



2020

Social Panorama of Latin America



UNITED NATIONS

ECLAC

THE PANDEMIC HAS EXACERBATED STRUCTURAL PROBLEMS: INEQUALITY, LABOUR INFORMALITY AND POVERTY



- The pandemic emerged amid a complex scenario: 7 years of **low growth**, with **increasing poverty** and **social unrest**.
- It **exacerbated structural inequalities** marked by high levels of **informality**, **lack of social protection** and **low productivity**, exposing **critical obstacles in health, education and care**.
- It amplified the unfair **sexual division of labour** and **social organization of care** setting back women's inclusion in the labour market **by 10 years** and affecting informal workers and young people more severely.
- A public policy response is needed to tackle the pandemic and to overcome the crisis **through a transformative recovery with equality and sustainability**.
- There is an urgent need to move towards a **welfare state with universal, comprehensive and sustainable social protection systems** founded on a new social compact.

SOCIAL PANORAMA OF LATIN AMERICA 2020: 6 MESSAGES

1. **How things stand one year after** the COVID-19 outbreak: 7.7% contraction of GDP; 2.7 million business closures, rise in unemployment with marked gender gaps in employment.
2. Hardest hit developing region: home to just **8.4% of the world's population**, the region accounted for **27.8% of COVID-19 deaths**.
3. Governments announced **263 social protection measures** to tackle the crisis, covering close to 50% of the population, with an estimated additional spending of US\$ 86 billion on emergency measures between March and December 2020.
4. **Social protection measures have prevented a further increase in poverty and extreme poverty**, but levels of poverty and extreme poverty have been set back by 12 years and 20 years respectively.
5. **Greater vulnerability:** number of people living on incomes up to three times the poverty line increased from 467 million in 2019 to 491 million, **which makes employment generation essential**.
6. **Emergency cash transfers must be maintained** in 2021 to cover basic needs and support recovery.



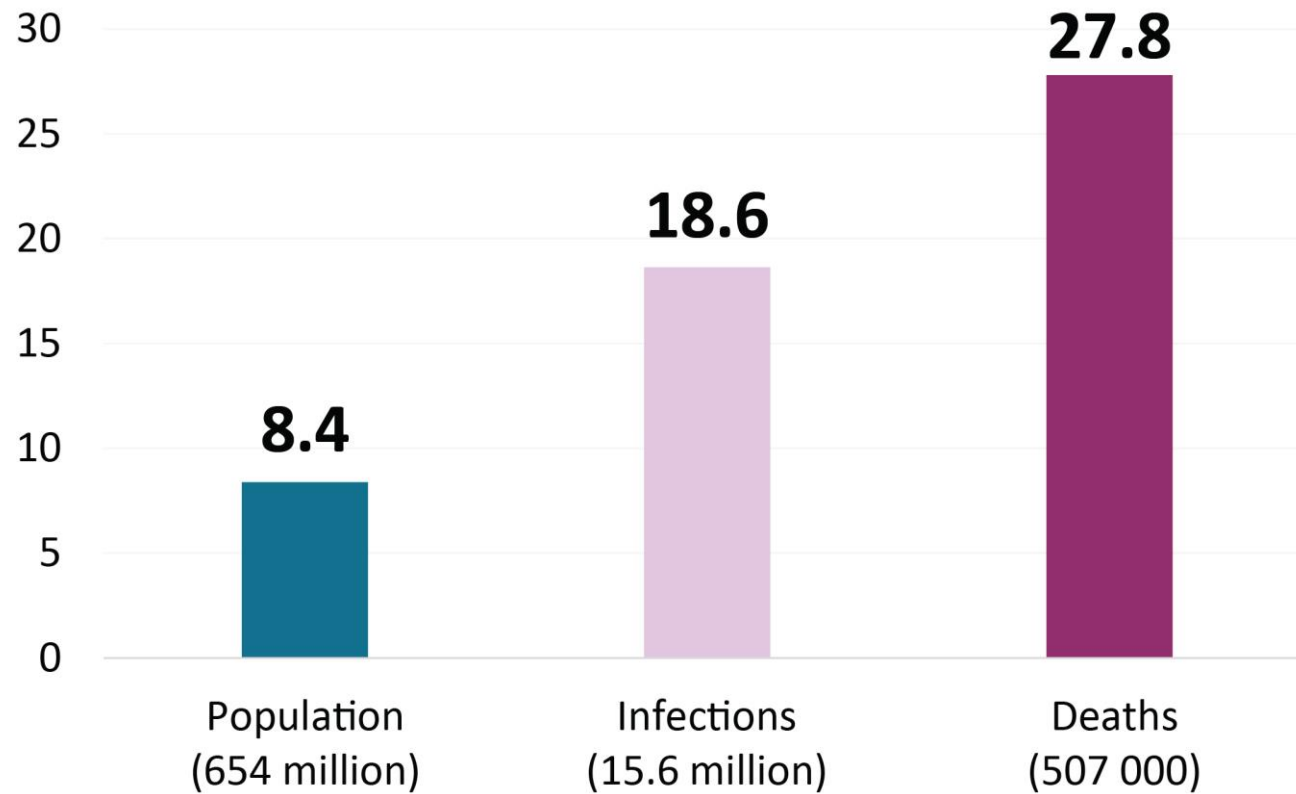
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CRITICAL CHALLENGES IN TIMES OF PANDEMIC: HEALTH, EDUCATION AND CARE

- Latin America and the Caribbean is the developing region most affected by the pandemic
- Risk factors: population density, overcrowding, lack of access to basic services
- School closures and inequalities in distance learning
- Heightened burden of unpaid care borne by women

LATIN AMERICA AND THE CARIBBEAN: HOME TO 8.4% OF THE WORLD'S POPULATION BUT 27.8% OF REGISTERED COVID-19 DEATHS WORLDWIDE

LATIN AMERICA AND THE CARIBBEAN: TOTAL POPULATION AND CUMULATIVE COVID-19 INFECTIONS AND DEATHS, 2020
(Percentages of the global total)

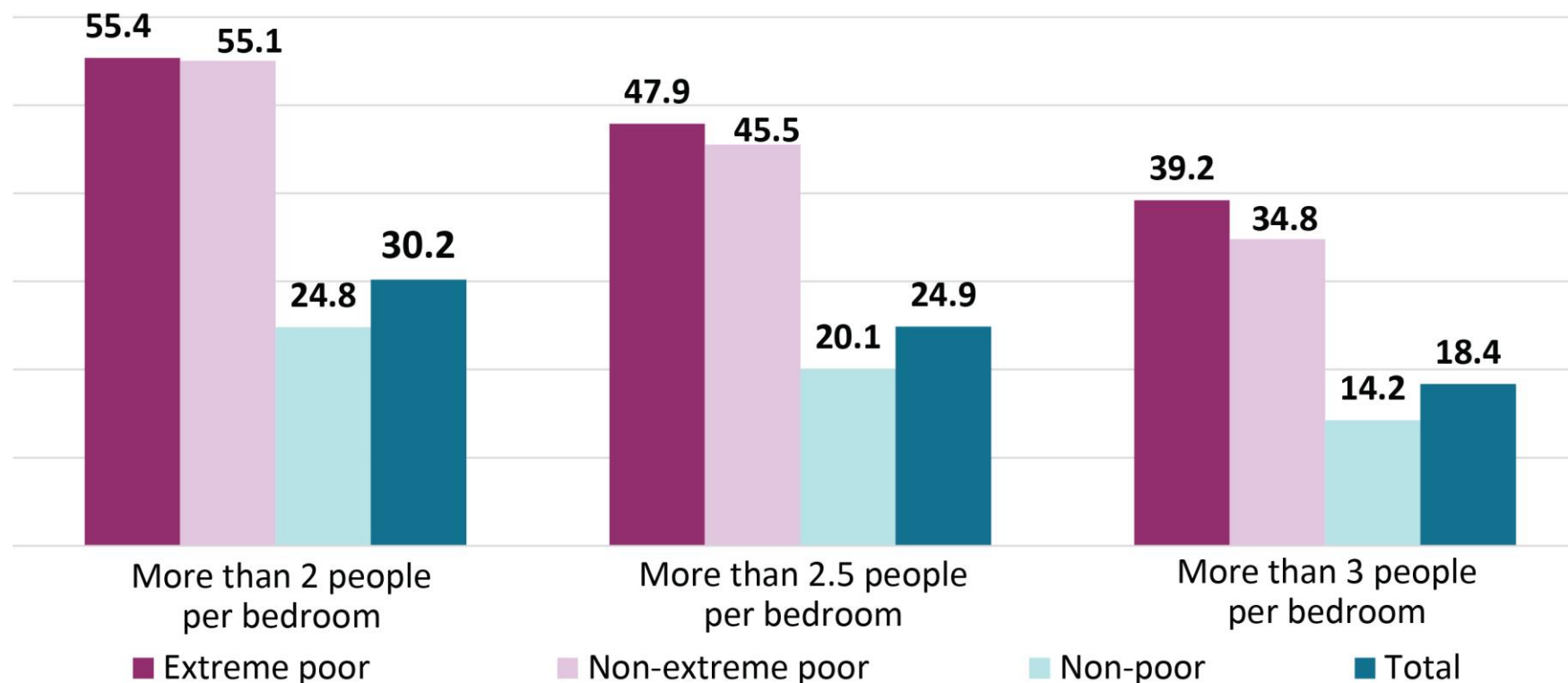


- **Most urbanized** developing region in the world: 81% of the population lives in urban areas and 35% lives in cities of 1 million or more inhabitants.
- **Overcrowding and lack of access to basic services** and social protection for population living in poverty with more comorbidities.
- **Fragmented and unequal and underfunded health systems** that lack human and technological resources and infrastructure.
- **Slow and unequal access to vaccination.**

Source: ECLAC, on the basis of WHO, WHO Coronavirus Disease (COVID-19) Dashboard and United Nations, *World Population Prospects*.

55% OF POOR HOUSEHOLDS IN THE REGION OVERCROWDED

LATIN AMERICA (11 COUNTRIES):^a OVERCROWDED URBAN HOUSEHOLDS, BASED ON OVERCROWDING THRESHOLDS AND POVERTY STATUS, 2019
(Percentages)



In 55% or more of urban poor households, there are 2 or more people per bedroom.

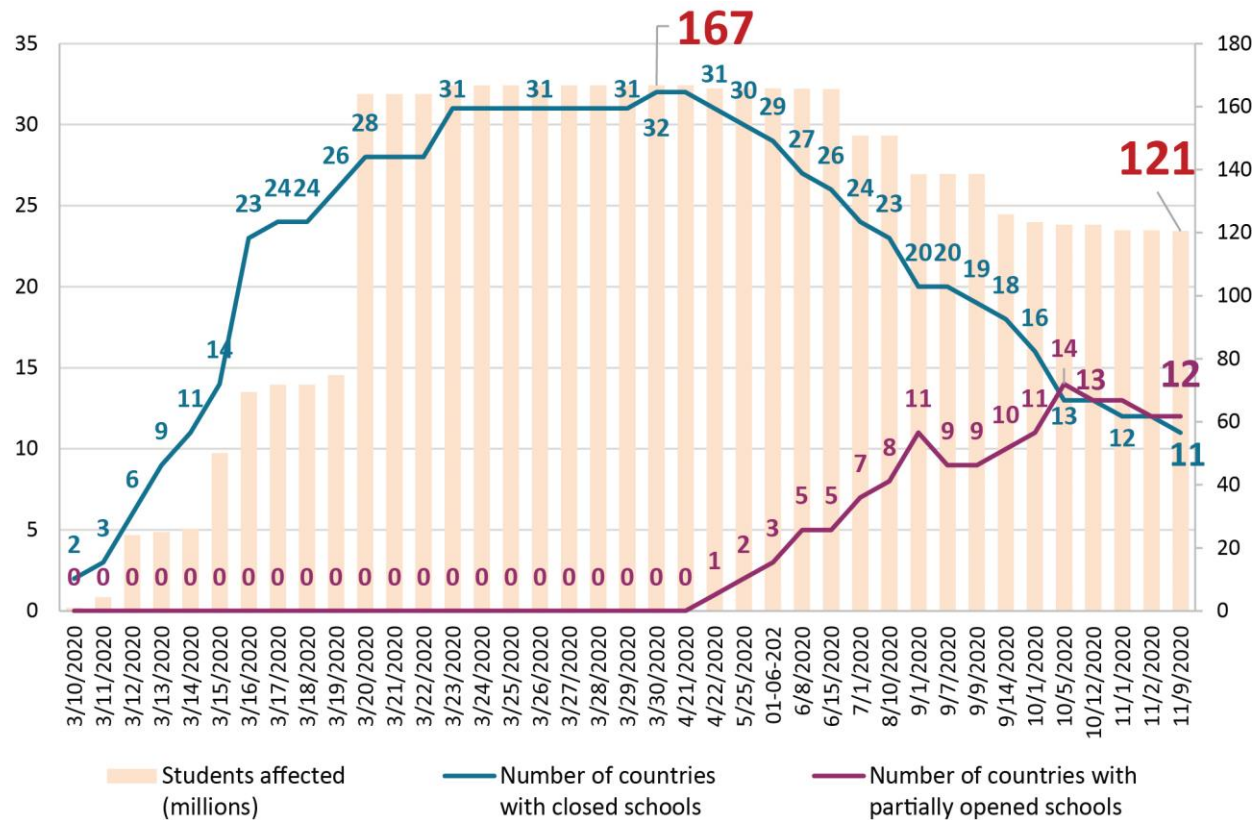
In more than one third of urban households, there are 3 or more people per bedroom.

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

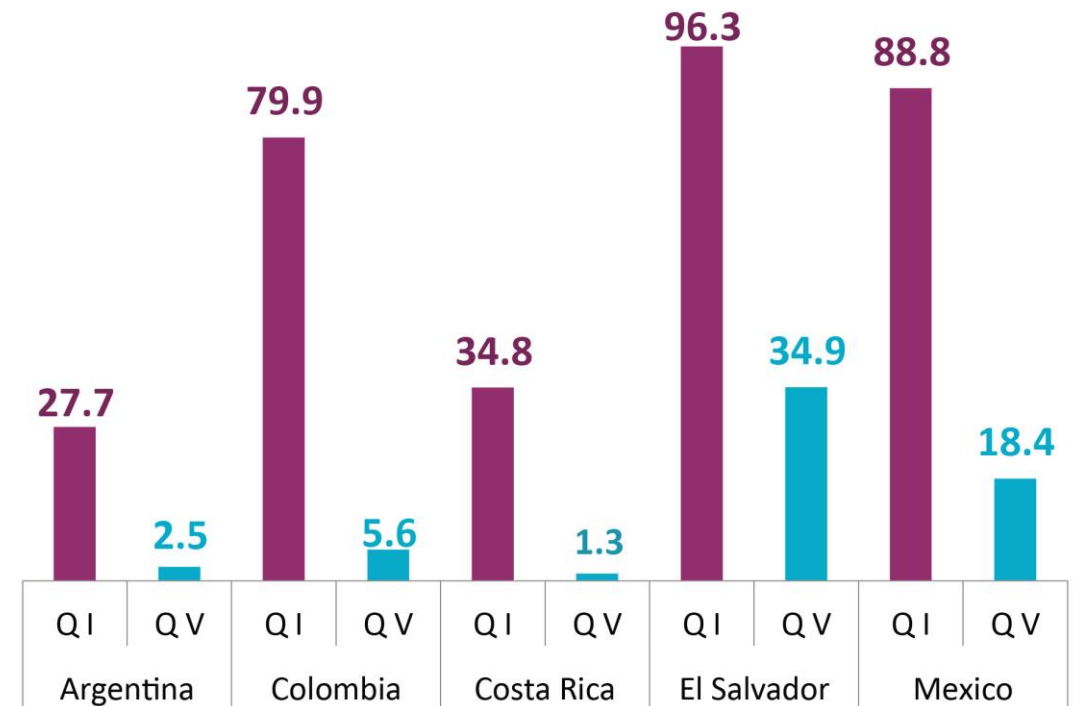
^a The countries included are: Argentina (urban areas), Brazil, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru and Uruguay.

167 MILLION STUDENTS AFFECTED BY SCHOOL CLOSURES AND WIDE GAPS IN INTERNET ACCESS AMONG CHILDREN

LATIN AMERICA AND THE CARIBBEAN (33 COUNTRIES): ADOPTION OF MEASURES TO SUSPEND CLASSES AND STUDENTS AFFECTED, BY DATE, 2020
(Number of countries and millions of students)



LATIN AMERICA (5 COUNTRIES): CHILDREN BETWEEN THE AGES OF 5 AND 12 YEARS IN HOUSEHOLDS THAT LACK INTERNET ACCESS, LATEST YEAR AVAILABLE
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Educational, Scientific and Cultural Organization (UNESCO).

Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG) and Gender Equality Observatory for Latin America and the Caribbean, Repository of information on time use in Latin America and the Caribbean.



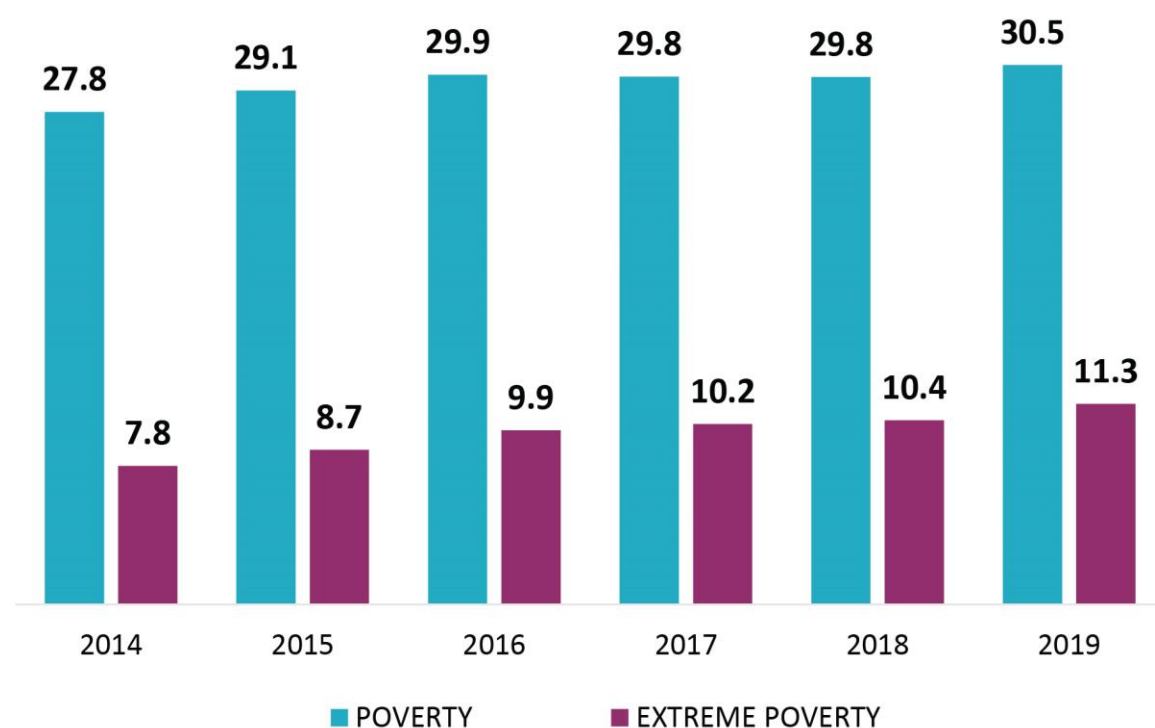
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PRE-PANDEMIC SOCIAL TRENDS: STRUCTURAL PROBLEMS WERE ON THE RISE

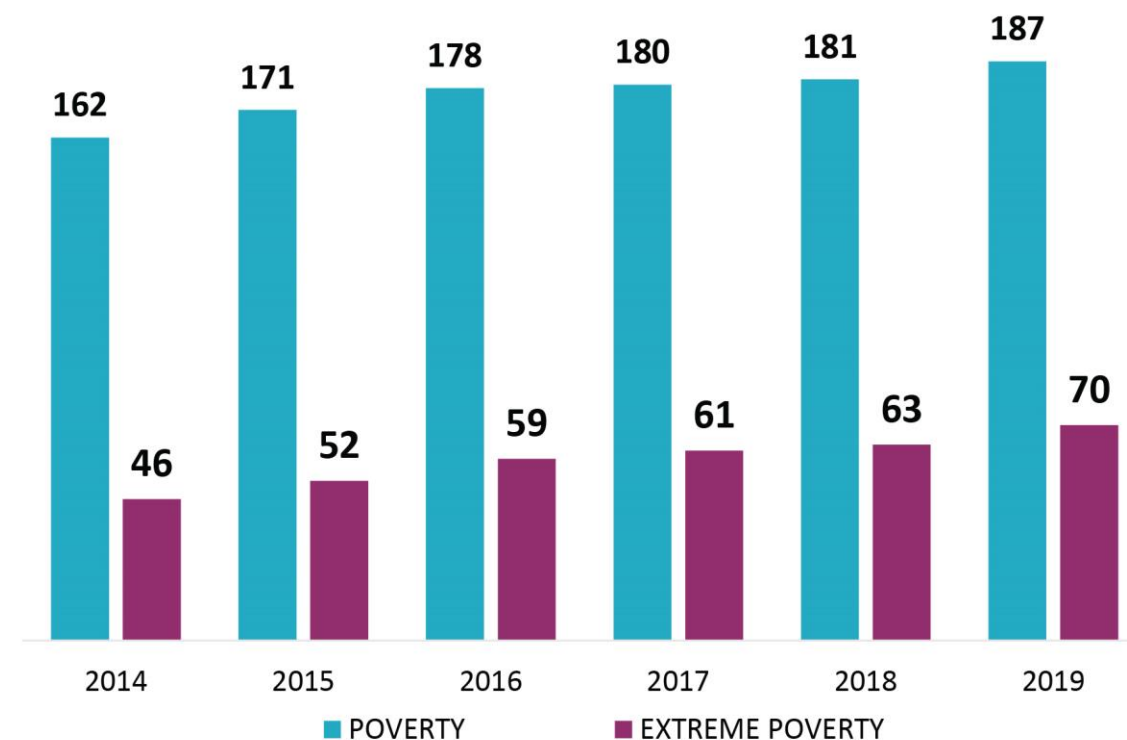
- Increases in poverty and extreme poverty
- Higher poverty levels in rural areas, in childhood and among indigenous peoples and Afrodescendants
- Reduction in the Gini coefficient had slowed
- Increasing unemployment with high levels of informality and lack of social protection
- Gender inequalities in unpaid care work

POVERTY AND EXTREME POVERTY ROSE IN LATIN AMERICA BETWEEN 2014 AND 2019

PERCENTAGE OF POPULATION



MILLIONS OF PEOPLE

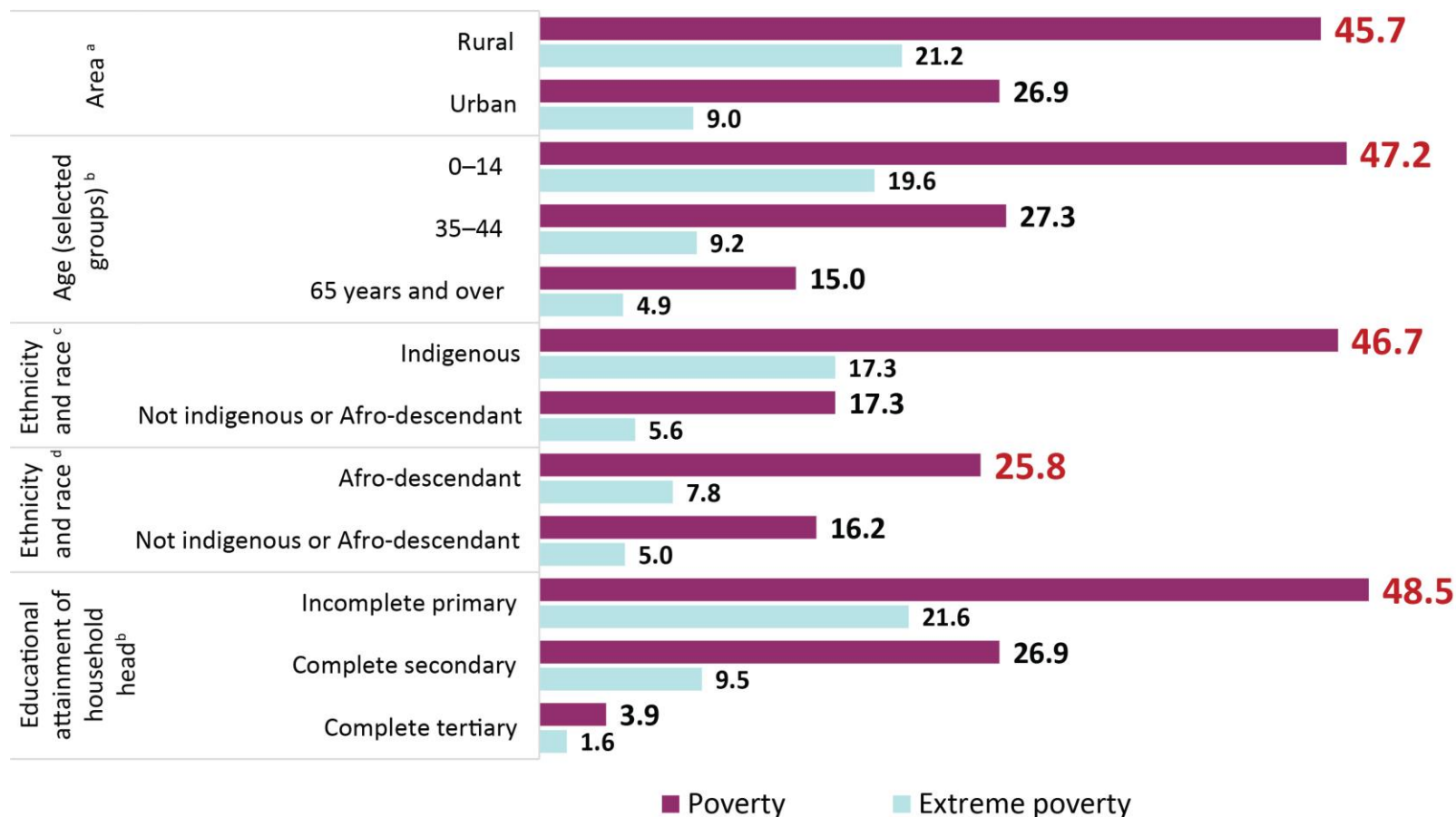


Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

^a Weighted average for the following countries: Argentina (urban), Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

POVERTY GAPS PERSIST IN RURAL AREAS AND AMONG INDIGENOUS PEOPLES, AFRODESCENDANTS AND CHILDREN

LATIN AMERICA: INCIDENCE OF POVERTY AND EXTREME POVERTY, BY AREA OF RESIDENCE AND VARIOUS SOCIODEMOGRAPHIC CHARACTERISTICS, 2019
(Percentages)

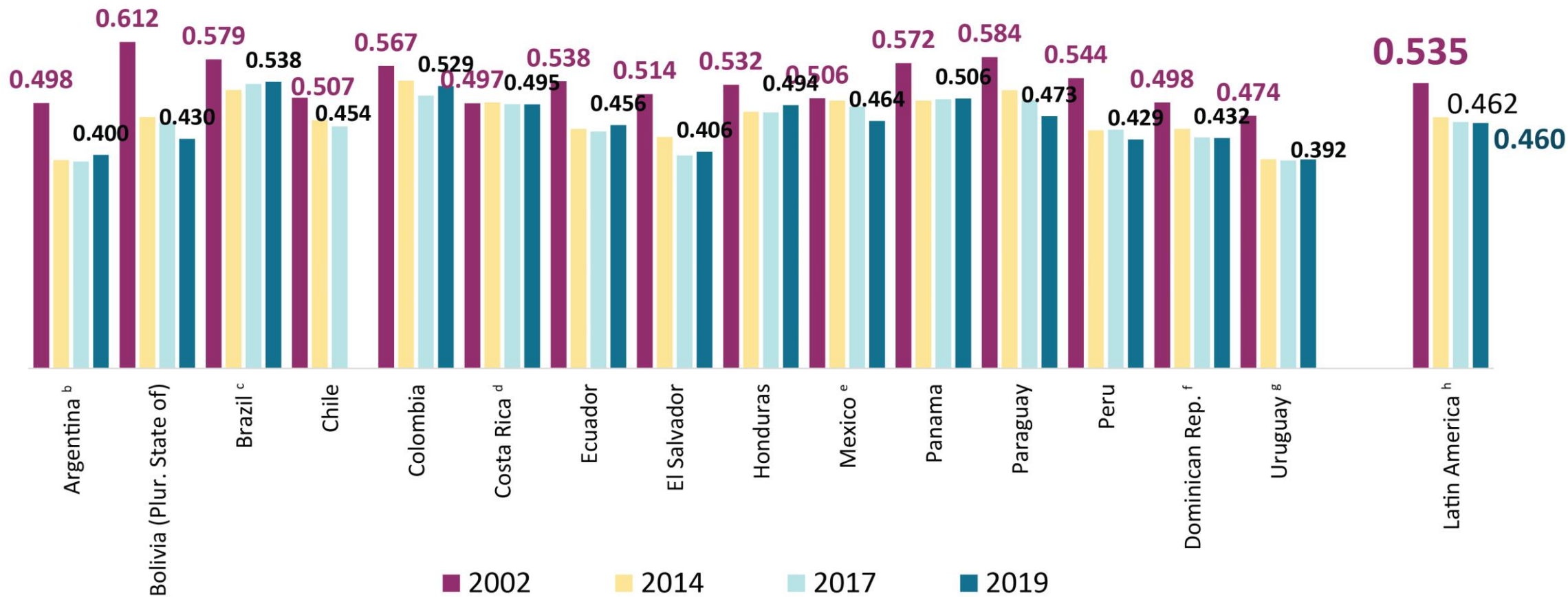


Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG).

^a 16 countries; ^b 18 countries; ^c 9 countries; ^d 6 countries.

ANNUAL RATE OF DECLINE OF GINI INDEX SLOWED BETWEEN 2017 AND 2019

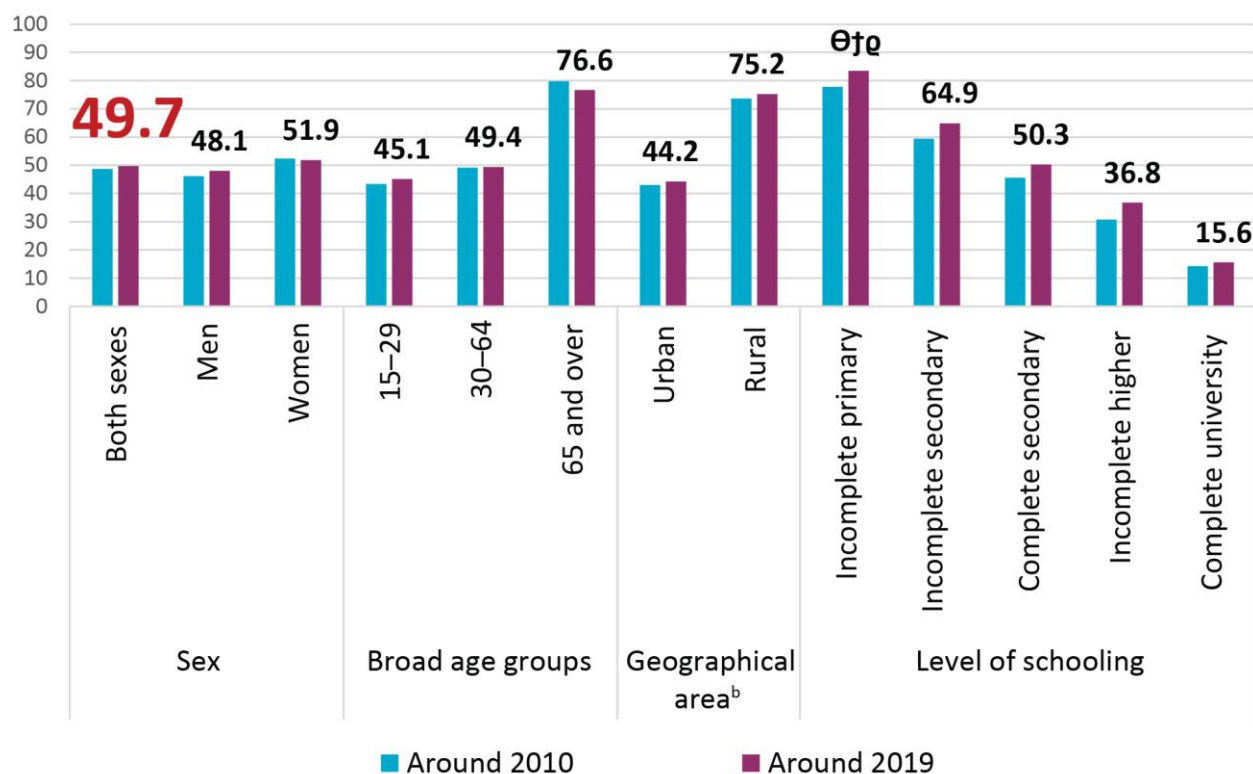
LATIN AMERICA (15 COUNTRIES): GINI INEQUALITY INDEX, 2002–2019 ^a



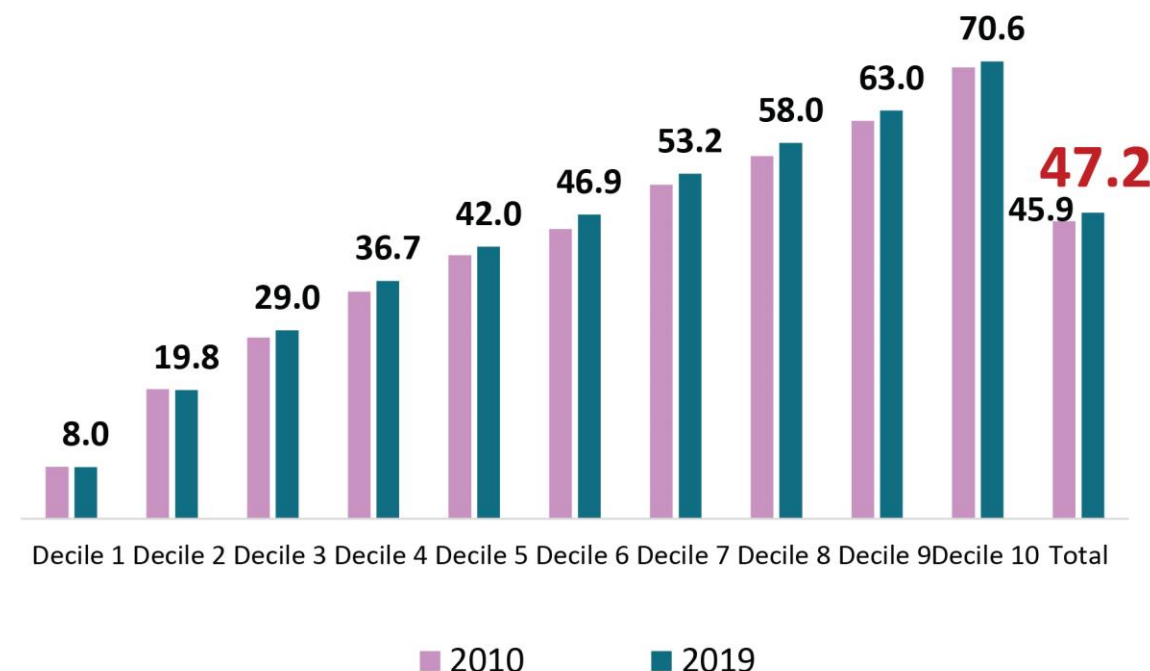
Source: ECLAC, on the basis of Household Survey Data Bank (BADEHOG). ^a The Gini index is calculated including incomes equal to zero. ^b Urban total. ^c The figures for 2002 and 2014 were adjusted for the difference between the national household survey (PNAD) and the continuous national household survey (PNAD Continua) of 2014, to enable their comparison with 2018 figures. ^d Figures from 2010 onward are not comparable with those of previous years. ^e Figures for 2016 and 2018 are not comparable with those of previous years. ^f Figures for 2017 and 2019 are not strictly comparable with those of 2002 to 2014.

HIGH RATE OF PARTICIPATION IN LOW-PRODUCTIVITY SECTORS AND ONLY 47.2% OF EMPLOYED PERSONS CONTRIBUTING TO PENSION SYSTEMS

LATIN AMERICA (15 COUNTRIES):^a WORKERS EMPLOYED IN LOW-PRODUCTIVITY SECTORS, BY SEX, BROAD AGE GROUPS, GEOGRAPHIC AREA AND LEVEL OF SCHOOLING, 2010 AND 2019
(Percentages)



LATIN AMERICA (15 COUNTRIES):^a AFFILIATION OR CONTRIBUTIONS TO PENSION SYSTEMS AMONG EMPLOYED PERSONS AGED 15 AND OVER, BY INCOME DECILE AND TOTAL, 2010 AND 2019
(Percentages)



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

^a Weighted average of the following countries: Argentina (urban areas), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

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

^a Weighted average of the following countries: Argentina (urban areas), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

ONE THIRD OF HOUSEHOLDS WITH CHILDREN OR ADOLESCENTS WERE NOT COVERED BY ANY SOCIAL PROTECTION BENEFITS

LATIN AMERICA (16 COUNTRIES): DISTRIBUTION OF HOUSEHOLDS WITH CHILDREN AND ADOLESCENTS WHOSE HEAD OF HOUSEHOLD OR SPOUSE IS IN THE ACTIVE STAGE OF THE LIFE CYCLE, BY ACCESS TO SOCIAL PROTECTION, AROUND 2018



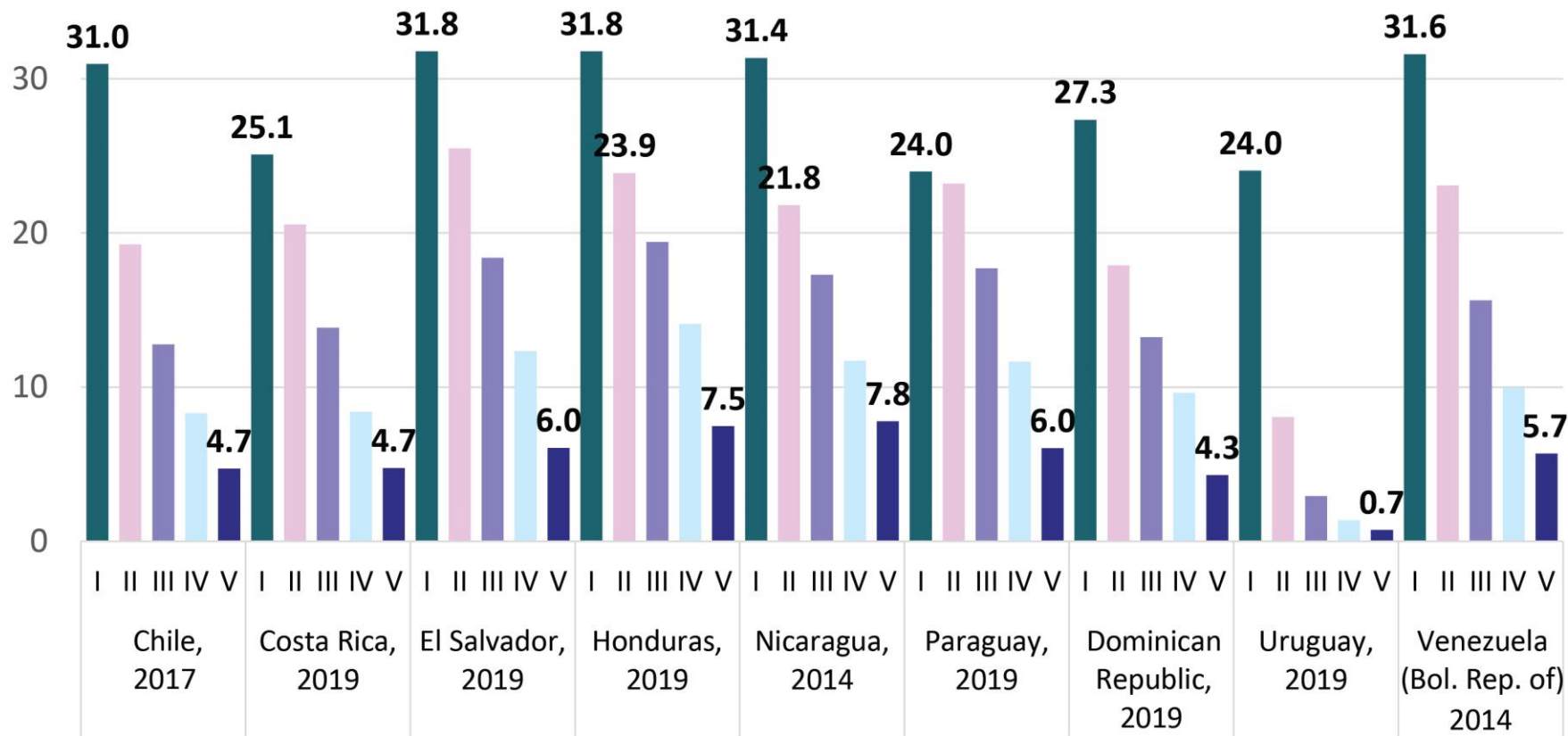
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

^a The survey records the receipt of monetary assistance from the government, without identifying specific programmes.

^b Weighted average. Data for Nicaragua correspond to 2014, those for Panama refer to 2016, and those for Argentina and Chile to 2017.

MORE THAN 30% OF WOMEN LIVING IN POVERTY DID NOT PARTICIPATE IN THE LABOUR MARKET FOR FAMILY-RELATED REASONS

LATIN AMERICA (9 COUNTRIES): WOMEN BETWEEN 20 AND 59 YEARS OF AGE WHO ARE NOT PARTICIPATING IN THE LABOUR MARKET FOR FAMILY-RELATED REASONS, BY INCOME QUINTILE, AROUND 2019
(Percentages)



The presence of children in the home, especially in poor households, is associated with an excessive burden of caregiving for women

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



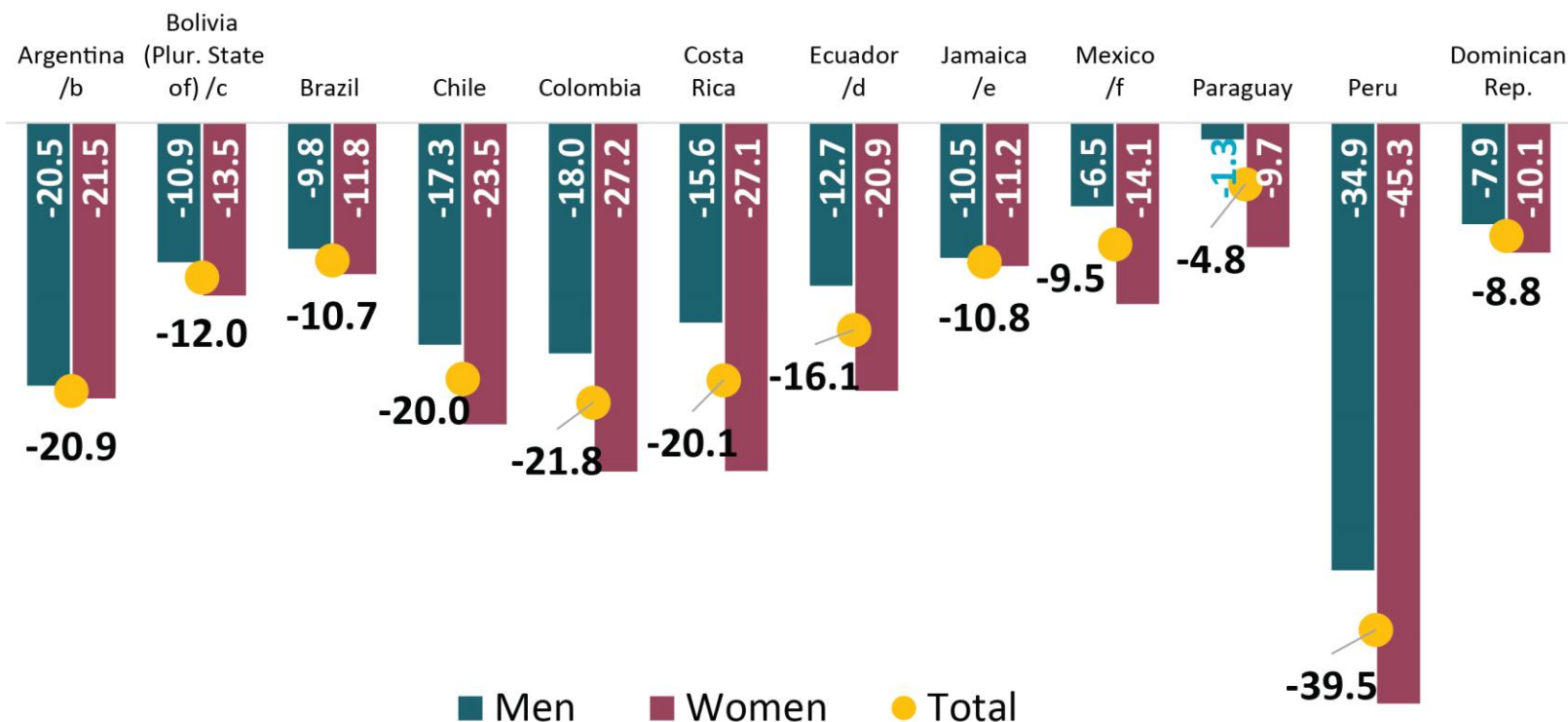
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THE SOCIAL IMPACT OF THE PANDEMIC: CRISIS IN THE LABOUR MARKET AND IN INCOME

- Unemployment has increased and labour force participation has declined, especially for women.
- The fall in employment has hit informal workers and young people particularly hard.
- Conditions for women in paid domestic work have deteriorated.
- Inequality has increased, with a worsening of the Gini index.
- Vulnerability has grown and there has been downward mobility

THE LABOUR MARKET IMPACT OF THE CRISIS: EMPLOYMENT HAS FALLEN MORE SHARPLY FOR WOMEN

LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES): CHANGES IN THE EMPLOYED POPULATION,
BY SEX, APRIL–JUNE QUARTER (2020/2019)^a
(Percentage points)



- **Unemployment hit 10.7%** in 2020, 2.6 percentage points higher than in 2019 (8.1%)
- **Many people left the labour force**
- **Just 21.3%** of employed people in the region can **work remotely**

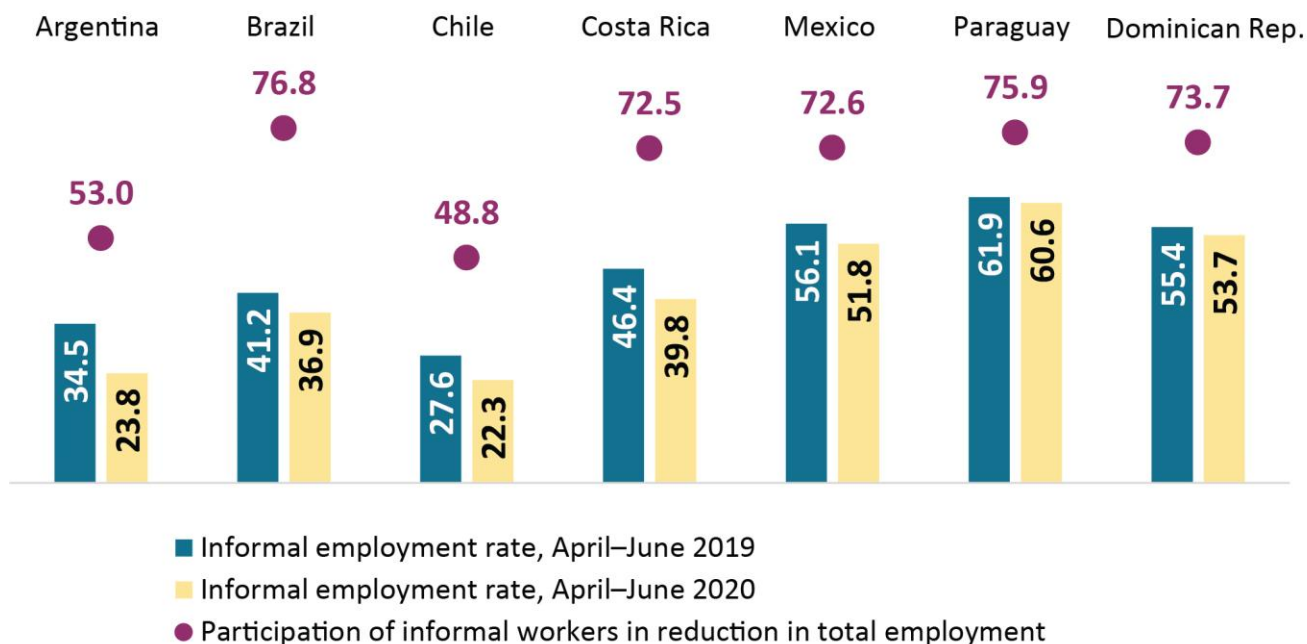
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

a In Colombia, Ecuador and Jamaica, includes hidden unemployment. For more information on comparability of 2019 and 2020 data, see table II.A1.2 in the annex.

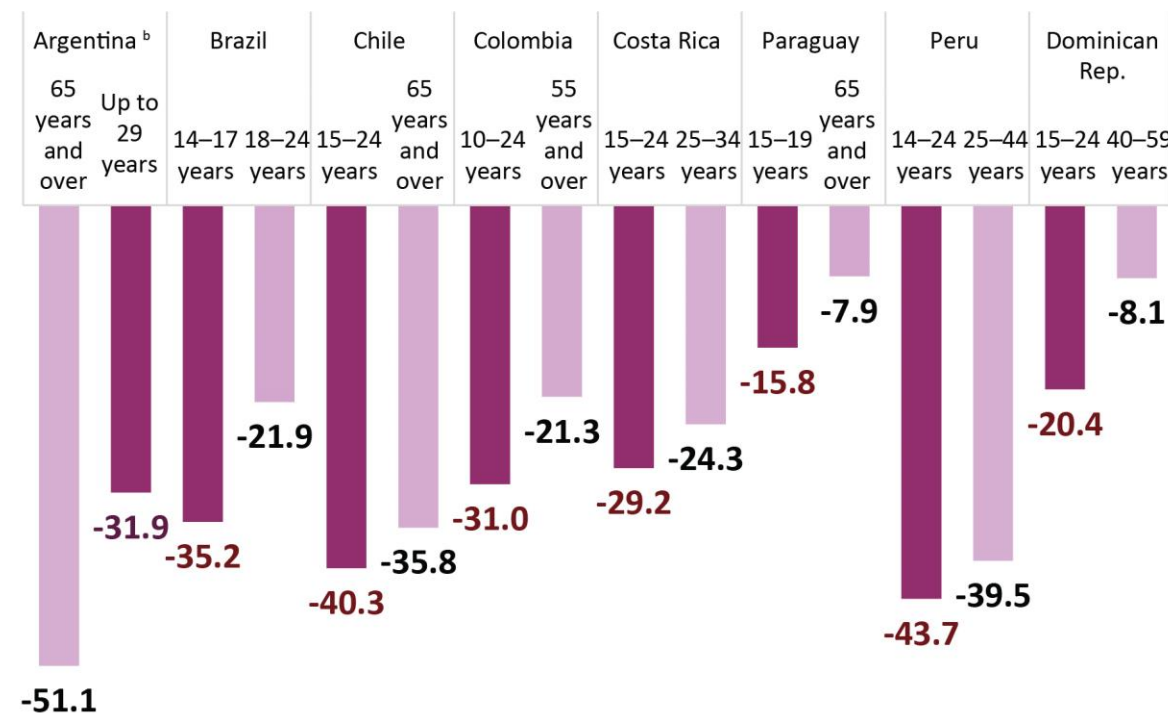
b 31 urban centres. c Urban areas. d June 2019 and May–June 2020 data. e July 2020 data. f May 2020 data.

THE DECLINE IN EMPLOYMENT PRIMARILY AFFECTED INFORMAL WORKERS AND YOUTH

LATIN AMERICA (7 COUNTRIES): SHARE OF INFORMAL WORKERS IN TOTAL EMPLOYMENT REDUCTION AND INFORMAL EMPLOYMENT RATE, APRIL–JUNE QUARTER (2020/2019)^a
(Percentages)



LATIN AMERICA (8 COUNTRIES): CHANGES IN THE EMPLOYED POPULATION, BY MOST AFFECTED AGE GROUPS, APRIL–JUNE QUARTER (2020/2019)^a
(Percentages)



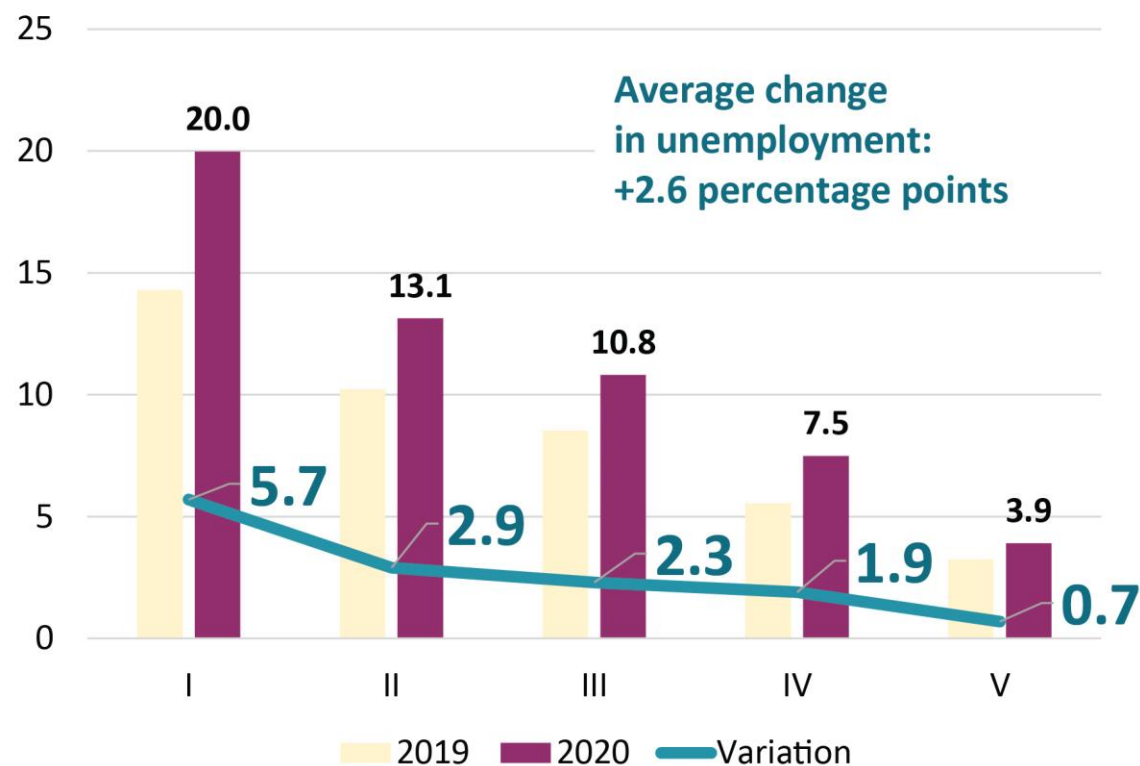
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
a For more information on comparability of 2019 and 2020 data, see table II.A1.2 in the Social Panorama of Latin America 2020. b 31 urban centres. c May 2020 data.

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

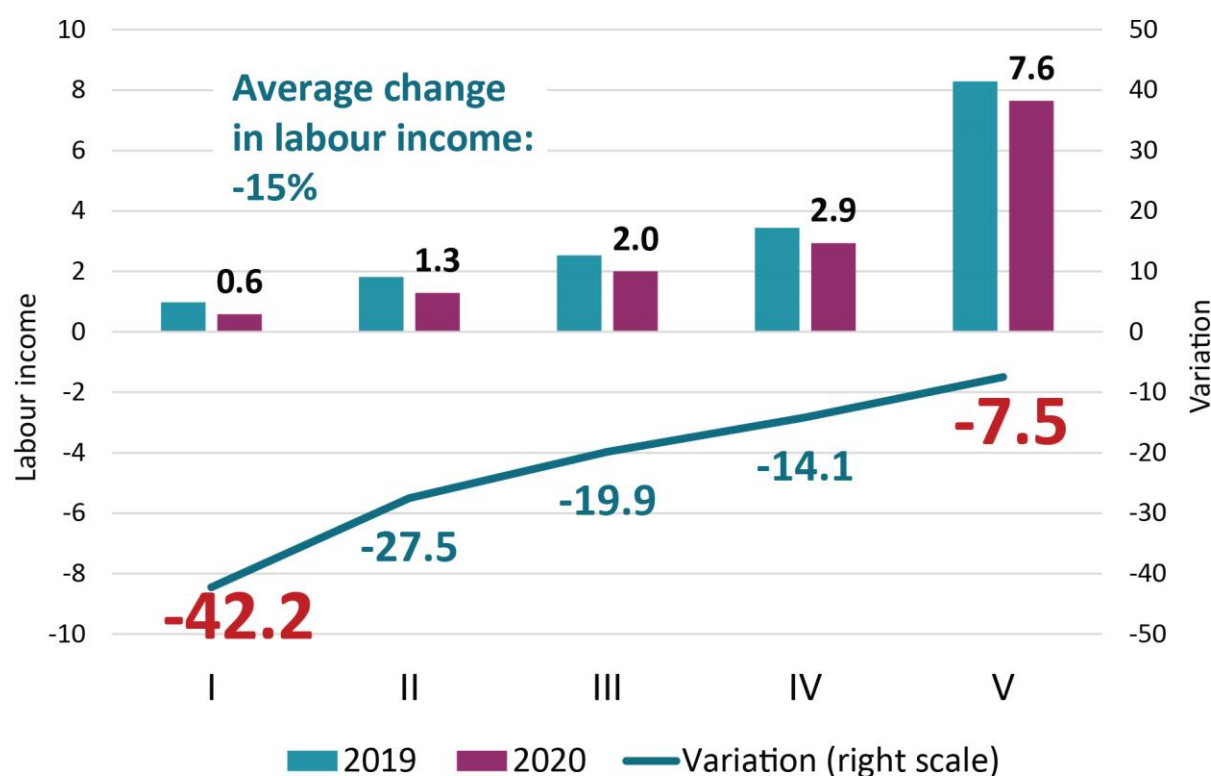
a For more information on comparability of 2019 and 2020 data, see table II.A1.2 in the Social Panorama of Latin America 2020. b 31 urban centres.

GREATER INEQUALITY IN EMPLOYMENT AND LABOUR INCOME. DESPITE ANNOUNCED MEASURES, THE GINI INDEX HAS WORSENE

LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT RATE, BY QUINTILE, 2019 AND 2020^a
(Percentages)



LATIN AMERICA (18 COUNTRIES): LABOUR INCOME PER EMPLOYED PERSON (IN MULTIPLES OF THE POVERTY LINE), BY QUINTILE, 2019 AND 2020
(Percentages)



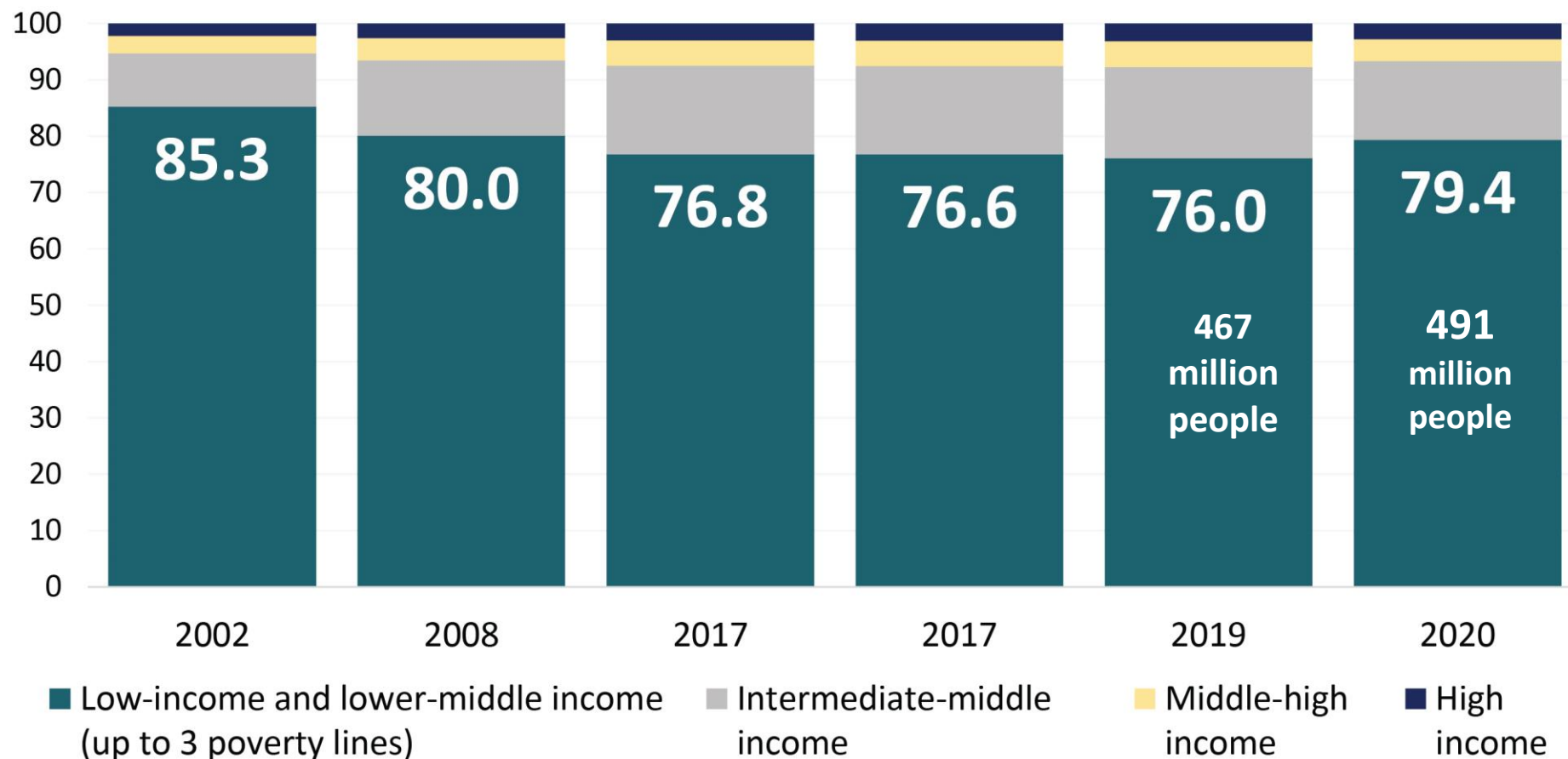
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

^a In the projection model, the unemployment rate includes all persons who have lost their jobs, without distinguishing whether they looked for a new job (and are therefore unemployed) or not (and are therefore out of the labour force). The countries included are: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

VULNERABILITY HAS INCREASED: AN ESTIMATED 491 MILLION LATIN AMERICANS WERE LIVING WITH INCOME EQUIVALENT TO THREE POVERTY LINES OR LESS IN 2020

LATIN AMERICA: POPULATION BY PER CAPITA INCOME STRATA, 2002-2020^a

(Percentages)



8 out of 10 Latin Americans are vulnerable. Universal social protection systems must therefore be built.

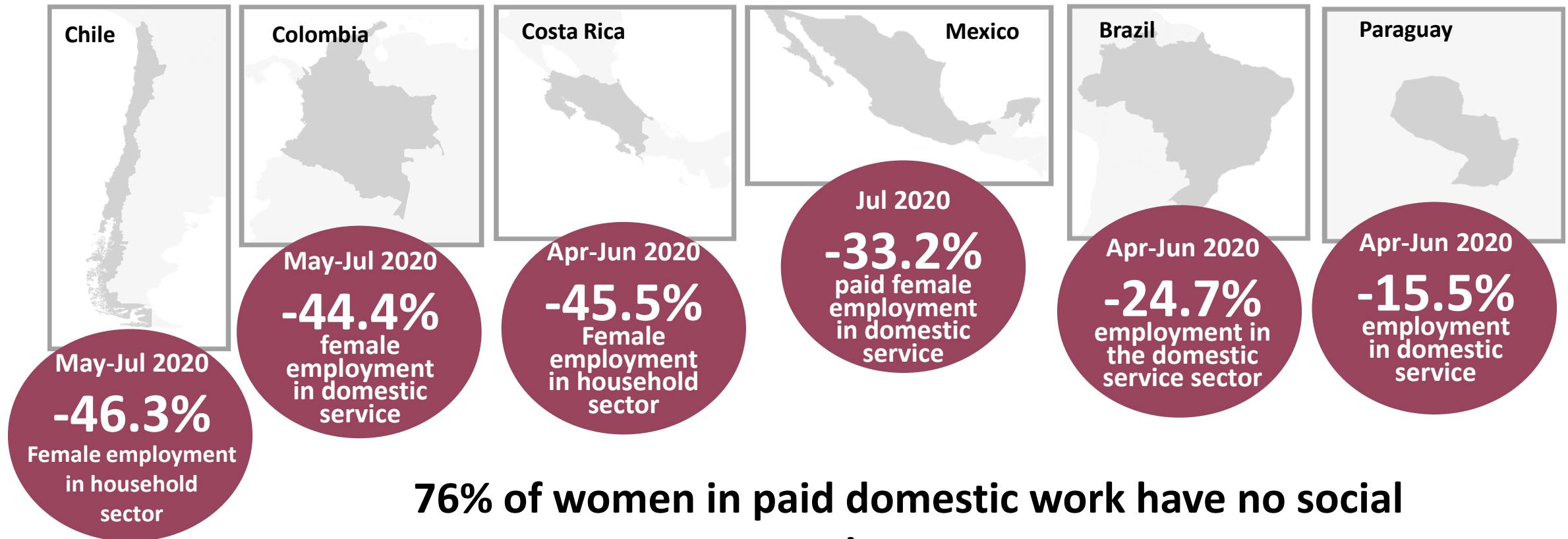
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG), figures adjusted for population projections of United Nations, World Population Prospects 2019, New York, 2019 [online]

<https://population.un.org/wpp/> and estimated poverty trends in countries for which figures are not available for the years indicated.

^a The countries included are: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

WORSE LABOUR CONDITIONS FOR WOMEN IN PAID DOMESTIC WORK

LATIN AMERICA (6 COUNTRIES): VARIATION IN EMPLOYMENT IN PAID DOMESTIC WORK, LATEST AVAILABLE PERIOD, (2020/2019)
(Percentages)



76% of women in paid domestic work have no social security coverage

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official sources



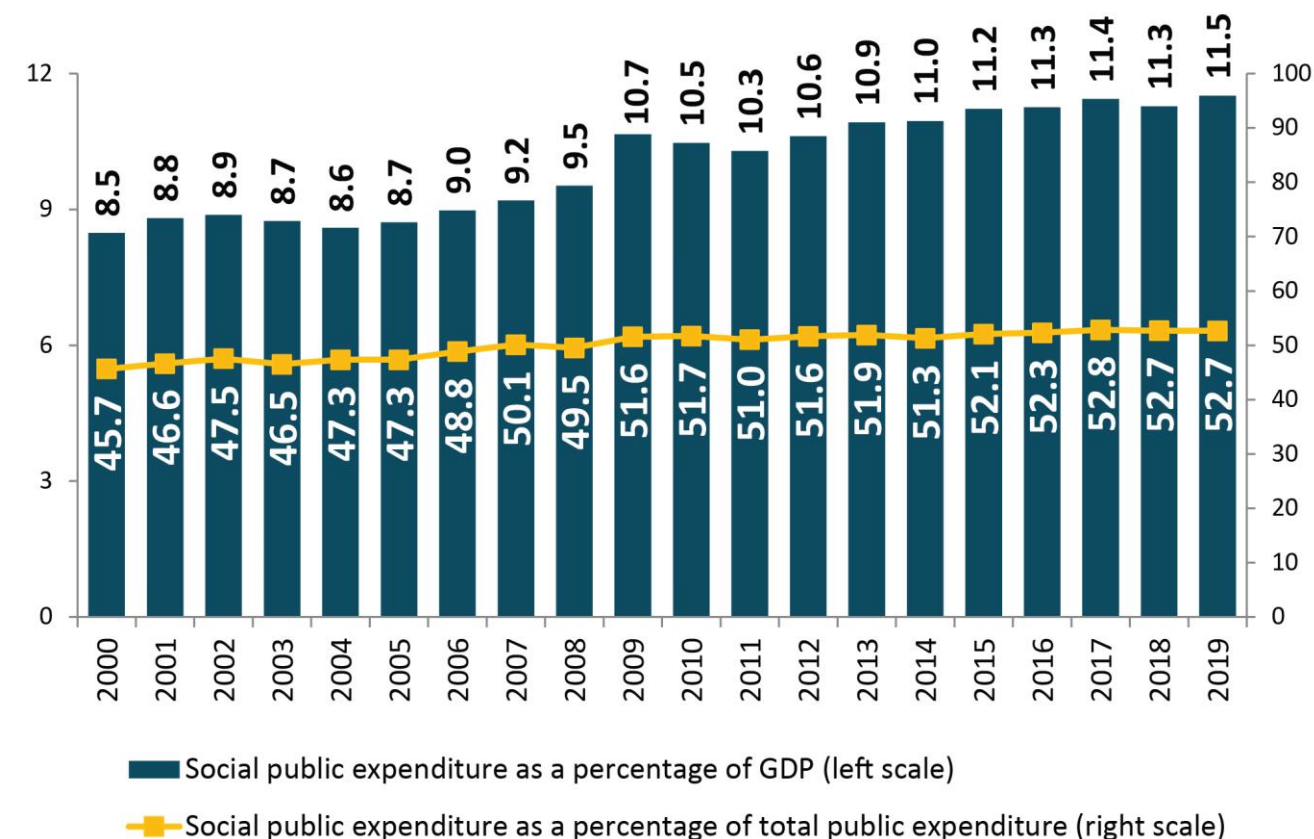
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SOCIAL PROTECTION MEASURES AND THEIR IMPACT ON POVERTY

- 263 emergency social protection measures are being implemented
- Announced spending: US\$ 86 billion, equivalent to 1.25% of the GDP of Latin America and the Caribbean
- Covers 49.4% of the regional population, including many informal workers
- However, the amounts of cash transfers have not been enough to cover basic needs
- Emergency transfers have helped to slow the rise in poverty, but have not stopped it

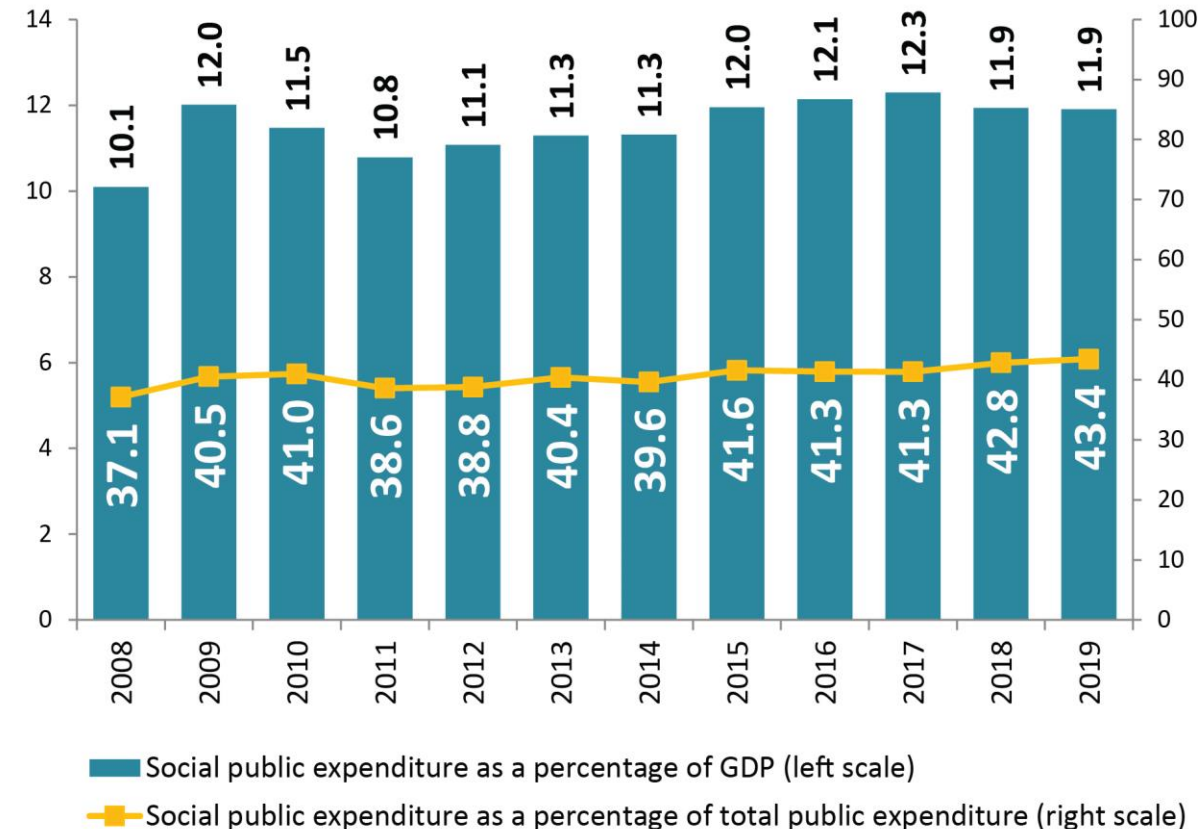
CENTRAL GOVERNMENT SPENDING HAS FOCUSED ON SOCIAL MEASURES

LATIN AMERICA (17 COUNTRIES): CENTRAL-GOVERNMENT SOCIAL SPENDING, 2000–2019^a
(Percentages of GDP and of total public expenditure)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
^a The figures shown correspond to the arithmetic mean of 17 Latin American countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. Coverage in the Plurinational State of Bolivia corresponds to central administration and that of Peru to general government. The 2019 data for the Plurinational State of Bolivia refer to 2018; the 2018 and 2019 data for Panama relate to 2017.

THE CARIBBEAN (5 COUNTRIES): CENTRAL-GOVERNMENT SOCIAL SPENDING, 2008–2019^a
(Percentages of GDP and of total public expenditure)

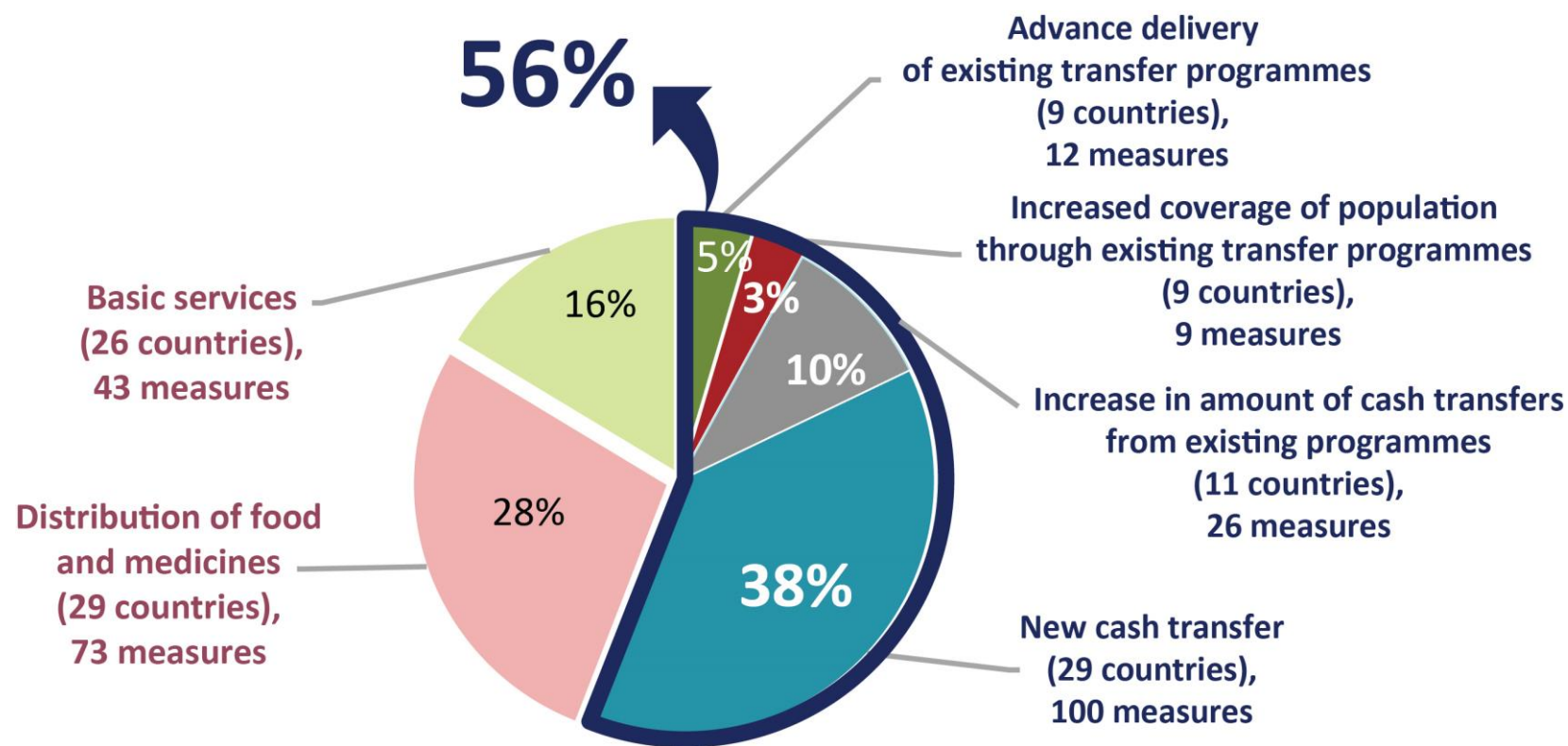


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
^a The figures shown correspond to the arithmetic mean of five Caribbean countries: Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago.

TO OFFSET THE LOSS OF HOUSEHOLD INCOME, 263 EMERGENCY SOCIAL PROTECTION MEASURES WERE LAUNCHED IN 2020

LATIN AMERICA AND THE CARIBBEAN (32 COUNTRIES): EMERGENCY SOCIAL PROTECTION MEASURES FOR THE POPULATION LIVING IN POVERTY AND VULNERABILITY, BY TYPE OF MEASURE, 2020^a

(Number of countries and measures, and percentage distribution)



56% of measures were cash transfers (147 measures in 30 countries):

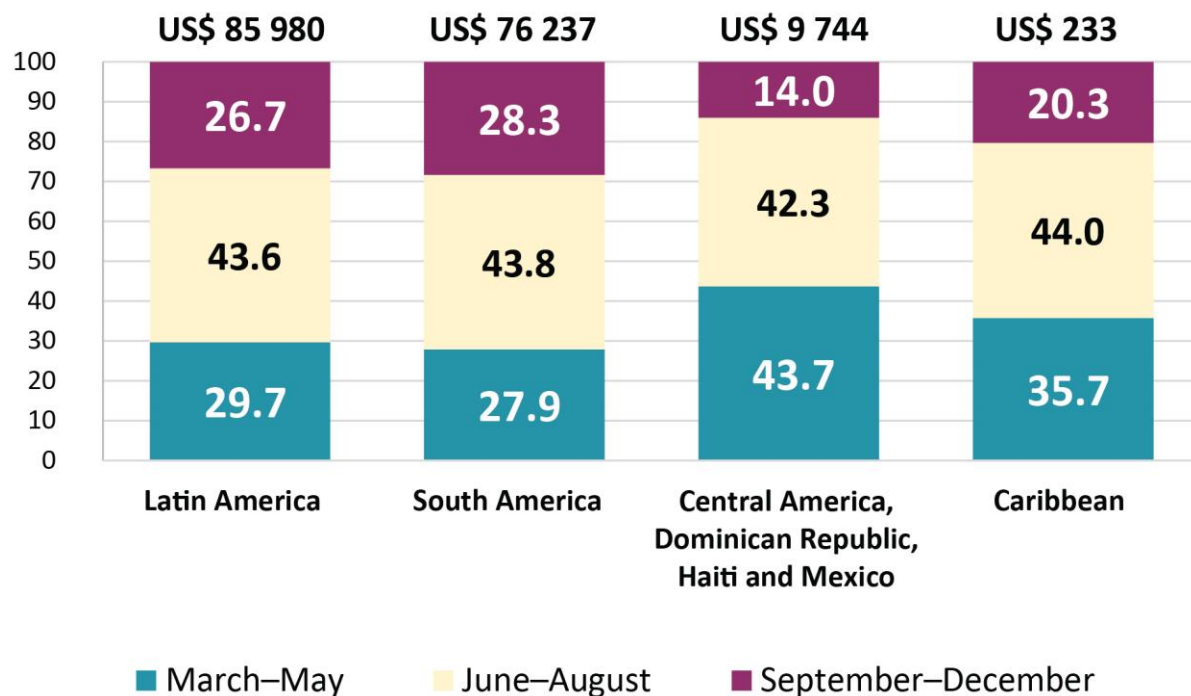
- 29 countries created 100 new transfers.
- 11 countries increased existing amounts; 9 countries expanded coverage; and 9 countries made advance payments.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from the countries; Economic Commission for Latin America and the Caribbean (ECLAC), COVID-19 Observatory in Latin America and the Caribbean [online database] <https://www.cepal.org/es/temas/covid-19>; "Social protection measures to confront COVID-19", Social Development and COVID-19 in Latin America and the Caribbean [online database] <https://dds.cepal.org/observatorio/socialcovid19/en/listamedidas.php>.
a Includes measures announced between 1 March and 6 November 2020. The countries are Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, the Plurinational State of Bolivia, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

IN 2020, A TOTAL OF US\$ 86 BILLION OF CASH AND IN-KIND TRANSFERS WERE ANNOUNCED

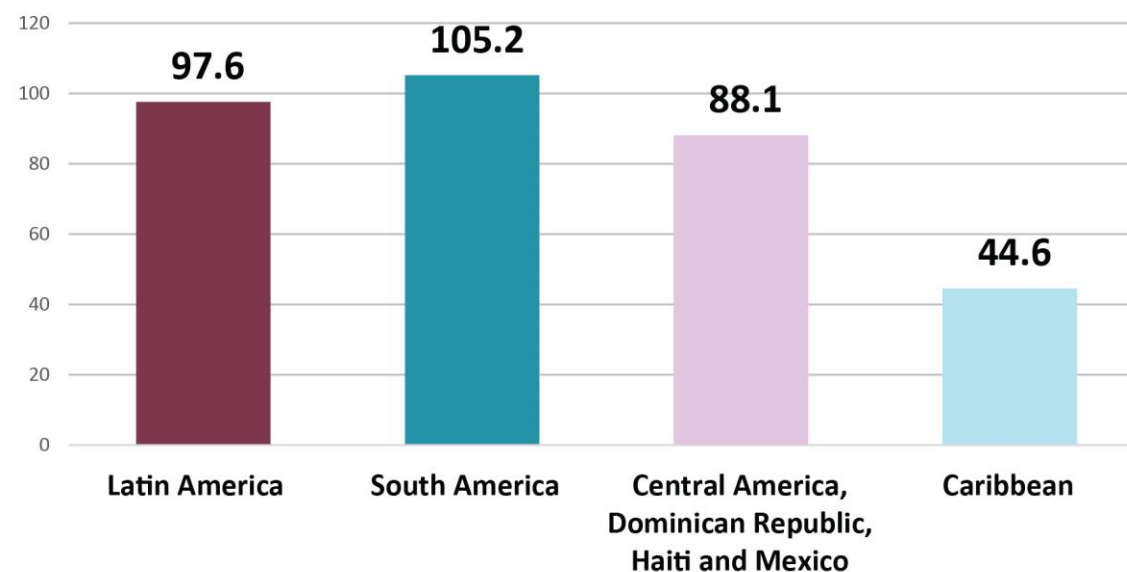
LATIN AMERICA AND THE CARIBBEAN (28 COUNTRIES): TIME DISTRIBUTION OF SPENDING ON EMERGENCY CASH AND IN-KIND TRANSFERS, MARCH–DECEMBER 2020^{ab}

(Percentage distribution, total in millions of current dollars)



LATIN AMERICA AND THE CARIBBEAN (28 COUNTRIES): ESTIMATED AVERAGE PER CAPITA EXPENDITURE ON EMERGENCY CASH AND IN-KIND TRANSFERS, MARCH–DECEMBER 2020^a

(Dollars at current prices)^b



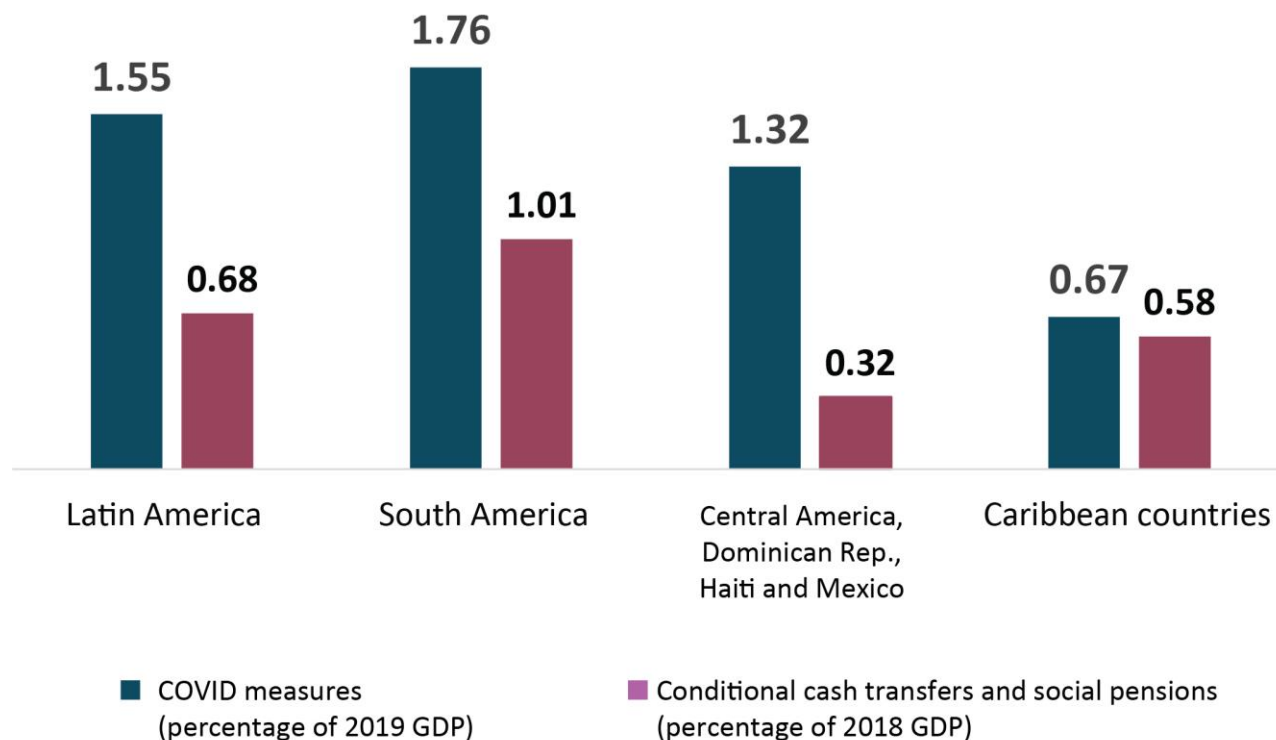
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/es/temas/covid-19> and Observatory on Social Development in Latin America and the Caribbean, “Social Development and COVID-19 in Latin America and the Caribbean” [online] <https://dds.cepal.org/observatorio/socialcovid19/listamedidas.php>.

a The 28 countries of Latin America and the Caribbean are divided into two groups: 18 Latin American countries and 10 Caribbean ones (Antigua and Barbuda, Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, and Trinidad and Tobago). The Latin American countries are divided into two subgroups: 10 countries from South America (Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay; and eight from the group comprising Central America (Costa Rica, El Salvador, Guatemala, Honduras and Panama), plus the Dominican Republic, Haiti and Mexico.

b The average monthly exchange rate from March to October 2020 published by the International Monetary Fund (IMF) [online] <https://data.imf.org/regular.aspx?key=61545862> was used, except in the case of the Bolivarian Republic of Venezuela, where the average daily exchange rate published by the Central Bank of Venezuela [online] <http://www.bcv.org.ve/estadisticas/tipo-cambio-de-referencia-smc> was used.

IN LATIN AMERICA AND THE CARIBBEAN, ANNOUNCED EMERGENCY SOCIAL PROTECTION MEASURES REPRESENT 1.25% OF 2019 GDP

LATIN AMERICA AND THE CARIBBEAN (26 COUNTRIES): ESTIMATED SPENDING ON EMERGENCY CASH AND IN-KIND TRANSFERS (2020) AND ON CONDITIONAL CASH TRANSFER (CCT) PROGRAMMES AND SOCIAL PENSIONS (2018) ^a
(Percentages of GDP)



In **Latin America**, the announced measures represent 1.55% of GDP in 2019: **2.3 times the average annual spending on CCT programmes and non-contributory pensions in 2018.**

In Central America, the Dominican Republic, Haiti and Mexico, the commitments are **4.1 times the average spending on CCT programmes and non-contributory pensions in 2018.**

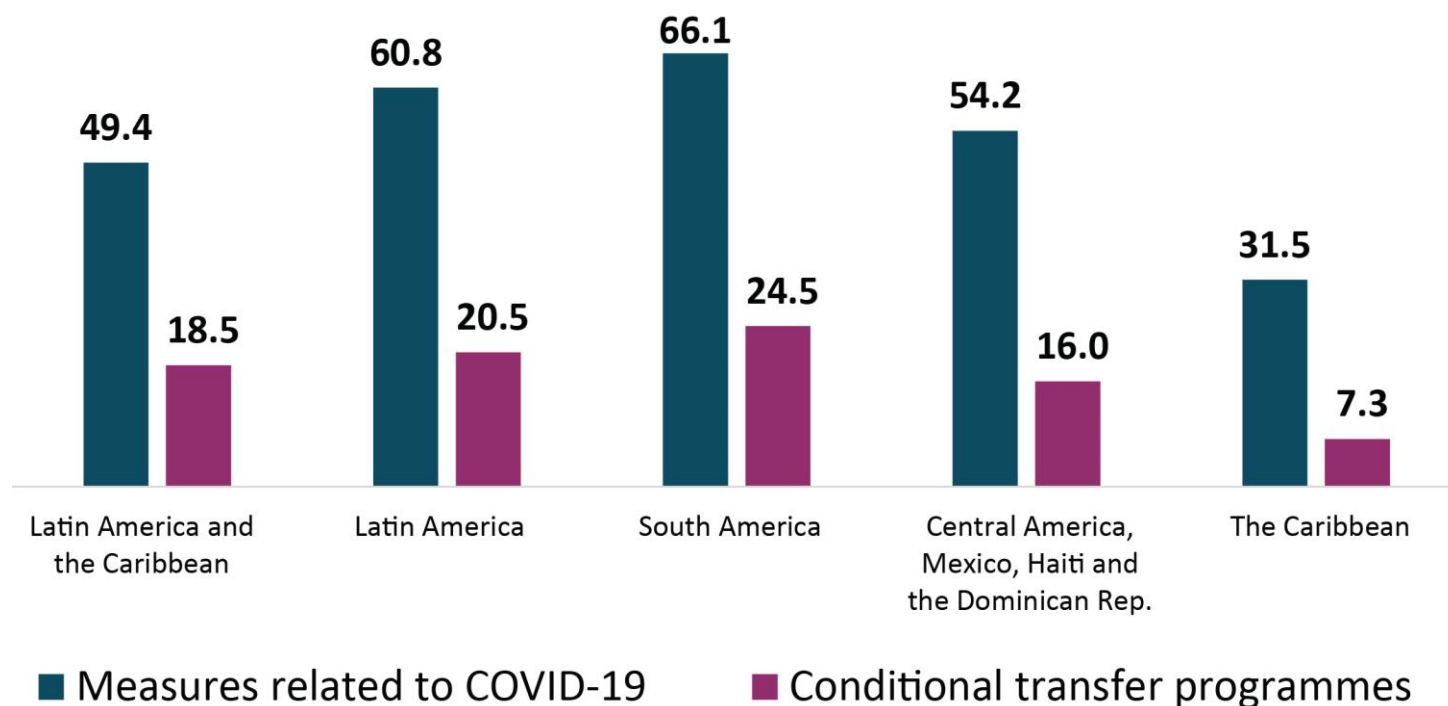
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

a/ The 26 countries of Latin America and the Caribbean are divided into two groups: 17 Latin American countries and nine Caribbean ones (Antigua and Barbuda, Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, and Trinidad and Tobago). The Latin American countries are divided into two subgroups: nine countries from South America (Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay) and eight from the group comprising Central America (Costa Rica, El Salvador, Guatemala, Honduras and Panama), plus the Dominican Republic, Haiti and Mexico.

CASH AND IN-KIND TRANSFERS HAVE BEEN MADE TO 49.4% OF THE REGIONAL POPULATION, INCLUDING MANY INFORMAL WORKERS

LATIN AMERICA AND THE CARIBBEAN (28 COUNTRIES): PERSONS IN HOUSEHOLDS BENEFITING FROM EMERGENCY CASH AND IN-KIND TRANSFERS (2020) AND CONDITIONAL TRANSFER PROGRAMMES, SIMPLE AVERAGE BY SUBREGION (LATEST YEAR AVAILABLE)^a

(Percentages of the total population)



- In Latin America, population coverage is estimated at 60.8%.
- This is 40.3 percentage points higher than the coverage of permanent cash transfer programmes.
- A total of 84 million households have been covered, representing 326 million people in Latin America and the Caribbean.
- Innovation: 33 cash transfers cover informal workers in the region.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/es/temas/covid-19> and Observatory on Social Development in Latin America and the Caribbean, "Social Development and COVID-19 in Latin America and the Caribbean" [online] <https://dds.cepal.org/observatorio/socialcovid19/listamedidas.php>.

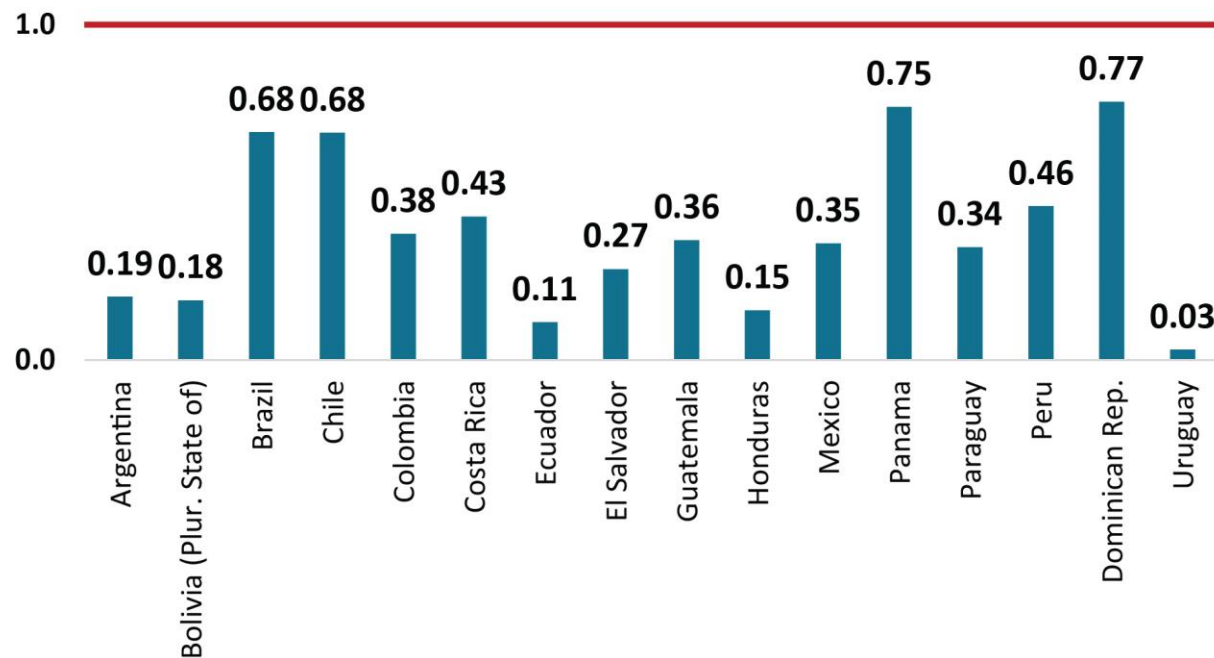
^a South America includes: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay; Central America includes: Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico and Panama; and the Caribbean includes: Antigua and Barbuda, Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago.

CASH TRANSFER AMOUNTS HAVE NOT BEEN SUFFICIENT TO COVER BASIC NEEDS

Just 6 of 16 countries in Latin America provided average monthly cash transfers of which the amounts equalled or exceeded the extreme poverty line from March–December 2020

LATIN AMERICA (16 COUNTRIES): AVERAGE MONTHLY AMOUNT OF CASH TRANSFERS TO ADDRESS THE COVID-19 PANDEMIC IN THE PERIOD FROM MARCH TO DECEMBER 2020, BY COUNTRY

AS MULTIPLES OF THE POVERTY LINE



AS MULTIPLES OF THE EXTREME POVERTY LINE

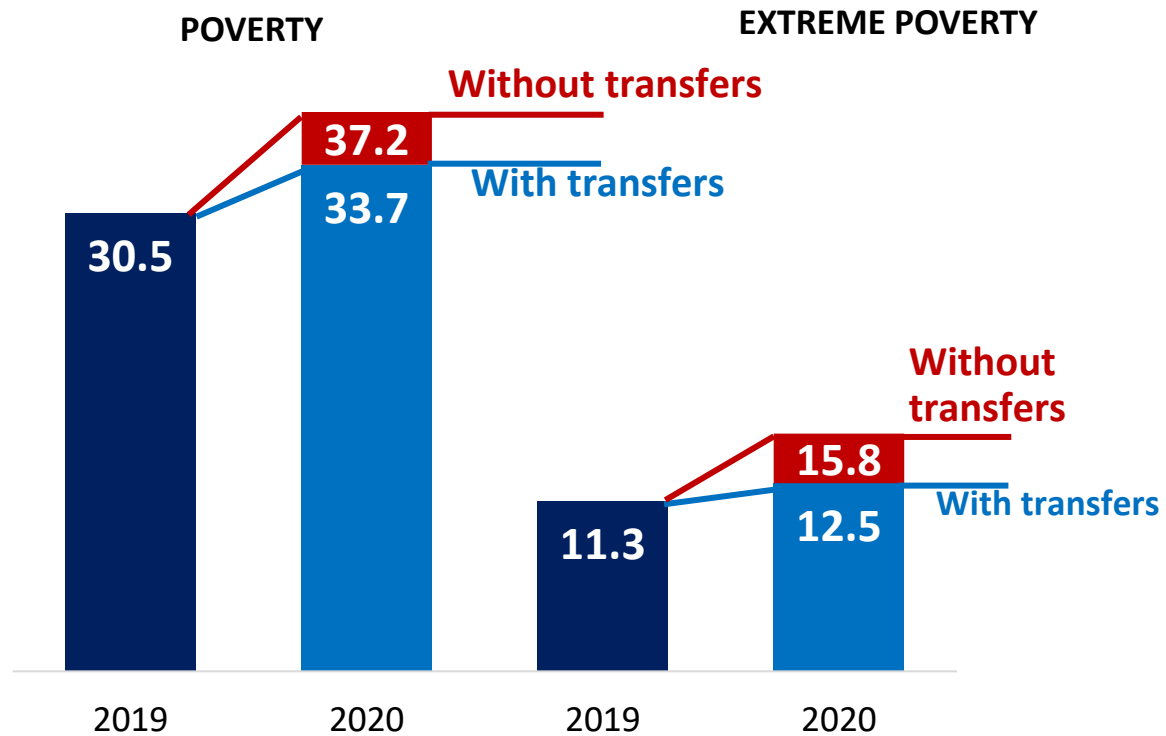


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries; COVID-19 Observatory in Latin America and the Caribbean [online] <https://www.cepal.org/es/temas/covid-19> and Observatory on Social Development in Latin America and the Caribbean, "Social Development and COVID-19 in Latin America and the Caribbean" [online] <https://dds.cepal.org/observatorio/socialcovid19/listamedidas.php>.

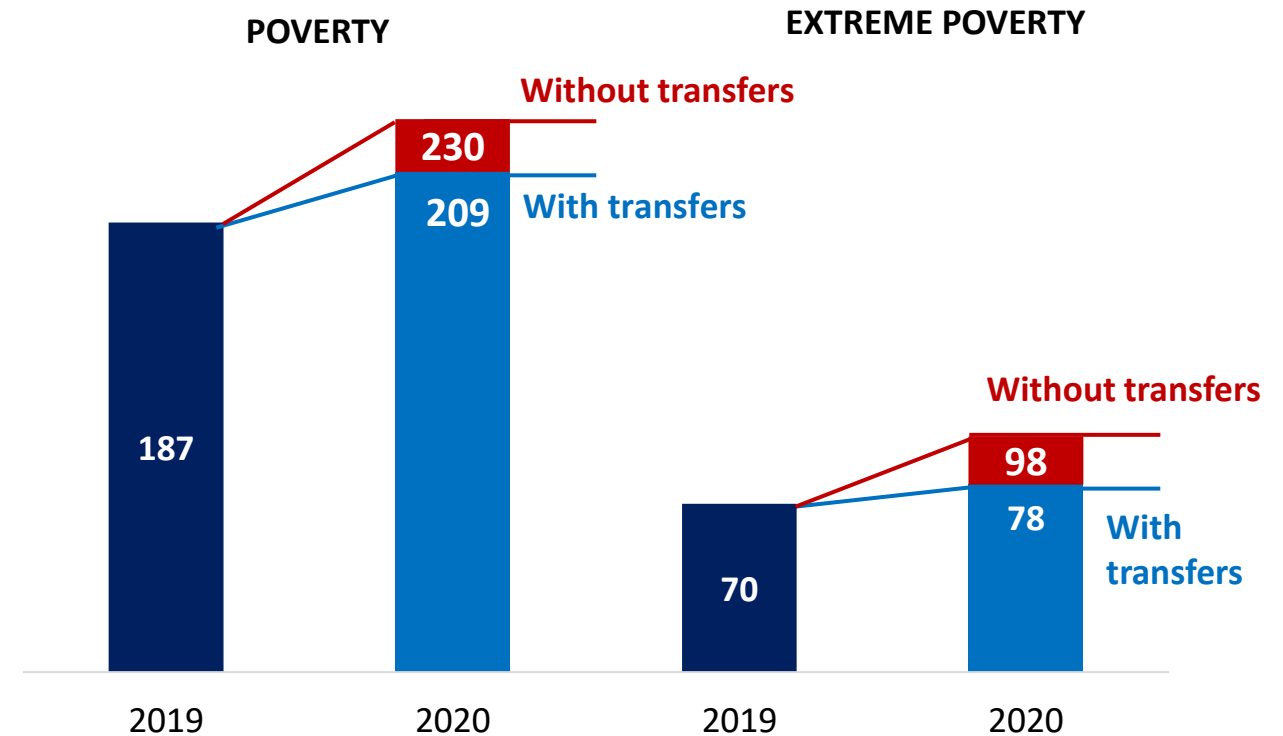
EMERGENCY TRANSFERS HELPED PREVENT POVERTY FROM WORSENING, BUT DID NOT CURB IT COMPLETELY

LATIN AMERICA: POVERTY AND EXTREME POVERTY 2019 AND 2020, WITH AND WITHOUT CASH TRANSFERS^a

PERCENTAGES



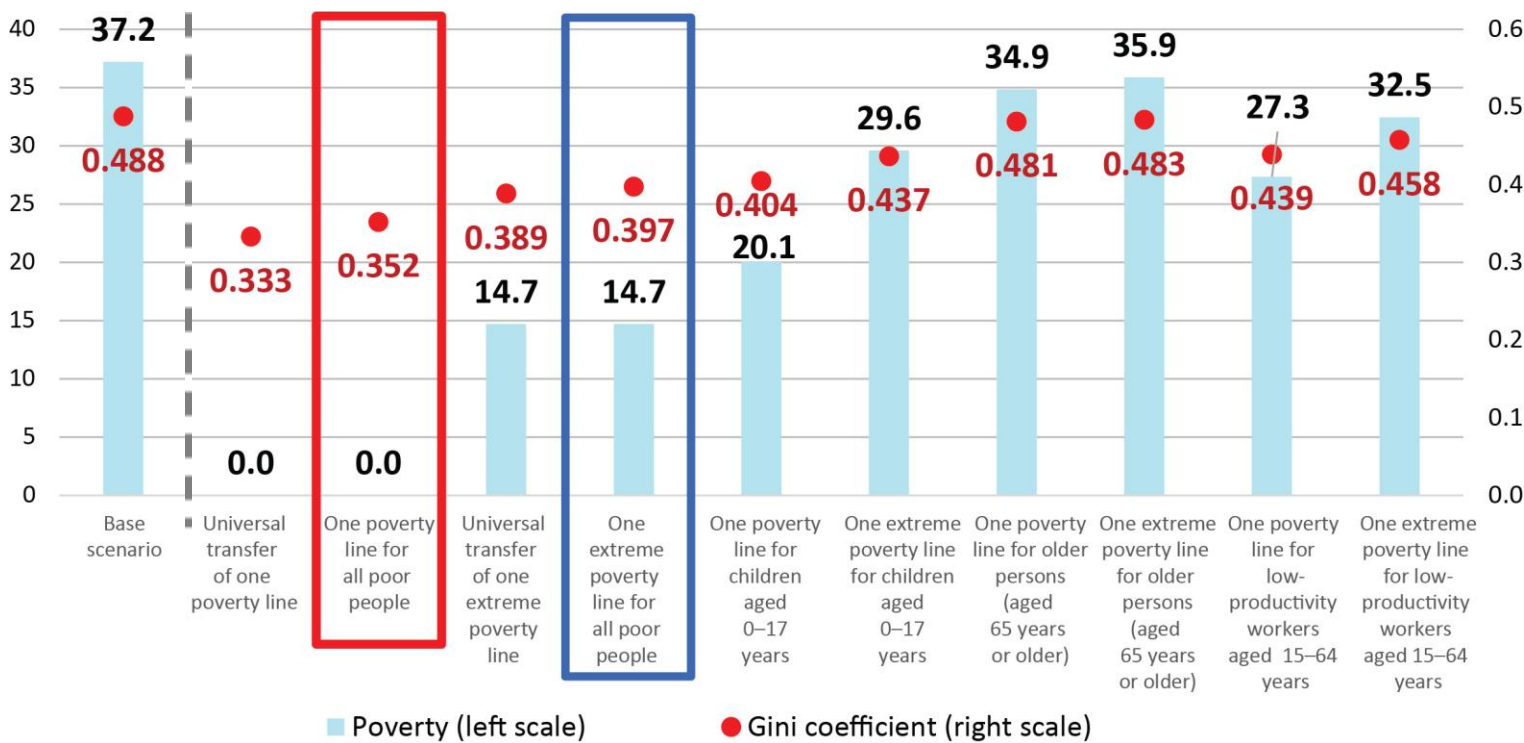
MILLIONS OF PEOPLE



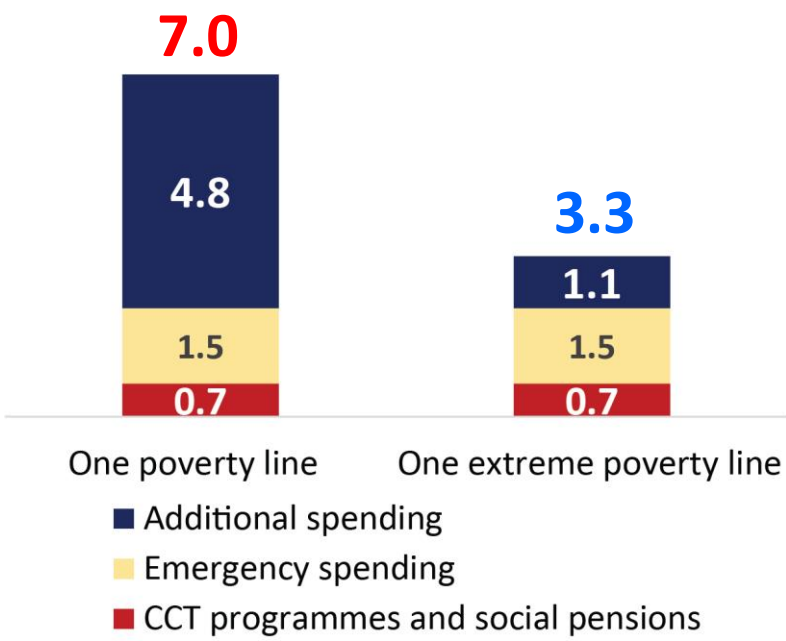
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG). ^a Weighted average of the following countries: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of). The simulation does not take into account changes in remittances to households.

UNIVERSAL TRANSFERS AND TRANSFERS TO PEOPLE LIVING IN POVERTY HAVE THE GREATEST IMPACT ON POVERTY AND INEQUALITY

LATIN AMERICA (18 COUNTRIES):^a IMPACT ON POVERTY REDUCTION AND THE GINI COEFFICIENT OF UNIVERSAL TRANSFERS AND TRANSFERS TARGETING SPECIFIC POPULATION GROUPS, EQUIVALENT TO ONE POVERTY LINE AND ONE EXTREME POVERTY LINE PER MONTH, FOR ONE YEAR
(Percentages)



LATIN AMERICA (18 COUNTRIES):^a ESTIMATE OF SPENDING ON TRANSFERS EQUIVALENT TO ONE POVERTY LINE OR ONE EXTREME POVERTY LINE IN ADDITION TO PERMANENT AND EMERGENCY MEASURES TARGETING ALL PEOPLE LIVING IN POVERTY, FOR ONE YEAR
(Percentages of GDP in 2019)



Source: Economic Commission for Latin America and the Caribbean (ECLAC).
a/ The countries included are: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Dominican Republic, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

THE COVID-19 VACCINE IS KEY TO THE RECOVERY AND REQUIRES COLLECTIVE ACTION TO ENSURE UNIVERSAL ACCESS



Inequality in access to vaccines at the global and regional levels

- Latin America and the Caribbean will not achieve “**herd immunity**” in 2021.
- **Strong international pressure in terms of access to vaccines** is negatively affecting the region and creating inequalities among the countries.
- **Other restrictions** (distribution logistics, availability of critical inputs and health system coverage) could slow down vaccination.
- **Primary health care plays an essential role.**
- International and regional **solidarity** is imperative.



2020

PUBLIC POLICIES TO LINK THE EMERGENCY TO A TRANSFORMATIVE RECOVERY WITH EQUALITY AND SUSTAINABILITY

- Universal social protection: central pillar of the welfare state
- Expansion of coverage and sufficiency of cash transfers help reduce poverty and inequality
- Care society: positive impacts on the economy
- Fostering equality through intersectional public action
- New social compact requires a fiscal covenant

UNIVERSAL SOCIAL PROTECTION AS A PILLAR OF THE WELFARE STATE

- **Weakness of the welfare state and the labour market** in the region.
- ECLAC proposes maintaining **emergency transfers** (emergency basic income) in 2021.
- Strengthening of productive policies, labour institutions and the promotion of **decent work**.
- Expansion of **coverage requires sufficiency and financial sustainability of cash transfers**.
- Welfare state with universal access to good-quality health and education, comprehensive care systems and **universal, comprehensive and sustainable social protection systems**.

CARE SOCIETY: HEALTH, EDUCATION, DIGITAL INCLUSION AND BASIC SERVICES



Health

- Link health measures with social and economic measures.
- Reduce inequalities in health, adopting a primary health-care strategy.



Education

- Improve curriculum content and support students and teachers in distance learning and the return to school.
- Protect education financing.



Digital inclusion

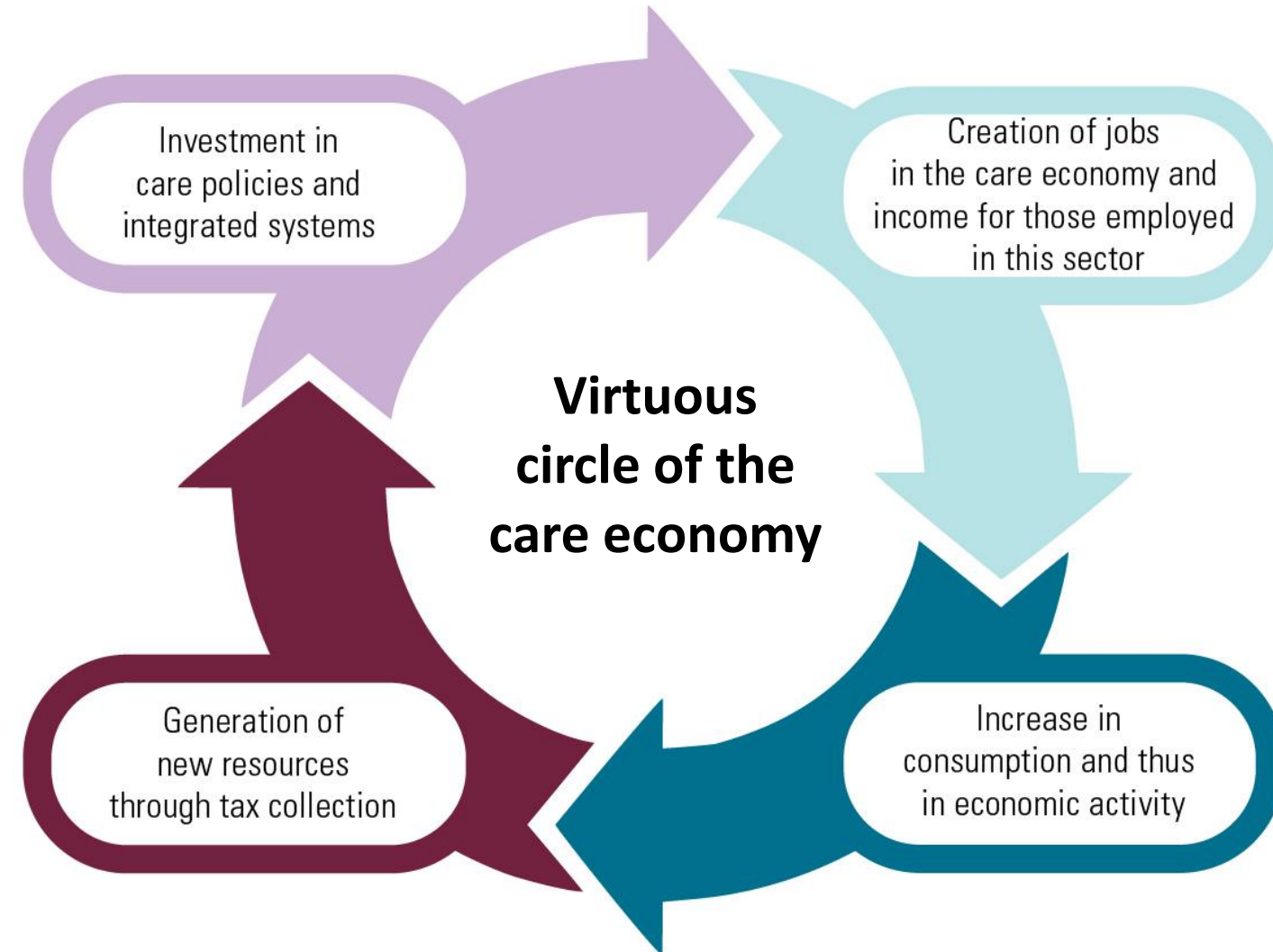
- Advance in the universalization of digital technologies and Internet access.
- Develop skills and training of students and workers.



Basic services

- Expand coverage of water and sanitation services.
- Invest in adequate housing and improvement of marginalized neighbourhoods.

TOWARDS A CARE SOCIETY: INVESTMENT IN THE CARE ECONOMY AND ITS POSITIVE IMPACT ON THE ECONOMY AS A WHOLE



Benefits of the care economy

- The weight of unpaid work in households in GDP should be updated in all countries
 - Mexico (2018): 23.5% of GDP
 - Costa Rica (2017): 25.3% of GDP
- Equalizing participation and closing income gaps would significantly reduce poverty and inequality

TOWARDS NEW SOCIAL COMPACTS FOR EQUALITY AND SUSTAINABILITY DURING THE PANDEMIC

- The pandemic is a **critical juncture** that redefines what is possible.
- **Social unrest** indicates the need to leave behind the culture of privilege, and is at once a factor of transformation and social progress.
- **New social compact focused on welfare and rights:** political instrument based on broad and participatory dialogue for structural change.
 - *Redistribution* of resources and opportunities.
 - *Recognition* of identities and rights.
- Growing consensus around the need to build true **welfare states**: with the crisis, the **challenge of the sustainability of social protection** is growing.
- **New social compacts require fiscal covenants** that promote progressive and sustainable taxation to ensure well-being.

FOSTER EQUALITY THROUGH INTERSECTORAL PUBLIC ACTION

- **Governments' efforts with regard to emergency transfers must be maintained** and for this reason **the role of public policy and the State is key.**
- **False dilemma of choosing between the economy and health:** there is a need to focus on the resilience of society and economies through **productive employment with rights.**
- The emergency strengthens the need for progress on **universal, comprehensive and sustainable social protection systems.**
- Implementation of intersectoral public policy strategies and progress on the **2030 Agenda for Sustainable Development with equality at the centre.**
- In order to overcome the crisis, there is a need for a **welfare state and a care society.**