

Social protection systems in Latin America and the Caribbean



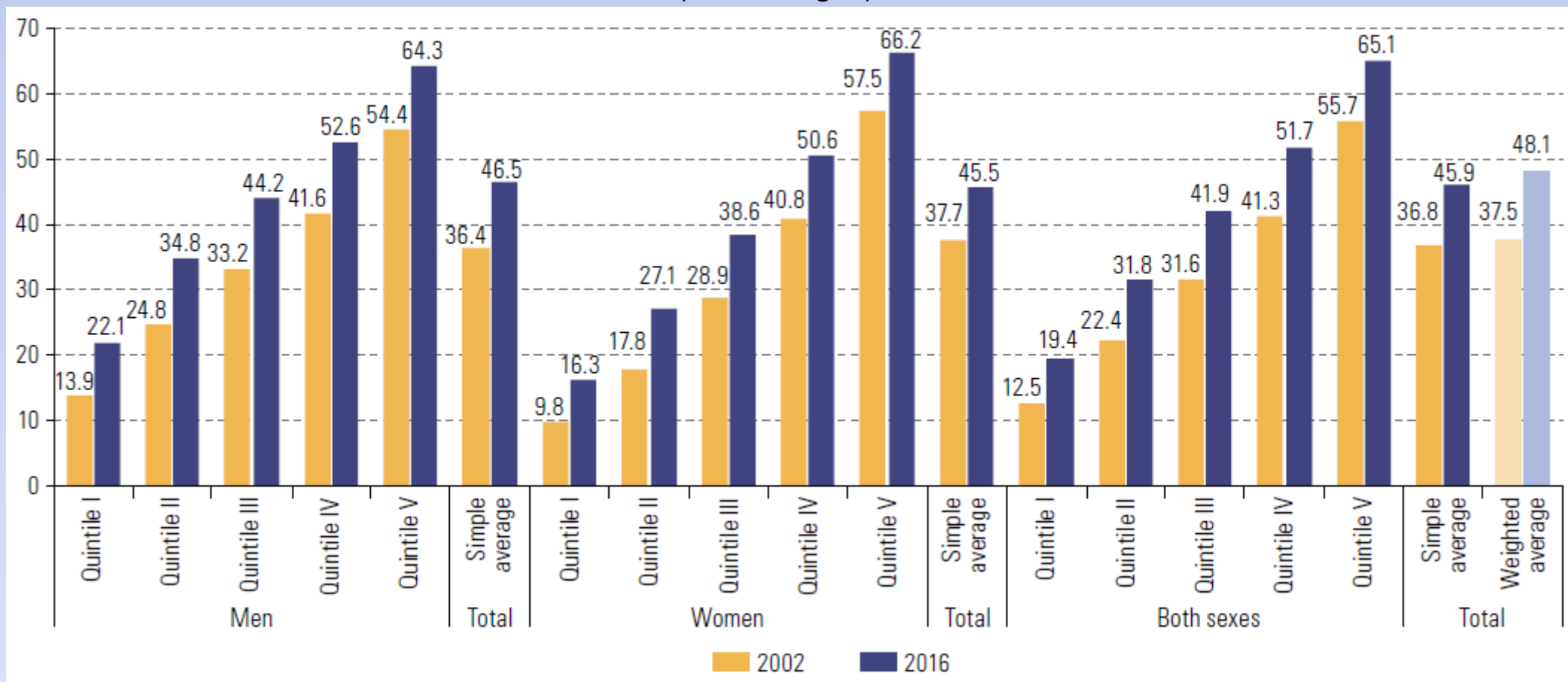
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LAC has made progress in coverage of contributory social protection, but inequality persists

LATIN AMERICA (18 COUNTRIES): EMPLOYED PERSONS WHO ARE AFFILIATED OR CONTRIBUTE TO PENSION SYSTEMS RELATIVE TO THE TOTAL NUMBER OF EMPLOYED PERSONS AGED 15 OR OVER, BY INCOME QUINTILE AND GENDER, AROUND 2002 AND 2016^{a b c}
(Percentages)

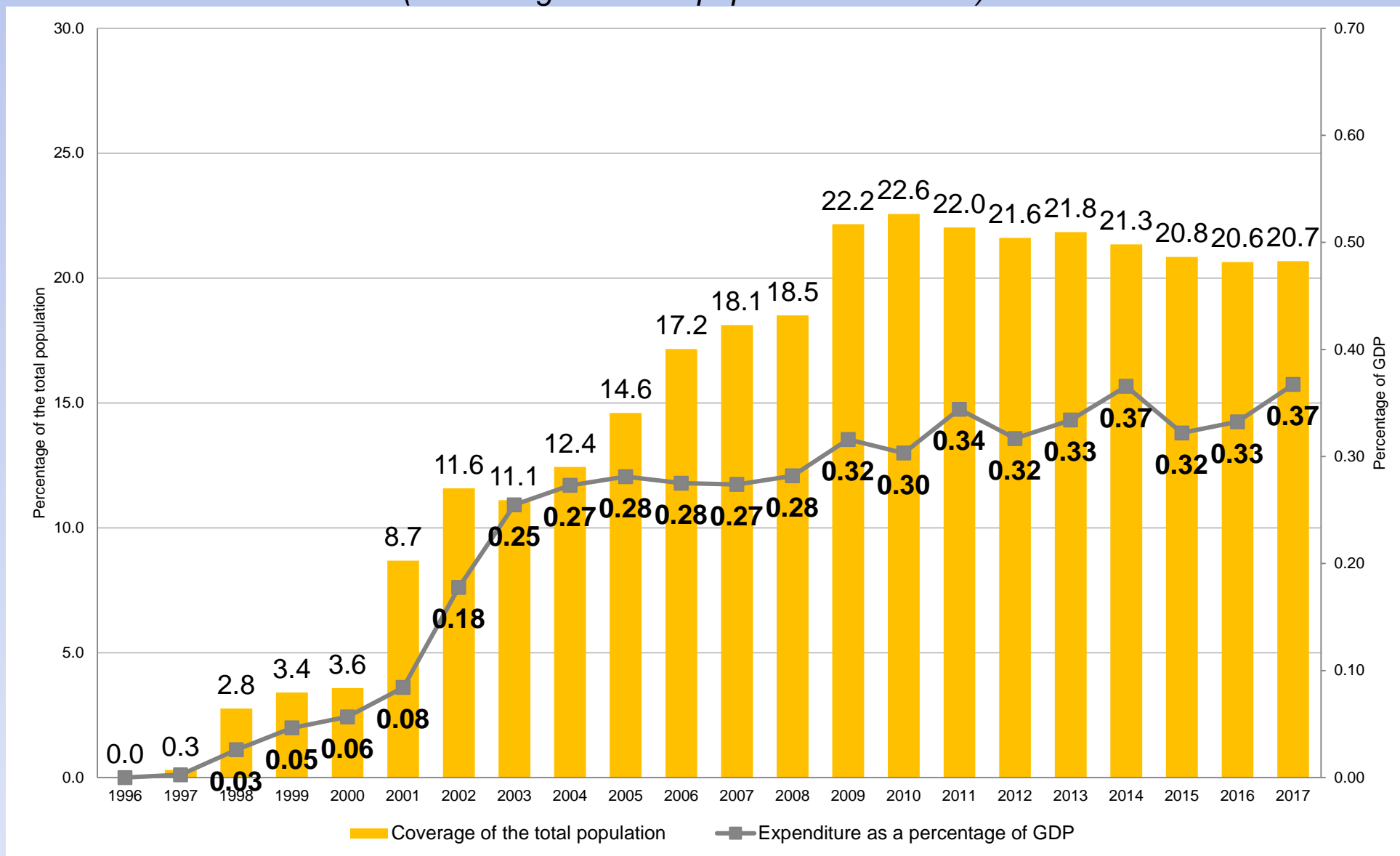


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
 a Simple averages by quintile. The countries included are: Argentina (urban areas), Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay (urban areas).
 b Worker affiliation to pension systems is recorded in Colombia (1999), Ecuador, El Salvador, Guatemala, Paraguay (2003), the Dominican Republic, Peru and the Plurinational State of Bolivia. In the remaining countries, the indicator used corresponds to the contribution paid into pension systems or to comparable measurements. The data for Mexico for 2016 are not strictly comparable with those of previous years owing to changes in the wording of some of the questions on social security access. Further details of these changes, their effects on the estimation of social security coverage (health and pensions) and procedures to adjust the estimation are provided in CONEVAL (2017).
 c In Argentina, the Bolivarian Republic of Venezuela, the Dominican Republic and Guatemala, the figures refer to wage earners.

CCTs cover 130 million people in Latin America and the Caribbean, with an expenditure averaging 0.37% of GDP

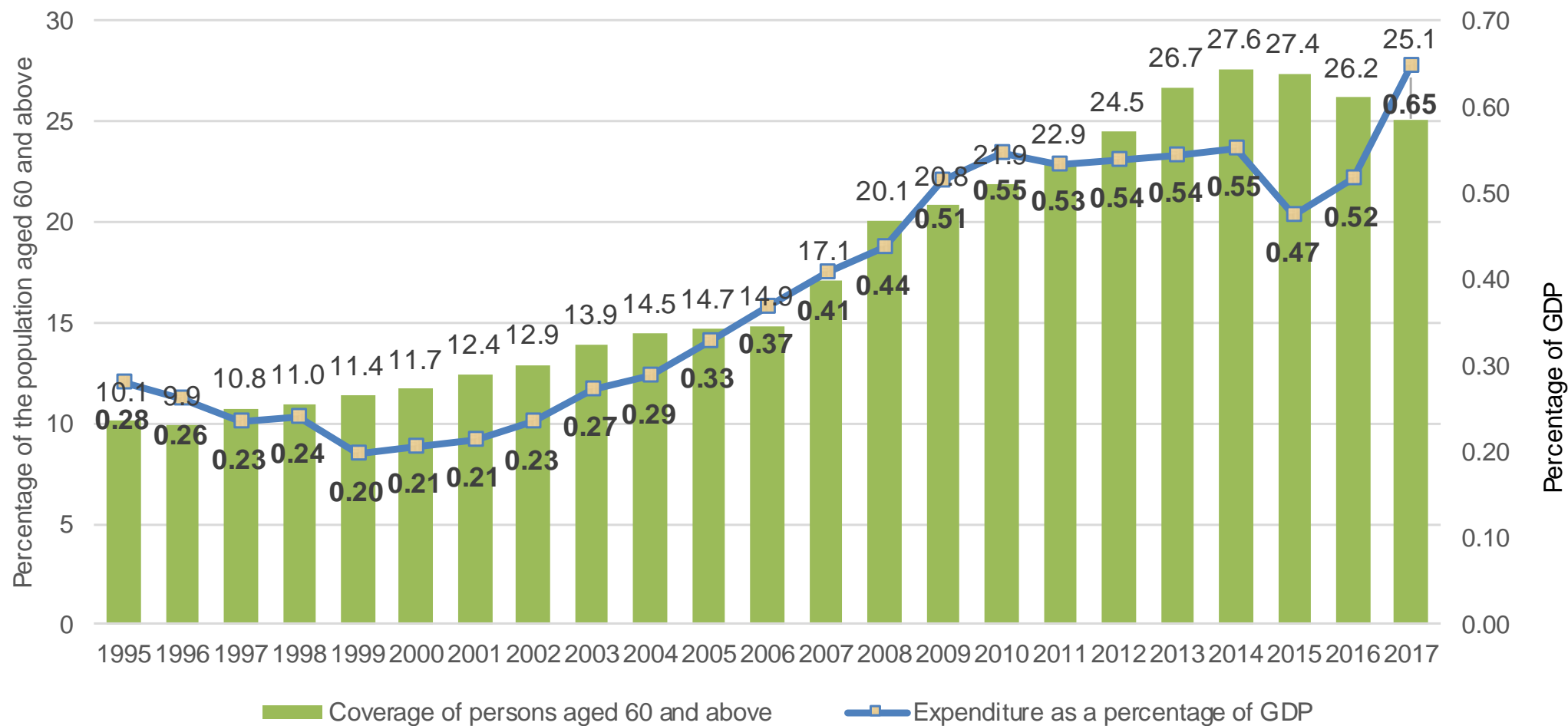
LATIN AMERICA AND THE CARIBBEAN: COVERAGE AND EXPENDITURES IN CONDITIONAL CASH TRANSFERS (CCTs), 1996-2017

(Percentages of total population and GDP)



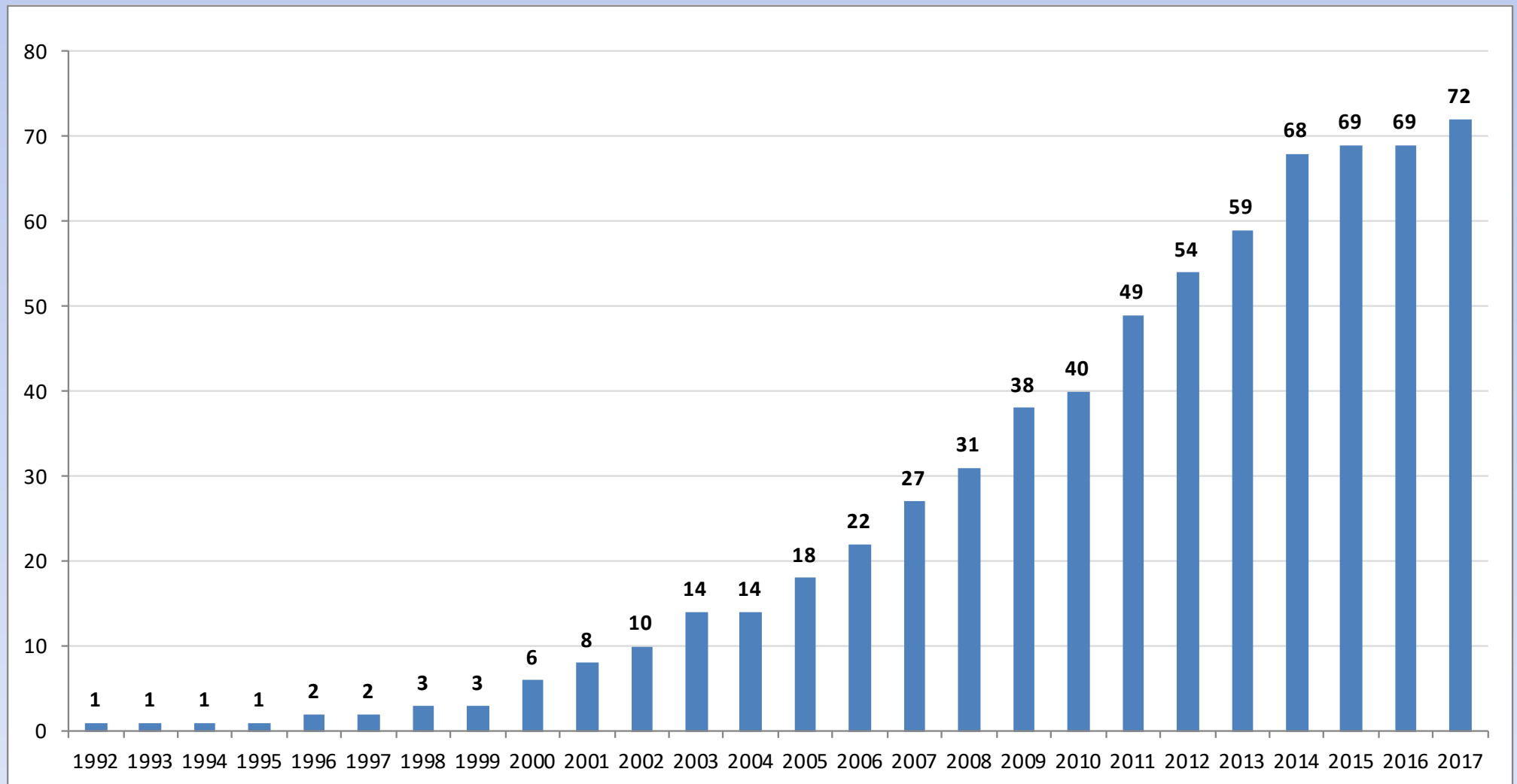
Social pensions cover 25% of persons aged 60 and above, with an expenditure averaging 0.65% of GDP

LATIN AMERICA AND THE CARIBBEAN: COVERAGE AND EXPENDITURES IN SOCIAL PENSIONS, 1995-2017
(Percentages of GDP)



Expansion of labour and productive inclusion programmes. Public expenditure on labour market policies estimated at 0.45% of GDP

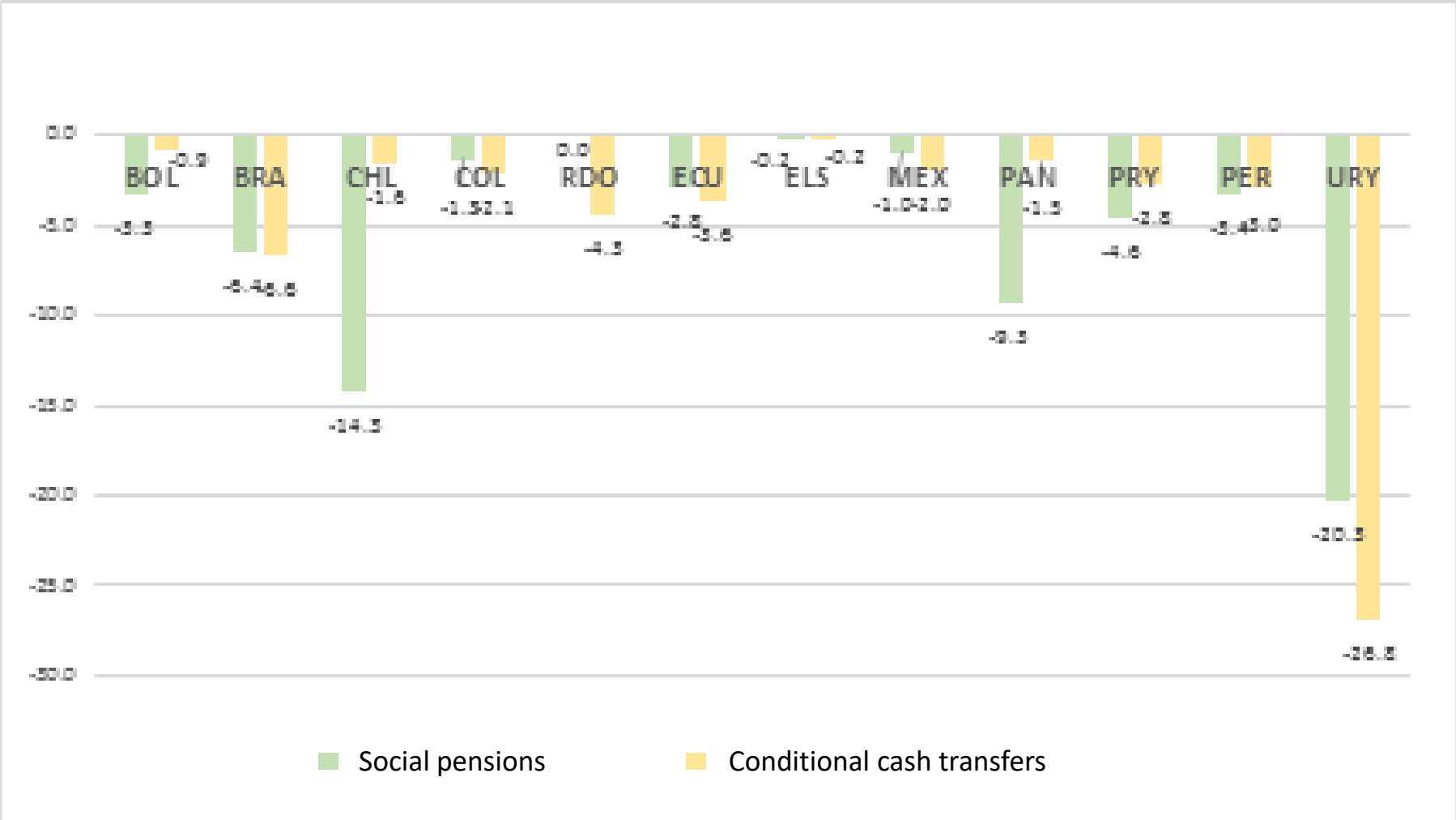
LATIN AMERICA AND THE CARIBBEAN: NUMBER OF LABOUR AND PRODUCTIVE INCLUSION PROGRAMMES, 1992-2017



Source: Abramo, Cecchini y Morales (2019) on the basis of Non-contributory social protection programmes in Latin America and the Caribbean database.

Impact of non-contributory social protection on the incidence of poverty depends on coverage and amount of transfers

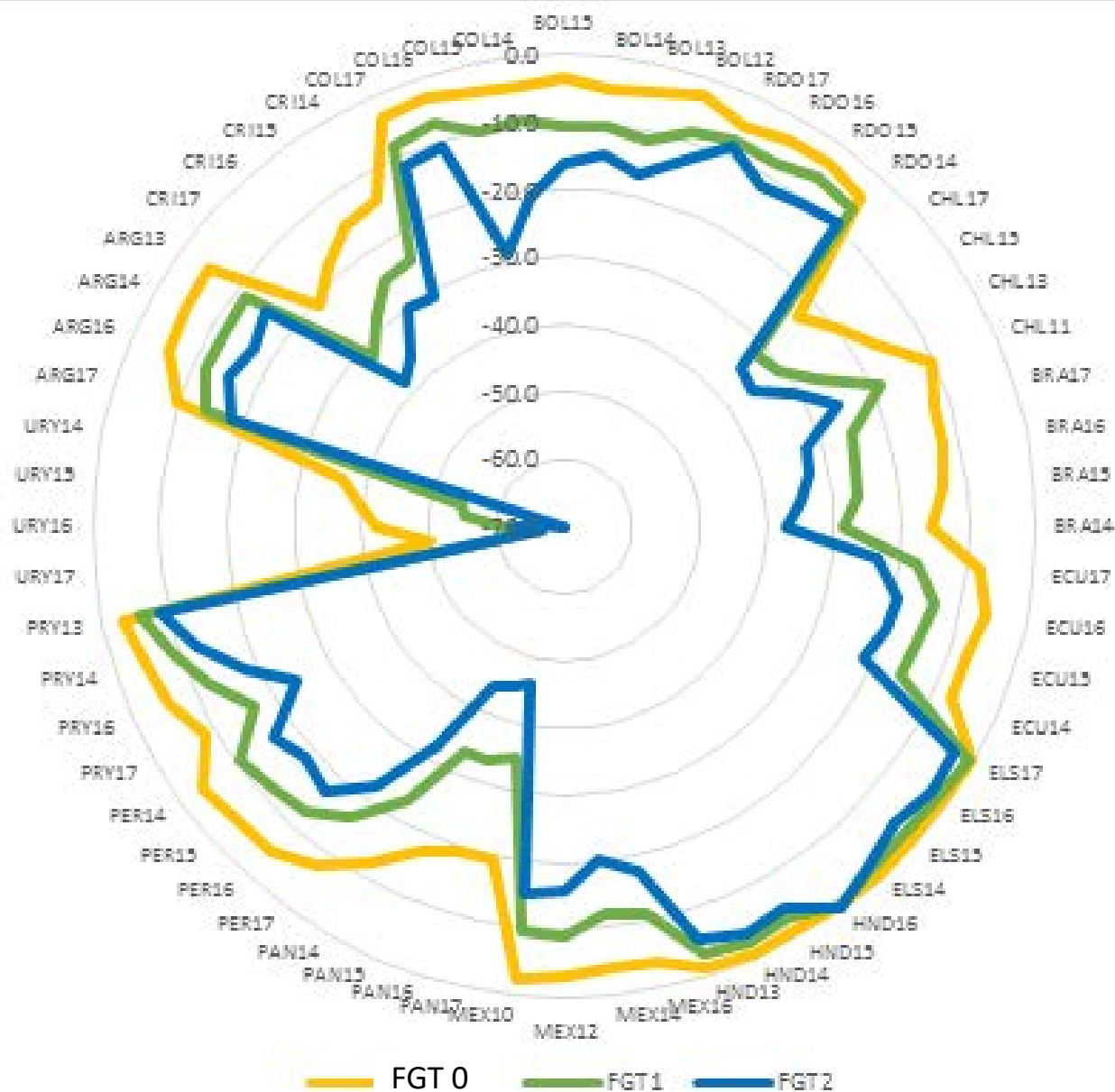
LATIN AMERICA : RELATIVE REDUCTION OF POVERTY INCIDENCE GIVEN NON-CONTRIBUTORY TRANSFERS , 2016-2017 (In percentages)



Source: Cecchini , Villatoro and Mancero (2019).

Impact of non-contributory social protection is greater on poverty gap and severity indicators

LATIN AMERICA : IMPACT ON POVERTY INCIDENCE, GAP AND SEVERITY BY NON-CONTRIBUTORY TRANSFERS , 2014-2017

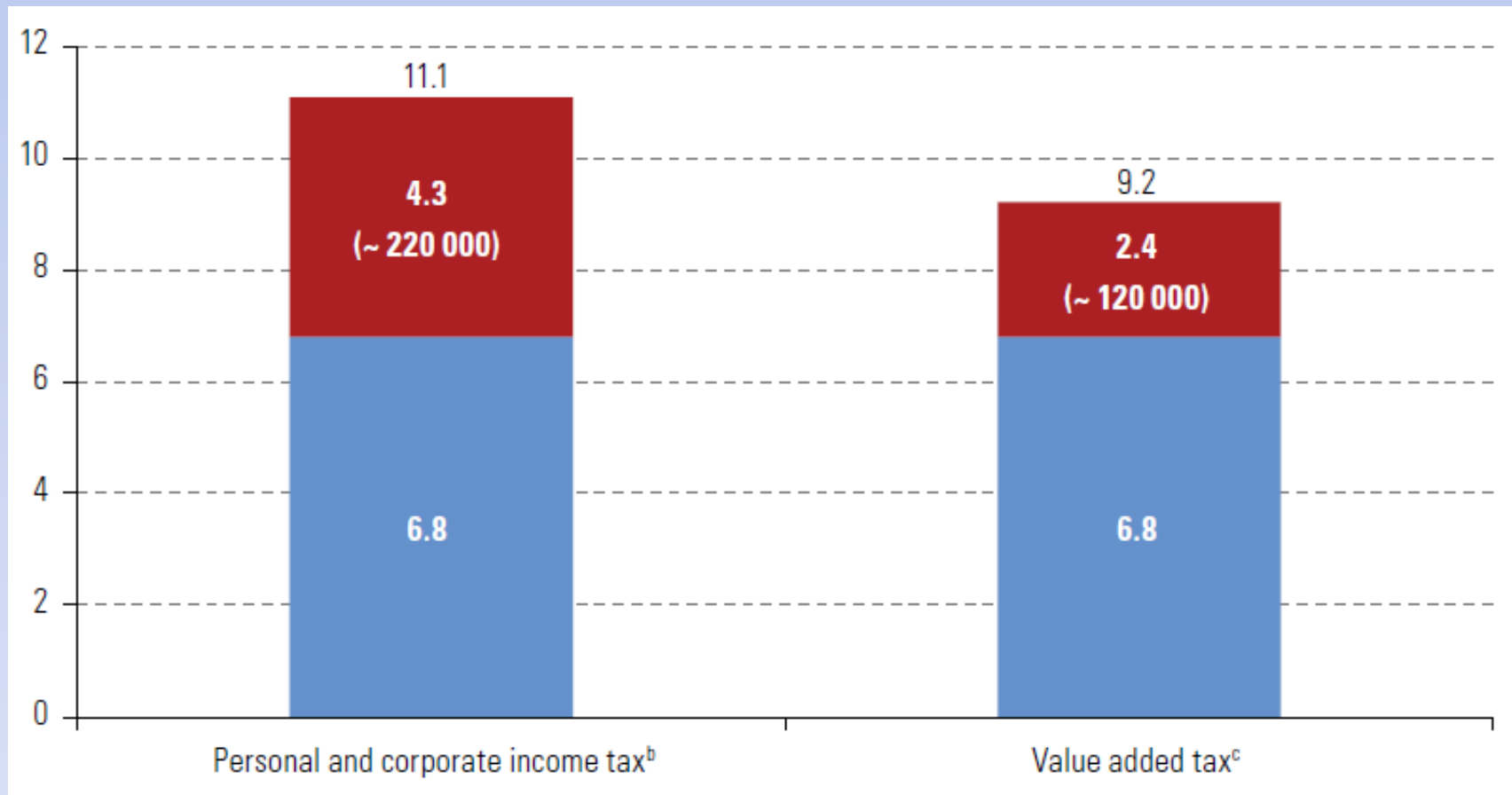


A comprehensive, rights-based view of social protection is needed to overcome poverty and reduce inequality

- Components of social protection
 - Contributory, non-contributory, labour-market regulation
- Functions of social protection
 - Protects and secures income; Identifies demand and guarantees access to social services; Fosters decent work
- Adopting a **rights-based approach** in social protection is needed for its **ethical, normative and instrumental value**
- Elements of rights-based approach
 - Equality and non-discrimination, Progressiveness and non-regressiveness, Use of maximum resources available, Comprehensiveness, Institutional framework, Participation, Transparency and access to information, Accountability
- Any social protection policy or reform should consider an **equilibrium among broad coverage, quality of allowances and financial sustainability**

Tax non-compliance (VAT and income tax) is estimated at USD 340 billion in 2015 (6.7% of GDP)

LATIN AMERICA (15 COUNTRIES): TAX COLLECTION AND ESTIMATED TAX EVASION, 2015 ^a
(Percentages of GDP and millions of dollars)



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

^a Effective collection and estimated evasion are calculated on the basis of the take for the two taxes expressed in dollars; the sum of this value is presented as a percentage of the GDP of the reporting countries (weighted average). Finally, the percentages are applied to the GDP of Latin America to estimate the regional values in dollars.

^b Estimate on the basis of data from Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico and Peru.

^c Estimate on the basis of data from Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Peru, the Plurinational State of Bolivia and Uruguay.