Social Security at the Inter-American Development Bank
Social Security in the Development Agenda
Good labor and social security policies promote growth

- Increasing the **productivity** of existing jobs
- Helping workers to **reallocate** to more productive jobs
- Helping create **better** jobs
Better social security policies improve welfare, productivity and help create better jobs

- Social Security programs have failed to protect the poor and middle classes against health and old-age poverty risks.

→ Social security reform is necessary to bring better protection, better jobs & higher growth
Our goal:

Better jobs (productive & protected) for less poverty, more equity and higher growth.
What We Do

Data – Knowledge – Dialogue – Reforms
Generating better data: Longitudinal Social Protection Survey

- **What**: Longitudinal surveys and information systems in 8 countries + *Regional Observatory* of social protection and labor markets

- **Why**: More and better data for better decision making and better policy evaluation on social protection and labor markets

- **Who**: 1st phase (2012-2013) - Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Paraguay, Uruguay + Chile

- **Resources**: 4 TCs, for a total of US $6,8 Million
Providing knowledge products

- Social Security, informality and the Labor Market
  IDB, IZA, WB
  2013

- Unemployment Insurance Flagship 2014

- Pension Coverage Flagship, 2013

- Multi-funds: Investment choice schemes 2013

- Pensions at a Glance
  IDB, OECD, WB
  2012
Universal Pension Coverage: Utopia or Reality?

- **What**: Unit flagship publication on pension coverage
  - Universal pension coverage is a real possibility for the region
    - Facing up to the challenge: social-economic impact, fiscal implications, institutional arrangements, and labor market dynamics
    - What are Latin American countries doing to increase coverage
    - A roadmap towards universal coverage

- **When**: Forthcoming 2013
Pensions at a Glance, with OECD and WB

- **What:** Stylized comparable pension profiles for a worker who affiliates to the main pension scheme in 2010
- **Why:** There is no available instrument to compare quantitatively the impact of pension regulations across LAC countries or with other regions
- **Who:**
  - 26 Latin American and Caribbean countries (both public and private schemes in Colombia and Peru), and comparable to 32 non-LAC OECD countries and BRIICS
  - Actively worked with countries
Social Security, Informal Sector, and Employment in Middle Income Countries

- **What:** A joint initiative of the IDB, IZA Institute for Labor, and the World Bank

- **A compilation of studies on:**
  - How the design of social insurance affects labor markets
  - How to define the mandate of social insurance
  - Designing redistributive arrangements
  - How to finance social insurance.

- **When:** Forthcoming 2013.
Unemployment Insurance in middle income countries.

- **What**: Designing unemployment insurance in informal labor markets
  - Assessing labor market dynamics and unemployment risk in middle income economies.
  - Compilation of studies assessing the effects of changes in UI parameters and design
  - Linking active and passive labor market policies
  - Specific proposals to improve UI design.

- **When**: Forthcoming 2014
Regional Labor and Social Security Dialogue: Sharing good practices

- **2011**: Dialogue with participants from more than 15 countries (vice-ministers and pension authorities), on the interaction between social insurance and the labor market.

- **2012**: Dialogue with participants from 18 countries (vice-ministers and employment services directors), on intermediation and active labor market policies.

- **2013 (October)**: Regional dialogue on how to achieve universal pension coverage in Latin America.
Supporting Policy Reform

Ensuring fiscal sustainability, increasing coverage, strengthening institutions

- **Loans:**
  - Chile, Honduras and Uruguay.

- **Technical Cooperations:**
  - Belize, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, el Salvador, Honduras, Jamaica, Paraguay, Peru.
Objective: To support reforms that promote the long-term sustainability of pension institutions.

How?: Through: (i) macroeconomic and fiscal stability, (ii) stronger financial viability of pension institutions and (iii) better capacity of the central government for monitoring and managing human resources budget

IDB loan USD 40,000,000

Expected results
✓ Increased financial sustainability of public social security institutions
✓ Improved administrative and budgetary control over the human resources of the central government.
Colombia: Increasing pension coverage

- **Objective:** Assessing pension coverage gaps (public and private schemes), reviewing regional experiences to address this challenge, and supporting an informed public debate on reform alternatives.

- **How:** Collaboration with all relevant authorities (Labor Ministry, Finance Ministry, Planning Department), elaboration of report and presentation of main findings, and support for conferences and workshops.

- **Resources:** USD 75,000

- **Expected results**
  - Assessment of coverage prospects in a status quo scenario vs. reform options.
  - Socialization of debate on pension reform alternatives, and their impact on poverty, inequality and formality.
Alliances: Open for collaboration...
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