

# Social Protection Systems in Latin America and the Caribbean: A Comparative Perspective

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**National case studies on social protection systems** in Latin America and the Caribbean, published by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC),<sup>1</sup> reveal that over the past 10 years social protection systems and, in general, social policies in the region have been transformed. This shift is very different than the nature of reforms in the 1980s and early 1990s. While that time period was characterised by the State pulling back from and limiting its role in social actions (reducing or freezing social spending, privatisation, restricted targeting), the new century has seen the State play a larger role in social issues (expanded coverage, partial or total re-nationalisation, increased social spending).

Specifically, four clear trends emerge in the vast majority of case studies: i) stronger and increased coverage in social protection; ii) increased quality and greater variety of social protection options, both in terms of programmes and in the growing specificity of the population served; iii) a growing institutional/regulatory framework to support benefits (laws, earmarked fiscal allocations, rights-based identification of beneficiaries); and iv) efforts to achieve greater coordination and cooperation among various social sectors and programmes.

Although countries in Latin America and the Caribbean have made progress in strengthening social protection, it is evident that they have embraced these broad trends in diverse ways and to varying degrees of success, consistency and preferences for the instruments used. These disparate levels of progress are also due to the specific nature of each labour market, as well as each country's fertility rate, age structure and capacity to raise and spend resources. As such, based on recent data on social spending, coverage of social protection systems and social services, the capacity of the labour market to offer adequate wages for the population and the role of families in social protection, the various social welfare regimes in the region were classified using hierarchical clustering analysis (see Table).

Countries with modest welfare gaps have made the most progress in the four social protection trends: Argentina, Brazil, Chile, Uruguay and, to a lesser extent, Panama. Some countries are excluded from this general conclusion, however, for positive reasons: the Plurinational State of Bolivia, Ecuador and El Salvador. Mexico and Paraguay have unveiled

## Welfare regimes, country groups sorted by cluster analysis, around 2012

Severe gaps	Moderate gaps	Modest gaps
Bolivia (Plurinational State of), El Salvador, Guatemala, Honduras, Nicaragua, Paraguay	Colombia, Dominican Republic, Ecuador, Mexico, Peru	Argentina, Brazil, Costa Rica, Chile, Panama, Uruguay, Venezuela (Bolivarian Republic of)

Source: Created by the authors based on ECLAC data.  
Note: Countries for which there was insufficient information available were not included in this table. Based on their GDP and dependency rates, Jamaica has moderate gaps, while Cuba and Trinidad and Tobago have modest gaps.

interesting initiatives which are still hindered by extremely low fiscal commitment. Guatemala, Honduras and Nicaragua have made the least progress. The case studies revealed that although initiatives in Colombia and Peru were not always strong, advances were made.

Beyond the debate surrounding the merits of each country, it is clear that the region is at a stage where it is progressively building social citizenship, both in terms of protection as well as promoting human development and social investment. The push to transform coverage, benefits, fiscal efforts and innovation to achieve comprehensive programmes and the regulations that sustain them is evidence of this. However, it is also clear that although there has been progress, the four areas in which social protection systems have historically been deficient are still lacking: the absence of guaranteed basic social protection floors; fragmented efforts; lack of full progressiveness (i.e. less regressive social taxation systems); and weak positive articulation between social protection and investment.

### Reference:

Cecchini, S., F. Filgueira, and C. Robles (2014). 'Social protection systems in Latin America and the Caribbean: A comparative view', *Social Policy Series* No. 202. Santiago, Chile, Economic Commission for Latin America and the Caribbean.

### Notes:

1. See <<http://dds.cepal.org/socialprotection/social-protection-systems/>>.

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