

Informality & Social Inclusion in the Times of COVID-19

SESSION 3

INCLUSIVE SOCIAL DIALOGUE AND CITIZEN ENGAGEMENT TO ENHANCE SOCIAL COHESION AND OWNERSHIP OF RECOVERY MEASURES

Citizens in Latin America and the Caribbean (LAC) are looking for new ways to influence policy decisions beyond elections. To answer these demands and face the post-COVID recovery, public authorities in LAC should embrace a culture of openness integrating their citizens and stakeholders in key decision-making processes.

Over the past two decades, citizens in LAC have been increasingly demanding greater transparency and accountability from their governments, and have sought opportunities to participate more actively in shaping the policies that affect their lives (OECD, Focus on Citizens: Public Engagement for Better Policy and Services, 2009). Governments are starting to realise that they alone cannot deal with complex global and domestic policy challenges like COVID-19, fighting climate change, soaring obesity levels and fostering gender equality.

In particular, the response to the COVID-19 crisis will require at least three stages of coordinated action from governments: an immediate emergency reaction, a reassessment period, and a recovery plan for the long term. The OECD principles of open government: transparency, integrity, accountability, and citizen participation should guide public action throughout all three stages. In the short term, public communication and transparency are needed to reinforce compliance with emergency measures and fight disinformation. In the medium term, to respond to rising demands for better quality public services and policies, governments need to work with citizens and other stakeholders to find solutions that correspond to their needs. Inclusive participation is fundamental to the creation of a sustainable, socially cohesive society (OECD, Perspectives on Global Development 2012: Social Cohesion in a Shifting World, 2011), one which “works towards the well-being of all its members, fights exclusion and marginalisation, creates a sense of belonging, promotes trust, and offers its members the opportunity of upward social mobility” (OECD, Social Cohesion, n.d).

All Latin American and the Caribbean countries have open government agendas in place. Countries should focus on enhancing the impact of reforms to foster transparency, accountability, integrity and stakeholder participation as they seek solutions to manage the fallout from COVID-19.

The emergence of the global open government movement, which the OECD has championed, has played an important role in putting citizen and stakeholder participation back on the agenda of many countries, including in Latin America and the Caribbean, where 16 countries are today members of the *Open Government Partnership (OGP)*. Open government reforms are built on the idea that promoting transparency, integrity, accountability and citizen and stakeholder participation enables governments to work better, deliver the services their constituencies want and need, and ultimately enhances trust in the legitimacy of decisions. This will be particularly relevant as even before COVID-19 impacted the region, close to 64% of Latin Americans reported having no confidence in their national governments¹. An overall lack of trust could undermine the ability of authorities to secure buy-in and compliance for lock-down measures for instance which would render control of the virus more challenging.

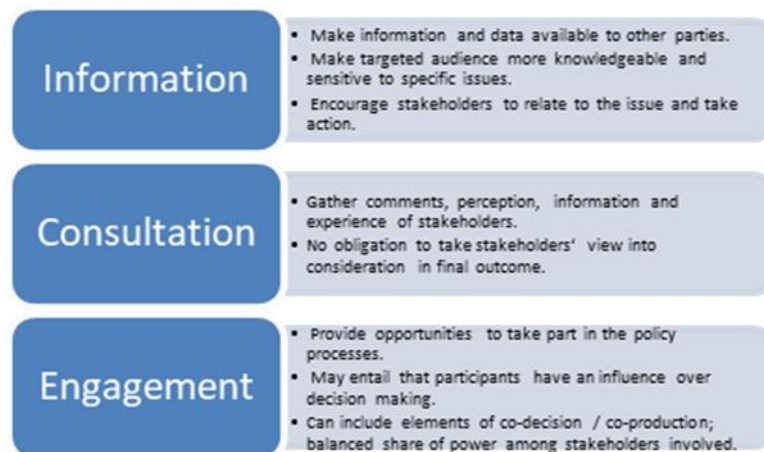
The OECD's *Recommendation on Open Government* (OECD, Recommendation of the Council on Open Government, 2017), is the first and only international legal instrument in the area. The three OECD members in the LAC region (Mexico, Chile and Colombia) as well as Costa Rica (in final stages to become a member country) are adherent. It invites governments to implement and foster innovative ways of citizen and stakeholder participation with equal and fair opportunities of engagement in all phases of the policy-cycle and service design and delivery.

¹ OECD et al. 2019 >>

Citizen and stakeholder participation is not a one-size-fits-all policy tool. Public authorities need to ensure impact, inclusion and representativeness to exploit the benefits of each participatory process.

The OECD has identified different types of relationships between citizens and governments (OECD, 2001). They vary from the basic provision of information, which is the weakest form of participation, to full engagement forms such as co-production, co-delivery and co-evaluation, which involves a balanced share of powers among stakeholders (OECD, 2016). Each has different objectives and impacts:

Figure 1. The imaginary ladder of participation practices: Levels of stakeholder participation



Source: Adapted from OECD (2015a), "Policy shaping and policy making: The governance of inclusive growth", background report to the Public Governance Ministerial Meeting, 28 October, www.oecd.org/governance/ministerial/the-governance-of-inclusive-growth.pdf

In order for participation to be inclusive and effectively address the needs of all citizens and stakeholders, an effort has to be made to include "the silent majority" and traditionally excluded groups like informal workers (representing over half of the region's employment²), women, indigenous populations, LGBT and others (OECD, Perspectives on Global Development 2012: Social Cohesion in a Shifting World, 2011) who are particularly vulnerable to the ongoing crisis (Session 2). To help public authorities overcome the challenges of effective citizen and stakeholder participation, the OECD established [10 Guiding Principles for Open and Inclusive Policy Making](#), which includes political commitment, citizen rights, clarity, accountability and evaluation of the processes as guidance for governments to better implement participatory mechanisms (OECD, 2016).

The OECD has worked extensively with LAC countries in the promotion of the principles of open government. This includes Open Government Reviews in [Costa Rica](#) and [Argentina](#), and advice on citizen participation in the constitutional process in Chile. It has also worked with Colombia, Peru, Mexico, Brazil, the Dominican Republic, Guatemala and many others to foster their open government agendas. The [OECD Network on Open and Innovative Government in Latin America and the Caribbean](#) provides furthermore a platform for countries from the entire region to discuss open government reforms and participatory experiences and could be used to discuss the challenges of the ongoing crisis. The evidence shows that LAC countries share similar open government challenges: cooperation amongst institutions, lack of comprehensive strategies, need for stronger institutional frameworks and institutionalization, amongst others (OECD, Open Government in Latin America, 2014) (Ramirez-Alujas & Dassen, 2016). Given the nature of the ongoing crisis, these are challenges that if not properly addressed could potentially make addressing the consequences more difficult for the authorities.

Understanding how policies are designed can strengthen public governance and promote trust between government and citizens. Participatory practices can advance efficient, inclusive and trustworthy policymaking in LAC.

² Formalization Policies in Latin America, Presentation by J. Chacaltana, ILO, 2019 >>

The process of policymaking is as important as the policies themselves for building social cohesion for reasons both of efficacy and of equity as it brings in the views of all stakeholders – from those who will be implementing the policies to the final beneficiaries (OECD, Perspectives on Global Development 2012: Social Cohesion in a Shifting World, 2011). OECD member countries' experience indicates that participation can improve policy performance and the quality of public services by helping governments to better understand people's needs, tapping on collective intelligence for innovation, creating more cost-efficient policies and enhancing policy implementation (OECD, Focus on Citizens: Public Engagement for Better Policy and Services, 2009). Additionally, participation in the policy cycle can promote trust in public decision-making and thus compliance and a stronger democratic performance; answer concerns of unrepresented publics by addressing inequalities of voice and access and thus fight exclusion and marginalisation; and create a sense of belonging and thus foster social cohesion. This is particularly relevant to LAC considering that even prior to the advent of COVID-19, three out of four Latin Americans were reporting little to no confidence in their national governments³. Moreover, in the midst of a sanitary crisis only 49% of citizens reported being satisfied with the quality of health care in 2018 and a staggering 34% for the judiciary. Higher levels of trust in government, good governance and efficient and equitable public services are some of the outcomes that can result from undertaking open government reforms (OECD, 2016[6]).

Transparency and access to information are preconditions for effective participation all along the policy cycle.

The availability of constitutional rights and laws on access to information (ATI) and transparency is close to being standardised among LAC countries (OECD, Open Government in Latin America, 2014); (UNESCO, n.d). Some countries are making efforts to create inclusive ATI frameworks, like Guatemala where the law is available in 20 different indigenous languages (OECD, Open Government in Latin America, 2014). Besides fostering transparency and public accountability, ATI can level the playing field for an inclusive participation by empowering marginalized groups with information (United Nations, Information for Integrated Decision-Making and Participation, n.d).

Many LAC countries like Brazil, Colombia, Costa Rica, Chile and Uruguay are publishing public sector information in an open data format in a centralised portal providing important opportunities for economic growth, cost effective and adapted public services and citizen participation (OECD, Open Government in Latin America, 2014). Open data can also foster effective and universal access to social policies by providing information throughout service delivery stages and empowering users. Mexico City has a specific transparency portal for social benefits and policies with the goal of allowing for an enhanced management of resources and a fairer distribution of social programs amongst the most vulnerable groups (Agencia Digital de Inovacion Publica, 2019). Similarly, in light of the COVID-19, Chile has launched the portal [bonocovid](#), where citizens can verify directly their status and eligibility for crisis support payments⁴.

Public consultation is commonly used at the definition and drafting stage of the policy cycle in LAC. Governments need to ensure this process is not undermined in the medium term by the need to respond rapidly to the evolution of the sanitary crisis.

Public consultation is accepted as a valuable means of improving the quality of public policy while strengthening its legitimacy (OECD, 2016). Across the region, countries have included legal provisions to promote consultation mechanisms in policymaking and at all levels of government and in general, all LAC countries have taken some steps to integrate consultation mechanisms in their rule-making and budget processes (OECD, Government at a Glance: Latin America and the Caribbean 2020, 2020).

Chile (OECD, Chile Scan Report on the Citizen Participation in the Constitutional Process, 2017) and Mexico have carried out large consultation processes to advance inclusion and representation in their Constitution-writing processes. Colombia's stakeholder consultation for the Prosperity Agreements aimed at strengthening social cohesion at the local level and speed up regional development from a sectoral perspective (OECD, Open Government in Latin America, 2014). Direct consultation can be used as a social inclusion tool and can take advantage of both online enabled and traditional face-to-face methods to foster more inclusive social development. Consultation mechanisms can advance the inclusion and the

³ OECD et al. 2019 >>

⁴ Bono COVID, Chile >>

representation of marginalized populations in LAC countries like Costa Rica's institutional consultation mechanism for Indigenous populations (OECD, Open Government in Argentina, 2019).

In Costa Rica the authorities are currently working on the basis of guidelines that take into consideration the framework of medical practice and traditions in indigenous communities to set up "Working Groups" including indigenous and non-indigenous healthcare providers to raise awareness and build capacity to address COVID-19 in these communities⁵. More broadly, experiences such Peru's *Acuerdo Nacional* also demonstrate how a consultative forum established to promote dialogue between government authorities and civic society, with the aim of facilitating the implementation of State policies⁶, can be leveraged to focus efforts on managing the pandemic. Through this mechanism a series of measures and recommendations have been issued to guide the country's response to the ongoing healthcare and economic challenges of COVID-19⁷ including the need to work with Peru's informal sector to comply with measures such as the wearing of masks for instance.

Practices of active engagement are emerging in LAC, creating innovative ways to address complex public policy challenges

Engagement is a relationship based on a partnership between citizens and governments. It acknowledges equal standing for citizens in the policy cycle (although the final decision-making often rests with the government). The use of participatory budgeting (PB) in LAC countries provide for an inclusive, participative and realistic debate on budgetary choices (OECD, 2016). PB began more than two decades ago in Porto Alegre, Brazil and is a process through which citizens present their demands and priorities for public spending. PB is a tool to build trust and social cohesion by delivering policies and services for the well-being of all the population. For example, Brazilian municipalities that adopted PB registered a significant drop in infant mortality and public investment in sanitation and health services increased by 20-30% (OGP, 2018) and Sao Paulo's PB fostered social inclusion and important redistributive effects in urban contexts for marginalized groups (poor residents, women, and youth) (Hernandez, 2010).

Catching the Deliberative Wave: Innovative Citizen Participation and New Democratic Institutions (June 2020), an upcoming OECD report (2020) focuses on the use of representative deliberative processes by public institutions and acknowledges that LAC countries are implementing this innovative way to strengthen trust and address public policy challenges. Deliberation in *cabildos* (local councils or town hall meetings) is a longstanding tradition in Latin American countries and more recently, Colombia implemented an ad hoc experiment with ex-members of guerrilla organisations to study deliberation in a post-conflict situation. Researchers found that deliberation can be key in post-conflict situations as it facilitates dialogue, understanding and reconciliation (Ugarriza & Caluwaerts, 2015).

Stakeholder engagement can help LAC countries address informality and exclusion as well as support an inclusive decision-making in the workplace.

Social dialogue can be considered a type of stakeholder engagement, as it refers to the idea that government gather targeted groups around the table, in this case employees, employers and representatives of government to inform and influence decision-making. The main goal of social dialogue is to promote democratic involvement among the main stakeholders in the world of work and has the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress (ILO, Social Dialogue , n.d). In Costa Rica, the *Consejo Superior del Trabajo* is a permanent consultative body formed by representatives of government, employers' and workers' organisations, whose mandate is to contribute to the consolidation of a democratic system of labour relations based on decent work and permanent social dialogue (Ministerio de Trabajo y Seguridad Social ,

⁵ Ministerio de Salud de Costa Rica >>

⁶ Acuerdo Nacional, Peru >>

⁷ Acuerdo Nacional, Peru >>

n.d)⁸. In El Salvador, the *Consejo Nacional del Salario Minimo*, is a permanent tripartite forum, embedded in the Constitution, that sets the minimum wage in the country (Ministerio de Trabajo y Prevision Social, s.d.)⁹.

With informal employment rate accounting for 58% of workers¹⁰, informality is a major challenge for countries in the LAC region, (ILO, Women and men in the informal economy: A statistical picture, 2018). By definition, the informal economy is difficult to measure and to understand, so when designing and implementing policies addressed at the informal sector, governments should put special attention in including the voices of informal workers. The use of targeted participatory mechanisms, like consultations, can help integrate the beneficiaries in the policy cycle to promote evidence-based decisions, and compliance. Informal workers were, in many countries, essential for the provision of services and informality has traditionally played a role to mitigate the impact on livelihoods across the region of a lack of formal employment opportunities. As such, informal workers are facing significant risks from COVID-19 and the related restrictions and economic crisis. Governments should work to ensure this, and other vulnerable groups are included (See Session 2) as part of the broader social dialogue and the policy making process to support buy-in for COVID-19 measures and facilitate at the same time a more inclusive and social recovery.

Beyond the COVID-19 crisis, citizen participation can support LAC countries in facing pressing issues such as moving towards a sustainable development agenda, combat corruption and promoting inclusive societies.

Looking beyond COVID-19, it is worth highlighting LAC countries were already using open government policies to effectively implement a sustainable development agenda, combat inequalities, improve human well-being and advance social cohesion (Open Government Partnership, 2015). Trust in government, good governance and efficient and equitable public services are outcomes of open government reforms (OECD, 2016).

The OECD has gathered evidence to support that the implementation of open government policies supports the transition towards a relationship citizen-government based on trust and more efficient and equitable policies and services. Trust in government is essential for social cohesion and well-being as it affects government's ability to implement reforms (OECD, Government at a Glance: Latin America and the Caribbean 2020, 2020). If open government can contribute to fight exclusion by giving power to all voices, can create a sense of belonging through open policymaking and foster trust through the implementation of its principles, then open government can advance social cohesion in the recovery from COVID-19 and beyond.

Inclusion and participation are a pressing issue and are very much relevant today in LAC. The protection of civic space is a fundamental requirement for open government reforms and effective participation. Recent trends show that in some countries, the voices of groups like indigenous populations, LGBT or journalists and activists are being silenced¹¹. There is furthermore a risk that in the context of the current crisis, without adequate oversight and accountability, temporary restrictions placed across the region to some rights and civic freedoms may create longer-term damage to social cohesion¹².

Citizen and stakeholder participation in policymaking can support a new relationship between governments and citizens based on trust and a new social pact based on equality and social cohesion. However, for citizen and stakeholder participation to deliver its promises, public authorities have to take serious steps and make the necessary efforts to include and listen to as many voices as possible, especially those generally considered to be socially excluded.

The OECD has identified the following options for consideration by LAC policy makers (OECD 2020; OECD, 2016; OECD, 2015; OECD, 2011; OECD, 2001):

⁸ Ministerio de Trabajo y Seguridad Social, Costa Rica >>

⁹ Ministerio de Trabajo y Prevención Social, El Salvador >>

¹⁰ OECD/ILO, 2019 >>

¹¹ Civicus Monitor >>

¹² OECD, 2020 >>

- Establish comprehensive open government strategies and foster cooperation across government and branches of power to increase the institutionalization, inclusivity and impact of open government practices. Provision 10 of the OECD Recommendation of the Council on Open Government encourages countries to move towards an open state approach, including all branches of power and local governments in the promotion of the principles of open government.
- Build a clear enabling framework (legal provisions, institutional architecture, coordination mechanisms, and overseeing institutions) to support open government policies' definition, co-ordination and implementation. LAC countries should focus on fostering participation of underrepresented groups like informal workers, women, indigenous populations, LGBT, youth, migrants, etc. (See Session 2)
- Provide the adequate resources for implementation (skills and capacity building, financial and human resources) for civil servants, civil society organisations and citizens. LAC countries should invest in building civic capacities and training for underrepresented groups to create a level playing field of participation amongst society.
- Create opportunities for citizens and stakeholders to participate at all stages of the policy cycle, with different policy instruments and at all levels of government. For participation to build trust and social cohesion, it has to become a practice and a culture in and out of government. As they work to address the effects of the pandemic, LAC countries can benefit from citizen and stakeholder participation in pressing policy areas like gender violence and discrimination, fiscal and redistributive policies, and essential public services.
- Facilitate development of tools to enhance communication of open government policies, such as guides, pamphlets, and visual material to mainstream the benefits of open government to the whole of society.
- Make use of indicators and evaluation mechanisms and integrate participatory mechanisms as a way to foster measurable change and avoid an "open washing" situation where open government is used as a "smokescreen" for opaque governance.
- Use and give more impact to existent participatory mechanisms like tripartite councils or consultative bodies, and strengthen social dialogue to better understand informality and integrate the voices of this unrepresented group in the decision making process to address properly its challenges.

Questions for discussion:

- *How have LAC countries involve stakeholders in the response to the sanitary, economic and social crisis we are currently facing?*
- *How is the COVID-19 crisis an opportunity to rebuild the relationship between governments and citizens to one based on trust?*
- *In a medium term perspective, what could LAC countries implement practically to better integrate the marginalized voices in policymaking? How can the OECD continue to support the region to advance a more open and inclusive policymaking process?*
- *Looking beyond COVID-19 and any lessons learned, how can open government support LAC countries in facing pressing issues like corruption, inequalities and social discontent?*

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