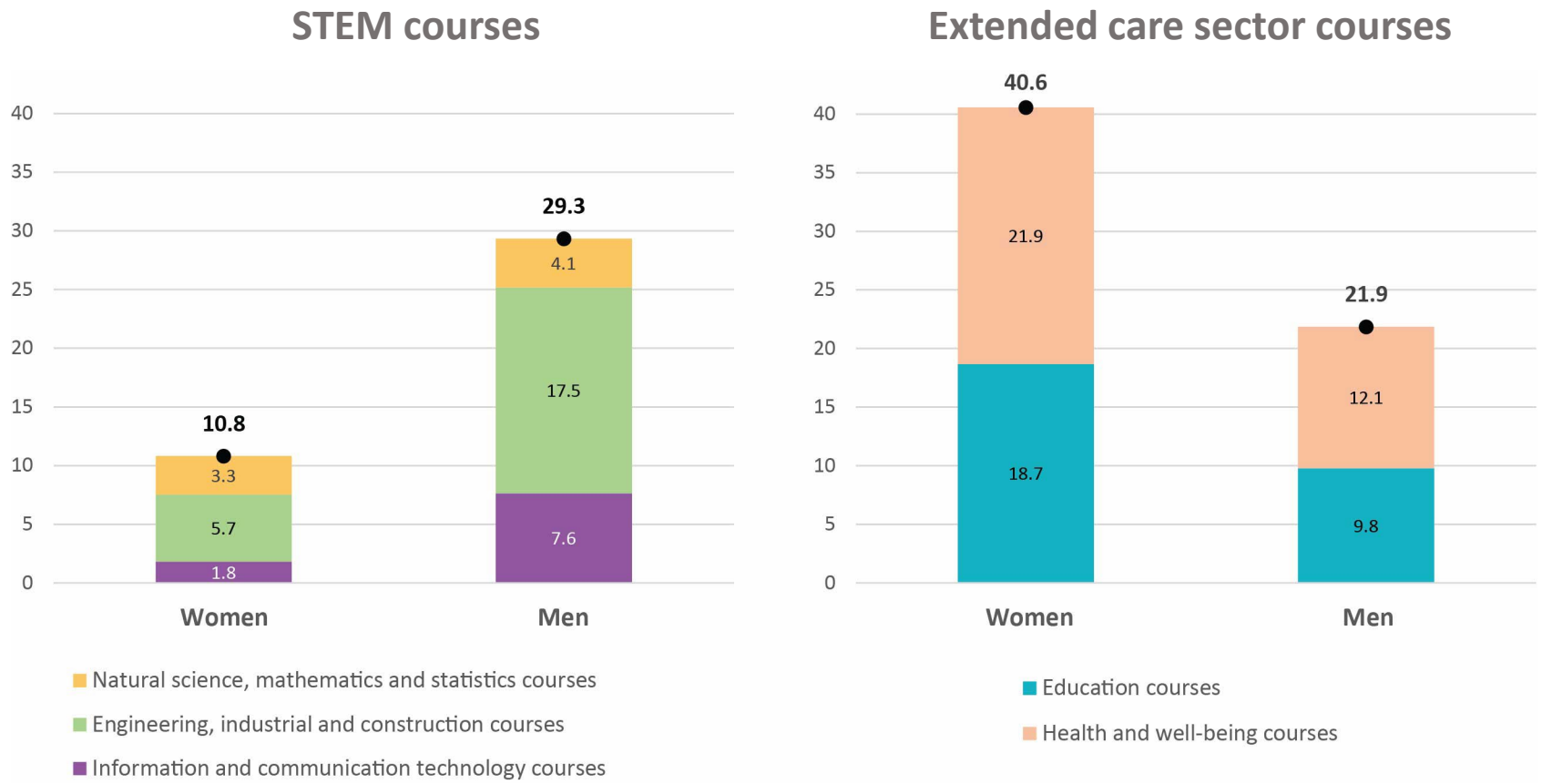


Source: Economic Commission for Latin America and the Caribbean, on the basis of data processing of Household Survey Data Bank (BADEHOG).
[a] Weighted averages for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama,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

- **A larger proportion of young women** than of young men have unpaid domestic and care work as their main activity in all age groups.
- In the first quintile, **38% of young women (aged 15–29) are mainly engaged in unpaid care work**, compared with 3.4% of men.
- **The excessive burden of unpaid work** limits young women's participation in education, the labour market, the public and political spheres and leisure activities.

There is still marked gender segregation in tertiary education

Latin America (17 countries):[a] graduates from tertiary education courses related to science, technology, engineering and mathematics (STEM) and to teaching, health and well-being (extended care sector), by sex, 2023[b]
(Percentages)

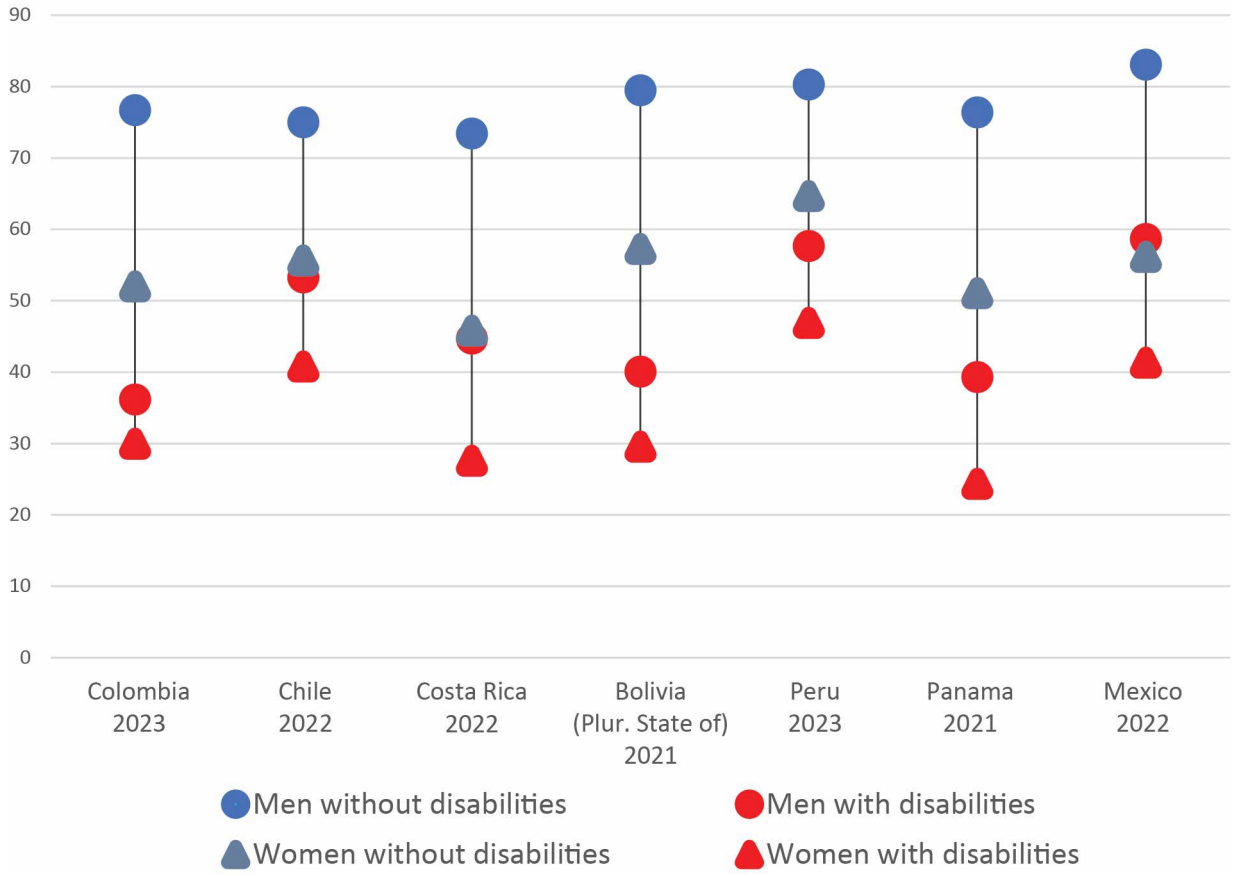


- **10.8% of women graduate in STEM subjects**, compared with 29.3% of men.
- **40.6% of female tertiary education graduates** obtain degrees from **education, health and welfare courses,** compared with **21.9% of men**.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO Institute for Statistics. (2025). *Percentage of graduates by field of education (tertiary education).*
[a] The categorization is based on the International Standard Classification of Education (ISCED).
[b] The data are from 2023, except for Argentina, Brazil, Chile, the Dominican Republic, Ecuador, Mexico, Panama and Uruguay, where they are from 2022, and Colombia, where they are from 2021.

Persons with disabilities face greater barriers to education and employment

Latin America and the Caribbean (7 countries): employment rate for the population aged 15–59 years, by disability status and sex, 2021–2023
(Percentages)



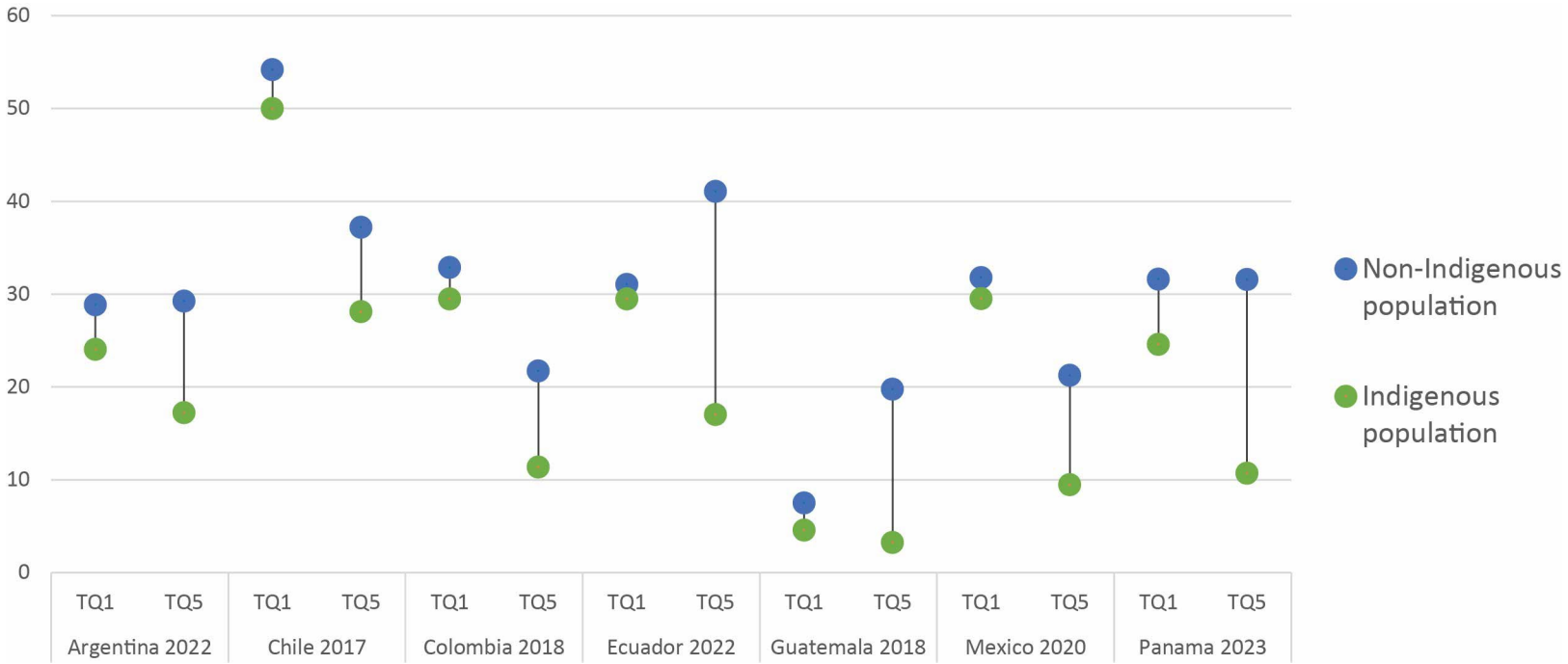
Source: Economic Commission for Latin America and the Caribbean, on the basis of data processing of Household Survey Data Bank (BADEHOG).

- Lower levels of education and labour force participation, together with informality, limit the labour market inclusion of **persons with disabilities**.
- **Less than 40% of persons with disabilities aged 15–59 are in the labour force,** compared with 75% of persons without disabilities in the same age group.
- **Women with disabilities are at a particular disadvantage:** gaps between men without disabilities and women with disabilities in the Plurinational State of Bolivia and Panama are around 50 percentage points.

Ethnic divides widen in territories with larger Indigenous populations

Latin America (7 countries): percentage of Indigenous and non-Indigenous population aged 20–29 accessing higher education, by territorial quintile (TQ)[a] of Indigenous presence, 2020 census round

(Percentages)



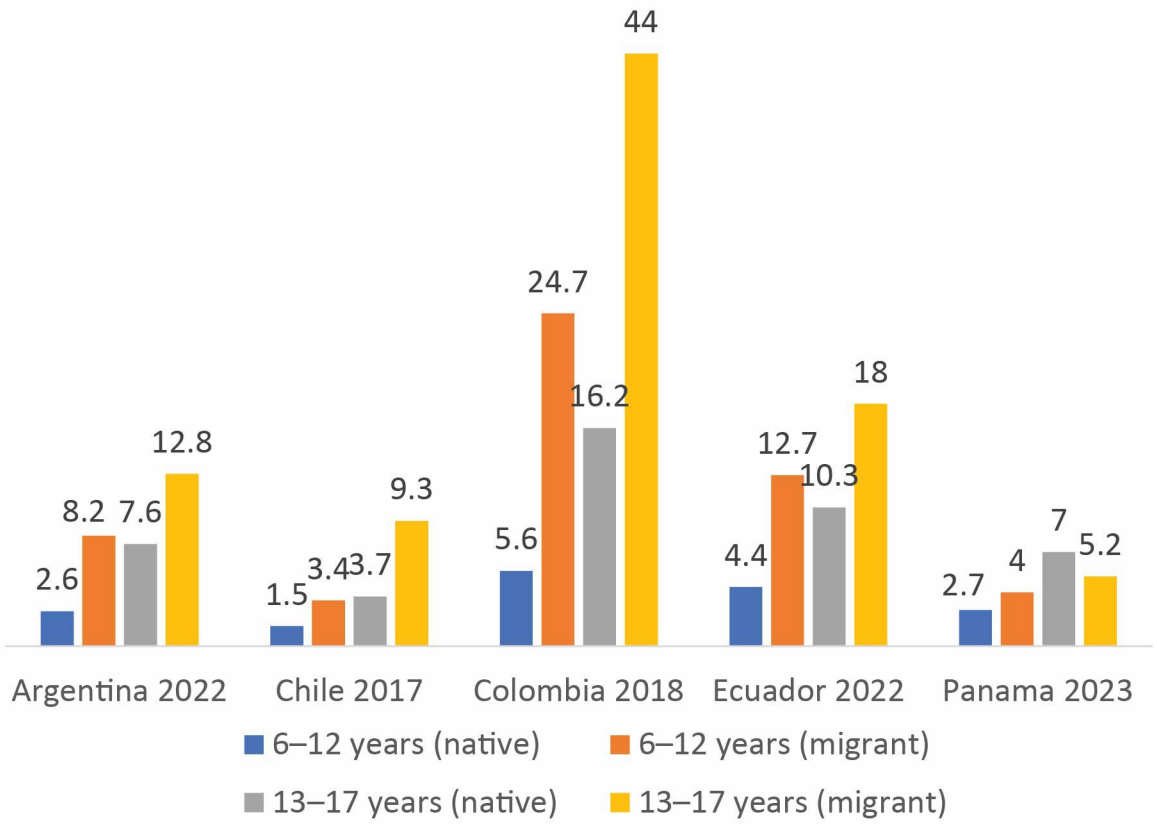
- **Indigenous young people** (aged 20–29) have less access to higher education than their non-Indigenous counterparts.
- **In territories with a higher Indigenous presence (TQ5)**, ethnic gaps in higher education coverage are wider.
- Differentiated territorial distribution patterns that are consistent with ancestral occupation and collective rights to territory are thus evident.

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] TQ1 refers to the 20% of municipalities with the lowest Indigenous presence and TQ5 to the 20% of municipalities with the highest presence.

Migrants face discrimination and exclusion from education and employment

Latin America (5 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.

- **Education exclusion is higher among migrant girls and adolescents**, particularly those aged 13–17, and women.
- **Labour participation rates among migrants are higher,** but their participation in formal employment is lower.
- **Paid domestic work** is a major entry point into the labour market for **migrant women,** but these jobs tend to be mostly informal.

Recommendations for reducing inequality and promoting social mobility

Advance gender equality and the care society

- Promote **women's participation** in the formulation of [Author: please confirm] educational, labour and productive development policies mainstreaming **science, technology and innovation.**
- Leverage the **benefits of the digital transition the economy and the care sector.**
- Implement programmes and mechanisms for **formalization, training and recognition of the skills and competencies of care sector workers**.

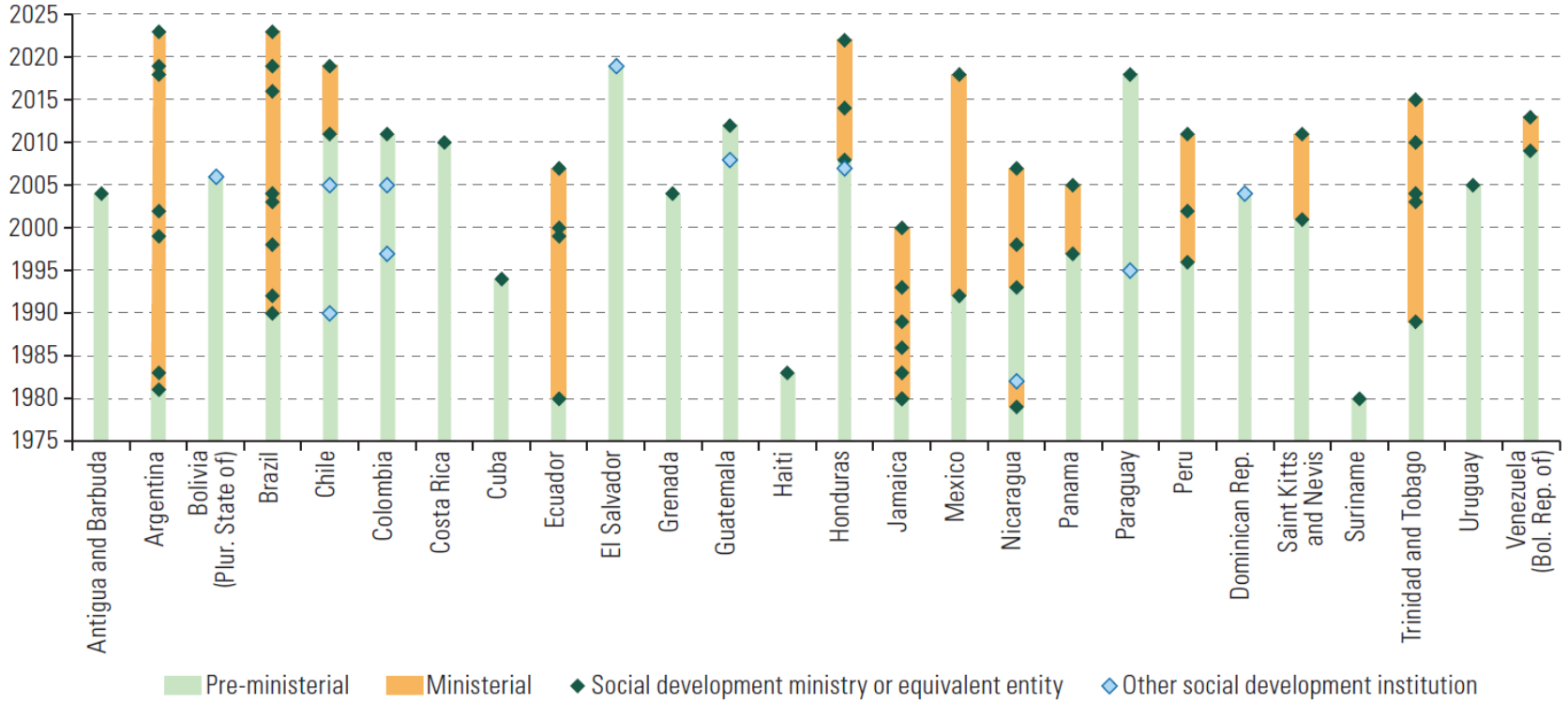
Address discrimination and exclusion faced by persons with disabilities, Indigenous Peoples and migrants

- Promote inclusive **education,** eliminating prejudices and discriminatory practices in the workplace against **persons with disabilities**.
- Expand **educational opportunities in Indigenous territories:** better infrastructure, digital connectivity and support for bilingual teachers with intercultural training.
- **Move forward in regularizing migration** to ensure the integration of migrants in education and employment.

Chapter IV: Institutional frameworks and the role of social spending

The region has bolstered its institutional framework for social policy: from 10 countries with a ministry of social development in 1995 to 23 in 2025

Latin America and the Caribbean (26 countries): evolution of 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. .

- Most social development ministries have **expanded their mandates** to serve population groups such as children, young people, older persons, Indigenous Peoples, women and persons with disabilities.

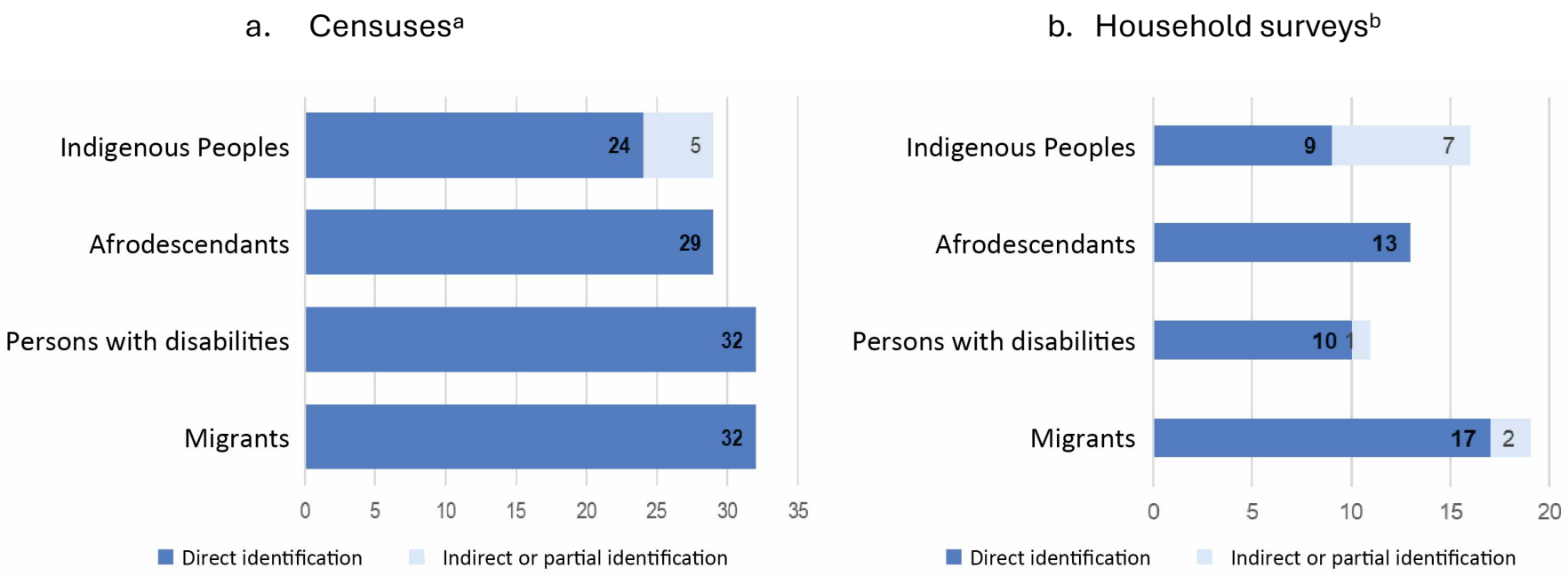
Technical, operational, political and prospective (TOPP) capabilities must be strengthened to improve the governance of social inclusion policies

Dimension	Key functions	Institutional elements
Technical	**Generation and use of information** to guide decisions and measure results	• Permanent technical unit with teams specializing in social statistics and systems of indicators on inclusion. • Dashboards mainstreamed in planning and public budgets.
Operational	Coordinated implementation and **inter-institutional coordination**	• Interministerial coordination committee with legal mandate and budget to ensure consistency between social policies on employment, health and education. • Operational protocols to define responsibilities and avoid overlaps.
Political	**Legitimacy,** political coalitions and sustainability of policies	• Institutionalized mechanism for social dialogue that involves civil society and groups that have historically faced discrimination. • Clear ministerial leadership, recognized by other ministries and with the capacity for political coordination.
Prospective	**Foreseeing trends** and institutionalized learning	• Clause for annual review of social inclusion policies, linked to development plans and budgetary programming. • Future scenarios on social risks (demographic, climatic, 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.

Statistical visibility in censuses and household surveys is fundamental and first step to identifying needs of different population groups

Latin America and the Caribbean (32 countries):[a] number of countries that include questions to identify population groups and perception of discrimination in population censuses and household surveys
(Number of countries)

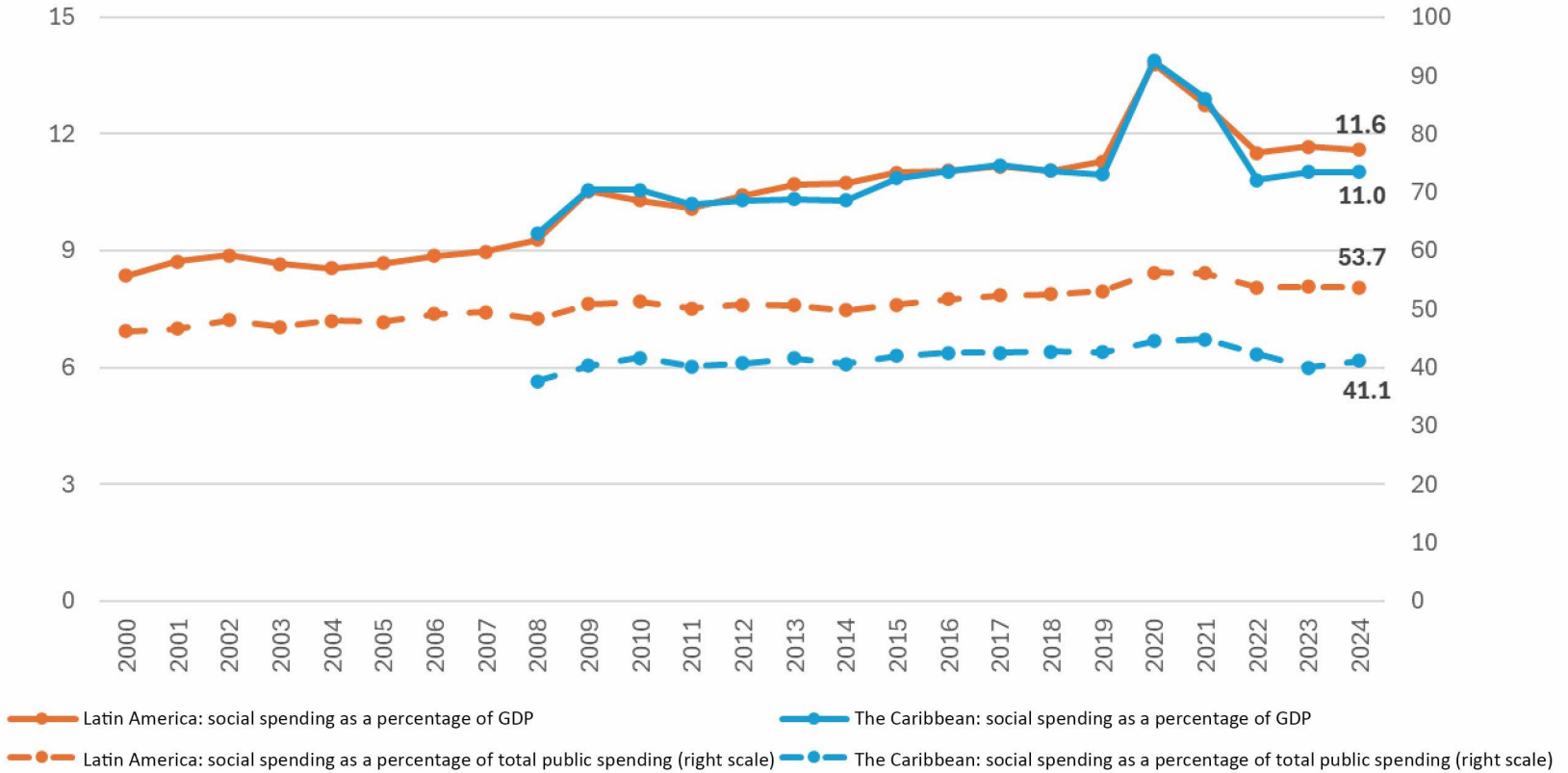


- Identification of **Indigenous Peoples and Afrodescendants**, respectively, is included in the censuses of 24 and 29 countries, and in 9 and 13 surveys.
- **Disability** is included in 32 censuses and 10 surveys.
- **Migration** is considered in **32 censuses** and **17 surveys**.
- **Surveys also include questions on the perception of discrimination** among Indigenous Peoples (5), Afrodescendants (6), persons with disabilities (6) and migrants (5).

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, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay.
[b] 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.

In 2024, social spending accounted for 11.6% of GDP in Latin America and 11% of GDP in the Caribbean, similar to 2023 levels

Latin America and the Caribbean (24 countries):[a] central government social spending, 2000–2024
(*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] Figures for Latin America refer to simple averages for 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. Figures for the Caribbean refer to The Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Lucia and Trinidad and Tobago. Data for the Plurinational State of Bolivia refer to 2021. Data for Brazil, Panama, Paraguay and Saint Lucia refer to 2023.

In Latin America:

- Social spending represented 53.7%, on average, of total public spending in 2024, thus **continuing to account for the largest share of total public spending**.

In the Caribbean:

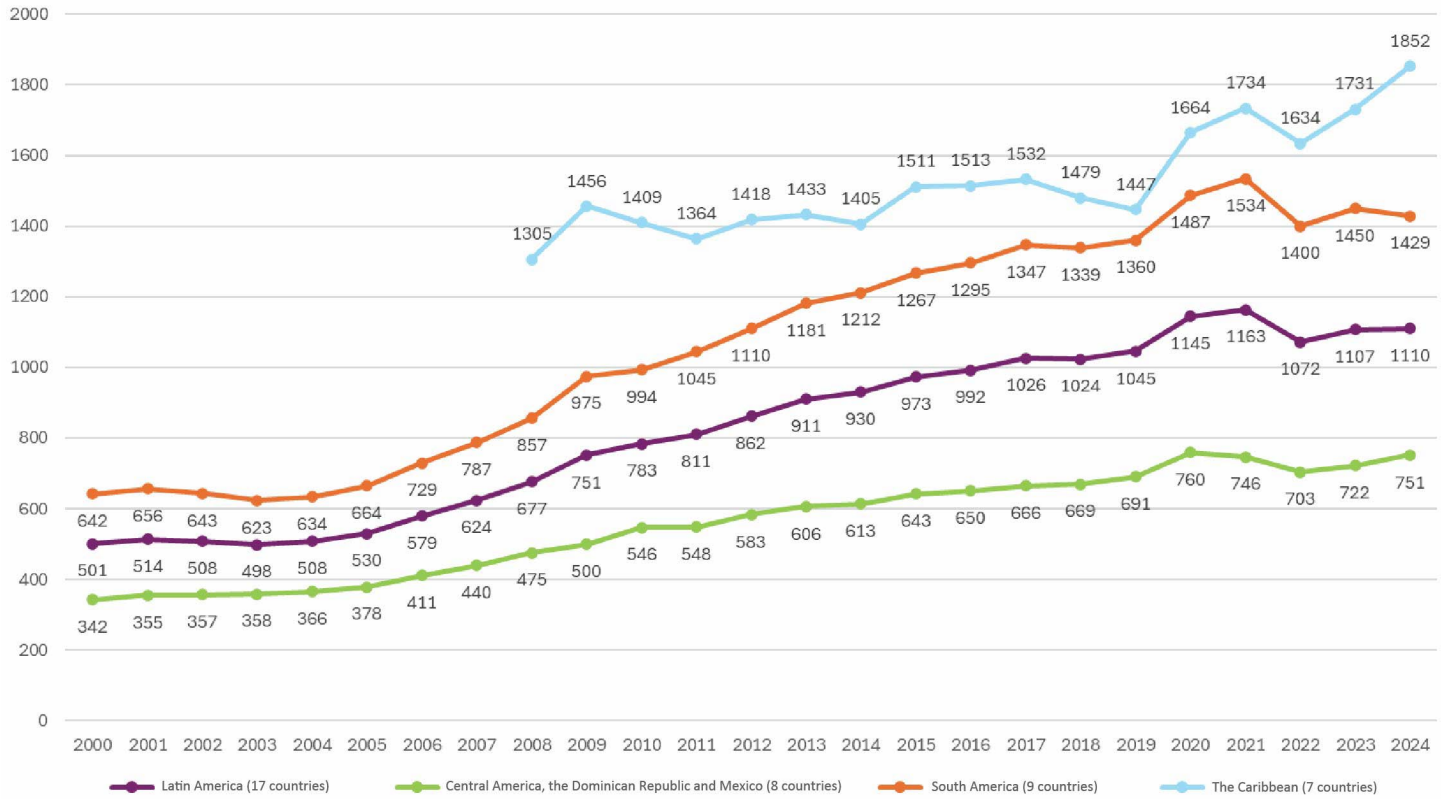
- Social spending represented **41.1%** of total spending in 2024, **1.1 percentage points higher than** the 2023 level.

- **Resource distribution among these categories has remained unchanged in the past two decades,** with **social protection representing the largest share, 4.4% of GDP**, followed by education (3.8% of GDP) and health (2.7% of GDP).

- In 2024, social spending was **3 percentage points of GDP higher than the level seen in 2004**.

Average social spending per capita surpasses pre-pandemic levels, varying considerably across subregions and countries

Latin America and the Caribbean (24 countries): central government social spending per capita, by subregion, 2000–2024 [a]
(*Dollars at 2018 prices*)



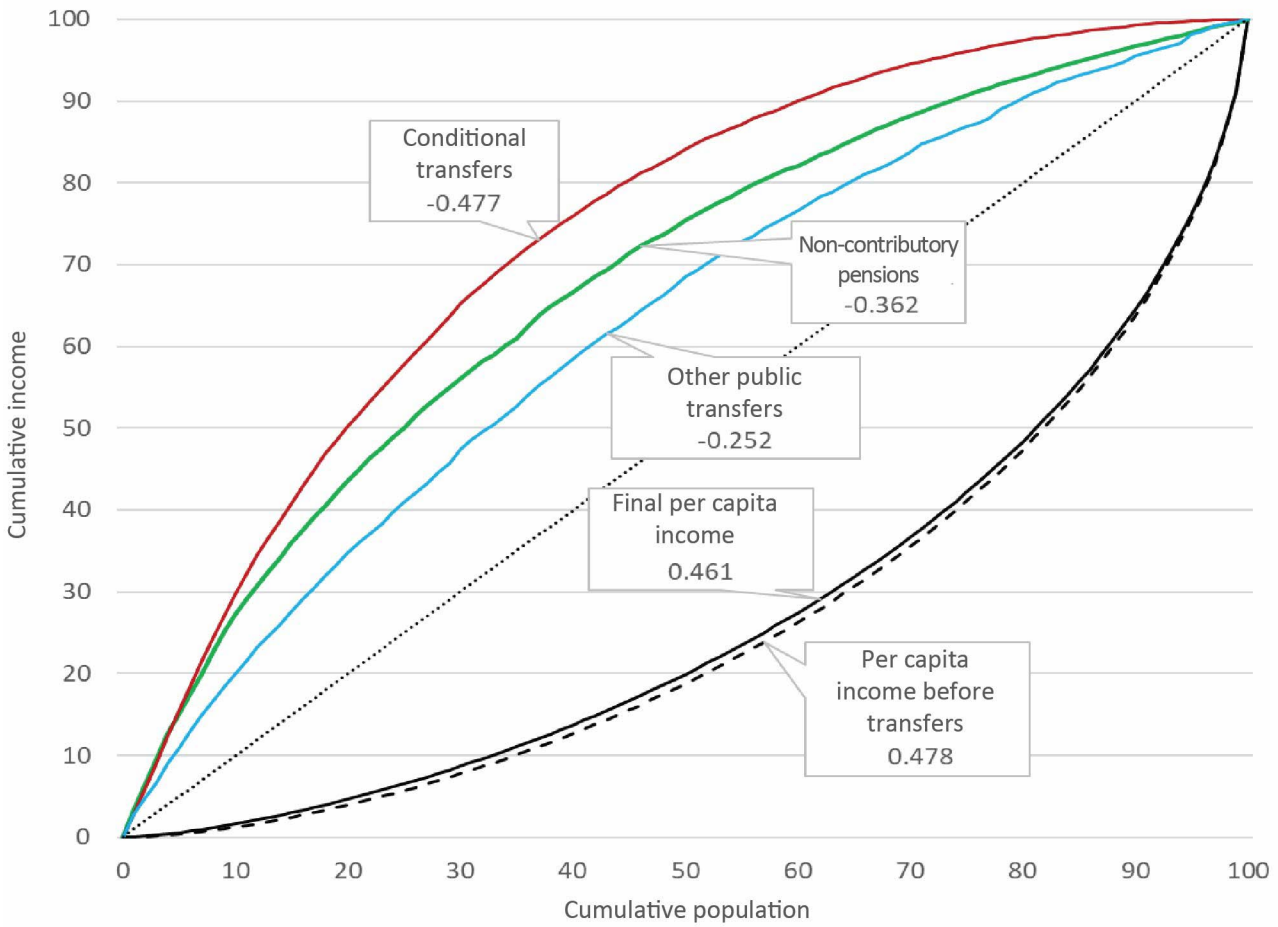
Source: Economic Commission for Latin America and the Caribbean, on the basis of official information from the countries.

[a] Subregional figures are simple averages. Data for the Plurinational State of Bolivia refer to 2020 and 2021. Data for Brazil, Panama, Paraguay and Saint Lucia refer to 2022 and 2023.

- **In the region, public social spending per capita** amounted to US$ 1,326, on average, in 2024, representing a year-on-year increase of 2.9%.
- In 2024, **per capita social spending in South America decreased by 1.4%, on average,** compared with an increase of 3.5% in 2023.
- In Central America, the Dominican Republic and Mexico, **per capita social spending rose by 4.1%, on average, in 2024**, consolidating its upward trend given the increase of 2.6% in 2023.
- **In the Caribbean, per capita social spending jumped by 7% in 2024.**

Cash transfers have positive impacts on poverty reduction, but do little to decrease income inequality

Latin America (11 countries):[a] effect of public transfers on per capita income distribution,[b] around 2023
(Lorenz curves and Gini index)



- **Public transfers** tend to be **highly redistributive**, especially as they are geared towards poverty reduction.
- **In 2023, non-contributory social protection programmes** had **a significant impact on poverty reduction** (3.4 percentage points), especially among persons aged 65 and older (7.8 percentage points)
- **Public transfers represent a small share** of household income (2.3% in 2023). Thus, **their effect on income concentration is limited** (Gini coefficient declined by just 0.017 in 2023).

Source: Economic Commission for Latin America and the Caribbean, on the basis of Household Survey Databank (BADEHOG).
[a] Simple average for Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.
[b] The concentration coefficient of public transfers per capita was calculated on the basis of the classification of households according to available income before transfers.

Conclusions and final messages

The trap of high inequality, low social mobility and weak social cohesion is an obstacle to inclusive social development

- **Income remains extremely concentrated** in Latin America: the wealthiest 10% of the population accounts for 34.2% of total income. The largest declines in inequality **stemmed mainly from labour market dynamics**.
- **Monetary poverty** decreased sharply in 2024, while **extreme poverty** has fallen but remains above its lowest level, reached in 2014.
- Despite progress, countries face a **dual challenge in reducing inequality through education**: coverage and learning outcomes. These inequalities pose obstacles to intergenerational social mobility.
- The region suffers from a **sluggish, segmented and exclusionary labour market with high levels of informality**, where inequality has a greater impact on women and young people.
- The **excessive burden of unpaid work on young women** limits their participation in education, the labour market, and the public and political arenas, as well as their free time.
- **Persons with disabilities, Indigenous Peoples and migrants** face major barriers to access to education and to labour inclusion.

Policy recommendations

Design and implement comprehensive policies to reduce inequality and promote inclusive social development	
Reduce educational inequality	**Expand education coverage at the pre-primary level** and for the completion of **secondary education,** while **strengthening the development of** cognitive, socioemotional and digital **skills.**
Implement a comprehensive labour strategy	Create quality jobs that reduce inequality by coordinating **productive development, labour, institutional, social protection and care policies**.
Advance in gender equality	Advance in public policies that foster gender equality and the **building of the care society**.
Protect the human rights of groups facing discrimination	Encourage the increase of opportunities for education and labour inclusion for **persons with disabilities and in territories with larger Indigenous populations, and advance in the regularization of migration**.
Strengthen institutions	**Strengthen technical, operational, political and prospective (TOPP) institutional capabilities,** along with effective and sustainable social spending, for **implementation of comprehensive policies that address the multiple causes of inequality.**

The agreements of the **Second World Summit for Social Development** represent a **strategic platform** for implementation of these actions and advancement towards **inclusive social development**.

Social Panorama
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the Caribbean 2025

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