TOWARDS MORE UNIVERSAL SOCIAL PROTECTION IN LAC

6 JULY 2021

16h | 9h | 10h | 11h

Fostering new development models: A multidimensional approach to the post-Covid-19 world.

The COVID-19 crisis has hit Latin America and the Caribbean (LAC) harder than any other emerging region in the world. In economic terms, the region has suffered a 7.7% drop in GDP, and in human terms, over a million lives have been lost. With around 60% of informal workers and 40% of all workers in the region surviving without any form social safety net before the pandemic hit, the most vulnerable members of society are bearing the brunt of the crisis today.

Furthermore, a series of pre-existing development traps, outlined in the Latin American Economic Outlook 2019, have accentuated the toll of the crisis in the region. As LAC countries chart the path to recovery, development models need to evolve to break the vicious cycles that held the region back even before the crisis struck. We have also seen that national responses alone are not enough to overcome a crisis of global scale; new international partnerships and international co-operation on an equal footing are essential to ensuring a long-term recovery for the region.

At this critical juncture for Latin America and the Caribbean, the EU Regional Facility on Development in Transition is engaged in a series of efforts under “Fostering sustainable development models in LAC countries: A multidimensional approach to the post-COVID-19 world”. Partners including the OECD and its Development Centre, ECLAC and the European Commission (INTPA) have joined forces with key regional institutions to contribute, through analysis and debate, to shaping new development models for a sustainable and inclusive recovery in LAC.

The “Development in Transition Days” will be a first milestone in this effort. A series of discussions will help assess the policy priorities for LAC in the aftermath of the COVID-19 crisis, especially in the fields of regional integration and global value chains; social protection systems; gender; primary healthcare, and regional and international partnerships. Latin American and European economic and political leaders will take part of the discussion for paving the way of the recovery. There will also be a focus on the specific cases of key countries in the region: Brazil, Panama and Paraguay.

Through these discussions, the EU Facility on Development in Transition aims to take stock of the valuable assessments, experiences and ideas that can help regional and European actors to jointly determine the post-COVID strategic priorities and line of action for a sustainable and inclusive recovery, beyond just the recovery phase. An endeavour that will also contribute to strengthening the longstanding partnership between both LAC and Europe towards the common goal of improving people’s well-being.
Over many decades, Latin American countries have built up social protection systems based on formal workers; benefiting from a complex array of social protection mechanisms, including old-age and disability pensions, health coverage and in many cases also unemployment protection. However, Latin American economies are characterised by a large fraction of jobs being outside of formal employment, between a quarter and more than two-thirds depending on the country. The purpose of this study is to explore avenues to expand access to social protection and strengthen formalisation in Latin America, including detailed examples for a few countries in the region. This would help to reduce the current vicious circle whereby the cost of social protection enjoyed in one segment of the labour market preclude the access of many currently unprotected workers to higher-quality jobs. Tackling this challenge is possible, and could go a long way towards making the post-COVID-19 recovery more inclusive.

This expert meeting will seek to answer to the following questions:

One of the lessons from the pandemic is the need to develop social protection mechanisms for all, rather than being limited to the workers who can contribute to the system, who typically are employed in the formal-sector.

- What has been the recent experience of the region? What are the challenges that it has highlighted? How are the options for policy makers to act in this context?
- What is the best way to finance the expansion of social protection systems in a context of high informality and with limited fiscal space?
Moderator:

- Jose Antonio Ardavin, Head of the LAC Division, OECD

Brief UE Opening Remarks:

- Marc Litvine, Senior expert, Head of sector, Regional programmes for Latin America and the Caribbean, European Comission

Setting the scene:

- Jens Arnold, Deputy Head of Division at the Economics Department of the OECD

Panellists:

- Hugo Rolando Ñopo Aguilar, Principal Investigator, Analysis for Development Group (GRADE)
- Fabio Bertranou, Director - Decent Work Team and Country Office for the South Cone of Latin America, International Labour Organization
- Alberto Arenas, Chief Social Development Division, ECLAC

LAC Representatives:

- Brazil: Luciana Peres, Chief of Cabinet of the National Secretariat for Citizenship Income (Senarc)
- Colombia: Laura Milena Pabón Alvarado, Director of the Social Development at the National Planning Department of Colombia
- Chile: Elias Tefarikis, Representative Executive Director of the Program Social Protection Network at Ministry of Development and Family of Chile

Key Takeaways and next steps:

- Jens Arnold, Deputy Head of Division at the Economics Department of the OECD
- Sebastian Nieto Parra, Head of Latin America and the Caribbean, OECD Development Centre

(* invited)
Contact points

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