

## Virtual Expert Group Meeting

on

**“Inclusive and resilient recovery from COVID-19 for sustainable livelihoods, well-being and dignity for all: eradicating poverty and hunger in all its forms and dimensions to achieve the 2030 Agenda”**

**Report of Regional Breakout session: Latin America and the Caribbean  
Effective strategies to eradicate poverty and hunger (Part II): social protection systems and floors**

**Date:** July 30, 2021, 11:00-13:00 Chilean time (-4UCT)

### **Purpose of the meeting**

Share experiences, challenges and opportunities in the region on the situation of poverty and hunger in the context of the COVID-19 pandemic. Based on this, discuss public policy and cooperation alternatives to move towards a transformative, inclusive and resilient recovery.

### **Discussants:**

Carla Mejía, Regional Advisor on Nutrition, WFP  
Carolina Trivelli, Senior Strategic Analysis Advisor, FAO  
Claudia Robles, Social Affairs Officer, ECLAC  
Fernando Filgueira, Representative at Uruguay, UNFPA  
Jaime Tohá, Director of National Board of School Aid and Scholarships (JUNAEB), Chile  
Maria Paula Martínez, Country Director, Save the Children Colombia  
Pablo Yanes, Research Coordinator, ECLAC Subregional headquarters in México.  
Rodrigo Martínez, Senior Social Affairs Officer, ECLAC  
Verónica Silva, Senior Social Protection Specialist, World Bank.

### **Issues addressed:**

- Before the pandemic of COVID-19, Latin America and the Caribbean was already facing multiple challenges, added to the structural inequality that characterizes the region. Emerging challenges include climate change, the increasing occurrence of disasters, migration, technological revolution and their changes in the world of work, and social unrests and protests. This situation is complemented with low rates of economic growth (with an average of 0.3% of GDP between 2014 and 2019) (ECLAC, 2021a), growing poverty rates in Latin American countries (with poverty increasing from 27.8% to 30.5%, and extreme poverty, from 7.8% to 11.3% between 2014 and 2019) with a Gini coefficient at an average of 0.460 (ECLAC, 2021b), high levels of informality and a persistent food and nutrition insecurity, with the double burden of malnutrition (undernutrition and overweight).



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- The region showed important gaps in the access to social protection prior to the crisis. In 2019, only 47.2% of employed persons were affiliated or contributing to pension schemes, and 60.5% were affiliated or contributing to health systems. Furthermore, in 2019, a quarter of individuals aged 65 years or older were not receiving a pension either contributory or non-contributory, while only 18.5% of the population of Latin American and Caribbean countries received conditional cash transfer programmes.
- As a result of the pandemic, employment and labour rates fell and the unemployment rate increase considerably, compared to previous crisis, affecting with special intensity female, young and informal workers. The reduction of labour incomes in 2020 affected large groups of population in Latin American and the Caribbean, especially those located in lower-income quintiles. In 2020, ECLAC estimated that the poverty rate reached 33.7%, and the extreme poverty rate 12.5% of Latin America's population. This equates to 209 million people living in poverty (22 million more than in 2019) and 78 million in extreme poverty (up by 8 million). (ECLAC, 2021a)
- Due to the pandemic, income distribution has become even more unequal than before, with the Gini index rising by 2.9% in the region (ECLAC, 2021b). A large part of the region's population was already vulnerable before it hit, and vulnerability has increased given its impacts: in 2020, 79.4% of the Latin American population lived with incomes up to three times the poverty line (ECLAC, 2021b). As indicated by ECLAC (2021a, page 21) "The social crisis resulting from the restrictions on movement, the reduction in economic activity and the loss of employment due to the pandemic has not only hit low-income groups but has also highlighted the vulnerability of much of the middle-income population. This is characterized by low levels of contributions to contributory social protection and very low coverage of the non-contributory modality".
- This has led to an increase in food insecurity in all subregions of Latin America and the Caribbean, while food prices have risen. Data from FAO for the region shows that, despite income and food support policies, 40.4% of the population was affected by moderate or severe food insecurity in 2020, increasing by 6.5 percentage points over the previous year's level. Thus, 44 million people more in the region became either moderately or severely food insecure, of whom 21 million were in the severe category. (Torero, 2021)
- To deal with the pandemic impacts, countries of the region implemented in 2020 more than 260 non-contributory social protection interventions. 56% of them were cash transfers in 30 countries, complemented with food baskets and medicines in 29 countries, and basic services supports in 26 countries (ECLAC 2021a).
- School feeding programmes were adapted to the situation and in many cases food baskets were directly provided to families at home. This has been useful to tackle food insecurity but may be cut as students return to school.
- Thus, the crisis provides an opportunity for change and generate new ways of dealing with future shocks with a perspective on a new model of development that overcomes the three structural crises that in turn contribute to understand the impacts of the crisis caused by the COVID-19 pandemic in the region: of the economy, of inequality and of the environment (ECLAC, 2020a). There is no doubt that shocks are becoming an endogenous problem, enrooted at the heart of the development model, so it is likely that more shocks and disasters will be generated in the future. Different lessons can be extracted from the experience cumulated so far in the response to the crisis.



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- The crisis highlighted the opportunity to strengthen connections between diverse organizations and actors, as well as the role of territories and the local governance structure: the regional experience shows that where bridges existed, it was possible to work articulately between the central and the local level, and among public and civil society actors.
- An important issue to consider is the previously existing institutional frameworks in relation to poverty, hunger and malnutrition. While the crisis's level of governmental response exposed the relevance of counting with social frameworks and social protection systems that have been strengthened over the past two decades, it also showed old and new gaps. Among the latter, the crisis showed that there is a lack of coordination between social protection and food systems, including industrial food policies. Much of the problem of nutrition lies not only in the quantity of food, but the lack of access to quality diets.
- In its overall, the pandemic showed the severe limits of social protection systems in the region, which explains the magnitude of interventions, many of them new, that had to be in place by governments (ECLAC, 2021b). It also stands out the huge heterogeneity of Latin American and Caribbean countries: the capabilities of the states to respond to the crisis were very different because they came with very different stocks and reserves, and institutional capacities. But all have policies and institutional frameworks that need to be reviewed and analyzed before creating new instruments.

### **Policy recommendations**

- There is an urgent need to consolidate universal, comprehensive and sustainable social protection systems as a central pillar of welfare states. The principle of universalism that is sensitive to differences, which acknowledges specific gaps that require affirmative action measures and the recognition of diverse identities, while calling for universal and quality access to health, education, basic services and social protection for all, seems to be more relevant than ever for that aim (ECLAC, 2020).
- Social protection systems must be prepared for disasters to enhance resilience. There is an urgent need for institutions to cope with emergencies in better conditions. During the pandemic in some cases it was improvised, so it is necessary to advance in a preventive and proactive social policy design in the face of future shocks. Never again a crisis like this can find the region with their social protection systems such as now, risking a new lost decade.
- Social protection policies should overcome a single vision within the actual context and be integrated into horizontal and vertical coordination to set and improve the policy response's adequacy, sufficiency, efficiency and opportunity. Greater articulation between the different components of social protection systems, including contributory and non-contributory instruments, labour market regulation and care policies, is a central task to foster.
- In this context, it is crucial to identify short-term as well as medium to long term efforts. Emergency cash-transfers will continue to play a crucial role while the pandemic remains, and this ECLAC has proposed instruments such as an Emergency Basic Income to protect all the population living in situation of poverty, and along with FAO, an Anti-Hunger Grant (see ECLAC, 2021a). In the long term, it could be evaluated the gradual and progressive introduction of wide coverage



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transfers as indicated by the Regional Agenda for Inclusive Social Development (ARDSI) adopted by the countries in the Regional Conference of Social Development in 2019.

- Expanding access to universal social protection for informal workers is an urgent matter in the region. There are diverse experiences which might contribute to this aim, including the implementation of tax simplification registration systems in some countries, specific pension system for rural workers and instruments that seek to expand coverage of non-contributory social protection to these workers. These measures should also consider the situation of workers in new forms of employment, such as platform workers.
- Information systems for decision making is critical for the above mentioned. A reliable system, with up-to-date information coming from ad-hoc surveys, administrative records, taxing systems among others, help to increase speed and reliability of the response. Greater interoperability among existing registries is part of this challenge and digital technologies are an opportunity for this. Advancing towards social registries of potential recipients of non-contributory social protection instruments with a universal coverage could be considered as part of this effort. Digital technologies, as Big data and Artificial Intelligence are an opportunity for this.
- As disasters such as the COVID-19 pandemic do not recognize national borders, international cooperation is crucial to address the effective delivery and response to disasters, especially for highly indebted countries. Regional cooperation and coordination is also fundamental to the strengthening and speeding up of vaccination processes “through donations or the delivery of earmarked doses, especially in the countries that are lagging behind [...] Progress is needed on measures to exempt the intellectual property rights of vaccines, in order to facilitate their manufacture in the region’s countries by strengthening their production capacities” (ECLAC, 2021a, page 36).
- Finally, as the cost of hunger studies (ECLAC-WFP, 2008-2009) and the pandemic has shown, the cost of inaction (or low effectiveness) can be much higher than the costs of the solution. Thus, it is important to consider impacts and costs in a comprehensive framework with social, environmental, and economic information systems, and to include them into metrics for policies and investment decision making processes.
- None of the above mentioned can be achieved without moving to new social and fiscal compacts to give sustainability to the development process. This applies not only to national wide solutions but to regional and global agreements funded in social rights to live no one behind.

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