

# Inclusive social development

*The next generation of policies  
for overcoming poverty  
and reducing inequality  
in Latin America and  
the Caribbean*



**ALICIA BÁRCENA**  
**EXECUTIVE SECRETARY**

**2015**  
Regional Conference  
on Social Development  
in Latin America and the Caribbean  
Lima, 2-4 November 2015

# Reducing inequality is an essential condition for eradicating poverty

---

- ECLAC defines equality as the ultimate aim of development, structural change are the path towards achieving it, and policymaking as the instrument to that end.
- Equality is about much more than income distribution; it means entitlement to civil, political, economic, social and cultural rights.
- Equality also implies access to employment, social protection, opportunities, capacities, autonomy, reciprocal recognition and dignity.
- Poverty is the denial of these opportunities.





# **PROGRESS IN SOCIAL DEVELOPMENT IN THE REGION**



UNITED NATIONS

ECLAC

# Determining factors in recent progress in reducing poverty and inequality

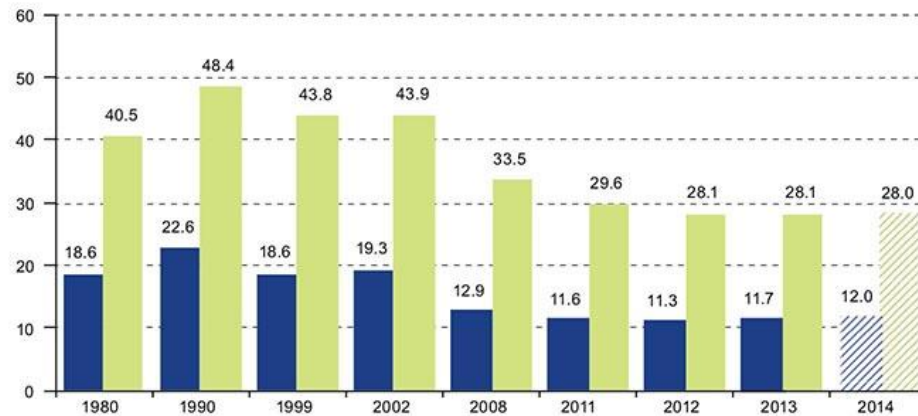
---

- Political context that afforded high priority on the public agenda to the aims of eradicating poverty and reducing inequality.
- A context of economic tailwinds that facilitated formal job creation and wage gains.
- A demographic transition with an ageing population and a demographic dividend in most of the countries (falling dependency rates).
- More women entering the labour market.
- Active social and labour market policies.

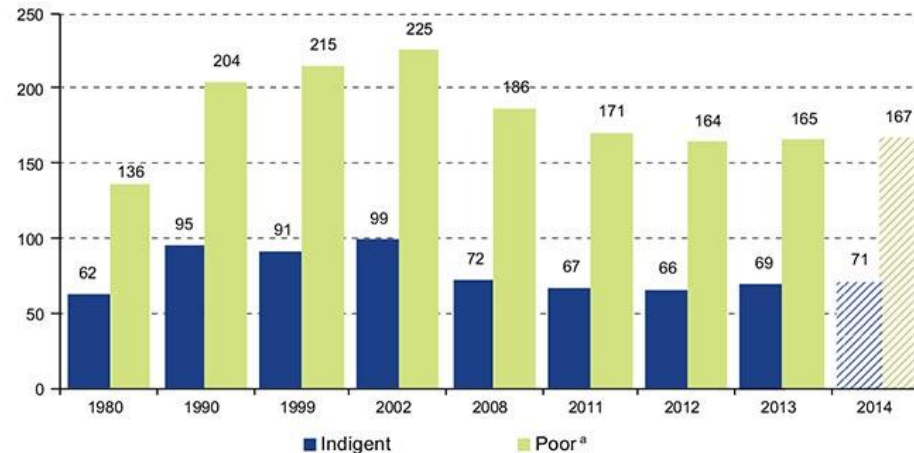


# Poverty and indigence have fallen significantly in the past decade, but this trend flattened in 2012

Latin America: percentages of poor and indigent



Millions of poor and indigent



Source: ECLAC, *Social Panorama of Latin America, 2014*.

<sup>a</sup> Estimate for 19 Latin American countries. Includes Haiti.

<sup>b</sup> Projection.

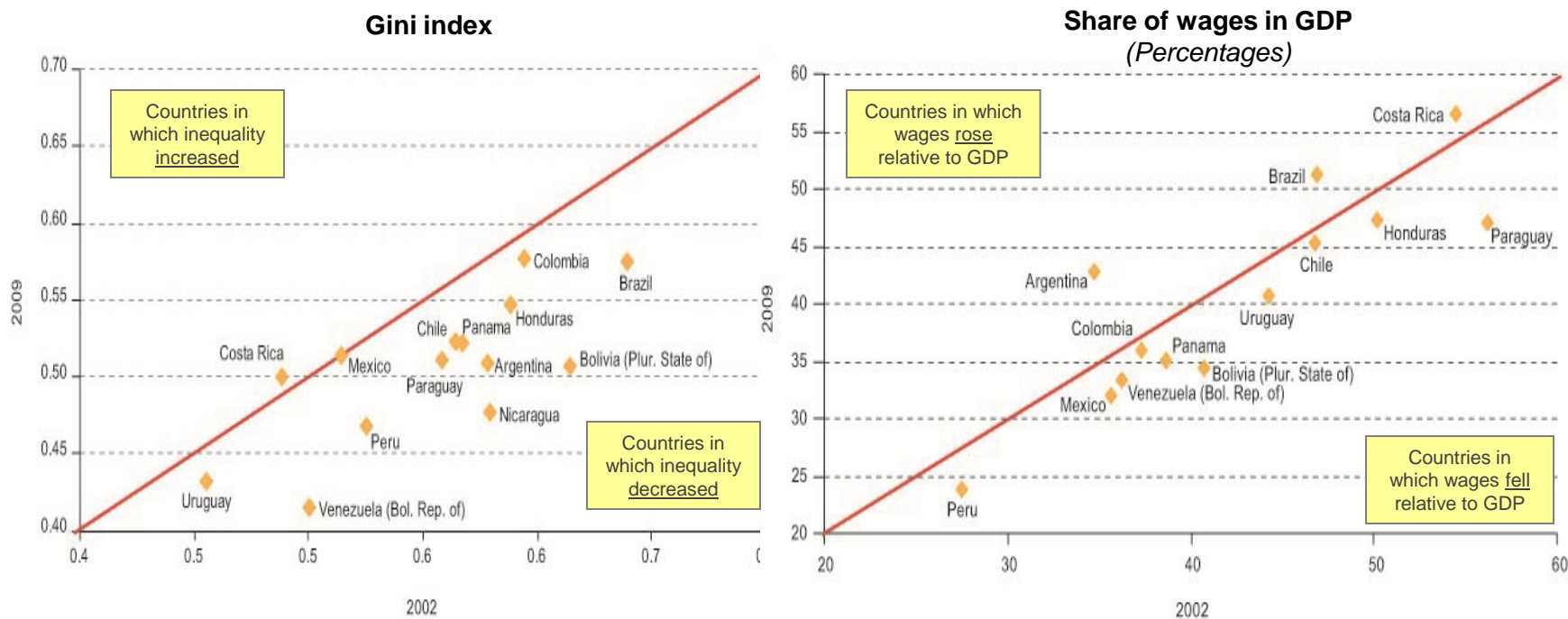


UNITED NATIONS

ECLAC

# Income inequality (measured by the Gini index) has fallen since 2002-2003, but functional inequality (distribution between capital and labour) has not

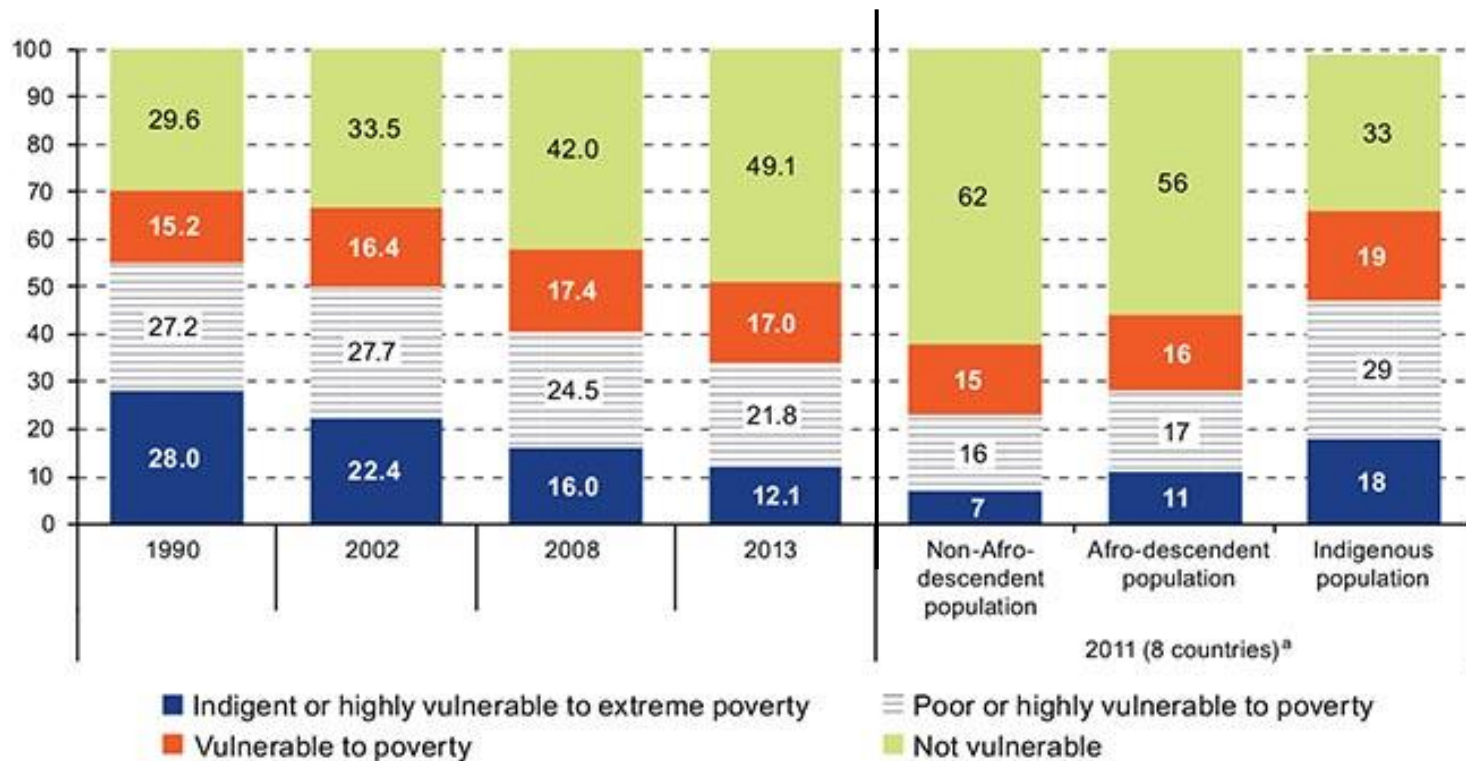
Latin America (13 countries): variation in the Gini index and share of wages in GDP, 2002 and 2009



Source: ECLAC, on the basis of CEPALSTAT, National Institute of Statistics and Censuses (INDEC) of Argentina, and the central banks of Costa Rica, Guatemala and Uruguay.

# Vulnerability has come down considerably, but still applies to half the population

Latin America (weighted average for 18 countries and for 8 countries):  
 profile of income vulnerability, around 1990, 2002, 2008 and 2013,  
 and by race or ethnic group, around 2011  
 (Percentages)



Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November, 2015.

<sup>a</sup> Weighted average for the Plurinational State of Bolivia (2009), Brazil (2011), Chile (2011), Ecuador (2011), Mexico (2010), Paraguay (2011), Peru (2011) and Uruguay (2011).

# THE SOCIAL INEQUALITY MATRIX



UNITED NATIONS

ECLAC



# Dimensions of the social inequality matrix

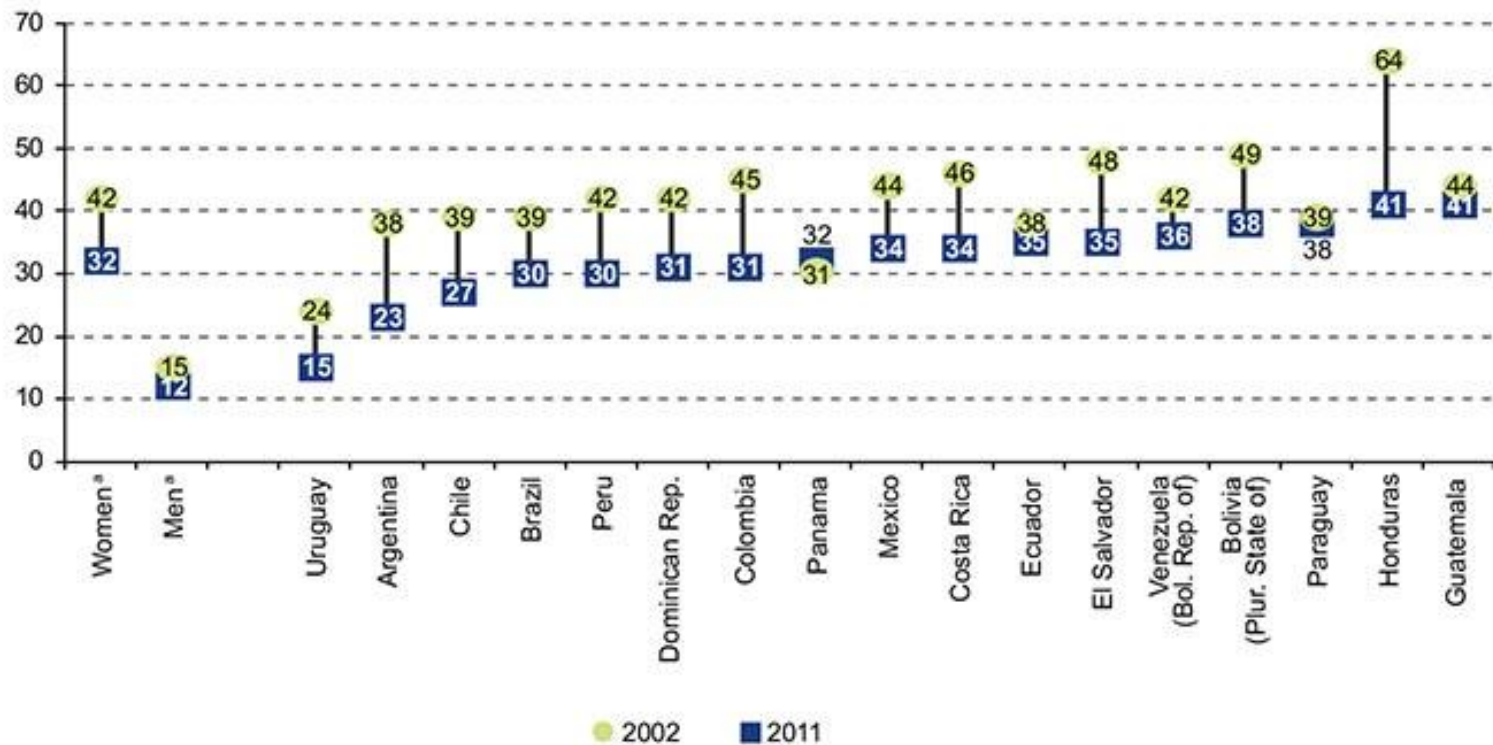
---

- Gender, race and ethnic group
  - 826 indigenous people representing over 46 million people
  - Over 120 million Afro-descendants
  - Together, they make up 25% of the region's population
  - Gender, ethnic and racial inequalities intersect and heighten each other: indigenous and Afro-descendent women are the most disadvantaged
- Life cycle (children, youth and older persons)
- Territorial inequalities: rural/urban



# Large gender gaps remain

Latin America (17 countries): women aged 15 and over not in education and with no income of their own, around 2002 and 2011  
(Percentages)

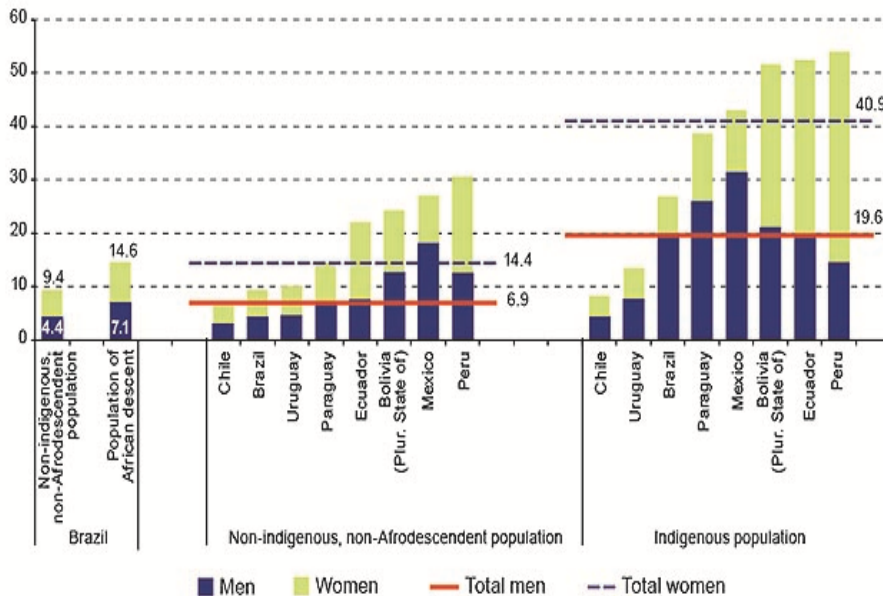


Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November, 2015.

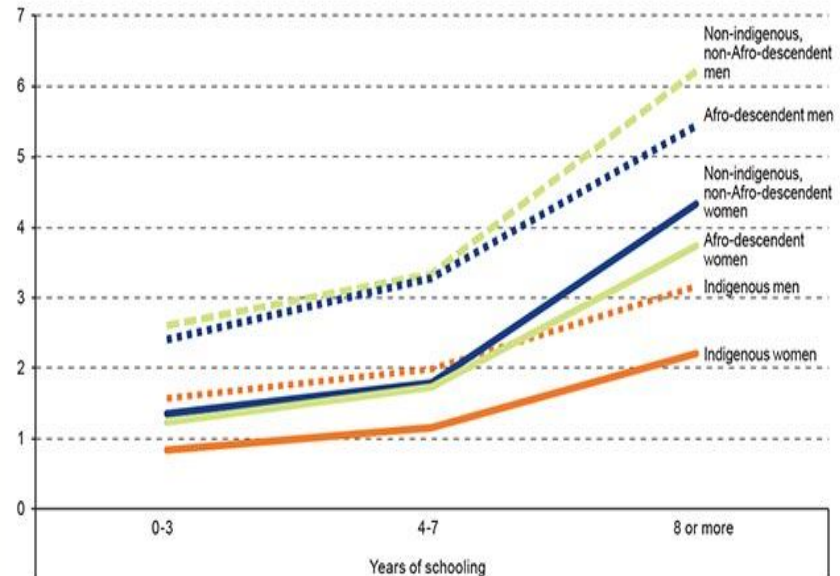
<sup>a</sup> Persons aged 15 years and over who are neither studying or receiving an income of their own.

# Large income gaps, stratified by sex, race and ethnic group, that defeat even educational attainments

Latin America (8 countries): employed population with labour income below the indigence line, by ethnic group and sex, around 2011



Latin America (8 countries): average monthly labour income of the indigenous population, Afro-descendants and non-indigenous, non-Afro-descendants, by years of schooling and sex, around 2011 (Percentages)



Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the countries.



# PROGRESS AND CHALLENGES IN HEALTH

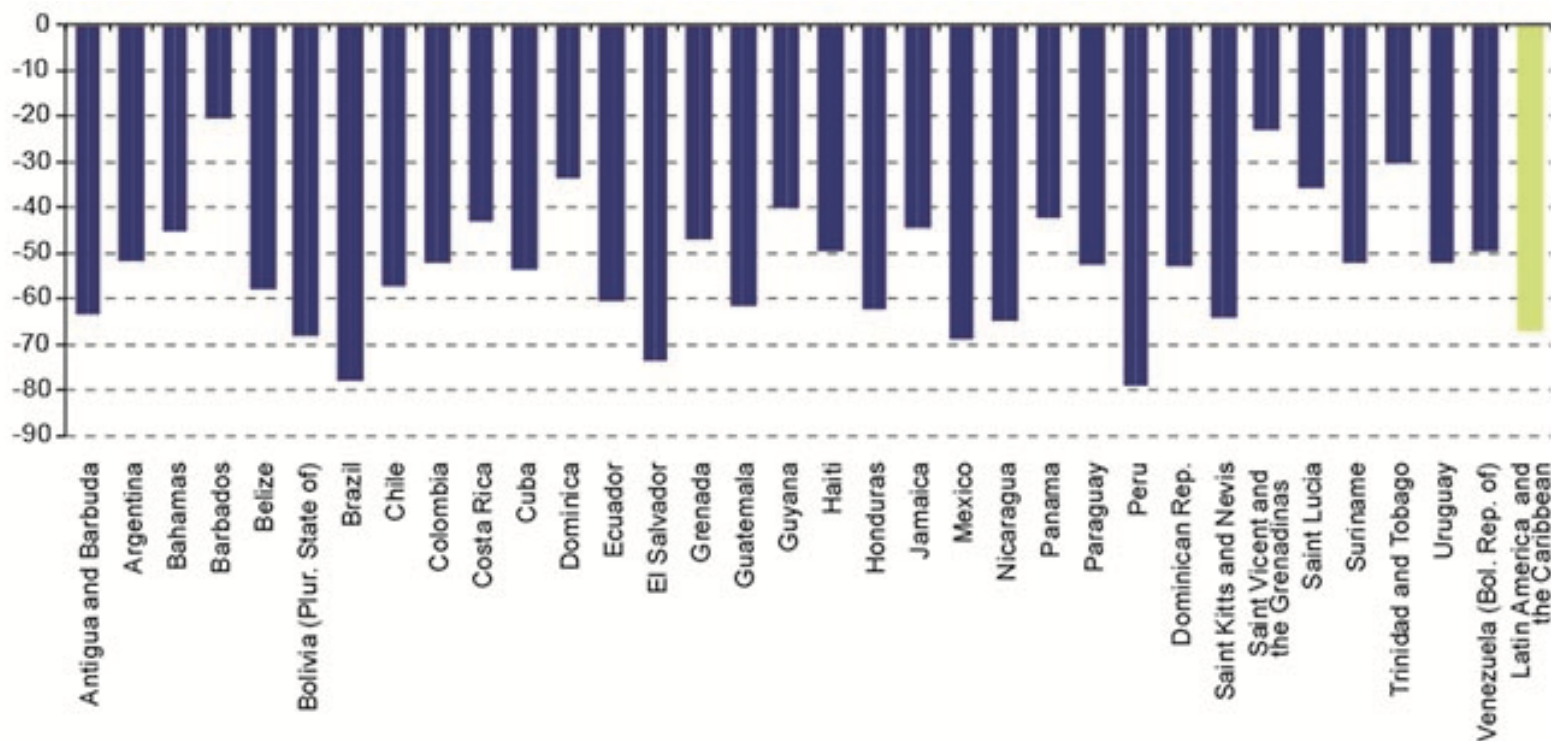


UNITED NATIONS

ECLAC

# Major progress in health, but persistent inequalities between countries

Latin America and the Caribbean (33 countries): reduction in child mortality rates, 1990-2013  
(Percentages)



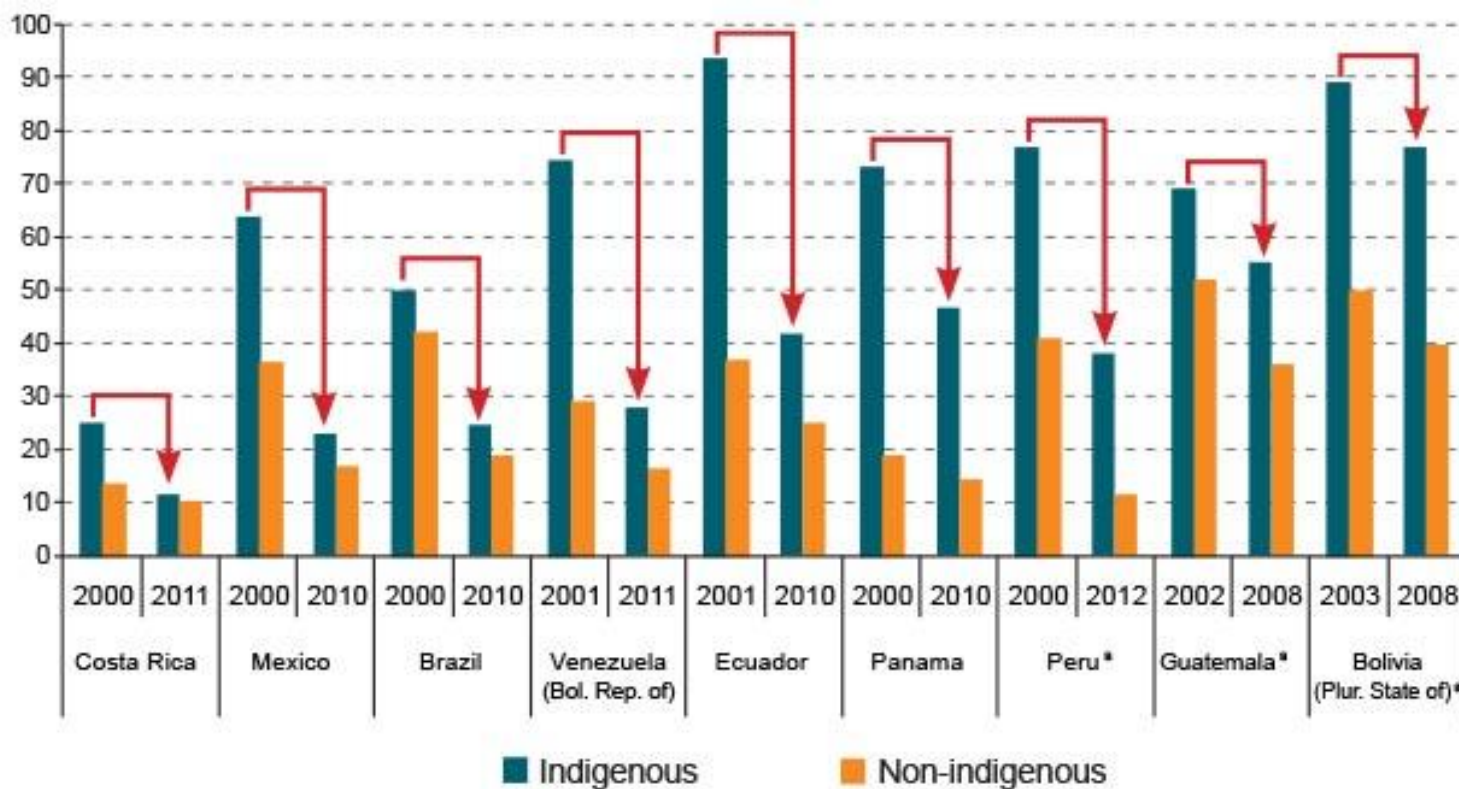
Source: ECLAC, on the basis of information from CME database [online] <http://www.childmortality.org>.



ECLAC

# ...with uneven progress between different social groups and segments

Latin America (9 countries): child mortality rate by ethnic group, around 2000 and 2010  
(Deaths per 1,000 live births)



Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November, 2015.

# PROGRESS AND CHALLENGES IN EDUCATION

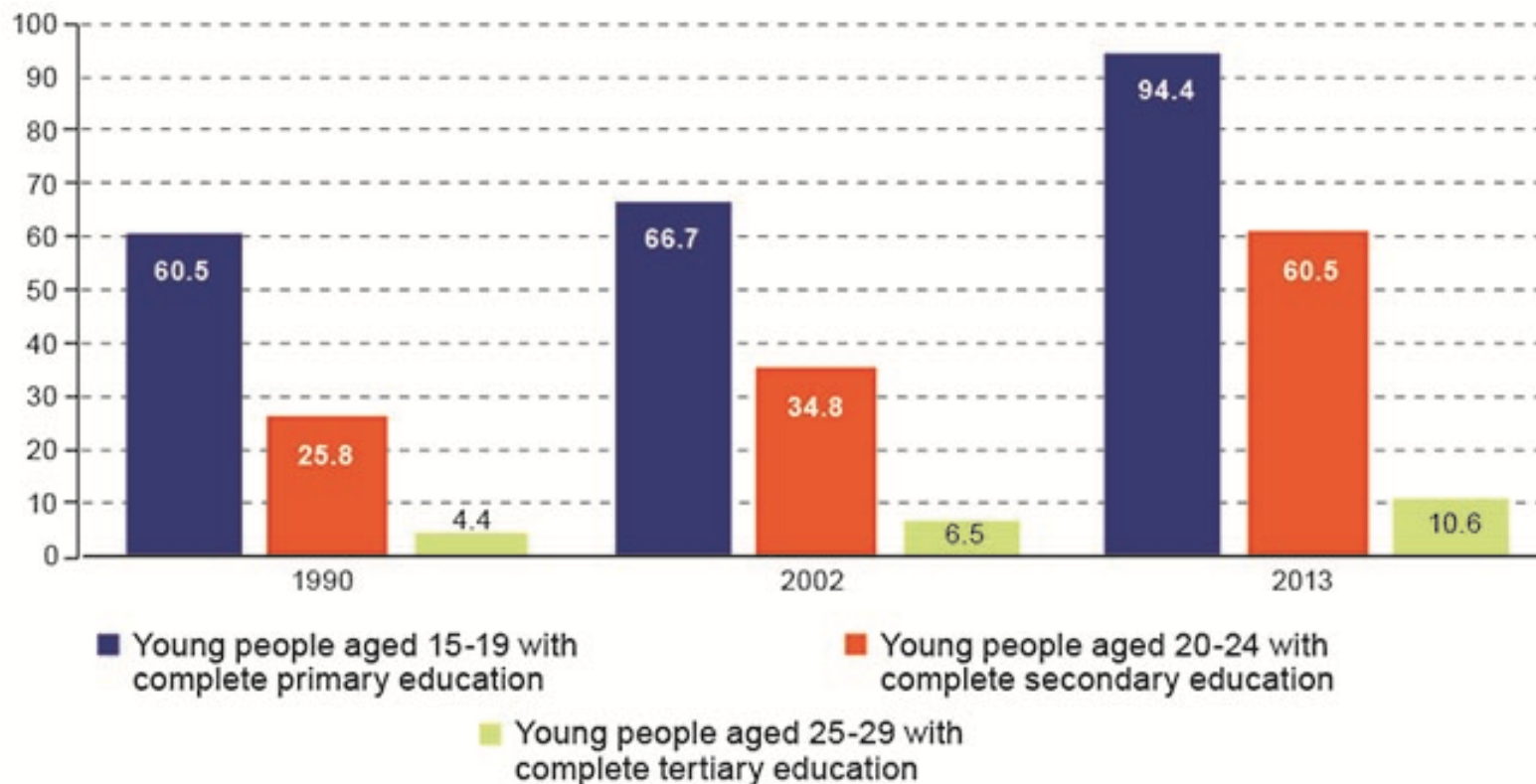


UNITED NATIONS

ECLAC

# Strides in education access and coverage: a key route for reducing poverty and inequality

Latin America (18 countries): young people aged 15-29 years having completed primary, secondary and tertiary education, by ethnic group, 1990- 2013  
(Percentages)

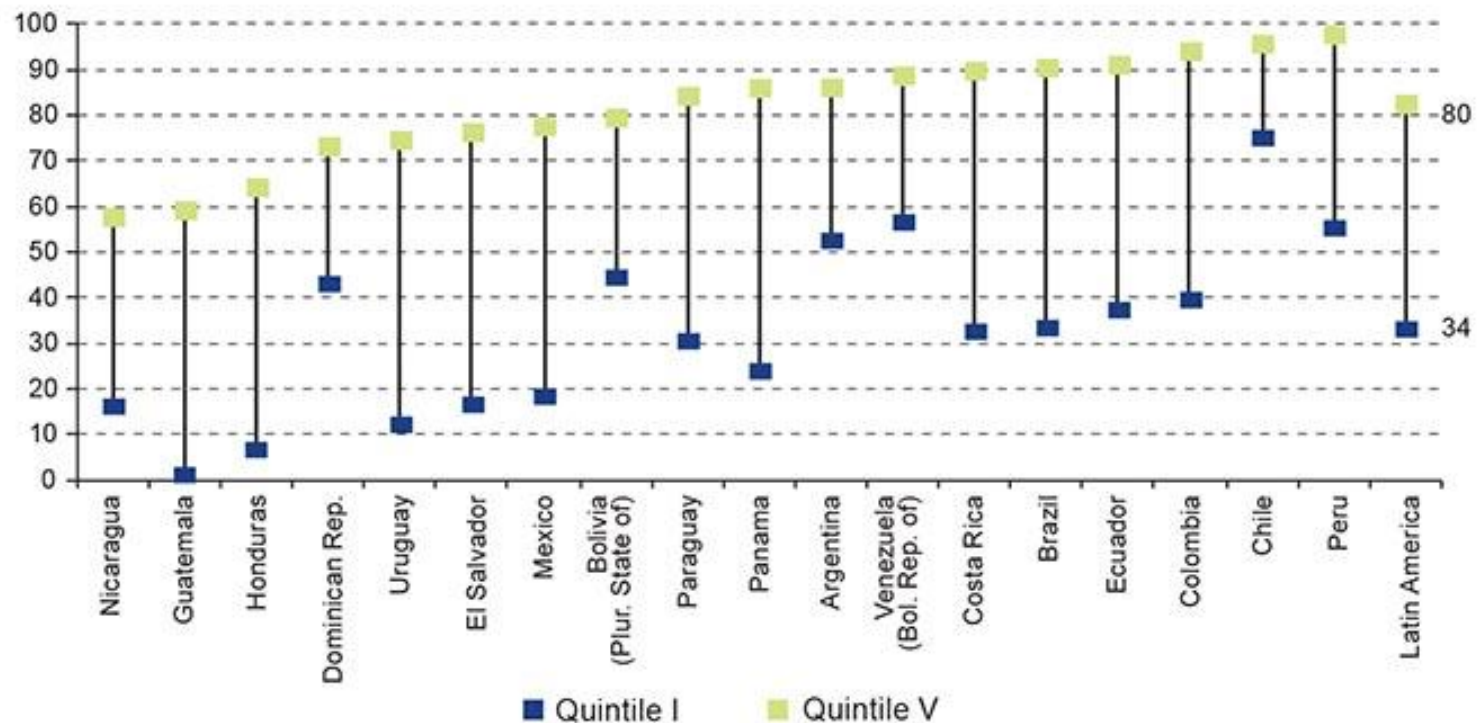


Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the countries, and *Social Panorama of Latin America, 2014* (LC/G.2635-P), Santiago, 2014.



# Crucial completion of secondary schooling is still highly unequal

Latin America (18 countries): population aged 20-24 years having completed upper secondary education, by extreme income quintile, around 2013<sup>a</sup>  
(Percentages)



Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the countries.

<sup>a</sup> Countries ordered by average percentage of conclusion. The figure for Latin America is a simple average for 18 countries. The figure for Argentina refers to urban areas.



# INEQUALITIES AFFECTING YOUTH

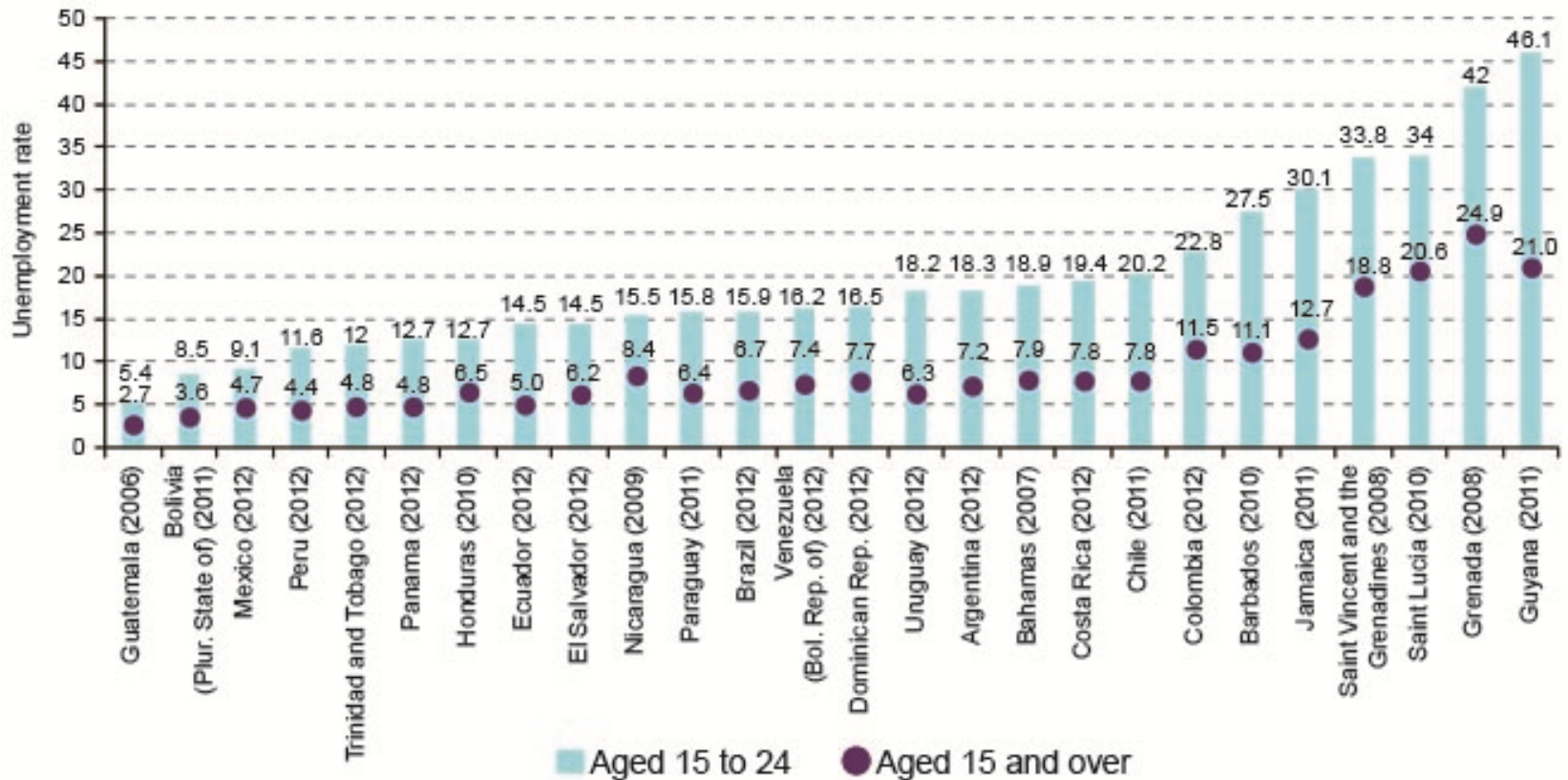


UNITED NATIONS

ECLAC

# Despite advances in education, unemployment rates are higher among young people

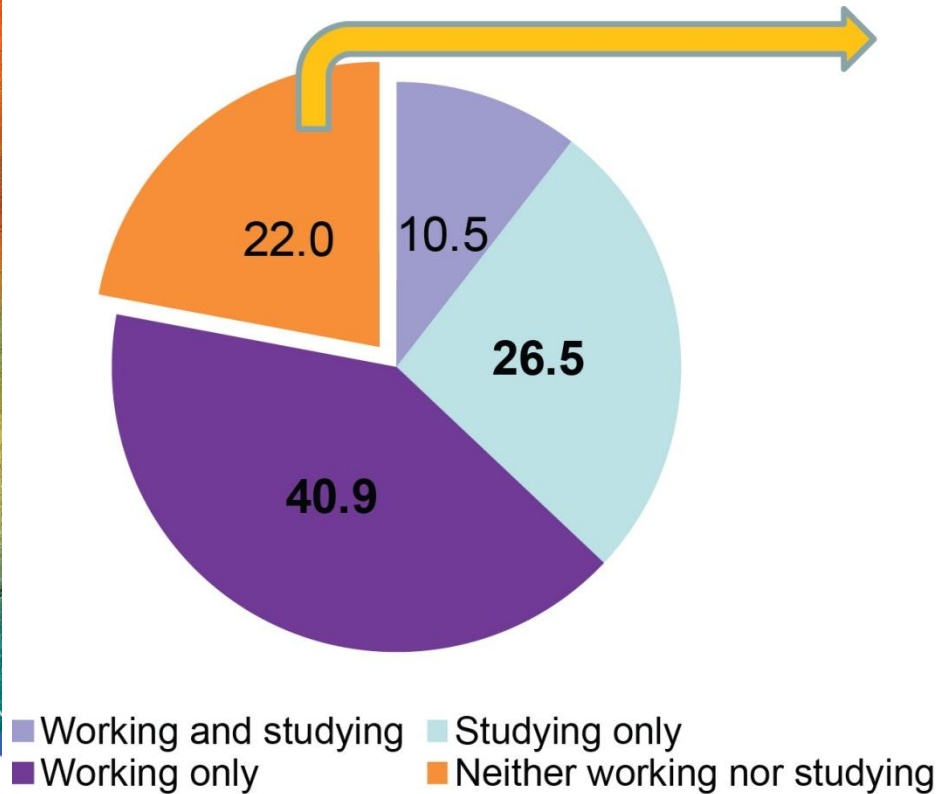
Latin America and the Caribbean (26 countries): unemployment rate by age group  
(Percentages)



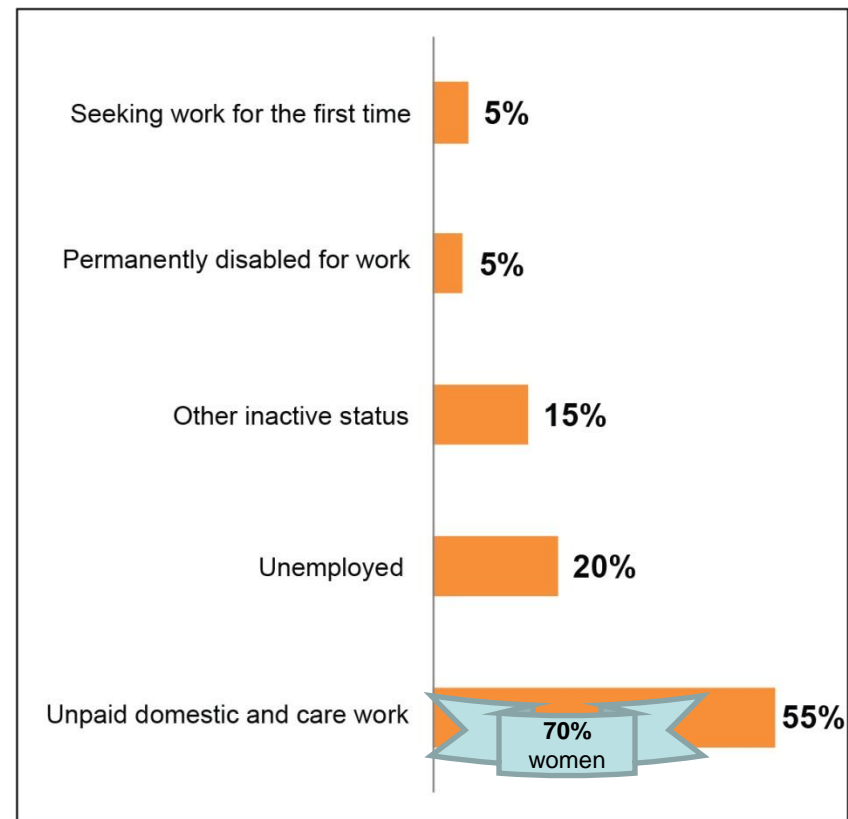
Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the Latin American countries. For the Caribbean countries, World Bank, "Youth unemployment in the Caribbean", *Caribbean Knowledge Series*, Washington, D.C., 2014; and ILO, *Panorama Laboral 2013* Lima, ILO regional office for Latin America and the Caribbean, 2013.

# Many young people in the 15-29 age group are not in education or paid employment

Latin America (18 countries): activity status of young people aged 15-29 years, around 2012  
(Percentages)



Latin America (18 countries): activity status of young people aged 15-29 years not in education or paid employment, around 2012  
(Percentages)



Source: ECLAC, Social Panorama of Latin America, 2012 (LC/G.2557-P), Santiago.

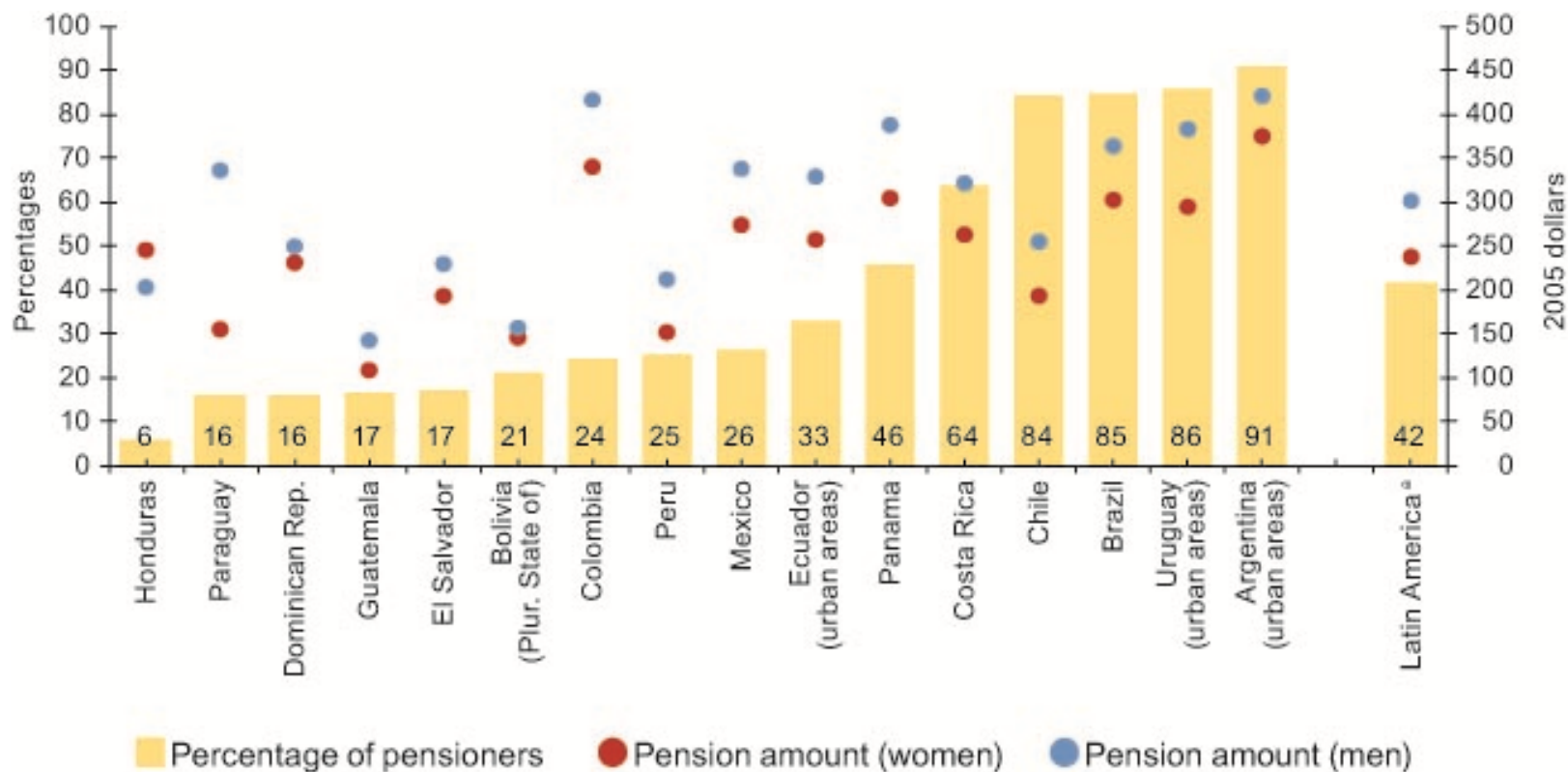
Source: ECLAC, Social Panorama of Latin America, 2012 (LC/G.2557-P), Santiago.

# INEQUALITIES AFFECTING OLDER PERSONS



# Unequal access to pensions for older persons

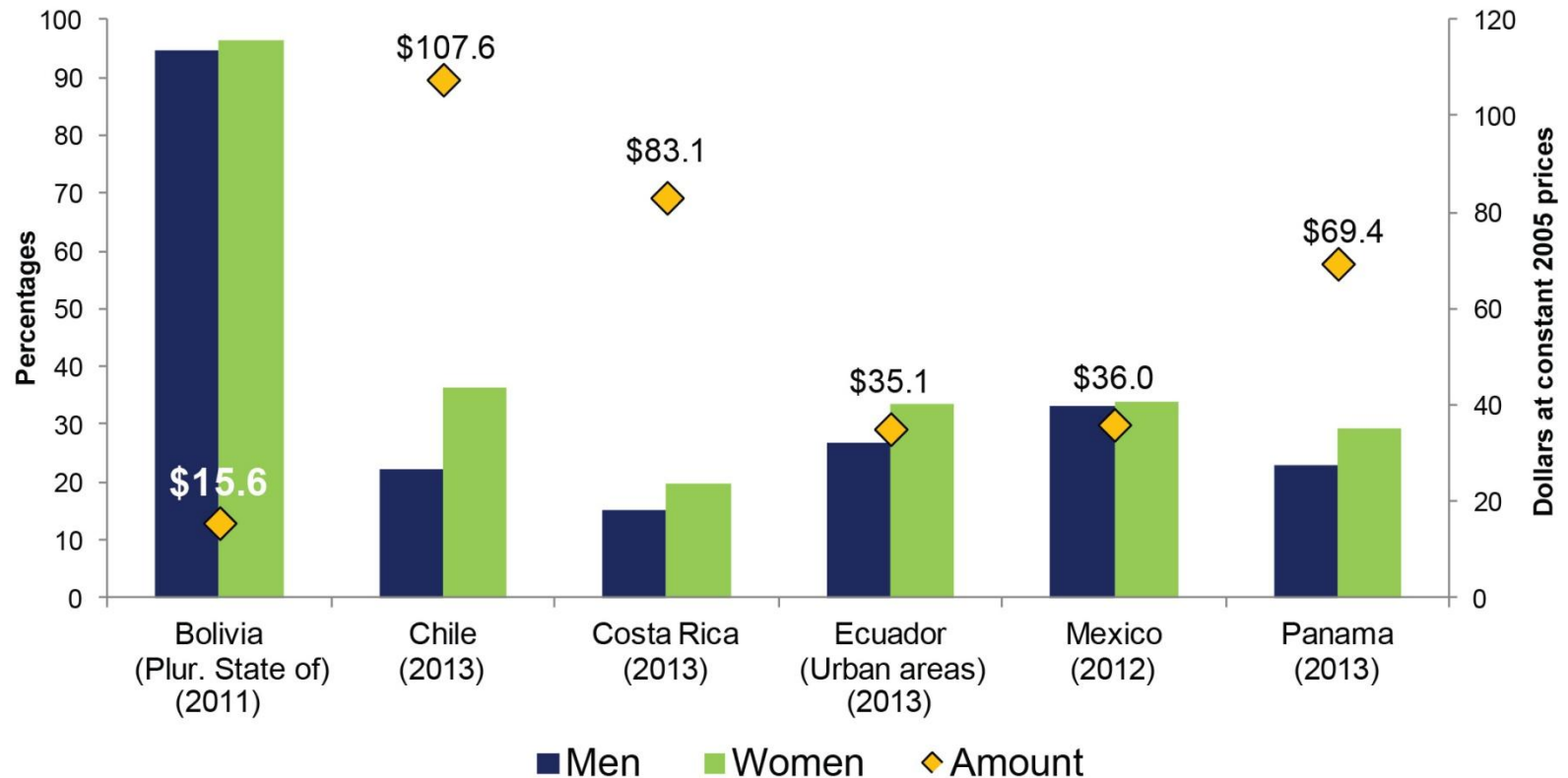
Latin America (16 countries): persons aged 65 and over receiving contributory pensions, by sex and average monthly amount of pension, around 2011  
 (Percentages and dollars at constant 2005 prices)



Source: ECLAC, *Social Panorama of Latin America*, 2013.

# Non-contributory pensions as a means to combat poverty among older persons

Latin America (6 countries): persons aged 65 and over receiving non-contributory pensions, by sex and average monthly amount of pension, around 2011  
(Percentages and dollars at constant 2005 prices)



Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November, 2015.



# DECENT WORK AS THE MASTER KEY TO EQUALITY



UNITED NATIONS

ECLAC



# Decent work: the master key to equality

---

- The labour market has historically been the link between a highly heterogeneous production structure with a large proportion of low-productivity sectors and high income inequality between households.
- But recently the labour market has been a key factor in reducing poverty and inequality :
  - Falling unemployment
  - Rise in labour income, especially minimum wages
  - Increasing labour formalization
  - Expansion of contributory social protection (health and pensions)
  - Rise in women's labour market participation, which increases the number of earners per household and lowers the percentage of women without income of their own

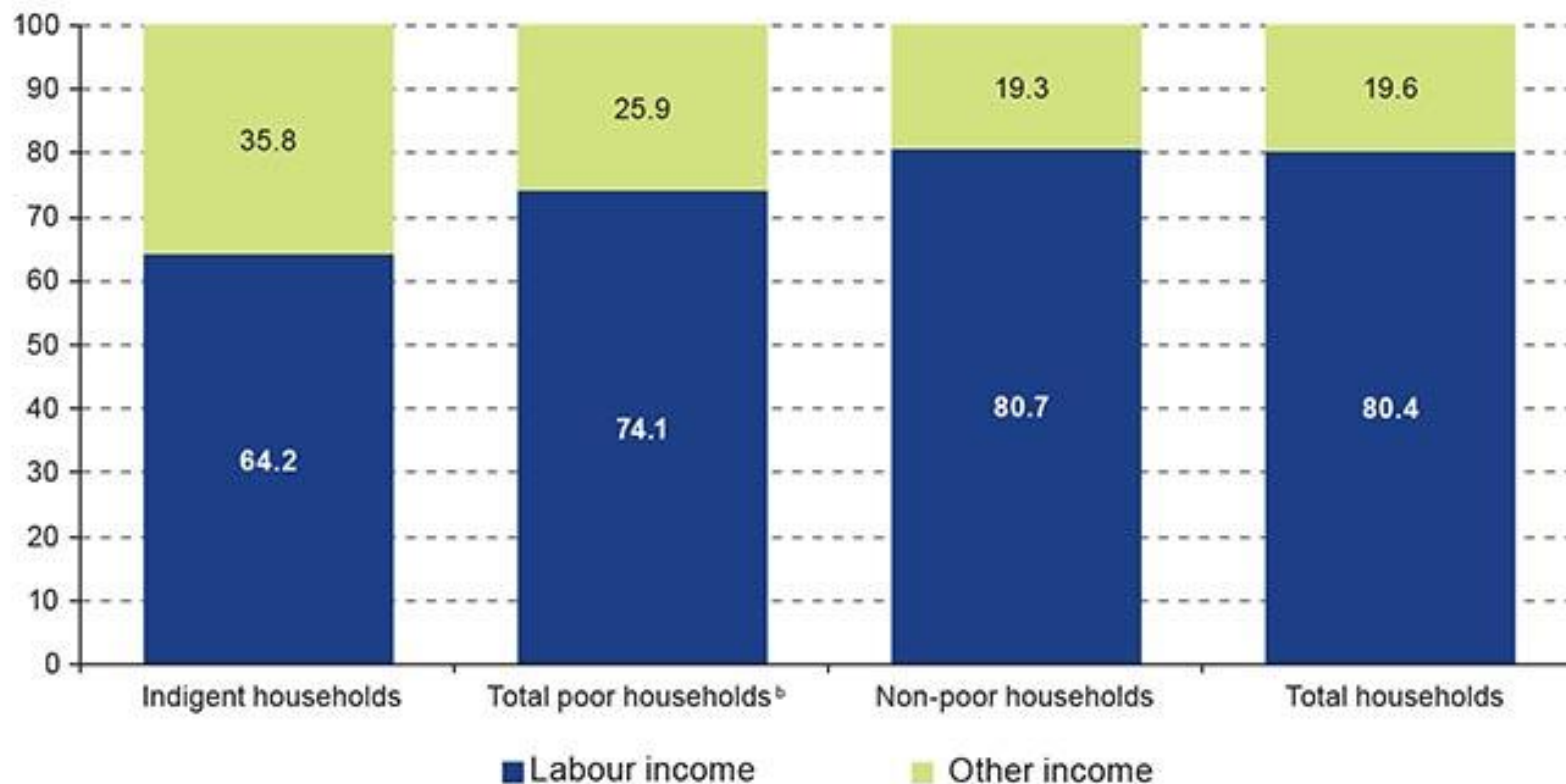


UNITED NATIONS

ECLAC

# Labour income is crucial for overcoming poverty and indigence

Latin America (17 countries): share of labour income in total household income by poverty status, <sup>a</sup> around 2013  
(Percentages)



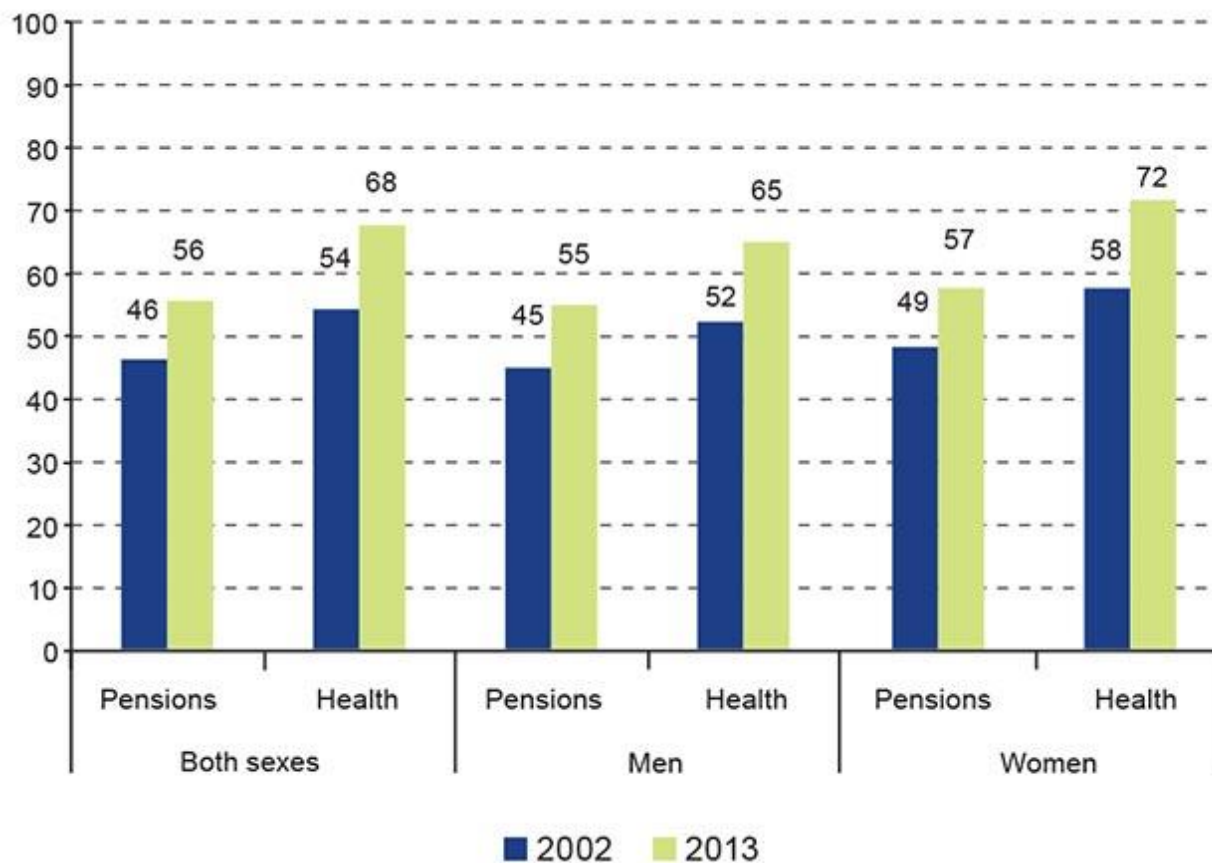
**Source:** ECLAC, on the basis of special tabulations of data from household surveys conducted in the countries.

<sup>a</sup> Simple average for the countries.

<sup>b</sup> Includes indigent households.

# Registration in pension and health systems has risen substantially, but gender gaps remain

Latin America (18 countries): registration in pension and health systems among wage earners aged 15 and over, by sex, around 2002 and 2013  
(Percentages)



Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November 2015.



# **TOWARDS AN INSTITUTIONAL FRAMEWORK FOR INCLUSIVE SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN**

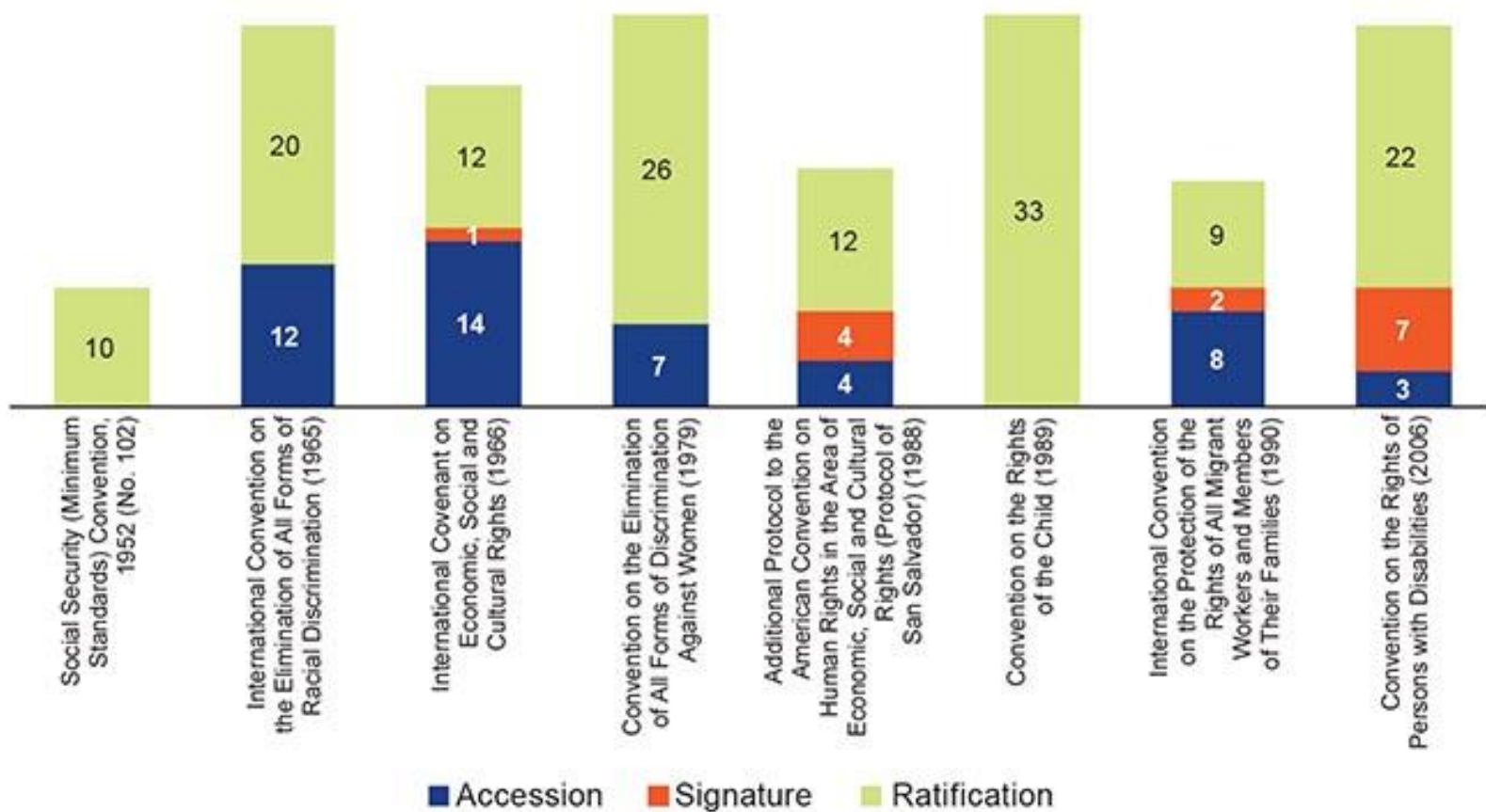


UNITED NATIONS

**ECLAC**

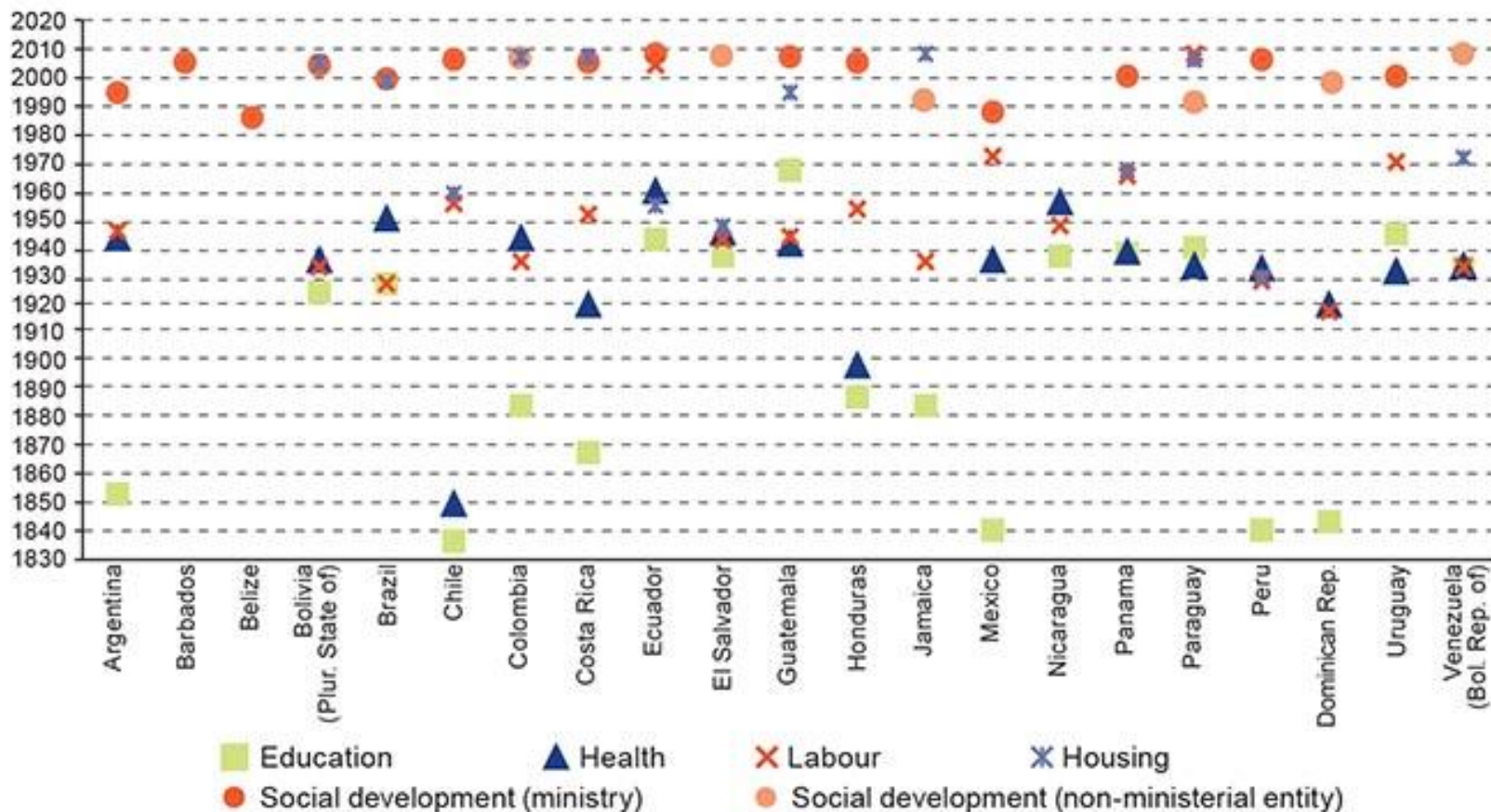
# The region has signed up to many economic, social and cultural rights, but more need to be ratified and enshrined in national legislation

**Latin America and the Caribbean (33 countries): accession, signature and ratification of conventions and covenants on economic, social and cultural rights**  
(Number of countries)



# Many of the region's countries have recently established ministries of development and social inclusion

Latin America and the Caribbean (22 countries): year of creation of social ministries <sup>a</sup>



Source: ECLAC, *Inclusive social development: the next generation of policies for overcoming poverty and reducing inequality in Latin America and the Caribbean*, Santiago, November 2015

<sup>a</sup>: Countries with no information available for the year of creation of their social development ministries are not included in the figure (Antigua and Barbuda, Bahamas, Dominica and Trinidad and Tobago).



# Challenges for social policy institutions

---

- Empowerment of bodies responsible for social development as interlocutors with other government policy areas
- Consolidating legal and normative foundations
- Improving coordination between sectors and territorial
- Enhancing management capacity (quality, effectiveness, efficiency and transparency)
- Securing sufficient, stable resources
- Establishing mechanisms for public participation and consultation
- Capacity to spearhead social, political and fiscal compacts



# **POVERTY ERADICATION POLICIES AND SOCIAL PROTECTION SYSTEMS: LESSONS LEARNED**



UNITED NATIONS

ECLAC

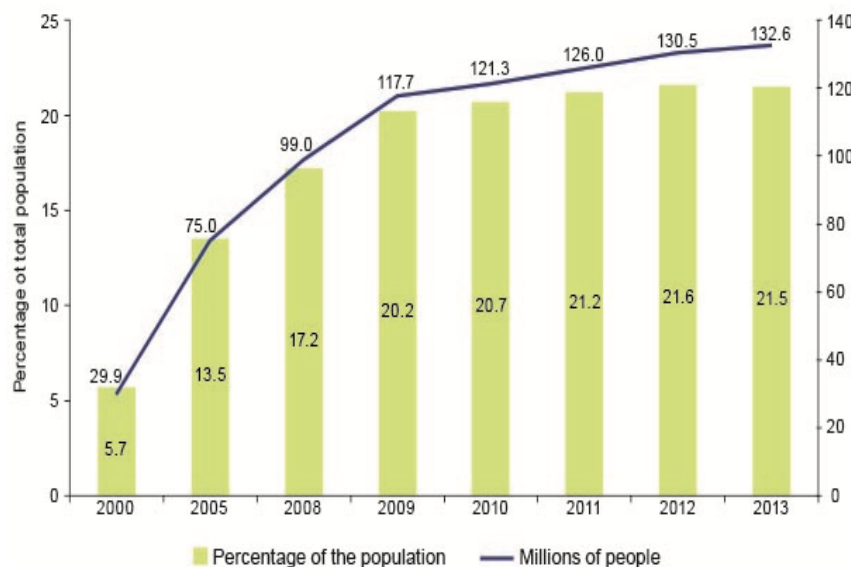


# States have redoubled their efforts to broaden the coverage of cash transfers to the poor

## Latin America and the Caribbean (21 countries): conditional cash transfer (CCT) programmes, 2000-2013

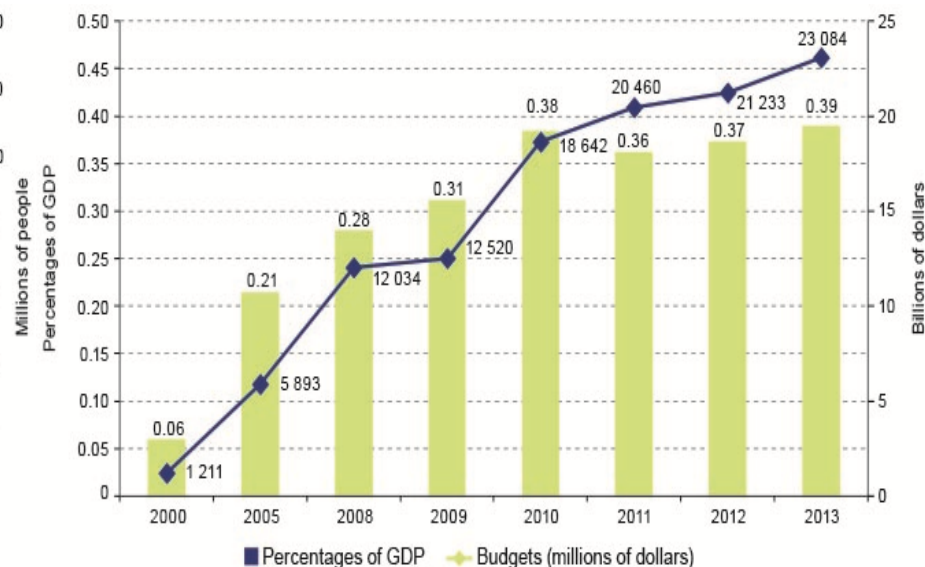
### Population living in CCT-participant households, 2000-2013

(Percentages of the total population and millions of persons)



### Public investment in CCTs, 2000-2013

(Percentages of GDP and millions of dollars)



Source: ECLAC, Database of non-contributory social protection programmes in Latin America and the Caribbean [online] <http://dds.cepal.org/bpsnc/>.

# CCTs have achieved significant impacts on human capacities

---

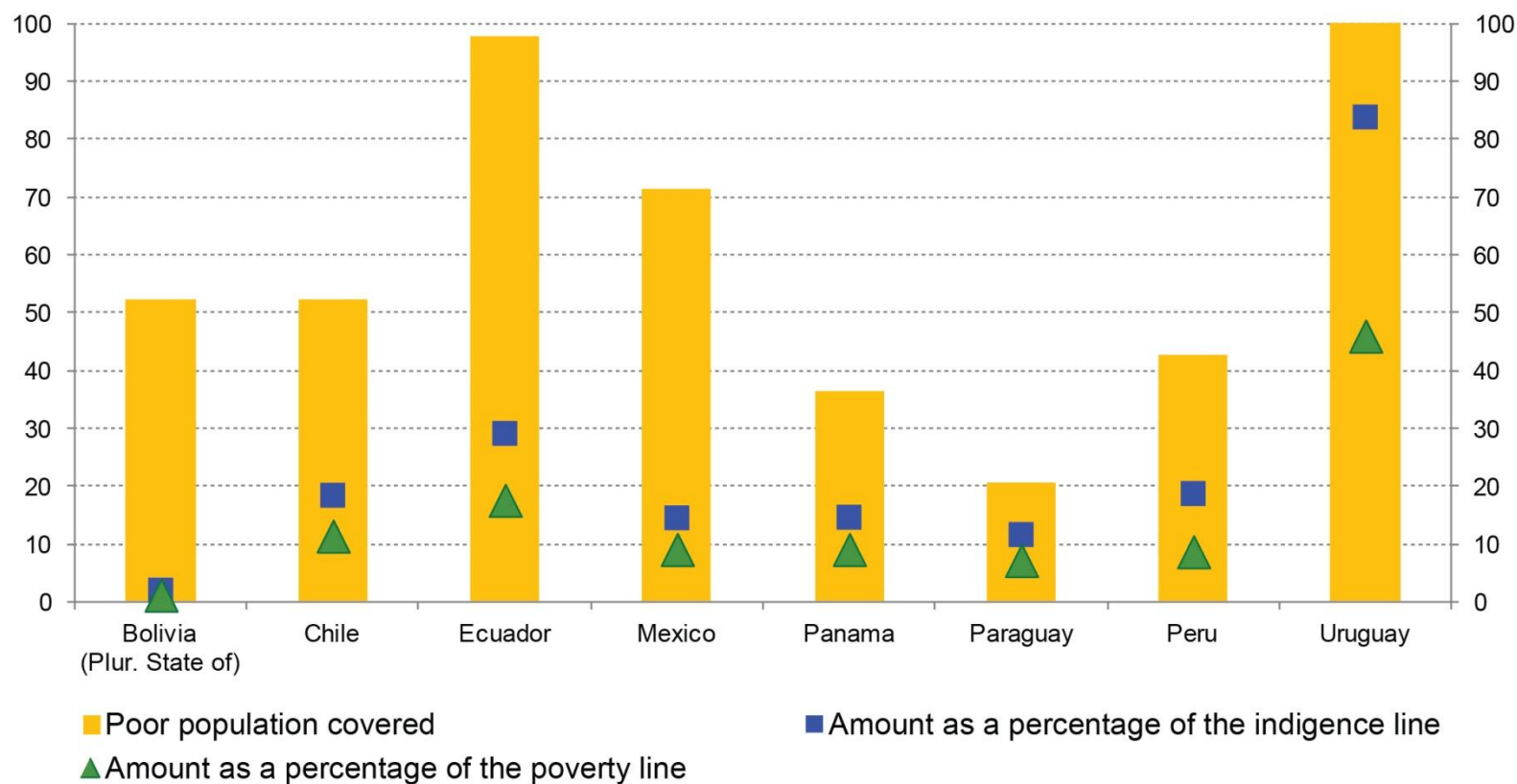
- ✓ **Improvements in education, health and nutrition indicators**
  - Education
    - ✓ Enrolment
    - ✓ School attendance
    - ✓ Learning outcomes
  - Health
    - ✓ Child growth monitoring
    - ✓ Health check-ups
    - ✓ Vaccinations
  - Nutritional status

*These effects are particularly notable among the poorest families and in countries where access barriers are highest. The impacts depend to a large extent to the quantity and quality of public services available.*



# The impacts of CCTs on poverty and inequality depend on the quality of targeting, the breadth of coverage, and the amount of the transfers

**Latin America (10 countries): coverage and monthly amount per capita of conditional transfers, based on household surveys, around 2011 and 2013**  
*(Percentage of the poor population and percentage of indigence and poverty lines)*



**Source:** ECLAC, on the basis of special processing of data from household surveys in the respective countries.

# POLICY PROPOSALS



UNITED NATIONS

ECLAC

# Poverty eradication programmes must include coordination with the sphere of work

## TYOLOGY OF LABOUR INCLUSION AND INCOME GENERATION PROGRAMMES ASSOCIATED WITH CONDITIONAL CASH TRANSFER SCHEMES



**Source:** ECLAC and ILO., “Conditional cash transfers and the labour market”, Employment situation in Latin America and the Caribbean, No.10, Santiago, May 2014.

# Keys to advancing towards innovative programmes to poverty eradication: they must be treated as part of an integrated social protection policy

---

- Coordinate poverty reduction programmes with a universal supply of quality health and education services
- **Develop care policies**
- **Improve rural and urban infrastructure** (electricity, drinking water and sanitation, housing and transport)
- **Broaden coverage**, based on the principle of actively seeking out those eligible in order to reach the entire poor population
- **Increase the amounts of transfers** in order to overcome at least extreme poverty
- **Coordinate CCTs with policies on labour and productive inclusion** in order to open up access to decent work, with training and opportunities for entering the formal labour market
- **Gender mainstreaming**, particularly in the design of conditionalities and policies relevant to **young people, indigenous peoples and Afro-descendants**
- Forge **stronger links with the environmental and territorial dimensions** to strengthen resilience to disasters



# Policies for productive employment and decent work are crucial

- Macroeconomic (fiscal spending), production and sectoral policies that foster quality job creation
- Policies geared towards formalization of workers and firms
- Policies to raise the minimum wage
- Employment protection policies (such as unemployment insurance)
- Policies to enhance women's economic autonomy
- Policies to broaden opportunities for young people to enter quality employment with technical education and professional training
- Policies to end all forms of discrimination in employment and at work
- Policies to prevent and eradicate child labour and forced labour
- Stronger labour inspection and mechanisms to protection labour rights, collective bargaining and freedom off association, as well as forums and processes of social dialogues



# The role of social development ministries in labour policy: creating social protection networks

---

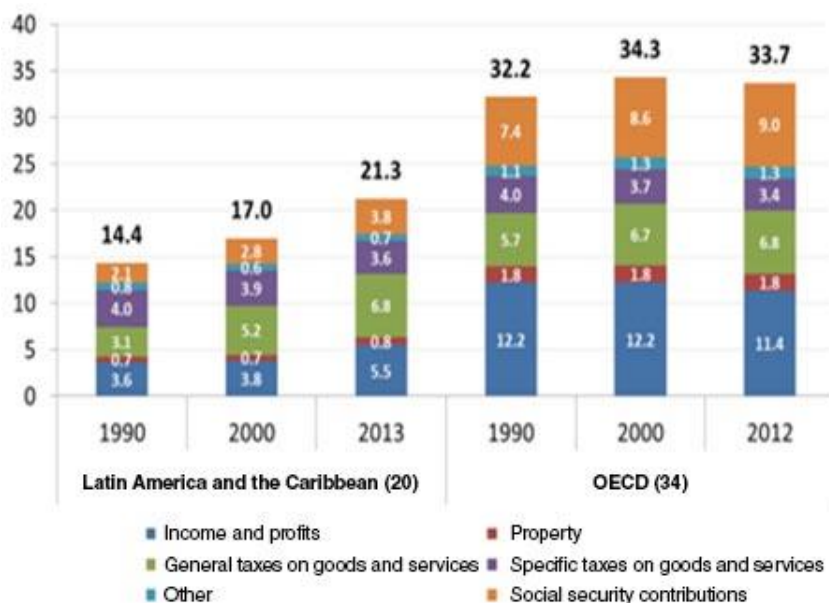
- Prevent and eradicate forms of labour that reproduce poverty and exclusion and violate fundamental rights — such as child labour
  - ✓ Through social protection networks for the most vulnerable (including conditional cash transfer programmes and labour and productive inclusion schemes)
- Create/strengthen care systems (children, older persons, persons with disabilities)
- Coordinate poverty eradication policies with economic, labour and human rights policies



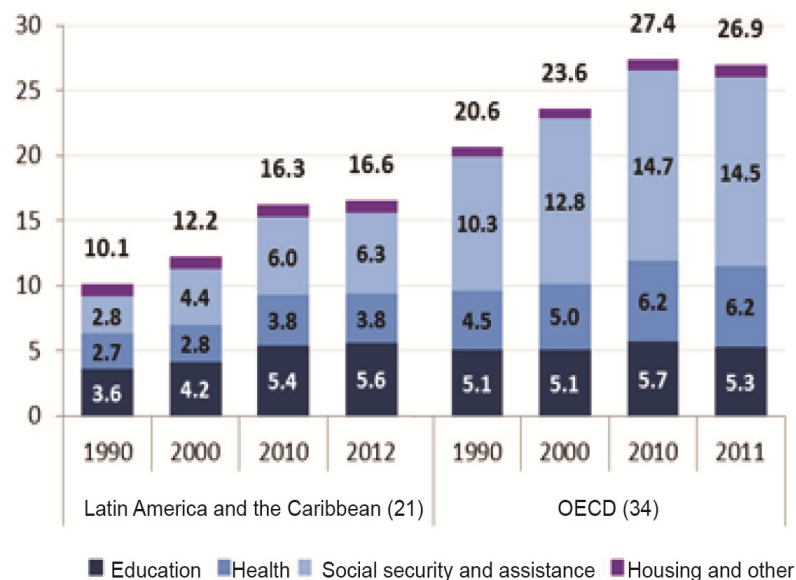


# Despite the constraints of the current economic conditions, there is room for financing social development

**Latin America and the Caribbean (20 countries) and OECD (34 countries): structure of tax revenues (including social security), several years**  
*(Percentages of GDP, simple averages)*



**Latin America and the Caribbean (21 countries) and OECD (34 countries): public social spending by sector, several years**  
*(Percentages of GDP, simple averages)*



Source: ECLAC, on the basis of CEPALSTAT, and OECD/ECLAC/CIAT/IDB 2015.

## Continue to strengthen social protection systems even though slowing economic growth makes it more difficult to generate quality employment and finance social investment

---

- Guarantee **adequate, consistent financing** to address the needs of the vulnerable population.
- **Integrate contributory social protection with non-contributory instruments** in order to move towards **universal social protection**
- **Coordinate** the various policies and programmes, as well as the State bodies responsible for the design, financing, implementation, regulations, monitoring and evaluation of social protection policies.



# **INCLUSIVE SOCIAL DEVELOPMENT AND THE 2030 AGENDA**



# At least 11 of the 17 SDGs in the 2030 Agenda for Sustainable Development concern social development priorities

---

1. End **poverty** in all its forms everywhere.
2. End **hunger**, achieve food security and improve nutrition
3. Ensure **healthy lives and promote well-being for all** at all ages
4. Ensure inclusive and equitable quality **education** and promote lifelong learning opportunities for all
5. Achieve **gender equality and empower** all women and girls
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and **decent work for all**
10. Reduce **inequality** within and among countries
16. and 17. Governance: access to **justice, information** and **participation**. Institutions and financing.



UNITED NATIONS

ECLAC

# The social pillar of the 2030 Agenda has broadened the global social agenda

---

- Poverty reduction is linked to **social protection** and the guarantee of the right to basic services.
- Explicit emphasis on people who are overrepresented in vulnerable situations, such as **children** and **women**.
- **Inequality within and among countries emerges as a central theme for sustainable development.**
- Emphasis is placed on combating discrimination in all its forms and promoting the guarantee of universal levels of well-being and greater social inclusion.
- **Social protection is mainstreamed** in the 2030 Agenda as necessary to achieving several targets.
- **Subregional and regional forums** are available to the countries for adapting the new agenda to the region's needs and challenges.



# Inclusive social development

*The next generation of policies  
for overcoming poverty  
and reducing inequality  
in Latin America and  
the Caribbean*



**ALICIA BÁRCENA**  
**EXECUTIVE SECRETARY**

**2015**  
Regional Conference  
on Social Development  
in Latin America and the Caribbean  
Lima, 2-4 November 2015