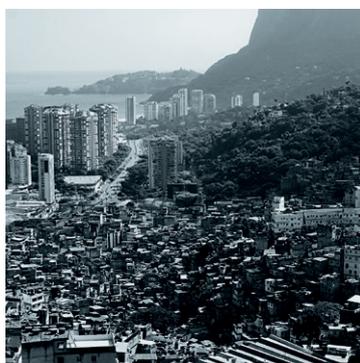


The Americas:

Improving coverage through
the innovative transformation
of social security



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The report is available in electronic format: www.issa.int

Also available in Spanish:

Las Americas: Mejorando la cobertura a través de transformaciones innovadores en la seguridad social

Printed in Switzerland

ISBN 978-92-843-8182-1

ISSN (print) 2071-3908

ISSN (online) 2071-3916

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ACKNOWLEDGEMENTS

The report was produced under the responsibility of the ISSA's Social Security Observatory.

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Roddy McKinnon edited the report and coordinated the design and production. Frédérique Bocquet provided editorial support.

Preface

This Developments and Trends report has been prepared to mark the occasion of the second Regional Social Security Forum for the Americas, organized by the International Social Security Association (ISSA), hosted by Derrama Magisterial and the Social Health Insurance Institute of Peru (*Seguro Social de Salud, EsSalud*) and held in Lima, Peru from 5 to 7 December 2012. This regional report for the Americas supports continuing endeavours to better understand and address the key challenges facing ISSA member organizations in the different regions of the world.

The first Developments and Trends regional report presented at the regional Forum for the Americas in Brasilia in May 2010, together with the issues identified in the 2010 Developments and Trends global report prepared for the World Social Security Forum in Cape Town, confirmed Dynamic Social Security as a vital element in ensuring social cohesion and facilitating economic development. A key message was that successful social cohesion in the region had been facilitated by a diverse set of institutional responses. In a rapidly changing regional and global environment, however, such diverse institutional responses must retain the capacity to be innovative and flexible. In this regard, and as this second regional report for the Americas shows, the track record of the region's social security administrations is a positive one.

This report identifies four main issues for discussion: innovative approaches that can successfully extend coverage even in difficult times; social security's fundamental role in helping to reduce structural inequalities in society; the positive outcomes for proactive and preventive approaches to social security from investing in social security education and culture; and effective

measures to address fragmentation in social security design, administration and delivery. These issues reflect the practical challenges faced by the region's social security administrations and highlight the innovative responses put in place to address them. The identification and analysis of these issues helps direct the ISSA's growing network of liaison offices and focal points for the countries of the Americas in their efforts to build an expert platform for regional cooperation and the exchange of technical knowledge. The regional network represents the true essence and force of the ISSA: an effective platform to foster active cooperation among member organizations in their objective to develop and promote social security.

The purpose of this report is twofold: first, to synthesize and interpret some of the most important recent developments and trends in the region and, second, to provide the key background document for the Developments and Trends Session of the Regional Social Security Forum for the Americas. Developments and trends in the region – which bear witness to a long track-record of innovation – provide important signposts for social security administrations around the world. The discussions during the Regional Forum will provide an opportunity for all of us to build on the findings of this report and to debate its messages. I hope that this report will serve as an inspiring stimulus for our discussions and encourage you all to contribute actively, before, during and after the Regional Social Security Forum for the Americas in Lima. The outcome of these discussions will be carried forward to the World Social Security Forum to be held in Doha, Qatar, from 10 to 15 November 2013.

Hans-Horst Konkolewsky
Secretary General

CHAPTER 1

Introduction

In the Americas, the impact of social security at different stages of people's lives is increasingly felt and recognized. This positive development has been achieved through significant efforts in dealing with a number of diverse challenges, including managing fragmentation in benefit and service delivery and operating under increasingly stringent financial and fiscal constraints.

This Developments and Trends report focuses on these impacts by underlining two key successes of social security institutions in the region: reducing inequalities and expanding coverage. The report also identifies how the issue of the fragmentation of social programmes is being addressed in the region and highlights how social security institutions are considering and putting into place innovative proactive and preventive measures – including not only investment in social security education and culture but promoting the necessity of a more proactive and preventive outlook as part of the daily work ethos of social security administrators – to anticipate the future challenges that social security will face.

The role of the region's social security institutions in extending coverage is broad and multifaceted. The high proportion of vulnerable groups in the informal sector means that social security institutions need to be innovative and work with other stakeholders to ensure the delivery of appropriate benefits and services to those that need them. In reality, this means that social

security institutions have not only increased the effectiveness and reach of social security programmes but are involved in the administration of tax-financed programmes, often in parallel with existing contributory provision. They are playing an active key role in the implementation of different programmes in collaboration with other social institutions including Ministries of Social Development and Ministries of Health. In addition, innovative approaches to enrol low-income contributors into contributory schemes have been developed, such as *monotributo* schemes and subsidized contributory programmes that enable access to social security and health care to low-income workers.

This report highlights a number of these programmes which have proved not only effective in increasing coverage but have acted as strong levers in reducing inequality. These programmes – for example conditional cash transfer schemes – complement and strengthen social security, supporting an increase in formal-sector activity and therefore an increase in the potential for social security affiliation in the region.

In the year when the International Labour Conference adopted Recommendation No. 202 (2012), concerning national floors of social protection, the evidence and experience from the region suggests and highlights how horizontal coverage extension in particular can be achieved in practice. In this respect the measures taken by social security institutions and their partners in the region can be considered as a precursor to the social

1.1. Key facts and figures on the Americas

- In 2010, with close to 14 per cent of the global population, the Americas were home to over 950 million people, with three countries alone accounting for two-thirds of the total: Brazil, Mexico and the United States with 194.9 million, 113.4 million, and 310.4 million, respectively (ESA, 2011). In contrast, over 20 countries in the region have a population of less than 10 million.
- The scope of social security coverage varies widely across the countries of the Americas, with comprehensive coverage offered only in a number of countries such as Argentina, Brazil, Canada, Chile, Colombia, United States and Uruguay (ILO, 2010).
- In Latin America and the Caribbean, the lowest-income countries have less than 30 per cent of employed persons affiliated to social insurance. In the middle-income countries, this figure is close to 50 per cent, and reaches up to 60 per cent in the relatively high-income countries (Uthoff, 2009).
- The extent of health care coverage also varies widely across the countries of the Americas, from as low as 10–40 per cent in some to near-universal coverage in others.
- Public health and social security spending as a percentage of GDP is estimated at 10.2 per cent in Latin America and the Caribbean and 16 per cent in North America (ILO, 2010).
- In North America nearly 85 per cent of workers are salaried employees. In Latin America and the Caribbean the figure is around 60 per cent (ILO, 2010). The informal sector is important in the region; in Latin America close to 50 per cent of the urban workforce works in the informal economy.
- The top receivers of international migrants over the next four decades are projected to be the United States and Canada (ESA, 2011).
- After average GDP growth of between 4 and 6 per cent per annum between 2004 and 2008, Latin America suffered a sharp slowdown with economic contraction in 2009. Despite a brief recovery to positive growth figures in 2010, latest figures indicate a fall in growth rates in 2012.

protection floors initiative. The political expectation that has accompanied the adoption of Recommendation No. 202 hides a more practical concern for social security administrations. Specifically, how to marry success in horizontal coverage extension with sustainable improvements in vertical coverage extension under contributory programmes?

Therefore, some of the biggest challenges facing social security in the region may lie ahead (Box 1.1.). Recently, financial resources have been available to put in place or extend systems of tax-financed social protection in a number of countries. However, it is now important to build on this success through facilitating an increase in those covered under contributory social security in this period of relatively healthy financial resources. If this challenge is not met, not only are the goals of increasing social security coverage extension put under pressure but, under a future deterioration of government revenues, current tax-financed social protection

programmes are likely to be threatened in their current form.

The four topics featured in this report reflect common purposes and objectives in the sphere of social security in the region.

Chapter two reflects on the fact that the extension of coverage remains the priority for most of the region's social security administrations. Although salaried employees are often well covered for a range of benefits, efforts are increasingly being focused on effective ways to reach those working in the informal sector and their families. The importance of counter-cyclical financing efforts and the introduction of fiscal responsibility laws mean social security has to assess not only levels but also the timing of spending efforts. The successes of conditional transfer programmes – and the role of social security institutions in their operation – show that targeted benefits and services are an effective

approach to this question. However, they are only one element of the necessary two-dimensional extension strategy and the role of social security in putting in place measures to support and develop vertical extension efforts is crucial.

Chapter three takes the theme of counter-cyclical approaches to highlight the fact that economic downturns impact more heavily on vulnerable populations thereby increasing the need for simple, rapid and effective responses. Where inequalities have reduced in the region, this appears to have been due in part to appropriate measures put in place by social security institutions and partners. Social security has been effective in providing protection against life-cycle and labour market risks and such programmes have typically been accompanied by conditional cash transfer programmes to ensure both formal- and informal-sector workers are covered against the risks faced.

The evidence from the region of targeted programmes and, in some countries, a decentralization of decision-making, means that managing different programmes to ensure coordination and avoiding duplication of efforts is increasingly important. This aspect, covered in chapter four, is being addressed by the appropriate design, delivery and implementation of integrated programmes. Despite the progress made, fragmentation

and a lack of coordination remains a challenge. However, the involvement of social security institutions in the operation and delivery of broader national social protection strategies should assist in the vertical and horizontal coordination of programmes.

As social security institutions expand their role to accompany the region's population throughout their lives and to address the different risks they face, investment in social security education and culture is increasingly seen as an integral part of this broadened outlook. The innovative approaches in this area – highlighted in chapter five – strengthen extension efforts in the region, as they are often able to reach a larger proportion of the population than traditional communication efforts. For example, by reaching those working in the informal sector or their families who may previously have been indifferent to social security, education programmes have managed to support other extension efforts, highlighted in this report, to reduce inequalities. Such efforts have required collaboration with traditional and new actors thereby pushing all actors in social protection to better coordinate benefit and service delivery.

The administrative transformation of social security in the Americas continues to have a profound impact on the lives of the population in the region.

CHAPTER 2

Extending coverage under financial constraints

This chapter looks to the recent evidence of measures to extend coverage. In doing so, the weight of evidence presents at least two important challenges to social security administrations in most of the region's countries. First, is a need to undertake an earnest evaluation of the lasting impacts and sustainability of recent coverage extension initiatives. The second is to look to the possible incentives/disincentives to successfully marry horizontal coverage extension with vertical extension offering more comprehensive coverage. In addition to all that follows in this chapter, addressing these challenges represent the necessary next steps for social security.

In the region, there are few countries that are not concerned, at least to some extent, by the challenge of extending social security coverage (Uthoff, 2010). On one hand, this may relate to the significant and long-standing challenges faced by low- and middle-income countries in putting in place and financing benefit programmes. On the other hand, the issue may relate to the nature of provision in high-income countries, witnessed for example by the drawn-out debate in the world's richest national economy, the United States, about the 2010 mandatory health insurance legislation. For other countries, such as Canada, the coverage challenge is more likely to lie with consolidating and

protecting the adequacy of current levels of coverage for current and future generations, and especially for future old-age pensioners. In addition to rising costs associated with demographic ageing, the recent instability of the global economy and evolving risk and uncertainty in international financial markets have weakened the position of many countries' pension funds and social security reserve funds.

In spite of these challenges, there is a brighter side to coverage extension initiatives in the region. Since the early 1990s and using the evidence of 21 countries in Latin America and the Caribbean collated by the United Nations Economic Commission for Latin America and the Caribbean, social security expenditure has increased by an average of 3.5 points of GDP (ECLAC, 2011). This development is positive and acknowledges the importance of investing in more comprehensive social security systems to not only ensure income protection but to prevent and mitigate life-cycle and labour market risks and to offer a springboard to lift people out of poverty and insecurity on a lasting basis. Of more significance, however, and especially so given the recent slowdown in the world economy,¹ this trend has been reinforced in some countries by a change in the use of fiscal resources in respect of social protection and social security spending.

1. In Latin America and the Caribbean, the global crisis affected formal employment levels and social security coverage levels only briefly and with different intensity according to the country (more so in Mexico and Central America than in Brazil, Chile, Peru and Uruguay). The negative impacts on employment in Canada and the United States were significant in 2008 to 2010, with unemployment decreasing slowly thereafter.

Extending coverage using counter-cyclical expenditure: Opportunities and challenges

In the wake of the global crisis, a number of countries have expanded, albeit in some cases only briefly, their social expenditure in a counter-cyclical manner. In addition to the protection offered by existing programmes, the emergency crisis-response measures implemented in countries of North, Central and South America alike included additional social assistance measures and employment promotion initiatives.

Specifically, to respond to the impacts of the economic crisis, counter-cyclical expenditure contributed to a number of measures to extend social security coverage, not least to vulnerable populations in the region, such as the unemployed, the elderly and children. To become a long-term and sustainable means to extend coverage, however, the use of counter-cyclical social expenditure presents countries with important challenges in the management and allocation of fiscal resources. This is most evident with regard to the financing of universal or targeted non-contributory cash benefits and tax-financed health care programmes, but also applies to contributory social security. For contributory programmes, social security institutions have been faced with an increase in demand and need for benefits at the same time as a fall in contribution income, sometimes compounded by a reduction in the value of reserve funds. This has prompted reflection as regards appropriate financing mechanisms and the ability to adapt these to changes in the economic environment in which they operate. For the management of reserve funds, for example, this could mean a change in investment objectives reflected in benchmarks that focus on absolute and not index-related returns.

In addition, most countries in the Americas also have social security programmes that are non-contributory in nature. To be sustainable and successful, the financing of such programmes require efficient and innovative fiscal management to ensure that they are robust to changes in political support and economic conditions. In periods of sustained economic instability and uncertainty, fiscal authorities are likely to be confronted with a drop in levels of tax revenues. In light of this, to help sustain social expenditure levels as well as

support innovative social security coverage extension efforts, there has been a realization in the region of the need to adapt fiscal policy.

Adapting fiscal policy and financing mechanisms

Social security authorities increasingly understand that fiscal policy plays a key role in achieving the wider objectives of social security systems, but that coordination and complementarity between tax revenue and contribution revenue for financing purposes is also essential. The intersecting roles played by fiscal policy include contributing to macroeconomic stability to protect incomes, create formal jobs and support economic growth; providing stable, sustainable and balanced funding for the social security system and for non-contributory programmes most specifically; and permitting investment in social policy institutions and delivery infrastructure, thus developing the instruments necessary to provide accessible social protection for all.

Sustained fiscal support to enable the realization of social protection objectives requires procedures and mechanisms for the allocation of fiscal resources that make it possible to increase public social security expenditure and also to introduce new programmes to tackle the consequences of economic slowdown. Even in periods of economic growth, there will be competing demands for fiscal resources. In times of economic slowdown these pressures will be intensified, underlining why the good governance of fiscal resources and their allocation should have risen higher in the order of national priorities in the region.

In this regard, one development is the introduction of fiscal responsibility laws which seek to address the structural causes of fiscal imbalances in national accounts (Box 2.1). By addressing the causes of such imbalances, fiscal management can be improved, facilitating the allocation of resources towards policy priorities including the strengthening of social security provision.

Fiscal policy in support of poverty alleviation and equity in access to coverage

For the 21 countries studied by ECLAC between 1990–1991 and 2008–2009, public social expenditure per capita more than doubled, going from an equivalent

2.1. Fiscal responsibility laws

A growing number of countries in the region are looking at ways to improve the health of their fiscal accounts. Argentina, in the first instance, is seeking to create greater order in the fiscal situation of the country's provinces. In Brazil, efforts are being taken to weaken the power of state governors to influence national politics, making them fiscally responsible for policy decisions and reducing their ability to have recourse to the federal government. Colombia is seeking to determine and establish the responsibility of public servants and individuals when they misuse state assets. In Chile, efforts are focused on ensuring medium-term macroeconomic balance and on minimizing costs. A fiscal rule has been proposed that requires an appropriate plan for future fiscal undertakings preventing the transfer of resources earmarked for social ends in order to cover the cost of other future public liabilities.

of USD 315 to USD 748 dollars per inhabitant (based on the 2005 exchange rate). In spite of this, relatively high levels of poverty and vulnerability to the risk of poverty continue. A continuing trend found across much of the region is the focus placed on the development of poverty alleviation programmes and on the use of solidarity financing – i.e. fiscal allocations – to permit greater equity in access to benefits and health services.

Conditional benefits programmes

In the 1990s, Brazil, Chile and Mexico reviewed their social transfer policies to develop programmes targeted specifically at poverty alleviation that link entitlement to benefits and services to certain conditions. Today, 18 countries in the region have similar programmes, albeit with important variations as regards the target population, benefits and services provided and the person responsible for meeting the eligibility conditions. Typically, these programmes operate with restricted budgets (the cost rarely exceeds 0.5 per cent of GDP) and the family is the target of the transfers, with the benefits paid in cash or in kind.

Controlling costs: The selection/targeting and registration of beneficiaries

With social expenditure in most countries limited by budgetary restraints, the control of expenditure is essential and the selective targeting of benefits to specified vulnerable population groups is used commonly as one means to help achieve this. The selection of beneficiaries may be carried out in two or more steps, such as by geographic area and by selecting households according to their standard of living (proxy means

test). The first criterion is used in Paraguay's *Tekoporã* programme to address conditions of poverty and unsatisfied basic needs (Veras Soares and Britto, 2007). In Mexico's *Oportunidades* programme, indicators for unsatisfied basic needs are used for rural areas, while indicators for income and expenditure apply in urban areas (Orozco and Hubert, 2005).

More often than not, the unit of intervention for deciding upon eligibility is the family, rather than the characteristics of individuals that make up the family. Importantly for the disbursement of benefits, a key role is assigned to women. The expectation is that recipients will be mothers who will use the cash and in-kind transfers to improve the well-being of their family in general and of their children in particular. They are responsible for assuring that the conditions for eligibility are met by all family members. For instance, in respect of the "vouchers" for buying food provided by Panama's *Red de Oportunidades*, reception of the transfer is dependent on all members of the family, and not just young children, attending health check-ups.

To select families and households, multidimensional indices of quality of life are often used, for example in Chile and Mexico. Emphasis may be given to prioritizing support for families affected by structural poverty or conditions related to the economic cycle (Veras Soares, Perez Ribas, and Issamu Hirata, 2008). In Brazil, the information used to determine eligibility comes from the families themselves, collated through the *CadÚnico* single registry at the municipal level (Veras Soares, Perez Ribas and Guerreiro Osório, 2007).

Some national programmes permit communities to determine the eligibility of families for targeted programmes. Such an approach takes into account a number of socio-economic indicators and the community-based focus acts to give legitimacy to the programmes in a context of high levels of precariousness and where conflicts between groups could be exacerbated (Adato, 2000 and 2007). Selected examples of such programmes are the *Juntos* in Peru, *Tekoporã* in Paraguay and the “vouchers” component for buying food in Panama’s *Red de Oportunidades*.

For all targeted benefit programmes, the collecting and updating of data on current and potential users is key. Ad hoc population censuses are commonplace, involving significant efforts in terms of monetary and human resources. In turn, systems of national identity cards and population registers make it possible to identify the socio-economic situation of potential users of programmes. This is the case in Chile, Costa Rica and Paraguay, for example.

Lifting families out of poverty and the achievement of broader goals

A design expectation of many social transfer programmes is that recipient families will one day be able to exit from the programme and to lead independent livelihoods, with no need for further recourse to social assistance. As a consequence of this aim, impact assessments have developed as a common feature of these programmes. These make it possible to assess the planned as well as unplanned effects of these programmes and to learn about the flaws that hamper success (González de la Rocha, 2010). The preferred methods are to compare users of the programme with a control group with similar socio-economic characteristics (Rawlings and Rubio, 2005). They make it possible to determine whether the programmes are successful in achieving a broad range of objectives, including the empowerment of women and improving the health and capabilities of children.

Conditional transfer programmes have achieved varying results in terms of supporting income generation, getting people of working age back into work, reducing levels of child labour and empowering

women. The impact of these programmes depends not only on the nature and scale of the programme but on the level of economic and human development of each country. There are a number of conclusions regarding these programmes:

1. Larger countries with greater resources at their disposal, such as Brazil and Mexico, tend to achieve better results than smaller countries. However, such programmes are not the only means to realize social investment objectives, especially in the poorest countries (Cecchini and Martínez, 2011).
2. In countries with lower levels of human development, low levels of social security coverage combined with the limited value of cash transfers may hamper efforts to significantly improve the well-being of families on a lasting basis. Countries thus need also to earmark funds for poverty reduction goals and make greater investment in health and education services to meet the expected future higher demand for these that lower levels of poverty will engender.
3. Conditional transfer programmes potentially offer a gateway to create a more integrated national system of inclusive social protection. This should be possible when these programmes are combined with policies oriented to achieving social rights and full citizenship, thus permitting access to the right to protection even after individuals have moved out of conditional transfer programmes (Cecchini and Martínez, 2011).
4. The positive results achieved by these programmes strengthen the role of social security and further encourage state support for what social security institutions are doing. This is important to ensure future financing and continuity of the programmes (Cecchini and Martínez, 2011).
5. When successful, they generate a virtuous circle for poor and vulnerable families, providing them with a basic floor of protection, guaranteeing minimum levels of subsistence, and more opportunities to enter the labour market including greater negotiating power with regard to very low wages and more opportunities to invest in productive activities.

Fiscal allocations for health care financing

Wider access to health care services not only strengthens social protection but increases citizens’ sense of

2.2. Interaction between public financing and social security contributions in the health sector

Type 1	Type 2	Type 3
Financing: general revenue, integrated systems, based solely on non-contributory funding	Financing: integration of general revenue and social security contributions	Financing: low or no integration of general revenue and social security contributions
<i>The structure of the service is heterogeneous between public and private service providers</i>	<i>In all cases there is some degree of explicit separation of financing and service provision. The level of integration of financing varies too.</i>	<i>The structure of public service provision is heterogeneous and there are different types of link between the public and private sector</i>
<p><i>Public and private service provision:</i> Bahamas, Barbados, Belize, Brazil, Canada, Dominican Republic¹, Grenada, Guyana, Haiti², Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Surinam, Trinidad and Tobago, Bolivarian Republic of Venezuela³</p> <p><i>Service provided only via the public system:</i> Cuba</p>	<p><i>Type 2A:</i> Integrated with a unified level of social security contributions: Costa Rica</p> <p><i>Type 2B:</i> Integrated with differentiated coverage between contributory and non-contributory coverage: Colombia, Antigua and Barbuda¹, Dominican Republic, Uruguay</p> <p><i>Type 2C:</i> Dual model with partial integration: Chile, United States</p>	Argentina, Plurinational State of Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay

Source: ECLAC (2011).

Note:

In all countries, with the exception of Cuba, there is a private subsector that also provides health services.

- 1 Antigua and Barbuda and the Dominican Republic are in a transition period, applying health reforms with the aim of more integration of financing.
- 2 In Haiti, there is practically no social security, and service provision and financing mainly comes from the public sector and non-governmental organizations.
- 3 The reforms of recent years have encouraged more participation and coverage by the public system.

belonging to a community. To facilitate wider access to health care services – regardless of an individual’s income or risk profile – a number of recent health care reforms have exploited, albeit to different degrees, the integrated use of public financing and social insurance contributions.

Broader goals of this process of integration include reducing inequality in access, preventing the duplication of entitlements across segmented schemes, and tackling the financial constraints that mean that broader access to adequate protection against health risks is often limited to those who have the ability to pay. A core objective is to offer guaranteed and universal coverage for a clearly defined basket of services, with an emphasis on primary care, consistent with the financing possibilities of each country and the capacity for delivering coordinated decentralized services. The reforms seek also to separate the functions of financing

and the provision of health care services as a means to incentivise a more rational use of contribution income and tax receipts.

The countries of the Americas can be differentiated (Box 2.2.) according to the degree of financial integration, i.e. whether health care services are financed only on the basis of general revenues (Type 1), whether contributory financing and general revenue are integrated (Type 2) or whether there is a distinct lack of coordination in this respect (Type 3).

Conclusions

In the early 1980s, Latin America underwent a severe economic crisis. The economic restrictions endured during this period contributed to a rise in the poverty level that took a full 25 years to reverse. Since then, important lessons have been learnt for Latin America and for the Americas more generally.

Social security authorities in the region have learnt that actions to sustain levels of social protection and to realize improvements in coverage extension are best served by coordinated interaction with fiscal policy. When this occurs, the combined use of social security and fiscal policies can better ensure macroeconomic stability, guarantee stable and sustainable financing for social security programmes, and promote the institutional development necessary for social solidarity and cohesion.

Nonetheless, economic restrictions necessarily imply the need to focus on the rational and sustainable use of available resources and to direct expenditure towards vulnerable groups as a first step in extending horizontal social security coverage.

At present, two trends are identifiable. First, fiscal authorities are increasingly taking into account the sustainable, robust and stable financing of programmes. Here, the aim is to proactively invest in the working-age population to encourage economic growth, to alleviate poverty by transferring income to those who have low incomes, and to strengthen institutional developments necessary for the delivery of social programmes. Second,

social security authorities are playing a vital partnering role. Their actions support income policies focused on realizing increases in productivity and in assuring adherence to public finance rules; heightened effort is going into realizing improvement in the management of available contributory resources; and contributions are being complemented by non-contributory resources to achieve coverage extension, alleviate poverty and proactively invest in the human capital of targeted vulnerable population groups including children.

This chapter began by highlighting that the region has much to offer in terms of lessons about how to achieve horizontal coverage extension. The evidence of the recent period confirms this, but also suggests that greater attention henceforth must be directed by social security administrations to the question of how these positive experiences can feed into the realization of more comprehensive vertical social security coverage for a greater share of the population. This is especially true given a volatile financing environment which in the future may threaten not only vertical extension efforts but also the nature and extent of existing horizontal extension efforts achieved in part by the putting in place of tax-financed social protection programmes.

Social security's role in reducing inequalities

Alongside the potential redistributive role to be played by a more or less progressive national tax regime and by wider public policy and labour market interventions, social security programmes can make a major contribution to mitigating inequalities in society. The extent to which social security achieves this, however, often varies according to the design and implementation of the programme. For instance, high levels of access to adequate coverage and high rates of takeup among those with entitlements to benefits are necessary. Another factor is how benefits are financed, depending on not only whether they are contributory or non-contributory but also on how contributory schemes are designed. Although the financing methods used by social security programmes may perpetuate or exacerbate inequalities stemming from unequal access to formal and well-regulated work opportunities in the labour market, they can also be constructed to ensure that there is redistribution within a contributory scheme. For example in Colombia's medical benefits system, those in employment are covered through a contributory scheme and although contributions are levied on total salary, benefit levels are the same for all. In addition, part of the employer contribution is used to finance health care coverage for those not in employment, and therefore supports the non-contributory part of the programme.

Social security systems' preventive role acts to minimize inequality, not only by lifting families out of poverty by proactively facilitating the redistribution of income throughout society but by preventing individuals and families from falling into poverty and social exclusion in the first place. Against this backdrop, there has been much debate regarding the reasons behind a recent fall in inequality in some Latin American and Caribbean countries, but not in others. Given that reducing inequality is a key objective of social security, investigating the role played by social security systems may offer valuable lessons for the sharing of good practices in the region and elsewhere.

The evidence presented in this chapter focuses on one specific aspect of social security's inherent proactive and preventive roles – how it helps combat inequality and the intergenerational transmission of poverty. For the International Social Security Association and its member organizations, however, the proactive and preventive roles of social security have a much wider application. Among others, these include supporting, on the one hand, improvements in health and employment outcomes for populations and, on the other hand, the sustainable and more responsive design of social security benefits and services. In offering one example of why social security's proactive and preventive roles

are important, this chapter sets out a broader challenge for social security administrations as regards how these roles might be mainstreamed across all aspects of social security.

Defining and measuring inequality

Over recent decades, the distribution of income in Latin American and Caribbean countries has remained amongst the most unequal in the world (UNDP, 2010). As a rough measure, the revenue of the poorest 40 per cent of the population typically accounted for less than 15 per cent of total income, while the richest 10 per cent of the population accounted for no less than a third. Published data suggest that the average income received by the richest 20 per cent of the population is 19.3 times greater than for the poorest 20 per cent (ECLAC, 2011).

In most countries in the region inequalities reached their peak in the early 2000s. Since 2002, the share of income of the poorest 40 per cent increased in 12 countries out of 18 surveyed (by at least 0.5 percentage points), the share of the richest 10 per cent decreased in 14 countries, and the gap between the first and fifth quintiles of income distribution fell, again in 14 countries. Overall, the current trend is one of a movement towards less inequality. There are, however, country exceptions and the scale of improvements vary in size and according to the indicator used.

Inequality is multidimensional, relative and dynamic

Inequality reflects more than differences in levels of monetary income among households/families. It also reflects complex socio-economic and gender inequalities in terms of access to training, job and entrepreneurship opportunities, health services, education and housing, as well as to power and participation.

Moreover, when looking at the diverse region of the Americas, inequality must be viewed as a relative concept. The most developed countries in the Americas (United States and Canada) have lower levels of inequality but differences in the role played by the State explain why Canada, for instance, is typified by less inequality than the United States. A similar observation can be made in Latin America and the Caribbean:

Trinidad and Tobago and Uruguay, with similar levels of human development as Argentina, Chile, Brazil, Mexico and Panama, have achieved less inequality.

While inequality is a major problem, it does not manifest itself on the same scale. In countries with lower levels of inequality (the Bolivarian Republic of Venezuela and Uruguay), the share of total income of the poorest 40 per cent of the population is around 20 per cent, while the share of the richest 10 per cent is around 25 per cent. For this set of countries, the average income of the richest 20 per cent is around ten times higher than that of the poorest 20 per cent. At the other extreme, in countries with greater inequality, the poorest 40 per cent capture less than 12 per cent of income, while the richest 10 per cent obtain almost 40 per cent of income. Here, the income of the richest 20 per cent may be 30 times higher than that of the poorest 20 per cent (ECLAC, 2011).

There is also a dynamic relationship between inequality and levels of national development (UNDP, 2010). Some countries with higher levels of human and economic development and more developed social security provisions (Argentina, Brazil, Chile, Colombia, Costa Rica, Panama and Uruguay) have similar levels of inequality to countries with less developed social security provisions and lower levels of economic development (Plurinational State of Bolivia, Ecuador, El Salvador, Nicaragua, Paraguay, Peru and the Bolivarian Republic of Venezuela) (ECLAC, 2011).

Social security as a means to reduce inequality

Recent public policy responses seeking to mitigate the downside impacts of the global crisis on levels of poverty and indigence have led to a reduction in inequality in many countries in Latin America and the Caribbean, leading to a slight improvement in income distribution (ECLAC, 2011). Various measures have contributed to this, such as the maintenance of real wages (supported by low inflation) and policies to avoid falls in income and large-scale job losses. Other factors have been a reduction in the differential in wage income between high- and low-skilled workers and an increase in income transfers to the poorest (López-Calva and Lustig, 2010). These responses confirm

that public policy – channelled to an important extent through social security systems – is essential for achieving income redistribution and for reducing inequalities as well as facilitating access to opportunities more generally.

Why would social security have a positive impact?

Social security systems promote greater equality by reducing the effects of a broad range of factors associated with poverty and inequalities. They also prevent inequalities being passed on from one generation to the next by enabling access to education, health care and job opportunities. In the short term, social security reduces the poverty gap that affects poor families and mitigates the consequences of crises, acting indirectly on income, unemployment and job-seeking incentives and directly transferring monetary income to them. It also acts in a proactive way by putting in place measures to ensure that individuals and families from all income groups do not fall into poverty as a result of sickness or job loss. In the longer term, social security holds the potential to help counter the intergenerational transmission of inequality by supporting the development of human capital. In practice, taking into account existing differences in country context and social security system design, ending the intergenerational transmission of inequality, in all instances, remains a challenge. However, and in spite of major rigidities associated with some social security systems, opportunities exist to reduce many aspects of inequality.

Challenges facing contributory programmes in Latin America and the Caribbean

There is a close link between formal employment and social security affiliation in the region. In Latin America, for example, close to 50 per cent of the urban workforce are in the informal economy. In practice, with high levels of informal and weakly-regulated work, levels of social security coverage are often low. In some cases, coverage levels for contributory cash benefits are around 10 per cent of the workforce. Access to health care varies throughout the region, with an average rate of population coverage of around 40 per cent. Typically, those households lacking access to adequate social security coverage tend to be characterized as those with lower incomes, more household

members, a female head and a rural location. The older population, especially the elderly female population, also tends to be vulnerable and lacking in adequate coverage.

On the basis of these observations, four challenges confront social security systems. The first is how to ensure affiliation to the social security system whatever the employment status of the individual and, related to this, how to extend coverage to workers in the informal economy. The second is how to improve levels of affiliation among women, which requires addressing the feminization of informal work (which increasingly provides work to vulnerable female heads of households) and the feminization of the growing “care economy”. The third is to ensure and, indeed, increase subsidies for access to education and health care for young people from poor households. The fourth is to attend to the needs of older adults who have had a work history but have never joined the social security system. For instance, as a simple average of the countries of the region, in 2009 barely 40 per cent of Latin Americans aged 65 or older received a pension or retirement income.

Non-contributory programmes

Part of the task of meeting these challenges is being taken on by non-contributory social security programmes – with eligibility not linked to the existence of prior contributions – and conditional transfer programmes in particular. Cash or in-kind transfers, whether subject to conditionality or not, include subsidies for consumption, the creation of emergency jobs, where unemployed workers are taken on for a limited period in response to the needs created by an economic downturn or a natural disaster, and the promotion of access to existing social services (e.g. education, health and care services, housing). The funding for these interventions comes from taxes on general income and/or from international development aid. The primary aim is to bring down poverty, but indirectly they act on inequality by increasing the income of the poorest quintile and support investments in human capital.

Following on from the positive experiences of innovators such as Brazil (*Bolsa Família*) and Mexico (*Oportunidades*), since the end of the 1990s many countries

in the region have adopted similar types of transfer programmes. Important features of these programmes include targeting income on the poorest families with children, ensuring that women are an important locus for the allocation of benefits, and focusing coverage extension geographically and/or via means testing.

On the basis of average figures for Latin America developed by ECLAC using national studies, non-contributory social security programmes cover around 19 per cent of households, and the cost of these represent 0.40 per cent of the GDP. In spite of this low level of population coverage, these cash and in-kind transfers are targeted at those most at risk and have a significant weight in the poorest households, leading to a highly progressive type of redistribution. They are generally directed at those who live in extreme poverty or who are poor and vulnerable. In particular they reach out to female-headed households and those with young children and teenagers. In addition to according a central role to women, the programmes imply a participation of the wider community, coordinated among different agencies, including social security institutions, and require regular assessments and monitoring.

How cash transfer programmes impact on poverty, inequality and income distribution

Conditional cash transfer programmes are monetary transfers targeted at the poorest households/families on condition that they invest in the education, health and development of their children. They have more of an effect on reducing income inequality when the focus and amount of the transfers is significant, as in Argentina, Brazil, Ecuador, Jamaica and Mexico. In countries where the coverage and amount of the transfers is lower, no major impacts in terms of poverty reduction are observed, as in the case of Honduras. In Chile, the *Pensión Básica Solidaria* (Solidarity Pension System) which focuses on older adult users of the *Chile Solidario* programme, and all those who do not have a right to a pension (old age or disability) in any pension system and belong to the poorest 60 per cent of the population, underlines the relevance of developing non-contributory transfers in that it has had great success in reaching out to families in extreme poverty.

Distributive impact

Different programmes produce different effects on the distribution of income. The effect is small in the case of *Chile Solidario* and more significant in the cases of *Oportunidades* (Mexico) and *Bolsa Família* (Brazil). The key factor lies with the proportion of total household income that the respective transfers represent. This is greater in the cases of Brazil and Mexico and very small in *Chile Solidario* (except when this is combined with the country's *Pensión Básica Solidaria*).

Longer-term impact

The longer-term impact depends on the length of time during which transfers are received by families. To improve their social and economic inclusion, families have to be in a position to invest both in the capacities of children and in entrepreneurial activities. At the end of the programme, they must have acquired capacities that allow them to be independent. In this regard, the expectation is that programmes should not weaken incentives among beneficiaries to seek employment or to pay contributions to social security systems once they find work. Importantly, conditional transfer programmes must be complemented with transformative social promotion policies and programmes to develop human capital.

As a purported means to reduce gender inequalities, there is concern that conditional transfers may actually reinforce gender-biased household caregiving roles that are unfavourable to women. There is also concern that they may provide disincentives to the formalization of certain work relationships, thus leaving inequalities associated with labour-markets and access to contributory social security unaddressed (Bachelet, 2011).

Conditional transfer programmes were originally introduced as emergency, time-limited crisis-response measures. However, over time they have tended to expand and have become a permanent fixture in many countries with the justification that they tackle inequality and the impacts of poverty in the long run. How cost effective they are in meeting this objective needs to be monitored.

Conclusions

Inequality is a multidimensional and dynamic concept. In Latin America and the Caribbean, levels of inequality remain strikingly high. Nevertheless, inequality has fallen in recent years in many countries. Indeed, the fact that it has fallen underlines the importance of public policy interventions in the design of coherent efforts to more fully meet the broader social security needs of the most vulnerable.

Conventional contributory social security programmes provide protection and insurance against life-cycle and labour market risks, but in many countries in Latin America and the Caribbean access to such coverage is largely determined by unequal access to formal and regulated employment. In turn, the inherent preventive and proactive capacities of contributory social security programmes have all too often remained weakly developed. To more fully address the multidimensional nature of inequality in society, and to better make use of the preventive and proactive as well as the protective capabilities of social security programmes, a number of measures are required. These include greater efforts to extend social security to hard-to-reach populations, adapting the benefits and services provided, and the development of non-contributory programmes. In this

manner, coverage has been extended and improvements in the quality and targeting of services secured. By helping lift families out of poverty, and by preventing others from falling into it, by proactively investing in human capital with the aim of enabling more complete social and economic inclusion, social security programmes are contributing significantly to mitigating inequality and preventing its transmission to future generations. But the extension of coverage is just one element of social security's role in reducing inequality and poverty. If inequality is to be sustainably reduced over time, vulnerable populations need to be able to move from coverage under tax-financed social protection programmes targeted at the informal sector, which are arguably more susceptible to future fiscal shocks, to contributory social security for the formal sector. Although the measures required to formalize labour markets is a wider public policy issue, social security can play a significant role in ensuring that the correct incentives and encouragements exist to facilitate this move.

As a point of departure towards a wider debate, these outcomes offer a solid foundation upon which to argue the case for mainstreaming proactive and preventive approaches in the work of social security administrations.

Effective measures to manage fragmentation in benefit provision and delivery

In recent years, the countries of the Americas have implemented various initiatives to tackle the problems of fragmentation in social programmes. These initiatives range from design aspects of policies and the articulation of different social policies through to operational aspects relating to the integrated implementation of different types of social programmes and to integrated data access. In this chapter we set out the progress made in the Americas in the integration of social policies and programmes, describing initiatives to link social policies and report on movements towards integrated inter-institutional management.

The challenges of fragmentation

The fragmentation of social programmes can lead to a number of adverse outcomes affecting their effective delivery, including the overlap and duplication of institutional efforts, inefficient use of resources, inconsistencies between policy objectives and operational practices, and inter-ministerial or inter-agency power disputes, all of which may lead to the benefits and services offered failing to meet the expectations and needs of the population in a satisfactory manner.

There are numerous factors that contribute to the fragmentation of social policies and social programmes. Notable amongst these are shortcomings in programme

design and in the demarcation of responsibilities, weak or non-existent bodies responsible for coordination, lack of understanding about the consequences of fragmentation, incomplete knowledge about how to achieve coordination between programmes, weaknesses in institutional structures, and reform processes that are often bound tightly with, and dependent on, electoral cycles (Duran Valverde, 2012; Cecchini and Madariaga, 2011).

The challenges associated with fragmentation affect many countries and have motivated the implementation of specific actions to confront them. The traditional separation of social institutions and programmes (contributory vis-à-vis non-contributory, public vis-à-vis private pension schemes and health systems), in addition to the accumulation of focused social programmes, which work autonomously and without effective horizontal coordination, generated a duplication of functions and sometimes disparity in how the schemes were regulated. Although greater effort has been directed at addressing such challenges, fragmentation continues to affect programmes, even those recognized as generally being efficient, such as those in Colombia (Zapata, 2009) and in Chile (MIDEPLAN, 2009; Nun and Trucco, 2008). A remaining common challenge is how to improve vertical coordination between central government and local authorities.

Fragmentation also affects programmes in the Caribbean, specifically in the delivery of services to the poor, which are typified by limited coordination and an overlapping of roles (Ashwill and Norton, 2011). In North America, social programmes are no less immune to the challenges of fragmentation. For social services departments concerned with the welfare of persons at risk, such fragmentation has in the past contributed to tragic breakdowns in inter-agency communication, leading to the needs of extremely vulnerable individuals, including those of children, going unheeded. In all countries, the media reports that follow such events may lead to a weakening of citizens' trust in the public institutions deemed accountable, thus offering another example of the difficult challenges fragmentation can pose for administrations.

The design, articulation and coordination of social policies

The successful reengineering of the design and delivery of social policies, especially those focusing on improving access to social protection for lower-income groups, is one of the most notable results of developments in social security in the Americas in recent years. A number of sometimes very varied policies and programmes have improved their coordination. This has seen, for instance, programmes to deliver cash transfers working hand in hand with those offering proactive support to improve access to health and education services and employment opportunities.

Different dimensions of the integration of social security programmes can be identified that take into account the stated objectives of the policies and programmes and the voiced needs of the population (Cecchini and Martinez, 2011). In terms of the former, there is horizontal sectoral integration (pensions, family

benefits and services, work, health, education, etc.) and vertical integration concerning the administrative levels in which programmes are executed from central government and social security institutions to local governments, and through the different structures in public- and private-sector administrations.

Considered a crucial element, achieving coordination at the political level has been based on different approaches (Box 4.1). In a majority of countries, the organization of social policies has been based on cabinets, boards or chambers that coordinate ministries and institutions in the social arena (e.g. Argentina, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Guatemala, Jamaica, Paraguay and Uruguay). Another approach, adopted in Ecuador, is based on a Ministry of Coordination of Social Development that is specifically mandated to coordinate social programmes implemented by different ministries and to administer the register of beneficiaries. The situation is similar in Guatemala, via the Ministry of Social Development, which brings together the exercise of control over the planning and execution of social policy in one single body, aiming to achieve greater control and less dispersion of resources.

The experiences of political structures based on social cabinets show themselves to have been significant in the construction of effective institutional mechanisms to coordinate social policies. They have not been without some difficulties, however, these being often of a political and, to a lesser extent, technical nature (Repetto, 2009).

Implementation of integrated programmes

In the Americas, integrated social programmes have been implemented in different areas of social security,

4.1. Intersectoral coordination of the Dominican Republic's Solidarity Programme

In the Dominican Republic, the Solidarity Programme coordinates actions via an Intersectoral Coordination Committee, made up of the Ministries of Health, Education and Taxation, National Health Insurance, the Solidarity Programme and the Social Cabinet's Technical Direction. This committee determines gaps in coverage and works in cooperation with local administrations. It sets objectives in the areas of health, education and nutrition and defines responsibilities for all actors working in their respective areas, in particular local delivery agents.

4.2. Chile's Red Protege system

In Chile, the social protection system's *Red Protege* (Protection Network), implemented between 2006 and 2012, integrates intersectoral components in the areas of education, health, housing and social security. The system is organized in three subsystems: *Chile Solidario* (Chile Solidarity), which implements social protection for cases of poverty and vulnerability, *Chile Crece Contigo* (Chile Grows with You), which is an integrated child protection system, and the social security system. Together, these components support people throughout all stages of their life, considers the family as a principal focal point for the receipt of social protection, combines cash benefits with development initiatives to generate opportunities for people, and ensures people's rights based on a legal framework that institutionalizes social protection.

Within this framework, *Chile Solidario* carries out an important intersectoral coordination role as its Executive Secretary must: i) coordinate the institutions that deliver social services by ensuring their integration with the network, ii) extend current social programmes or introduce new ones, and iii) maintain and manage an integrated information system common to the system. The coordination role is based on specific inter-institutional agreements within the legal framework that governs the overall functioning of the programme (MIDEPLAN, 2009). Likewise, *Chile Solidario* uses its budget management role as a mechanism to check the progress of the participating institutions, with the ability to hold back budgetary allocations to the latter as well as to assist institutions in formal dealings with the Tax Ministry.

most notably for conditional transfers and health programmes as well as for the collection of contributions.

Conditional transfer programmes have been successful in implementing intersectoral integration (Cecchini and Martínez, 2011; Repetto, 2009). This has been achieved to the extent that they have been able to develop a multidimensional vision of the problems to be addressed and implement measures to resolve these. In practical terms the successful realization of such a multidimensional vision implies a degree of integration of the different institutions involved with the implementation of social programmes. For example, the fact that an element of conditional transfer programmes is to validate the meeting of conditions (such as attendance at school by children or attendance at health centres for check-ups) as a necessary step towards granting benefits, this has generated, or at least promoted, operational coordination with the health and education sectors.

Most of the Latin American programmes have been designed and implemented centrally, by national administrations (e.g. Argentina, Brazil, Chile, Dominican Republic, Mexico and Uruguay), and stand out mainly because of the extent of horizontal intersectoral coordination they have achieved. Of course, a degree of vertical coordination has necessarily also been achieved.

It is important to highlight the role played by social security institutions in the implementation of nationwide conditional cash transfer (CCT) programmes. In several programmes, the implementation and operation rely on social security institutions. In Argentina, the Universal Child Allowance, a non-contributory CCT programme, is in the charge of the National Social Security Administration (*Administración Nacional de la Seguridad Social, ANSES*), which was appointed to carry out the operational design, implementation and operation of the programme. Social policy articulation relies on a committee that brings together ANSES and the Ministries of Social Development, Health, Labour and Education. Horizontal integration with health and education authorities was implemented to validate required conditions. Vertical integration with local authorities (provinces and municipalities) was implemented through the ANSES national information integration system (SITACI) to improve the effectiveness of registration processes. Other approaches are possible, however (Boxes 4.2. and 4.3.). It is worth highlighting the case of Colombia, where local governments (departments and municipalities) have autonomy to define social programmes. This approach, which is complementary to the policies and programmes developed by central government, facilitates endeavours to prioritize social investment in line with the local reality.

4.3. Evolution in integrated social policies in Brazil

The social policies developed in Brazil that are orientated towards the protection of the poorest and most vulnerable have promoted the integration of non-contributory programmes, especially in the areas of social assistance, health, food and conditional cash transfers. The *Bolsa Família* programme stands as an example of international significance. Currently covering 26 per cent of the population, it has had a very positive impact on poverty reduction. Its role as a vector for intersectoral coordination has permitted the identification of problems that families face (illiteracy, poor housing and difficulties in finding work) while they try to meet eligibility conditions, which, in turn, helps generate synergies and coordination with programmes relating to education, housing and employment.

In other developments, incentives to strengthen the small-scale and family farming sector have been brought forward through the PRONAF (*Programa Nacional de Fortalecimento da Agricultura Familiar*) and PAA (*Programa de Aquisição de Alimentos*) programmes.

Based on the implementation of these programmes in Brazil and with the aim to generate a management model that ensures coordination with non-contributory social protection policy, the National Social Welfare Policy and the Single Social Welfare System were created in 2005 and the National System of Food and Nutritional Safety in 2006.

While the flexibility of the system in Colombia favours the adaptation of social policy to the requirements of the population and the local context through greater proximity, it also generates very significant challenges in how to achieve adequate vertical integration with central government and horizontal integration between local governments (Zapata, 2009).

In Mexico, since 2008, the integrated social strategy *Vivir Mejor* (Live better), which takes a life-cycle approach to individual needs, has coordinated different programmes. Of particular note is the *Oportunidades* programme which addresses three areas that are closely interlinked – education, health and diet – and which focuses its actions on households that are in situations of extreme poverty. Mexico's experience has shown that, to achieve a real impact on the causes of poverty and to successfully implement social policies, programmes have to be inserted into an integrated strategy as well as have an institutional architecture that offers a stable social policy environment. The implementation relied on different agencies, with the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social*, IMSS) playing a key role.

These developments are not exclusive to Latin America. In the Caribbean, several countries have also developed integrated social protection programmes: ISEE Bridge in Barbados, SEED in Grenada, PATH in Jamaica,

Koudemain in St. Lucia, RISE-UP in Trinidad and Tobago, and LEAP in St. Vincent and the Grenadines. In the United States, there are examples of city-level developments among social services agencies in the city of New York and at state level among a number of counties in California. These have improved the capabilities of case management systems by implementing integrated information systems with data from different beneficiary databases to ensure that eligibility is determined properly.

Two examples of integrated health systems at a national level are Chile's National Health Fund (*Fondo Nacional de Salud*, FONASA) and Uruguay's National Integrated Health System (*Sistema Nacional Integrado de Salud*, SNIS). These countries have successfully implemented their systems by ensuring coordination between various public and private actors. In particular, both systems have unified information systems holding data on beneficiaries and their families, which health service providers can access to validate rights to medical care. The approach pursued in both countries has led to a substantial improvement in the quality, effectiveness and efficiency of health insurance services (ISSA, 2010a; Kounowski, 2012).

More generally, integrated operational platforms have played a key role in the implementation of interconnected social programmes, allowing the creation and

implementation of “single points of contact” that facilitate the interaction of the public with the administration as well as the use of shared information systems to identify and record beneficiaries.

An emblematic example of an integrated platform is found in Uruguay. In this case, four large-scale inter-institutional social programmes have been implemented on an integrated basis, comprising an emergency plan (PANES), a tax reform implementing a tax on personal remuneration (IRPF), a national integrated health system (SNIS), and an Equity Plan. The implementation of these initiatives benefitted from the operating platform of the Social Insurance Bank (*Banco de Previsión Social*, BPS), the national social security agency, which fulfilled the role of provider of integrated services in addition to its political and technical responsibilities.

The implementation of the four programmes in Uruguay made extensive use of ICT and used the ICT platform and information systems of the BPS, including population registers, data on families, and data on the beneficiaries of different social programmes. The mechanisms for calculating and charging contributions with regard to the SNIS and IRPF were implemented and integrated with those already in use for contributions made to the social insurance and individual accounts social security systems. This approach made it possible to speed up implementation, which was achieved in a few months, as well as to achieve operating efficiency and reliability (Ruggia, 2008). In particular, the use of reliable information systems in all the projects was a key success factor as it meant that accurate data were obtained, which proved essential when it came to assigning benefits and/or assessing contribution amounts.

A different approach has been carried out in Brazil, where DATAPREV, the social security ICT service provider, performs the ICT-based implementation and operation of social programmes in the charge of the National Social Security Institute (INSS) and Social Development Ministry (MDS), as well as for the compliance enforcement and contribution collection duties of the national tax authority.

Together with the operating platforms, it is worth highlighting the role played by Integrated Social Information Systems in the integration of social programmes in all the experiences described above (ISSA, 2012). Various countries have implemented systems of this kind, including: Argentina (*SINTyS*), Brazil (*CadÚnico* and *CNIS*), Chile (*SIIS*), Colombia (*SISBEN*), Costa Rica (*SIPO*), Dominican Republic (*SIUBEN*), El Salvador (*RUB*), Honduras (*SIRBHO*), Mexico (*SIIPP-G*) and Uruguay (*SIAS*). While the implementation of these systems has proved fundamental in improving the effectiveness of intersectoral social programmes, their potential to improve integration on a national scale has not yet been exploited to the full (Azevedo, Bouillon and Irrarázaval, 2011).

Conclusions

In the Americas, integrated social programmes have been taken forward in different areas, which has made it possible to face up to fragmentation and improve the scope, efficacy and efficiency of social protection, health policies and policies aimed at getting people back to work. They have also sought wider improvements in the operational management of programmes too. Such integration has involved a wide spectrum of institutions, sometimes challenging the traditional paradigm separating contributory and non-contributory programmes.

In spite of the progress, fragmentation in the implementation of social policies, leading especially to shortcomings in coordination between levels of government, is still a major challenge.

Three factors can be identified as key to the integration of social programmes:

1. Social programme design that envisages integration and horizontal coordination across sectors, including clear agreements on the roles and responsibilities of the different stakeholders, and vertical political coordination up to the highest level, for example to ministerial level.
2. An assigned role of social security institutions in the design, implementation and operation of the programmes, not only as key social stakeholders but in providing practical and effective integration capacity.

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3. The creation of synergies between participants so that the actors involved are linked to one another around common objectives or in tackling a common issue, and joint monitoring and assessments by the bodies taking part in the coordination.

Investment in social security education and culture – an essential element of proactive and preventive responses

Social security systems are typically seen by the public as offering protection against life-cycle and labour market risks. There is, however, less public awareness as regards the vital proactive and preventive roles played by social security systems – i.e. enhancing individual capabilities, combatting social and economic exclusion and mitigating and preventing various downside risks. Across the Americas significant effort is being expended in many countries to raise awareness about, and to more fully utilize, these proactive and preventive dimensions inherent to social security. The aim of such efforts to raise public awareness about social security extends further than simply informing citizens. A further aim is to positively influence public attitudes and behaviour patterns that will be supportive of the sustainable development of, and the extension of coverage under, social security programmes. This chapter highlights the specific regional example of investing resources to promote social security “culture” and education, which are directed typically at younger population groups. Although a fuller assessment of the impact of these measures will only be possible in later years, they provide a promising example to illustrate that education to support the proactive and preventive roles of social security is possible. The challenge for social security is how to scale-up and broaden these efforts to reach all sections of society, for instance through

programmes targeted at encouraging healthy eating, avoiding workplace accidents or promoting the values of social security. Importantly, the dissemination of the concepts underlying the culture of social security should extend to those employed in social security administrations, which should positively influence the design and delivery of services and benefits.

Investing in social security education in the Americas

More than is perhaps the case in other regions of the world, public initiatives and investments in support of social security education, which seek also to promote a culture of social security, are an essential feature of public policy found in many countries of the Americas (Box 5.1). Such initiatives and investments firmly underline the importance that governments, social security organizations and other agencies in the region accord to the task of raising and sustaining public awareness about people’s rights and responsibilities vis-à-vis the social security system.

The identified need to promote education and raise cultural awareness among the general public about the roles played by social security in society arises from three objectives. The first is the requirement to counter short-sighted, ill-informed and often damaging

5.1. The Declaration of Guatemala

In the context of the XXV General Assembly of the Interamerican Conference on Social Security (CISS), which took place in Guatemala in November 2009, the countries of North America, Latin America and the Caribbean agreed to recognize the importance of social security education and to back the initiative of the *Centro Interamericano de Estudios de Seguridad Social* (Interamerican Centre for Social Security Studies, CIESS), whose purpose is to disseminate the essential principles and values of social security via educational programmes across the continent. In support of the goal to develop a culture of social security in the Americas, and supported by the adherence of the Inter-American Conference on Social Security (CISS), the International Social Security Association (ISSA), the Ibero-American Organization for Social Security (OISS) and the International Labour Organization (ILO), the General Assembly culminated in the adoption of the “The Declaration of Guatemala”.

misconceptions about the principles and values of social security. The second is the duty to better inform citizens about their rights and how they can more fully access the protection offered by social security. The third is to support the goal of social security coverage extension.

It is not uncommon, especially among the younger population and those working in the informal economy, for social security provision to be viewed exclusively as only for the poor, the elderly, and for those of working age employed in the formal economy. In countries characterized by high levels of informal or weakly-regulated employment, these views may act as a disincentive to join social security. Younger workers may not be inclined to join the social security system, simply because they do not perceive an immediate need for the benefits provided.

One factor in the success of a number of programmes that have extended coverage in the Americas has been increased levels of knowledge among citizens, affiliates and beneficiaries about social security, and especially as regards their rights and responsibilities. Accordingly, the use of public education programmes to promote the importance of social security culture should be an integral element of national initiatives to extend social security coverage.

By and large, the successful promotion and dissemination of information in support of the principles and values of social security in the region is tailored according to four main target groups:

- Programmes directed at male and female students in primary school, young students in secondary school, and university students.
- Programmes directed at workers and companies in the formal and informal economy.
- Programmes directed at the general public.
- Specialized seminars for policy-makers.

Promoting social security culture via educational programmes

Many countries in the region have educational programmes promoting social security culture. In spite of the variety of programmes, most are directed at children and young people aged 15 to 25 and aim to instil an awareness of the notion of solidarity, the benefits to be had from starting saving at an early age and the importance of working in the formal economy. In general, these programmes are delivered through formal education, modern technology and media channels.

The Uruguayan educational project “Getting to know your social security rights and responsibilities on social security matters” is recognized as a pioneer in promoting a culture of social security and, indeed, has become a global point of reference. The development of the project has been linked intrinsically to the country’s long process of coverage extension involving the coordinated endeavours of various institutions, and among which the Social Insurance Bank of Uruguay (*Banco de Previsión Social, BPS*) has played a leading role. The success of this initiative has been built on the realization that children and young people are important purveyors of information in their households. To

exploit this potential, the project incorporates a series of modules that are taught as part of the national school curriculum. The well-developed learning materials that accompany the modules include manuals for pupils and teachers and interactive online games.

Brazil's National Social Security Institute uses activities from the Programme of Welfare Education Training to strengthen its relations with citizens. Using platforms such as conferences, seminars and exhibitions, the Institute reaches out to people and seeks to improve their understanding of social security and, importantly, encourages them to actively exercise their rights. Various activities in the programme are designed to offer support and information to informal workers and to facilitate their movement towards formal modes of work. Similar advice is also provided to those who are about to enter or who have just entered the labour market.

Some national strategies to raise public awareness are achieved via mass communication media such as radio. For example, the "Health for all" radio programmes of the Social Insurance Fund of Costa Rica (*Caja Costarricense de Seguro Social, CCSS*) and the *Frecuencia ANSES* (ANSES Frequency) programme of Argentina's National Social Security Administration (*Administración Nacional de la Seguridad Social, ANSES*) offer varied information on issues related to social security across the life-course and on individual rights.

Most commonly, the information disseminated by social security organizations in the Americas is focused on promoting the advantages of affiliating with social security. Others, however, have developed more comprehensive educational strategies and campaigns directed at promoting the full exercise of individual rights and explaining the importance of the fulfilment of individual responsibilities by those who have entered the social security system.

How education facilitates the adoption of proactive and preventive approaches across social programmes

Looking to specific social security and health care programmes, there is growing evidence that enhanced

levels of public education about the wider aims of social security systems, as well as related rights and responsibilities that these imply, can contribute to facilitating changes in attitudes and behaviour among the covered population.

Old-age, disability and survivor pensions

A number of old-age pension programmes in the Americas provide affiliates with individual information statements that detail, among other things, the amount of contributions paid to date and outline different scenarios for the projected value of the individual's future pension income. This is seen for example in Canada's Statement of Contributions, in Chile's Quarterly Statement (*Cuartola cuatrimestral*) and Personal Pension Projection (*Proyección pensión personalizada*), and in the United States' Social Security Statement (Regúlez-Castillo and Vidal-Meliá, 2012). In addition to offering greater transparency, these tailored personal services also act to foster a more proactive outlook on the part of programme affiliates. Where the individual affiliate deems that the income associated with a given scenario of future projected pension income is too low, the expectation is that he or she will be encouraged to save more or work longer and retire later or, indeed, all of these things. Thus, in seeking to prevent the risk of insufficient income in old age, affiliates in these programmes are prompted to take a more proactive stance as regards their current saving behaviour, retirement planning and provisions for their future income.

In Canada and the United States, these statements also permit affiliates to calculate their entitlements to disability pensions and, in the event of their death, the survivor pension that will be paid to eligible dependants. Again, the expectation is that by being more fully informed of their projected entitlements, affiliates will be able to make a proactive decision about whether there is a need for additional provision.

Health care programmes

Health education, leading to improved health awareness and a more accurate self-reported health status in populations, can play an enormous role in increasing the use of health services, and especially primary health care services. A better educated population is

5.2. Promoting health awareness from an early age

In the mid-1990s the Pan American Health Organization (*Organización Panamericana para la Salud, OPS-PAHO*) initiated the Latin American Network of Health-Promoting Schools (*Red Latinoamericana de Escuelas Promotoras de la Salud, RLEP*), whose aim is to promote health in schools and to encourage healthy lifestyles among children and young people.

In Colombia, the Healthy Schools (*Escuelas Saludables*) strategy uses learning objectives, educational games and cultural activities to promote health awareness. In addition, the strategy addresses issues related to sexual health, personal hygiene, oral and aural health, nutrition and the prevention of accidents. Costa Rica's Health and School Nutrition Programme (*Programa Nacional de Salud y Nutrición Escolar, PNSNE*) promotes health education for children and teenagers. Educational centres are used to create awareness about the importance of looking after health, preventing illness and the importance of physical activity, a balanced diet and good eating habits. The impact of the PNSNE is heightened by its integration with other social programmes that guarantee access to healthy food for children and teenagers via school canteens and snack bars.

likely to have better health status, not least because decisions may be taken earlier about the need for preventive medical interventions. Of course, preconditions for such increased use are the availability of, and ease of access to, the required health care. In many countries there are great disparities between urban and rural areas in the levels and types of health care that are on offer. Importantly, the types of health care provided by the medical care system must include preventive health measures as well as the more common provision of curative care.

Brazil's Unified Health System (*Sistema Único de Saúde*) and Mexico's Popular Health Insurance Programme (*Seguro Popular de Salud*) are two examples of programmes that have increased provisions for, and the impact of, primary preventive health care in recent years. These developments in both countries have been part of the integrated development of their national social protection systems. An important outlook adopted in the region is to target health prevention strategies on the younger population in particular, often by promoting health awareness to children while they attend school (Box 5.2.).

Occupational safety and health

Education to promote understanding about workplace risks and to prevent work-related illness and injury calls for a coherent approach involving national occupational safety and health (OSH) agencies, social security administrations, employers and workers alike. In some countries, such as Peru, a prevention-based approach to occupational hazards has foregrounded the responsibilities of employers in particular to ensure prevention measures and regulations are complied with. At a Pan-American level, efforts are underway to broaden knowledge and extend cooperation between countries on matters relating to occupational safety and health, especially for migrant workers. Building on an original agreement between the United States and Mexico that highlights the importance of promoting and encouraging OSH education and training programmes, the list of signatories has extended to include Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua and Peru.² These agreements to extend information-sharing initiatives and, indeed, the application of OSH regulations to migrant workers in the Americas represent a significant step forward in efforts to extend the right to social security coverage to groups of workers who are commonly excluded from protection and engaged in vulnerable and often dangerous work.

2. See <<http://www.osha.gov/international/index.html>> (accessed on 12.10.2012).

Conclusions

Recent evidence demonstrates that educational efforts to promote a culture of social security in the Americas are directly related to broader efforts to consolidate and extend access to social security coverage. Cross-border initiatives and region-wide agreements that include explicit roles for tailored education programmes and information on social security matters underlie that this is truly a Pan-American development. Such programmes and the provision of information targeted at different population groups not only raise public awareness about the principles and values of social security but inform citizens about the reciprocal rights and responsibilities that being a member of a social security system entails. In all cases, the success of these programmes depends very much on the role played by social security institutions. Even if the promotion of a culture of social security is not part of their duties, most institutions have taken the lead and are fully committed to expanding social security knowledge among the population.

An important number of national educational programmes are directed at children and young adults,

with many seeking to promote higher levels of health awareness. No less important, specialized programmes are also being used to inform and educate employers, workers and social security affiliates and beneficiaries. The expectation is that attitudes towards social security will be impacted positively and the behaviour of actors will adjust, with greater credence accorded to the importance of preventive and proactive measures across different social security branches and in relation to the management of life-cycle and labour market risks. Such efforts although effective also create expectations amongst populations regarding the quality of benefits and service delivery. Meeting these expectations implies further improving social security administration and will raise financing challenges.

Despite this, going forward, the continuing delivery of education programmes in the Americas is likely to play an increasingly powerful role in anchoring proactive and preventive approaches to social security firmly in the collective public consciousness. No less important, the challenge is to make these an essential part of the mind-set of social security administrators.

Conclusion

This Developments and Trends report for the Americas has highlighted the innovative transformation of social security systems in the region in response to diverse and evolving social and economic challenges. It offers evidence of how social security administrations have contributed to increasing the positive impacts of social programmes and strategies in support of the goals of social cohesion and economic development and done so in the difficult context of an uncertain macroeconomic environment and challenging financial constraints.

The geography of the Americas is vast and varied, with small island States in the Caribbean grouped alongside three of the world's five biggest countries. Economic, social and demographic variations among the region's countries are equally pronounced, with important differences in terms of levels of national income and economic development. Similarly, national labour markets are characterized at one extreme by significant informal-sector activity and at the other by close regulation and monitoring. All of these factors have an important bearing on shaping the institutional diversity that is characteristic of social security in the region. Despite these variations, this report has identified four key regional developments and trends in social security:

- The planning and implementation of successful coverage extension efforts against the backdrop of a generally challenging fiscal environment. Regardless of whether these different efforts have extended existing coverage to a greater proportion of the population, have introduced new universal or targeted schemes or have improved the adequacy and quality of benefit provision, significant advances have been made despite the reality of limited finances and resources. Many of these developments have focused particularly, but not exclusively, on improving access to coverage for lower-income groups.
- Social security's recent marked role in mitigating and reducing inequalities, especially in the countries of Latin America and the Caribbean. Inequalities are multifaceted and social security's precise role in mitigating these is complex and dependent on the related effects of other public policy measures, including in health, education, housing and labour markets. Despite this, the evidence of social security as an effective component in endeavours to mitigate inequality is strong.
- The successful transformation of social security programmes and their tighter coordinated delivery across government ministries, social security agencies and other stakeholders, all of which necessitates a growing emphasis on developing integrated policy strategies and information platforms.
- Greater investment in measures to inform and educate the general population about the positive roles of social security in society. These measures have important associated objectives. One is to underline that patterns of individual behaviour have an influential

role to play in defining the effectiveness of proactive and preventive approaches to social security. Another is to encourage workers' affiliation to social security and thus support its sustainability. A more general but no less important objective is to help foster a culture of social security. A specific feature of the dissemination of information on rights and responsibilities vis-à-vis social security is the recognition that young people are often important purveyors of this information for the rest of the household.

A main observation of this report is that these developments and trends evidence continuing efforts in the region to positively transform administrative procedures and organizational practices. Examples cited show that innovative financing approaches have been adopted. Counter-cyclical financing has been most noticeable for programmes designed as emergency crisis responses. For the sustainable financing of all recurrent cash benefit programmes, greater attention is being given to the appropriate marriage of contributory and/or tax financing approaches. And for health care financing, recent successful reforms in many countries have managed to consider the question of financing at a more holistic level by considering both contribution income and general tax revenue.

There is a growing political need to demonstrate the positive social and economic impacts of social security interventions. The development of conditional benefits programmes is often presented as evidence of this, as these programmes have generally aimed to build in mechanisms that ensure that payments are not only well used (for example, by channelling family-oriented benefits through women) but which are supportive of wider development aims. The political demand for greater efficiency and effectiveness in the use of financial resources in the region is firmly underlined by a growing need for social security to operate in the context of new fiscal responsibility laws.

For many countries, the task at hand remains challenging. High levels of informal-sector activity continue to hamper coverage extension efforts to the most vulnerable, often women. Addressing youth inequality may require greater investments in education and health

care. Elderly inequality, resulting from substantial numbers without formal pension coverage, remains also to be addressed. The continuing successful development of social security in the region will depend to a great extent on being able to reach out to these vulnerable groups.

To date, a number of countries have used conditional cash transfer programmes to address some of these issues, by targeting those in need and reaching out to population groups typically excluded from social security. Despite the generally positive experience of such programmes, remaining difficulties include ensuring the design of such programmes provide appropriate incentives to seek (formal) employment – and therefore pay social security contributions – and avoid, by focusing attention on the female household member, that gender inequalities are not exacerbated.

Advances in the extension of coverage and the positive impacts of social security in reducing inequality have been achieved in part through a better coordination of the different actors involved in social protection. Nevertheless, the region remains characterized by a large number of different programmes with often similar goals. This can result in the duplication of resources, inconsistencies in provision and eligibility, and a general lack of efficiency that risks objectives being not met and vulnerable populations left without adequate protection.

Although the organizational changes made to improve coordination vary by country, a common feature is the use of a dedicated government agency, in some cases social security institutions in charge of contributory schemes, which have specific responsibility to coordinate programmes. Such integrated programmes are often designed and implemented centrally, improving horizontal intersectoral coordination. The recent evidence suggests that the effective use of administrative platforms and ICT facilitate better coordination. By having one point of contact which manages all information regarding individual cases, a holistic and coordinated approach can be taken.

Going forward, integrated social policies require political coordination at the highest level coupled

with clarity regarding the roles of different agencies and how the interests and objectives of each one can be met. With administrations likely to face increasing financial constraints, the efficiency gains and synergies sought through better coordination will mean that greater integration in delivery will be essential. In particular, the role of social security institutions is evolving, covering contributory schemes and also providing administrative and technical capabilities to implement and operate large-scale non-contributory social programmes.

The observed progress in the Americas in the transformation of operational approaches to social security is noteworthy. Also noteworthy are efforts in the region to bolster positive public attitudes for a culture of social security. Looking further forward, the dynamic evolution of the many social and economic challenges that confront social security systems requires that the region's social security administrations continue to be proactive and innovative with a view to transforming their manner of working and more fully meeting the needs of populations.

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Appendix

A.1. Types of social security programmes in selected countries from the Americas

Country	Old age	Disability	Survivors	Sickness	Maternity	Work injury	Unemployment	Family allowance
Antigua and Barbuda	•	•	•	•	•			
Argentina	•	•	•	•	•	•	•	•
Bahamas	•	•	•	•	•	•	•	
Barbados	•	•	•	•	•	•	•	
Belize	•	•	•	•	•	•		
Bermuda	•	•	•	•	•	•		
Bolivia (Plurinational State of)	○	•	•	•	•	•		•
Brazil	•	•	•	•	•	•	•	•
British Virgin Islands	•	•	•	•	•	•		
Canada	•	•	•	•	•	•	•	•
Chile	•	•	•	•	•	•	•	•
Colombia	•	•	•	•	•	•	•	•
Costa Rica	•	•	•	•	•	•		•
Cuba	•	•	•	•	•	•		•
Dominica	•	•	•	•	•	•		
Dominican Republic	•	•	•	•	•	•		a
Ecuador	•	•	•	•	•	•	•	a
El Salvador	•	•	•	•	•	•		a
Grenada	•	•	•	•	•	•		a
Guatemala	•	•	•	•	•	•		a
Guyana	•	•	•	•	•	•		
Haiti	•	•	•	a	a	•		a
Honduras	•	•	•	•	•	•		a
Jamaica	•	•	•		•	•		•
Mexico	•	•	•	•	•	•	•	•
Nicaragua	•	•	•	•	•	•		•
Panama	•	•	•	•	•	•		a
Paraguay	•	•	•	•	•	•		a
Peru	•	•	•	•	•	•		a
Saint Kitts and Nevis	•	•	•	•	•	•		
Saint Lucia	•	•	•	•	•	•		
Saint Vincent and the Grenadines	•	•	•	•	•	•		

A.1. Types of social security programmes in selected countries from the Americas – continued

Country	Old age	Disability	Survivors	Sickness	Maternity	Work injury	Unemployment	Family allowance
Trinidad and Tobago	•	•	•	•	•	•		•
United States of America	•	•	•	•	•	•	•	•
Uruguay	•	•	•	•	a	•	•	•
Venezuela (Bolivarian Republic of)	•	•	•	•	•	•	•	•

Notes:

Where there is no scheme or no information, the entry is left empty.

- Social security programme exists.
- Social security programme introduced or existing coverage extended to new groups since 2007.
- ^a Coverage is provided under other programmes or through social assistance.
Sickness includes income replacement and/or medical benefits.

Source: Adapted from SSA and ISSA (2011).

A.2. Key demographic indicators for selected countries in the Americas

Country	Total population (2010) Millions	Old age dependency ratio (%) ^a		Youth dependency ratio (%) ^b		Life expectancy at birth (years)		Statutory pensionable age		Life expectancy at age 60 Unisex
		2010	2050	2010	2050	Men	Women	Men	Women	
Antigua and Barbuda	0.09	16	42	39	30	73.7	77.8	60	60	NA
Argentina	42.20	25	45	39	30	72.4	79.9	65	60	20.7
Bahamas	0.36	12	44	31	25	72.7	78.9	65	65	20.7
Barbados	0.28	20	57	23	25	73.9	80.3	66	66	20.9
Belize	0.33	8	25	54	30	74.9	77.8	65	65	21.9
Bermuda	0.07	23	45	27	26	77.6	84.1	65	65	NA
Bolivia (Plurinational State of)	10.30	16	32	63	40	64.8	69.4	58	58	17.8
Brazil	201.50	16	55	37	25	70.7	77.4	65 ^c	60 ^c	21.0
British Virgin Islands	0.03	10	31	24	26	76.7	79.2	65	65	NA
Canada	36.10	27	59	24	27	78.9	83.5	65	65	23.6
Chile	17.80	21	61	32	26	76.2	82.4	65	60	22.7
Colombia	48.10	20	58	46	32	70.4	77.7	60	55	20.6
Costa Rica	4.90	17	62	36	25	77.1	82.0	62	60	23.0
Cuba	11.60	27	93	24	24	77.4	81.3	65	60	22.5
Dominica	0.07	22	72	36	30	73.2	79.3	60	60	NA
Dominican Republic	10.30	18	46	50	32	71.2	76.6	60	60	21.6
Ecuador	15.10	18	49	48	30	73.0	78.9	60	60	22.2
El Salvador	6.40	22	50	53	30	67.7	77.1	60	55	21.5
Grenada	0.11	18	62	43	31	74.5	77.7	60	60	19.4
Guatemala	15.30	14	22	77	46	68.0	75.1	60	60	20.3
Guyana	0.76	13	44	51	27	67.2	73.5	60	60	18.2
Haiti	10.30	19	40	64	39	61.1	63.9	55	55	16.2
Honduras	8.00	11	27	61	33	71.3	75.9	65	60	20.9
Jamaica	2.80	18	50	45	29	70.9	76.0	65	60	20.7
Mexico	117.80	12	40	43	26	74.8	79.6	65	65	21.8
Nicaragua	6.00	13	42	55	30	71.4	77.5	60	60	21.1
Panama	3.70	19	50	46	32	73.9	79.1	62	57	21.5
Paraguay	6.80	15	34	55	36	70.8	74.9	60	60	20.3
Peru	30.10	12	33	45	27	71.7	76.9	65	65	20.7
Saint Kitts and Nevis	0.05	14	57	33	27	72.5	77.3	62	62	NA
Saint Lucia	0.18	14	47	38	25	72.2	77.5	63	63	19.3

A.2. Key demographic indicators for selected countries in the Americas – continued

Country	Total population (2010) Millions	Old age dependency ratio (%) ^a		Youth dependency ratio (%) ^b		Life expectancy at birth (years)		Statutory pensionable age		Life expectancy at age 60 Unisex
		2010	2050	2010	2050	Men	Women	Men	Women	
Saint Vincent and the Grenadines	0.11	18	47	40	27	70.5	74.7	60	60	17.8
Trinidad and Tobago	1.40	18	71	30	29	66.9	73.8	60	60	17.9
United States of America	327.90	25	46	30	31	76.2	81.3	66	66	23.0
Uruguay	3.50	38	61	37	30	73.7	80.7	60	60	21.2
Venezuela (Bolivarian Republic of)	30.20	20	53	48	33	71.8	77.7	60	55	20.5

Notes:

- a Population aged over the statutory pensionable age divided by the working-age population (defined as from age 15).
b Population aged 14 or younger divided by the working-age population (defined as from age 15).
c Refers only to urban workers.

Sources: ESA (2011); SSA and ISSA (2011); United States Census Bureau (2012); ILO (2010).

The Americas: Improving coverage through the innovative transformation of social security

The Americas: Improving coverage through the innovative transformation of social security identifies, synthesizes and interprets the most important recent developments and trends in social security in the Americas.

This is the third in a four-volume set of Developments and Trends regional reports designed to accompany and inform the ISSA's Regional Social Security Forums during the triennium 2011-2013. In combination with reports on Africa, Asia and the Pacific and Europe, the regional format of this series supports endeavours to better document, understand and learn from the key challenges facing ISSA member organizations in the different regions of the world.

The International Social Security Association (ISSA) is the world's leading international organization bringing together government departments, social security administrations and agencies administering social security. Globally the ISSA has around 350 member organizations in over 150 countries, including 58 organizations in the Americas.