



OECD-LAC VIRTUAL SOCIAL INCLUSION MINISTERIAL SUMMIT

# Informality & Social Inclusion in the Times of COVID-19



## Background

Latin American and Caribbean countries have been hit by the COVID-19 crisis in the context of low potential growth, high inequalities and rising social discontent. Despite some improvements in the past two decades, most Latin American countries have a persistently high Gini coefficient, higher than 0.4 and in some countries, higher than 0.5. Furthermore, recent progress, such as the expansion of the region's middle class, is fragile, with the number of people living in vulnerable conditions now representing 40% of the region's population, and facing a [social-vulnerability trap](#). Indeed, these individuals generally have informal jobs, with low and unstable income and no social protection, which limits their ability to invest in their human capital and places them at risk of slipping back into poverty if faced with a negative economic shock, health issues, or old age.

Within this fragile context, the current situation that the region faces should considerably exacerbate these social problems if no effective [policy actions are taken in the short- and medium-term to respond to the COVID-19 crisis](#). The COVID-19 outbreak started in the region on 26 February in Brazil, and many other cases started appearing in other countries in the subsequent weeks. Since then, there have been more than 2.6 million confirmed cases and 117,000 deaths. With lower health expenditures, fewer hospital beds and health professionals per inhabitant, and weaker disease surveillance systems, health systems are being strained and the capacity of hospitals to absorb large numbers of patients could easily bring the system to collapse. Governments in the region are taking strong action to protect citizens and stop the spread of the virus. Yet, these actions are taking place in a complex scenario exacerbating the [impact of the COVID-19 crisis in the health, social, economic, and governance dimensions](#). Therefore, the [socio-economic implications of the COVID-19 crisis in Latin America](#) can be severe across individuals, households and firms in the absence of ambitious public policy responses. For instance, for informal and low-skilled workers, which represent more than half of total workers in the region, reduced hours and job loss due to the pandemic means loss of income with no possibility of receiving unemployment benefits. Indeed, informal workers generally lack access to official social safety net measures, and confinement implies no work and thus no income, creating a "work or lose your income" dilemma. While the region's social insurance and major social assistance programmes cover two-thirds of workers (62%) and their families, including most of the region's poor households, 65% of vulnerable informal workers do not benefit from any form of social protection.

Addressing the issue of social inclusion and informality has thus never been so crucial. The consequences of the COVID-19 crisis have made it evident that citizens are in need of policies that embed equity considerations and reflect people's concerns at the centre of the [development model](#). The **OECD Latin America and the Caribbean Regional Programme (LACRP)** provides a unique platform for engaging in an inclusive and productive discussion on this topic. The Programme supports the region to advance its reform agenda along the three key priority areas of increasing productivity, advancing social inclusion, and strengthening institutions and governance. In the area of social inclusion, the **Programme's first International Conference and Ministerial on Social Inclusion held in Paraguay in 2017** focused on the imperative of building more inclusive social protection systems. For the 2019-2022 period, the Programme is focusing its efforts on the need for better jobs, including the challenges of transitioning to formality, as well as the particular inclusion issues surrounding the topics of gender and migration.

## Objective

The **OECD-LAC Virtual Social Inclusion Summit: Informality and Social Inclusion in the times of COVID-19**, aims to bring together Ministers and High-level Officials in the fields of labour, planning, economy, and social development to engage in a frank discussion on the additional complexities that the COVID-19 crisis poses for advancing social inclusion in Latin American and Caribbean. It aims to provide opportunities to envisage ways to transition to formality, and advance the much needed creation of national consensus on the socio-economic reforms to be implemented in the aftermath of the COVID-19 crisis.

## **Format**

As originally foreseen, this second Ministerial Summit on Social Inclusion will be chaired and hosted by the Government of the Dominican Republic. In light of the complex context that we are currently living in, the event will take place via Zoom from 13 to 17 July 2020. It includes two public sessions open to the wider public on 13 July, followed by a series of closed and targeted Ministerial sessions on 15, 16 and 17 July, open only to LAC and OECD country delegations and international organisations.

A virtual meeting of the LACRP Steering Group by invitation only will take place on 17 July. It will discuss the conclusions of the Ministerial Summit, which will serve to shape the Programme's future work with the region on these topics, oriented to provide evidence-based, tailored policy analysis and recommendations at both regional and national levels.

# OECD-LAC VIRTUAL SOCIAL INCLUSION MINISTERIAL SUMMIT

## Informality and Social Inclusion in the times of COVID-19

13,15,16,17 July 2020 - Chair and Host country: Dominican Republic

### Public sessions

*These sessions will be transmitted as a webinar via Zoom*

### Opening – Monday, 13 July

#### ***Opening: Informality and Social Inclusion in the times of COVID-19***

16h–17h CET  
10h–11h EST  
9h–10h CST

- ▶ **Ángel Gurría**, Secretary-General of the OECD
- ▶ **Miguel Vargas**, Minister of Foreign Affairs, Dominican Republic
- ▶ **Carlos Alvarado**, President of Costa Rica
- ▶ **Marta Lucía Ramírez**, Vice-President of Colombia
- ▶ **Gustavo Meza-Cuadra**, Minister of Foreign Affairs of Peru
- ▶ **Paulo Guedes**, Minister of Economy, Brazil
- ▶ **Jutta Urpilainen**, Commissioner for International Partnerships, European Commission

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#### ***High Level Panel: From an impending issue to an emergency: the imperative need for a new and more inclusive social pact in Latin America and the Caribbean***

**Opening and Moderation: Miguel Vargas**, Minister of Foreign Affairs, Dominican Republic

17h–18h30 CET  
11h–12h30 EST  
10h–11h30 CST

#### **Panellists:**

- ▶ **Alicia Bárcena**, Executive Secretary, ECLAC
  - ▶ **Rebeca Grynspan**, Secretary General, SEGIB
  - ▶ **Gabriela Ramos**, Assistant Director-General for Social and Human Sciences, UNESCO
  - ▶ **Ana María Rodríguez**, Vice President for Sectors and Knowledge, IDB
  - ▶ **Hernando de Soto**, President of the Institute for Liberty and Democracy
  - ▶ **Martha Delgado**, Undersecretary for Multilateral Affairs, Mexico
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## Informality and Social Inclusion in the Times of COVID-19

13,15,16,17 July 2020 - Chair and Host Country: Dominican Republic

### Ministerial sessions

*Participation in the Ministerial sessions is limited to invited authorities and international organisations. Participants are encouraged to confirm their interest in becoming lead discussants.*

## Opening – Wednesday, 15 July

### Welcoming remarks

- ▶ **Miguel Vargas**, Minister of Foreign Affairs, Dominican Republic
- ▶ **Andreas Schaal**, Director for Global Relations, OECD
- ▶ **Mario Pezzini**, Director of the OECD Development Centre

15h30–16h CET  
9h30–10h EST  
8h30–9h CST

### *Brief report of the Chair of the recent OECD Employment and Social Affairs Ministerial*

- ▶ **Mayte Velasco**, Deputy Director General for International Relations, Ministry of Inclusion, Social Security and Migration, Spain

## Ministerial Session 1

### *Informality and employment protection during and beyond COVID-19: good practices and the imperative of universal safety nets*

**Chair:** Nelson Toca, Minister of Industry, Trade and SMEs, Dominican Republic

**Moderator:** Mario Pezzini, Director of the OECD Development Centre

### Interventions on informality, protection of income and employment during the pandemic:

- ▶ **Luis Alberto Rodríguez**, Director of the National Planning Department, Colombia
- ▶ **Onyx Lorenzoni**, Minister of Citizenship, Brazil
- ▶ **Zoé Robledo**, Mexican Social Security Institute, Mexico
- ▶ **Daniel Sánchez**, Vice-Minister of Employment and Social Security, Paraguay

16h–18h CET  
10h–12h EST  
9h–11h CST

### *Discussion amongst Delegations*

### Interventions on the imperative of expanding universal social safety nets:

- ▶ **Marcelo Bellotti**, Secretary of Labor, Argentina
- ▶ **Carmen Pagés**, Chief of the Labor Markets and Social Security Division, IDB
- ▶ **Ana Patricia Muñoz**, Executive Director, Grupo Faro
- ▶ **Román Macaya**, Executive President, Costa Rican Social Security Fund, Costa Rica

### *Discussion amongst Delegations*

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## Ministerial Session 2 – Thursday, 16 July

### *Resuming employment and growth with better opportunities for vulnerable groups (women, migrants, indigenous groups and youth)*

**Chair:** Janet Camilo, Minister of Women, Dominican Republic

**Moderator:** Stefano Scarpetta, Director for Employment, Labour and Social Affairs, OECD

#### **Interventions on resuming employment:**

- ▶ Vinicius Pinheiro, Director for LAC, International Labour Organisation
- ▶ Pablo Mieres, Minister of Labour and Social Security, Uruguay
- ▶ Doris Zapata, Minister of Labour and Labour Development, Panama
- ▶ Angel Custodio Cabrera, Minister of Labour, Colombia
- ▶ Nicole Yvette Altidor, Minister of Social Affairs and Labor, Haiti

16h–18h CET  
10h–12h EST  
9h–11h CST

#### *Discussion amongst Delegations*

#### **Interventions on vulnerable groups:**

- ▶ Oscar Rolando Castro, Minister of Labour and Social Prevision, El Salvador
- ▶ Luisa Maria Alcalde, Secretary of Labor and Social Provision, Mexico
- ▶ Benigno López, Minister of Finance, Paraguay
- ▶ Betilde Muñoz-Pogossian, Director of the Social Inclusion Department, OAS
- ▶ Andrea Costafreda, Programmatic Director for Latin America and the Caribbean, Oxfam Intermón

#### *Discussion amongst Delegations*

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## Ministerial Session 3 - Friday, 17 July

### *Inclusive social dialogue and citizen engagement to enhance social cohesion and ownership of recovery measures*

**Chair:** Gustavo Montalvo, Minister of the Presidency, Dominican Republic

**Moderator:** Janos Bertok, Director a.i. for Public Governance, OECD

#### **Interventions on inclusive social dialogue:**

- ▶ Juan Luis Bermúdez, Minister of Human Development and Social Inclusion, Costa Rica
- ▶ Max Hernández, Executive Secretary of the Acuerdo Nacional, Perú
- ▶ Julián Suárez, Vice-President for Sustainable Development, CAF
- ▶ Pierre Habbard, General Secretary of TUAC

#### *Discussion amongst Delegations*

#### **Interventions on citizens participation in the design of public policies:**

- ▶ Carlos Pereira, Minister of the Technical Secretariat for Economic and Social Development Planning, Paraguay
- ▶ Jorge Miguel Kattan, Secretary for Trade and Investment and in charge of OECD affairs, El Salvador
- ▶ Ana Gabriel Zuñiga, Project Development Manager on Transparency Latin America

15h30–17h CET  
9h30–11h EST  
8h30–10h CST

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- ▶ **Elías Soley**, Vice President Emeritus and Coordinator OECD affairs Committee, UCCAEP, Costa Rica

***Discussion amongst Delegations***

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**Closing**

17h–17h20 CET  
11h–11h20 EST  
10h–10h20 CST

***Concluding remarks***

- ▶ **Juan Ariel Jiménez**, Minister of Economy and Development, Dominican Republic
- ▶ **Andreas Schaal**, Director for Global Relations, OECD
- ▶ **Stefano Scarpetta**, Director for Employment, Labour and Social Affairs, OECD

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**Informality and Social Inclusion in the times of COVID-19**

*The Steering Group Meeting is limited to invited member country delegations and international organisations. Further information will be sent separately to all Steering Group members.*