

Social Protection Systems in Latin America and the Caribbean: Chile

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Chile has a long history of implementing social policies. It was one of the first countries in Latin America to expand free health care coverage and education, incorporating cash and in-kind transfers to promote access to social services and offer diverse protection mechanisms for its most vulnerable population groups. That said, its current social protection model is the result of a series of efforts, institutions and policies that have been consolidated over time.

Known for its political and economic stability, sustained increases in social spending and systematic decreases in poverty, although not inequality, over the past decade, Chile has undertaken reforms in health care, social security and poverty reduction policies. Since then, universal social protection has become the central pillar of social policy in this country. Looking at institutional transformations, in 2006 the tool to target social programmes was improved, and the *Ficha de Protección Social* (FPS—Social Protection Card) was created. Then, in 2011, the Ministry of Social Development (MDS) was created to replace the Ministry of Planning (MIDEPLAN).

The social protection system in Chile consists of a network of contributory and non-contributory services and policies carried out with the involvement of multiple sectors and designed to offer protection throughout the life cycle of all socio-economic groups. It includes policies related to social security, access to health care services and education, employment and housing, as well as social welfare for the poorest and most vulnerable groups, and other transfers in situations of economic risk.

One of the landmarks in the development of the Chilean social protection system was the creation of transfer programmes with a strong psychosocial component linked to the network of public social services, offering preferential access to public programmes for the poorest and most vulnerable population groups. Some examples include the *Puente* (Bridge) (2002), *Chile Solidario* (Solidary Chile) (2004) and *Ingreso Ético Familiar* (Ethical Family Income) (2012) programmes. It is worth noting that these programmes include specific provisions to target certain vulnerable groups, such as the elderly, the homeless and children in families where one or more members have broken the law.

In September 2009, Law No. 20.379 provided institutional sustainability for *Chile Solidario*, creating the Multi-Sector Social Protection System, as well as the Sub-System for the Integral Protection of the Early Childhood, *Chile Crece Contigo* (Chile Grows With You). This last programme aims to guarantee rights to children through multisectoral efforts that follow up on childhood development from gestation until four years of age and provide free access to daycare and preschool, as well as access to the social network of benefits and programmes for children and families within the poorest 60 per cent of the country's population.

Specifically, two reforms instituted since 2000 are especially relevant to the current social protection system: the 2004 health reform and the 2008 social security reform, both designed from the perspective of rights, enacting a series of minimum guarantees for citizens.

The health reform sought to reduce inequalities among different population groups according to their income in terms of health, financial and service quality indicators. To do so, Explicit Health Guarantees were established, which allowed the population to claim four guarantees—access, quality, timeliness and financial protection—for 56 high-cost diseases.

The 2008 social security reform aimed to increase coordination between contributory and non-contributory components to improve equal access to pensions. The reform was based on three elements: i) mandatory individual capitalisation (contribution-based pillar); ii) Voluntary Social Security Savings (voluntary pillar); and iii) the Solidary Pension System (SPS). This last element created the Basic Solidary Pension and the Solidarity Pension Supplement (APS) for elderly persons and persons with disabilities whose contributions were below a certain threshold.

Finally, the system also includes a series of interventions to guarantee access to education for vulnerable students and make educational coverage universal for the 12 years required in Chile. Furthermore, other efforts have tackled the housing deficit through programmes that include subsidies for the most vulnerable groups and the middle class and programmes to develop urban spaces and improve public infrastructure. In addition, the system helps the poorest and most vulnerable groups become more employable through work training programmes—especially for women and young people—and direct and indirect job creation and by promoting entrepreneurship among small enterprises.

In summary, the Chilean social protection system is an example of the progressive expansion of non-contributory policies and greater coordination with contribution-based pillars, establishing a robust multisectoral system with various tools to meet the needs of diverse groups. Still, Chile is facing profound challenges in, among other aspects, persistent economic inequality, quality and timeliness of health care services and education and the concentration of opportunities. These challenges are at the heart of actions that should be taken to guarantee effective universal social protection for all citizens.

Reference:

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