

## 57th Session of the Commission for Social Development

Panel Discussion: Interactive Dialogue with senior officials of the UN System on the priority theme “Addressing inequalities and challenges to social inclusion through fiscal, wage and social protections policies”

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### **Highlights of the presentation of Ms. Alicia Bárcena, Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC)**

The world is currently facing a series of global disruptions which pose enormous challenges to sustainable development and people’s welfare. These disruptions include the reduction of economic growth expectations, the weakening of multilateralism, the return of protectionism and commercial tensions, the disruptive impacts of the digital technological revolution, the environmental crisis, growing inequalities and political crises, which erode the social contract and drive migrations.

All of this makes it ever more urgent to implement the 2030 Agenda for Sustainable Development, which reflects a consensus on the need to move towards more egalitarian, cohesive and solidarity-based societies, and is people-centered, promoting a model of sustainable development and calling for “no one to be left behind” on the road to development.

During the last decade, ECLAC has positioned equality as a foundational value of development and as a non-negotiable ethical principle based on rights. From the perspective of the ECLAC, equality stands at the center of development for two reasons. First, because it endows policies with a rights-based approach at their very foundation, along with a vocation of humanism that embodies the most treasured legacy of modernity. Second, because equality is also a prerequisite for progress with a development model that focuses on closing structural gaps and on convergence towards higher levels of productivity, economic and environmental sustainability for future generations, the dissemination of the knowledge society and the strengthening of democracy and full citizenship.

The reduction of inequality is not just an ethical imperative, but also a requirement for the effectiveness and efficiency needed to achieve sustainable development and ensure that no one is left behind. Inequality is a barrier to development. Instead, equality can improve the efficiency of an economic system, defined in dynamic terms as the pace at which innovations can be made, those generated in other parts of the world can be absorbed, technology gaps can be reduced, innovations can permeate the production fabric and, as a result, productivity can be increased and new areas for investment can be established.

However, despite recent progress, Latin America and the Caribbean continues to be the most unequal region in the world in terms of the distribution of income among its population. It is also beset by gender, racial, ethnic and territorial inequalities and those connected to the different stages of the life cycle, which means that various populations group keep being left behind.

A key area of concern is labour markets, which in the region show high levels of informality and large gaps in access to social protection, especially in the lower income quintiles. The gender gap in labour market participation and unemployment rates persists in the region, as women are less likely to participate in the labour market owing to their overburden of unpaid domestic work and, when they do enter the labour market, experience higher unemployment rates than men. Furthermore, young people face greater difficulties in entering the labour market, and in 2016 about one out of five young Latin Americans was in neither in education or employment.

In our region, we need to strengthen social protection systems and to ensure quality social services for those left behind. Social policy should be guided by the principle of universalism, with an approach that is sensitive to difference and geared towards equality of rights, leaving no one behind. In particular, it is imperative to strengthen the simultaneous application of social and labour inclusion policies, which we call “dual inclusion”. This means, on the one hand, to strengthen labour institutions and policies promoting decent work and, on the other, to expand access to social services and good-quality basic infrastructure.

Universal policies in education, health and social protection contribute not only to social inclusion, but also to strengthening human capacities, increasing productivity and economic growth. Furthermore, consolidating comprehensive and effective social protection and care systems would allow the region to better cope with the new scenario in the world of work and the fluctuations in economies that are increasingly integrated globally, as well as to closing the economic participation gap between men and women and to overcoming the sexual division of labour that results in most care work falling to women.

In order to promote equality and inclusion, and to build the welfare state, public social spending needs to be protected and taxation made progressive. Latin America and the Caribbean lags behind developed countries in terms of expenditure and taxation levels and their redistributive impact. To redress this situation and make tax systems more progressive, the region needs to tackle tax evasion and illicit flows, reduce tax incentives that erode tax bases and make social spending more effective.

At the regional level, ECLAC promotes discussions on equality, inclusion and sustainable development among country representatives and other stakeholders at the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, a regional mechanism established in 2016 to follow up and review the implementation of the 2030 Agenda for Sustainable Development. Furthermore, ECLAC acts as Secretariat for various intergovernmental subsidiary bodies, permanent intergovernmental bodies fora that examine public policy issues in the region, facilitate cooperation and peer learning based on the sharing of experiences, and adopt regional stances. In the social sphere, the subsidiary bodies are the Regional Conference on Social Development in Latin America and the Caribbean, established in 2014, the Regional Conference on Population and Development in Latin America and the Caribbean, established in 2012 and the Regional Conference on Women in Latin America and the Caribbean, established in 1977.